



**REVISED 11-9-2021**

# **ORANGE COUNTY FIRE AUTHORITY AGENDA**

## **Budget and Finance Committee Regular Meeting**

**Wednesday, November 10, 2021**

**12:00 Noon**

### **Regional Fire Operations and Training Center**

**Board Room**

**1 Fire Authority Road**

**Irvine, California 92602**

### **Committee Members**

**Joe Muller, Chair • Tri Ta, Vice-Chair**

**Ed Sachs • Shelley Hasselbrink • Gene Hernandez**

**Mark Tettermer • John O'Neill • Anthony Kuo • Troy Bourne**

**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**

**The public is permitted to convene in person for this public meeting or view and comment as follows:**

- **To watch the meeting online, please go to website at [www.OCFA.org](http://www.OCFA.org)**
- **To submit an e-comment, please email to [PublicComments@ocfa.org](mailto:PublicComments@ocfa.org)**  
**Your comments will be forwarded electronically and immediately to the members of the Board.**
- **Live comment via Zoom. [Click here for instructions.](#)**

**You may comment on items on the agenda or within the subject jurisdiction of the committee.**

**CALL TO ORDER – Chair Muller**

**PLEDGE OF ALLEGIANCE - Director O'Neill**

**ROLL CALL** – Clerk of the Authority

**PUBLIC COMMENTS**

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

**1. PRESENTATION**

No items.

**2. CONSENT CALENDAR**

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

**A. Minutes for the October 13, 2021, Regular Budget and Finance Committee Meeting**

Submitted by: Maria Huizar, Clerk of the Authority

The record will reflect that any Director not in attendance at the meeting of the Minutes will be registered as an abstention, unless otherwise indicated.

Recommended Action:

Approve as submitted.

**B. Monthly Investment Reports**

Submitted by: Robert Cortez, Assistant Chief/Business Services Department, Tricia Jakubiak, Treasurer and James Slobojan, Assistant Treasurer

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of November 18, 2021, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

**C. First Quarter Purchasing Report**

Submitted by: Robert Cortez, Assistant Chief/Business Services Department and Sara Kennedy, Purchasing Manager

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of, November 18, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors receive and file the report.

**D. First Quarter Financial Newsletter**

Submitted by: Robert Cortez, Assistant Chief/Business Services Department, Tricia Jakubiak, Treasurer and Stuart Lam, Budget Manager

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of November 18, 2021, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

**E. Awarded Grant OCFA Fuels Reduction Equipment**

Submitted by: Vincent Carpino, Division Chief/Special Operations and Justin Neville, Battalion Chief/Wildland Operations

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 18, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve a Budget Adjustment to the FY 2021/22 General Fund (121) budget to increase revenue and expenditures by \$228,429 for the grant program award.
2. Approve and authorize the Board Chair and/or Fire Chief and/or their designee to execute all documents necessary to effectuate the grant award.

**3. DISCUSSION CALENDAR****A. Audited Financial Reports for the Fiscal Year Ended June 30, 2021**

Submitted by: Robert Cortez, Assistant Chief/Business Services Department, Julie Nemes, Finance Manager/Auditor, and Tammie Pickens, General Accounting Manager

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of November 18, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Receive and approve the reports.
2. Review the calculations used to determine the fund balance amounts assigned to the capital improvement program and workers' compensation and confirm the calculations' consistency with the OCFA's Assigned Fund Balance Policy.

**B. Organizational Service Level Assessment Update**

Submitted by: Lori Zeller, Deputy Chief/Administration & Support Bureau and Robert Cortez, Assistant Chief/Business Services Department

Recommended Action:

Review the proposed agenda items and direct staff to place the items on the agenda for the Board of Directors meeting of November 18, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Receive and file the Citygate Organizational Service Level Assessment (SLA) update for Field Deployment, Emergency Medical Services, Emergency Command Center, Fleet Services, and Executive Leadership/Human Resources.
2. Receive and file the Citygate Organizational Service Level Assessment (SLA) results presentation and final reports for the Business Services Department and the Community Risk Reduction Department.

**C. Award of RFP# RO2480a Physical Security/ Security Management Services**

**At the request of staff, agenda item has been pulled and will be continued to the January 12, 2022 Regular Meeting of the Budget and Finance Committee.**

**D. OCFA Aviation Unit Fleet Plan Analysis & Proposed Process for Developing Recommendations Related to Aircraft Replacement**

Submitted by: Brian Fennessy, Fire Chief and Vince Carpino, Division Chief/Special Operations

Recommended Actions:

1. Receive and file the Conklin & de Decker Aviation Unit Fleet Plan Analysis.
2. Direct staff to draft a vetting process that could be utilized to educate and inform our policy-makers on needs, options, costs, financing solutions, and ultimately to develop recommendations pertaining to disposition of obsolete aircraft and acquisition of replacement aircraft.
3. Direct staff to return to the Budget and Finance Committee at its January 2022 meeting to further develop a proposed review structure that can ultimately be recommended to the Board of Directors for input and approval, prior to proceeding with deliberations.

**REPORTS**

No Items.

**COMMITTEE MEMBER COMMENTS**

**ADJOURNMENT** – The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, January 12, 2022, 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 Fire Operations and Training Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting.

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Maria D. Huizar, CMC  
Clerk of the Authority

### **UPCOMING MEETINGS:**

Executive Committee

Thursday, November 18, 2021, 5:30 p.m.

Board of Directors

Thursday, November 18, 2021, 6:00 p.m.

Special Concurrent Joint Meeting of the

Board of Directors and all Committees

Thursday, December 16, 2021, 6 p.m.

Budget & Finance Committee

Wednesday, January 12, 2022, 12 noon

# **MINUTES ORANGE COUNTY FIRE AUTHORITY**

## **Budget and Finance Committee Regular Meeting**

**Wednesday, October 13, 2021**

**12:00 Noon**

**Regional Fire Operations and Training Center**

**Board Room**

**1 Fire Authority Road**

**Irvine, CA 92602**

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### **CALL TO ORDER**

A regular meeting of the Orange County Fire Authority Budget and Finance Committee was called to order on October 13, 2021, at 12:05 p.m. by Chair Muller who turned it over to Vice Chair Ta to preside over the meeting.

### **PLEDGE OF ALLEGIANCE**

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

### **ROLL CALL**

**Present:** Joe Muller, Dana Point, Chair\*  
Tri Ta, Westminster, Vice Chair\*  
Gene Hernandez, Yorba Linda\*  
Shelley Hasselbrink, Los Alamitos\*  
Anthony Kuo, Irvine\*  
John O'Neill, Garden Grove\*  
Ed Sachs, Mission Viejo\*  
Mark Tettemer, Lake Forest\*

**Absent:** Troy Bourne, San Juan Capistrano

### **Staff present were:**

Fire Chief Brian Fennessy  
Assistant Chief Phil Johnson  
Assistant Chief Randy Black  
Assistant Chief Jim Ruane  
Assistant Chief Stephanie Holloman  
Clerk of the Authority Maria Huizar

Deputy Chief Lori Zeller  
Deputy Chief Kenny Dossey  
Assistant Chief Lori Smith  
Assistant Chief Robert Cortez  
Ex-Officio Member Jennifer Cervantez  
General Counsel David Kendig

## **1. PRESENTATION**

No items.

## **2. CONSENT CALENDAR**

On motion of Director Hernandez and second by Director O'Neill, and following a roll call vote, declared passed 8-0 (Director Bourne absent).

### **A. Minutes for the September 8, 2021, Regular Budget and Finance Committee Meeting (FILE 12.02B2)**

Action: Approve as submitted.

### **B. Monthly Investment Reports (FILE 11.10D2)**

Action: Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of October 28, 2021, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

### **C. Approval of Annual Statement of Investment Policy and Investment Authorization (FILE 11.10D)**

Action: Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of October 28, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Review and approve the submitted Investment Policy of the Orange County Fire Authority, to be effective January 1, 2022.
2. Pursuant to Government Code Sections 53601 and 53607, renew delegation of investment authority to the Treasurer for a one-year period, to be effective January 1, 2022.

### **D. 2020 Homeland Security Grant Program (FILE 19.09E) (X:16.03)**

Action: Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of October 28, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Approve and authorize the Fire Chief to execute any necessary agreement(s) to accept and administer the FY 2020 Homeland Security Grant Program.
2. Approve a budget adjustment to the FY 2021/22 General Fund (121) budget to increase revenues and expenditures by \$180,000.

**E. Fire Integrated Real-time Intelligence System (FIRIS) 3.0 Program Extension**  
(FILE 18.09D)

Action:

1. Approve and authorize a budget adjustment to increase revenue and appropriations in the FY 2021-22 General Fund (121) budget by an additional \$10,671,443 for the extension of the FIRIS 3.0 Program for an additional eight months from November 1 through June 30, 2022.
2. Approve and authorize the Purchasing Manager to adjust all FIRIS-related vendor contracts by the individual amounts needed in support of the FIRIS 3.0 Program extension, so long as the aggregate value of the increase does not exceed the revised program budget (see table).

**3. DISCUSSION CALENDAR**

**A. Findings Required by AB 361 for the Continued Use of Teleconferencing for Meetings of the Budget and Finance Committee (FILE 11.03)**

General Counsel David Kendig presented the Findings Required by AB 361 for the Continued Use of Teleconferencing for Meetings of the Budget and Finance Committee.

On motion of Director Ta and second by Director O'Neill, and following a roll call vote, declared passed 7-1 (Director Tettemer opposed, Director Bourne absent) to:

1. Make the following findings by majority vote of the Committee:
  - a. A state of emergency has been proclaimed by California's Governor due to the COVID-19 pandemic and continues in effect; and
  - b. The Committee has reconsidered the circumstances of the state of emergency; and
  - c. State and local officials continue to recommend measures to promote social distancing to slow the spread of COVID-19.
2. Direct staff to place this item on the agenda for the Board of Directors meeting of October 28, 2021, with the Budget and Finance Committee's recommendation that the Board consider scheduling concurrent Special Meetings of this Committee with regular or special meetings of the Board of Directors whenever necessary to address the requirement to make the required findings at least every thirty (30) days, and to minimize the need for separate Committee meetings to address this new requirement of the Brown Act. (A proposed schedule that could accommodate the concurrent meetings is attached hereto and referenced as Attachment 2).

**B. Fire Service Proposal for Emergency Services for the City of Fullerton (FILE 10.03)**

Division Chief Rob Capobianco presented the Fire Service Proposal for Emergency Services for the City of Fullerton.

Todd Baldrige, President Orange County Professional Firefighters Association, Local 3631, addressed support of the proposed services for the City of Fullerton.

Chair Muller left at this point (12:57 p.m.).

Director Tettemer left at this point (12:58 p.m.).

On motion by Director Sachs and second by Director Hasselbrink, and following a roll call vote, declared passed 6-0 (Directors Bourne, Muller, and Tettemer absent) to direct staff to place the item on the agenda for the Board of Directors meeting of October 28, 2021.

## **REPORTS**

No Items.

## **COMMITTEE MEMBER COMMENTS (FILE 12.02B4)**

Director Hernandez praised Division Chief Capobianco on his preparation and delivery of the Proposal for Emergency Services for the City of Fullerton.

**ADJOURNMENT** – Vice Chair Ta adjourned the meeting at 1:12 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, November 10, 2021, at 12:00 noon.

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Maria D. Huizar, CMC  
Clerk of the Authority



**Orange County Fire Authority**  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**November 10, 2021**

**Agenda Item No. 2B**  
**Consent Calendar**

**Monthly Investment Reports**

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**Contact(s) for Further Information**

Robert Cortez, Assistant Chief,  
Business Services Department

[robertcortez@ocfa.org](mailto:robertcortez@ocfa.org)

714.573.6012

Tricia Jakubiak, Treasurer  
Business Services Department

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714.573.6301

James Slobojan, Assistant Treasurer  
Business Services Department

[james.slobojan@ocfa.org](mailto:james.slobojan@ocfa.org)

714.573.6305

**Summary**

This agenda item is a routine transmittal of the monthly investment reports submitted to the Committee in compliance with the investment policy of the Orange County Fire Authority and with Government Code Section 53646.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of November 18, 2021, 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 September 30, 2021. A preliminary investment report as of October 22, 2021, is also provided as the most complete report that was available at the time this agenda item was prepared.

**Attachment(s)**

Final Investment Report – September 2021/Preliminary Report – October 2021

# *Orange County Fire Authority Monthly Investment Report*



*Final Report – September 2021*

*Preliminary Report – October 2021*



## ***Monthly Investment Report Table of Contents***

<b><i>Final Investment Report – September 30, 2021 .....</i></b>	<b><i>1</i></b>
<i>Executive Summary.....</i>	<i>2</i>
<i>Portfolio Statistics.....</i>	<i>3</i>
<i>Benchmark Comparison.....</i>	<i>4</i>
<i>Portfolio Size, Yield, &amp; Duration.....</i>	<i>4</i>
<i>Portfolio Summary.....</i>	<i>5</i>
<i>Portfolio Details.....</i>	<i>6</i>
<i>Aging Report.....</i>	<i>9</i>
<i>Notes to Portfolio Management Report .....</i>	<i>10</i>
<i>Local Agency Investment Fund.....</i>	<i>11</i>
 <b><i>Preliminary Investment Report – October 22, 2021.....</i></b>	 <b><i>13</i></b>
<i>Portfolio Summary.....</i>	<i>14</i>
<i>Portfolio Details.....</i>	<i>15</i>
<i>Aging Report.....</i>	<i>18</i>
<i>Notes to Portfolio Management Report .....</i>	<i>19</i>
 <i>Glossary.....</i>	 <i>20</i>





***Orange County Fire Authority***

***Final Investment Report***

***September 30, 2021***



## **EXECUTIVE SUMMARY**

### ***Portfolio Activity & Earnings***

During the month of September 2021, the size of the portfolio decreased by approximately \$5.3 million to \$151 million. Receipts for the month totaled \$29.1 million with noteworthy items of cash contract payments totaling \$20.4 million, Property Tax apportionment payments totaling \$5.2 million, various grant reimbursement payments and other charges for current services totaling \$3.5 million, including a \$1.6 million payment from the State of California for the FIRIS program. Total September cash outflows amounted to approximately \$34.3 million. Significant disbursements for the month included two biweekly payrolls and related benefits totaling approximately \$28.5 million. The portfolio's balance is expected to decrease in October.

In September, the portfolio's yield to maturity (365-day equivalent) ticked down by 1 basis point to 0.41%. The effective rate of return increased by 3 basis points to 0.38% for the month, and the average maturity of the portfolio decreased by 3 days to 26 days to maturity.

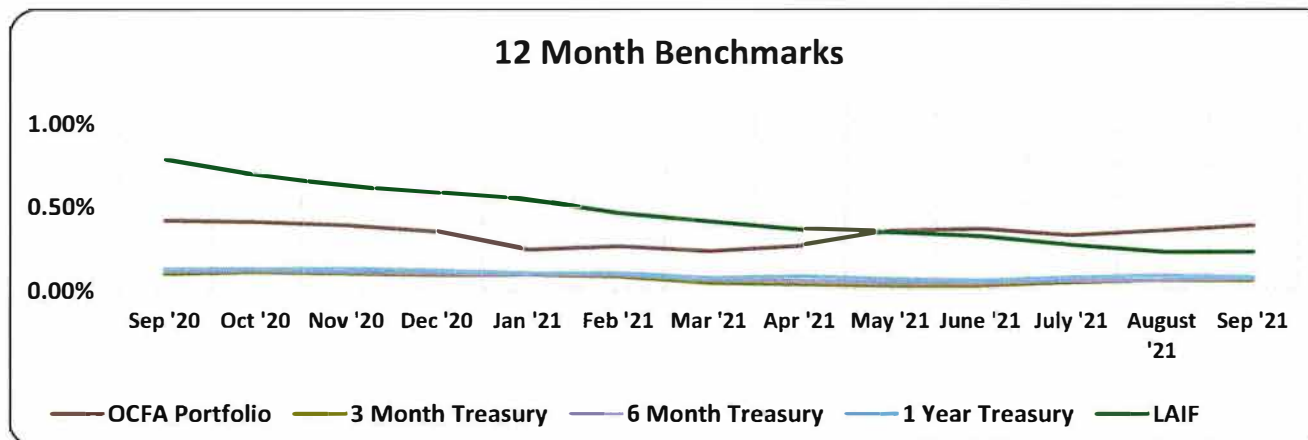
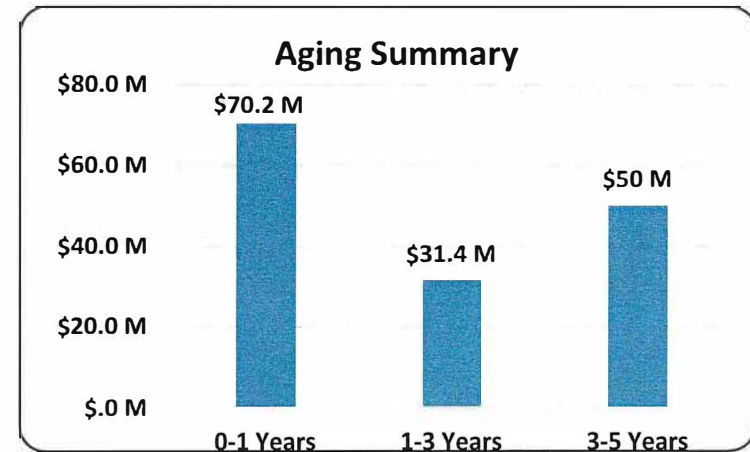
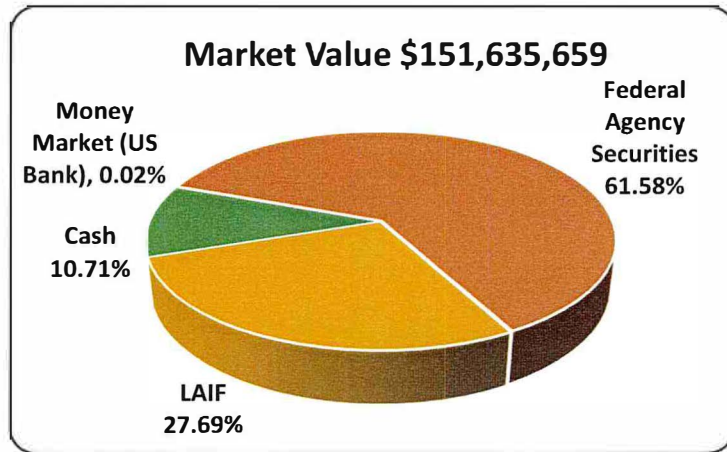
### ***Economic News***

In September 2021, the non-farm payroll employment rose by 194,000, the number of unemployed persons dipped slightly to 7.7 million and the unemployment rate declined by 0.4 percentage points to 4.8%. Notable job gains occurred in leisure and hospitality, retail trade, and in transportation and warehousing. Consumer confidence is still high by historical levels, but the Index has now fallen 19.6 points from the recent peak of 128.9 reached in June. These back-to-back declines suggest consumers have grown more cautious and are likely to curtail spending going forward. Retail sales rose 0.7% in September from the prior month and up 13.9% from September 2020.

Producer prices (the prices companies pay for goods and services) increased 0.5% in September, and final demand prices rose 8.6% for the 12 months ended in September. Consumer prices jumped in September with the CPI rising 0.4% from August and 5.4% over the last 12 months. The economy continues to be disrupted as rent, food, and furniture costs surged in September as a limited housing supply and a shortage of goods stemming from supply chain troubles combined to fuel rapid inflation, which remained at its highest rate in over a decade. Minutes of the September Federal Reserve meeting indicate that its monthly asset purchases could begin a gradual tapering process and that inflation could last longer than they assumed. The easing of the monthly asset purchases is expected to result in an upward movement in interest rates.



**OCFA'S PORTFOLIO IS EXCEEDING BOTH THE LAIF AND TREASURY BENCHMARKS AS OF SEPTEMBER 30, 2021**



**BENCHMARK COMPARISON AS OF SEPTEMBER 30, 2021**

3 Month T-Bill: 0.04%

1 Year T-Bill: 0.08%

6 Month T-Bill: 0.05%

LAIF: 0.21%

OCFA Portfolio: 0.38%

**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>	\$151,523,141	\$156,812,532	\$139,994,417
<i>Yield to Maturity (365 day)</i>	0.41%	0.42%	0.45%
<i>Effective Rate of Return</i>	0.38%	0.35%	0.42%
<i>Days to Maturity</i>	26	29	14



# **ORANGE COUNTY FIRE AUTHORITY** **Portfolio Management** **Portfolio Summary** **September 30, 2021**

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 Mat./Call	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	35,300.00	35,300.00	35,300.00	0.03	1	1	0.010	0.010
Federal Agency Coupon Securities	81,450,000.00	81,371,306.25	81,452,501.74	60.12	1,318	40	0.567	0.575
Federal Agency Disc. -Amortizing	12,000,000.00	11,999,880.00	11,999,886.67	8.86	150	17	0.020	0.021
Local Agency Investment Funds	42,000,000.00	41,994,693.76	42,000,000.00	31.00	1	1	0.203	0.206
	<b>135,485,300.00</b>	<b>135,401,180.01</b>	<b>135,487,688.41</b>	<b>100.00%</b>	<b>806</b>	<b>26</b>	<b>0.405</b>	<b>0.411</b>

## **Investments**

## **Cash and Accrued Interest**

Passbook/Checking (not included in yield calculations)	16,233,044.02	16,233,044.02	16,233,044.02		1	1	0.000	0.000
Accrued Interest at Purchase		1,435.11	1,435.11					
Subtotal		16,234,479.13	16,234,479.13					
<b>Total Cash and Investments</b>	<b>151,718,344.02</b>	<b>151,635,659.14</b>	<b>151,722,167.54</b>		<b>806</b>	<b>26</b>	<b>0.405</b>	<b>0.411</b>

Total Earnings	September 30 Month Ending	Fiscal Year To Date
Current Year	45,801.01	147,286.98
<b>Average Daily Balance</b>	<b>146,547,572.84</b>	<b>166,933,775.89</b>
<b>Effective Rate of Return</b>	<b>0.38%</b>	<b>0.35%</b>

"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, 2021. 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)	\$ 151,722,167.54
GASB 31 Adjustment to Books (See Note 3 on page 10)	\$ (199,026.23)
<b>Total</b>	<b>\$ 151,523,141.31</b>

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**September 30, 2021**

					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/Call 365	Days to Mat./Call	Maturity Date
Money Mkt Mutual Funds/Cash											
SYS1042	1042	First American Treasury Oblig		09/22/2021	35,300.00	35,300.00	35,300.00	0.010	0.010	1	
SYS528	528	Federated Treasury Obligations		07/01/2021	0.00	0.00	0.00	0.010	0.010	1	
Subtotal and Average			8,328,586.08		35,300.00	35,300.00	35,300.00		0.010	1	
Federal Agency Coupon Securities											
3133EMLE0	1020	Federal Farm Credit Bank (Continuous Call)		12/23/2020	14,000,000.00	13,983,900.00	14,000,000.00	0.190	0.190	31	09/22/2023
3133EMWH1	1030	Federal Farm Credit Bank (Callable 4/21/2022)		04/22/2021	3,000,000.00	3,001,170.00	3,002,501.74	0.710	0.710	202	04/21/2025
3133EMXS6	1032	Federal Farm Credit Bank (Continuous Call)		04/28/2021	12,000,000.00	12,000,840.00	12,000,000.00	0.720	0.720	31	04/28/2025
3130ALNY6	1025	Fed Home Loan Bank (Callable 12/31/2021)		03/30/2021	8,000,000.00	7,994,240.00	8,000,000.00	0.550	0.550	91	09/30/2024
3130ALTJ3	1029	Fed Home Loan Bank (Callable 1/8/2022)		04/22/2021	9,435,000.00	9,425,565.00	9,435,000.00	0.375	0.375	7	04/08/2024
3130ALVR2	1031	Fed Home Loan Bank (Callable 10/23/2021)		04/23/2021	11,015,000.00	11,001,231.25	11,015,000.00	0.520	0.520	22	10/23/2024
3130AM6P2	1034	Fed Home Loan Bank (Callable 10/29/2021)		04/29/2021	12,000,000.00	11,979,960.00	12,000,000.00	1.000	1.000	28	04/29/2026
3130AM6H0	1035	Fed Home Loan Bank (Callable 5/11/2022)		05/11/2021	12,000,000.00	11,984,400.00	12,000,000.00	0.550	0.641	41	10/11/2024
Subtotal and Average			81,452,530.08		81,450,000.00	81,371,306.25	81,452,501.74		0.575	40	
Federal Agency Disc. -Amortizing											
313313NC8	1036	Federal Farm Credit Bank		05/21/2021	12,000,000.00	11,999,880.00	11,999,886.67	0.020	0.021	17	10/18/2021
Subtotal and Average			11,999,790.01		12,000,000.00	11,999,880.00	11,999,886.67		0.021	17	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			42,000,000.00	41,994,693.76	42,000,000.00	0.206	0.206	1	
Subtotal and Average			44,766,666.67		42,000,000.00	41,994,693.76	42,000,000.00		0.206	1	
Total and Average			146,547,572.84		135,485,300.00	135,401,180.01	135,487,688.41		0.411	26	



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**September 30, 2021**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/Call 365	Days to Mat./Call
<b>Money Mkt Mutual Funds/Cash</b>										
SYS10033	10033	Revolving Fund		07/01/2021	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2021	16,213,044.02	16,213,044.02	16,213,044.02		0.000	1
<b>Average Balance</b>			<b>0.00</b>	Accrued Interest at Purchase		1,435.11	1,435.11			<b>1</b>
				Subtotal		16,234,479.13	16,234,479.13			
<b>Total Cash and Investments</b>			<b>146,547,572.84</b>		<b>151,718,344.02</b>	<b>151,635,659.14</b>	<b>151,722,167.54</b>		<b>0.411</b>	<b>26</b>

Orange County Fire Authority

In Service of Others!





**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of October 1, 2021**

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	( 10/01/2021 - 10/01/2021 )	5 Maturities	0 Payments	58,268,344.02	38.42%	58,268,344.02	58,263,037.78
Aging Interval:	1 - 30 days	( 10/02/2021 - 10/31/2021 )	1 Maturities	0 Payments	12,000,000.00	7.91%	11,999,886.67	11,999,880.00
Aging Interval:	31 - 60 days	( 11/01/2021 - 11/30/2021 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	61 - 90 days	( 12/01/2021 - 12/30/2021 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	91 - 120 days	( 12/31/2021 - 01/29/2022 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	121 - 365 days	( 01/30/2022 - 10/01/2022 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	( 10/02/2022 - 09/30/2024 )	3 Maturities	0 Payments	31,435,000.00	20.71%	31,435,000.00	31,403,705.00
Aging Interval:	1096 days and after	( 10/01/2024 - )	5 Maturities	0 Payments	50,015,000.00	32.95%	50,017,501.74	49,967,601.25
Total for			14 Investments	0 Payments		100.00	151,720,732.43	151,634,224.03



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The U.S. Bank Corporate Trust and Custody 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, 2021 includes an increase of \$6,222.75 to the LAIF investment and a decrease of (\$205,248.98) 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 September 30, 2021, OCFA has \$42,000,000 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 September 30, 2021 is .999873661. When applied to OCFA's LAIF investment, the fair value is \$41,994,693 or \$5,306 below cost. Although the fair value of the LAIF investment is lower than cost, OCFA can withdraw the actual amount invested at any time.

LAIF is included in the State Treasurer's Pooled Money Investment Account (PMIA) for investment purposes. The PMIA market valuation at September 30, 2021 is included on the following page.



# State of California Pooled Money Investment Account Market Valuation 9/30/2021

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch. Amortized Cost		
United States Treasury:				
Bills	\$ 56,178,200,257.59	\$ 56,190,154,704.02	\$ 56,190,711,000.00	NA
Notes	\$ 64,903,468,222.78	\$ 64,898,238,504.73	\$ 64,882,239,000.00	\$ 96,896,205.00
Federal Agency:				
SBA	\$ 389,722,901.42	\$ 389,722,901.42	\$ 390,563,174.44	\$ 165,306.70
MBS-REMICs	\$ 8,242,650.31	\$ 8,242,650.31	\$ 8,623,428.04	\$ 37,961.86
Debentures	\$ 9,877,200,898.64	\$ 9,876,875,537.54	\$ 9,876,830,100.00	\$ 9,519,348.90
Debentures FR	\$ -	\$ -	\$ -	\$ -
Debentures CL	\$ 1,100,000,000.00	\$ 1,100,000,000.00	\$ 1,097,313,000.00	\$ 923,444.00
Discount Notes	\$ 15,471,384,294.40	\$ 15,473,204,097.13	\$ 15,472,922,250.00	NA
Supranational Debentures	\$ 1,820,961,152.12	\$ 1,819,806,638.22	\$ 1,816,063,500.00	\$ 5,542,182.50
Supranational Debentures FR	\$ 150,005,722.97	\$ 150,005,722.97	\$ 150,017,723.77	\$ 15,371.87
CDs and YCDs FR	\$ 100,000,000.00	\$ 100,000,000.00	\$ 100,000,000.00	\$ 7,166.67
Bank Notes	\$ 50,000,000.00	\$ 50,000,000.00	\$ 49,983,680.43	\$ 16,527.78
CDs and YCDs	\$ 14,100,000,000.00	\$ 14,100,000,000.00	\$ 14,099,163,132.48	\$ 5,531,263.95
Commercial Paper	\$ 10,063,885,800.03	\$ 10,066,693,445.87	\$ 10,066,706,706.27	NA
Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ 164,758,989.17	\$ 164,612,550.28	\$ 163,795,910.00	\$ 803,887.31
Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 3,911,500,000.00	\$ 3,911,500,000.00	\$ 3,911,500,000.00	NA
PMIA & GF Loans	\$ 775,298,000.00	\$ 775,298,000.00	\$ 775,298,000.00	NA
<b>TOTAL</b>	<b>\$ 179,064,628,889.43</b>	<b>\$ 179,074,354,752.49</b>	<b>\$ 179,051,730,605.43</b>	<b>\$ 119,458,666.54</b>

Fair Value Including Accrued Interest \$ 179,171,189,271.97

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

The value of each participating dollar equals the fair value divided by the amortized cost (0.999873661).  
As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$19,997,473.21 or \$20,000,000.00 x 0.999873661.



***Orange County Fire Authority***

***Preliminary Investment Report***

***October 22, 2021***



# **ORANGE COUNTY FIRE AUTHORITY** **Portfolio Management** **Portfolio Summary** **October 22, 2021**

Orange County Fire Authority  
 1 Fire Authority Road  
 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 Mat./Call	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	17,182.32	17,182.32	17,182.32	0.02	1	1	0.010	0.010
Federal Agency Coupon Securities	81,450,000.00	81,050,389.65	81,452,458.74	76.48	1,318	29	0.567	0.575
Local Agency Investment Funds	25,036,116.47	25,032,953.43	25,036,116.47	23.51	1	1	0.203	0.206
<b>Investments</b>	<b>106,503,298.79</b>	<b>106,100,525.40</b>	<b>106,505,757.53</b>	<b>100.00%</b>	<b>1,009</b>	<b>22</b>	<b>0.481</b>	<b>0.488</b>

<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	12,638,411.39	12,638,411.39	12,638,411.39		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>119,141,710.18</b>	<b>118,738,936.79</b>	<b>119,144,168.92</b>		<b>1,009</b>	<b>22</b>	<b>0.481</b>	<b>0.488</b>

Total Earnings	October 22 Month Ending	Fiscal Year To Date
Current Year	32,326.28	183,246.69
<b>Average Daily Balance</b>	<b>130,426,085.72</b>	<b>159,888,432.17</b>
<b>Effective Rate of Return</b>	<b>0.41%</b>	<b>0.37%</b>

"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, 2021. 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

10/29/21

**Cash and Investments with GASB 31 Adjustment:**

Book Value of Cash & Investments before GASB 31 (Above)	\$ 119,144,168.92
GASB 31 Adjustment to Books (See Note 3 on page 19)	\$ (199,026.23)
<b>Total</b>	<b>\$ 118,945,142.69</b>

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**October 22, 2021**

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/Call 365	Days to Mat./Call	Maturity Date
<b>Money Mkt Mutual Funds/Cash</b>											
SYS1042	1042	First American Treasury Oblig		09/22/2021	17,182.32	17,182.32	17,182.32	0.010	0.010	1	
SYS528	528	Federated Treasury Obligations		07/01/2021	0.00	0.00	0.00	0.010	0.010	1	
<b>Subtotal and Average</b>			<b>4,824,150.77</b>		<b>17,182.32</b>	<b>17,182.32</b>	<b>17,182.32</b>		<b>0.010</b>	<b>1</b>	
<b>Federal Agency Coupon Securities</b>											
3133EMLE0	1020	Federal Farm Credit Bank (Continuous Call)		12/23/2020	14,000,000.00	13,956,320.00	14,000,000.00	0.190	0.190	9	09/22/2023
3133EMWH1	1030	Federal Farm Credit Bank (Callable 4/21/2022)		04/22/2021	3,000,000.00	2,987,310.00	3,002,458.74	0.710	0.710	180	04/21/2025
3133EMXS6	1032	Federal Farm Credit Bank (Continuous Call)		04/28/2021	12,000,000.00	11,933,640.00	12,000,000.00	0.720	0.720	9	04/28/2025
3130ALNY6	1025	Fed Home Loan Bank (Callable 12/31/2021)		03/30/2021	8,000,000.00	7,966,080.00	8,000,000.00	0.550	0.550	69	09/30/2024
3130ALTJ3	1029	Fed Home Loan Bank (Callable 1/8/2022)		04/22/2021	9,435,000.00	9,397,448.70	9,435,000.00	0.375	0.375	77	04/08/2024
3130ALVR2	1031	Fed Home Loan Bank (Callable 10/23/2021)		04/23/2021	11,015,000.00	10,956,950.95	11,015,000.00	0.520	0.520	0	10/23/2024
3130AM6P2	1034	Fed Home Loan Bank (Callable 10/29/2021)		04/29/2021	12,000,000.00	11,912,280.00	12,000,000.00	1.000	1.000	6	04/29/2026
3130AM6H0	1035	Fed Home Loan Bank (Callable 5/11/2022)		05/11/2021	12,000,000.00	11,940,360.00	12,000,000.00	0.550	0.641	19	10/11/2024
<b>Subtotal and Average</b>			<b>81,452,479.26</b>		<b>81,450,000.00</b>	<b>81,050,389.65</b>	<b>81,452,458.74</b>		<b>0.575</b>	<b>29</b>	
<b>Federal Agency Disc. -Amortizing</b>											
<b>Subtotal and Average</b>			<b>9,272,686.06</b>								
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmnt Fund			25,036,116.47	25,032,953.43	25,036,116.47	0.206	0.206	1	
<b>Subtotal and Average</b>			<b>34,876,769.63</b>		<b>25,036,116.47</b>	<b>25,032,953.43</b>	<b>25,036,116.47</b>		<b>0.206</b>	<b>1</b>	
<b>Total and Average</b>			<b>130,426,085.72</b>		<b>106,503,298.79</b>	<b>106,100,525.40</b>	<b>106,505,757.53</b>		<b>0.488</b>	<b>22</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**October 22, 2021**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/Call 365	Days to Mat./Call
<b>Money Mkt Mutual Funds/Cash</b>										
SYS10033	10033	Revolving Fund		07/01/2021	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2021	12,618,411.39	12,618,411.39	12,618,411.39		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
		<b>Total Cash and Investments</b>	<b>130,426,085.72</b>		<b>119,141,710.18</b>	<b>118,738,936.79</b>	<b>119,144,168.92</b>		<b>0.488</b>	<b>22</b>



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**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of October 23, 2021**

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	( 10/23/2021 - 10/23/2021 )	5 Maturities	0 Payments	37,691,710.18	31.74%	37,691,710.18	37,688,547.14
Aging Interval: 1 - 30 days	( 10/24/2021 - 11/22/2021 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 31 - 60 days	( 11/23/2021 - 12/22/2021 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 61 - 90 days	( 12/23/2021 - 01/21/2022 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 91 - 120 days	( 01/22/2022 - 02/20/2022 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 121 - 365 days	( 02/21/2022 - 10/23/2022 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 366 - 1095 days	( 10/24/2022 - 10/22/2024 )	4 Maturities	0 Payments	43,435,000.00	36.43%	43,435,000.00	43,260,208.70
Aging Interval: 1096 days and after	( 10/23/2024 - )	4 Maturities	0 Payments	38,015,000.00	31.83%	38,017,458.74	37,790,180.95
Total for		13 Investments	0 Payments		100.00	119,144,168.92	118,738,936.79



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The U.S. Bank Corporate Trust and Custody 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, 2021 includes an increase of \$6,222.75 to the LAIF investment and a decrease of (\$205,248.98) 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 to exceed 1/4 of a percent of the earnings.

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

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

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

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

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

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

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

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

**Yield.** Rate of return on a bond.

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

## ECONOMIC TERMS

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

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

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

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

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

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

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

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

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

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

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



**Orange County Fire Authority**  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**November 10, 2021**

**Agenda Item No. 2C**  
**Consent Calendar**

**First Quarter Purchasing Report**

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**Contact(s) for Further Information**

Robert Cortez, Assistant Chief  
Business Services Department

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714.573.6012

Sara Kennedy, Purchasing Manager

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714.573.6641

**Summary**

This routine agenda item is submitted to provide information regarding purchases made within management authority during the first quarter of FY 2021/22.

**Prior Board/Committee Action**

At the June 24, 2021, meeting, the Board of Directors approved the content format contained herein for future quarterly purchasing reports.

**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, November 18, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors receive and file the report.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

Purchasing Ordinance No. 009 (Ordinance) and the Roles/Responsibilities/Authorities Matrix (Matrix) provides the Chief Procurement Officer (Purchasing Manager) authority to enter into various types of agreements at varying amounts, provided that the contract results from a competitive solicitation. Furthermore, as per Section 1-20 Small Purchases provision of the Ordinance, any contract for the purchase of supplies, equipment, maintenance, and services not exceeding \$50,000 may be made by the Chief Procurement Officer in accordance with the small purchase procedures authorized in the Ordinance. For public works projects, the statutory threshold is established by the CA Public Contract Code at \$60,000.

The Quarterly Purchasing Report provides a list of all purchase orders and blanket orders entered into under the Purchasing Manager authority during the period of July 1, 2021, through September 30, 2021.

**Attachment(s)**

First Quarter Purchasing Report – July 2021 to September 2021



**Purchasing Report**  
**1st Quarter - FY 2021/22**

- This report reflects all POs/BOs issued, including those that may have been cancelled or replaced by another PO or BO. These records will show as duplications in the report, but are in fact replacements.
- Amount column reflects the procurement value. Actual expenditures made against the contract may be lower.
- Vendor Name column display of "error" or the phrase "do not use" appears when a vendor has since changed their name or corporation status.
- PO/BO amounts of \$0 or \$.01 are often issued as place holders to record the terms and conditions of no-cost transactions, or may appear when the POs/BO balance is reduced to zero.
- POs starting with the letter "Q" are issued as part of the fiscal year end process to roll forward encumbrances issued in a prior fiscal year for projects still in progress.

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
7/1/2021	P0014266	\$1,802	Logistics Department	FULL SOURCE LLC	TRAFFIC VESTS FOR SERVICE CENTER STOCK	
7/1/2021	B02104-1	\$4,000	Special Operations Division	BOEING DISTRIBUTION INC.	HELICOPTER BATTERY/POWER SUPPLY SERVICES	
7/1/2021	B02105-1	\$5,000	Community Risk Reduction Department	TIERRA VERDE INDUSTRIES	WASTE DISPOSAL FEES	
7/1/2021	B01783-4	\$5,800	Special Operations Division	LANDCARE	LANDSCAPE MAINTENANCE SERVICES - FIRE STATION 41	
7/1/2021	P0014267	\$8,857	Logistics Department	POWERWERX INC.	ITEMS FOR SERVICE CENTER STOCK	
7/1/2021	B01985-2	\$10,000	Logistics Department	TURNOUT MAINTENANCE COMPANY LLC	TURNOUT AND CLEANING REPAIR	
7/1/2021	B01927-2	\$10,000	Special Operations Division	CLEAN HARBORS	HAZARDOUS WASTE DISPOSAL SERVICES	
7/1/2021	B01559-7	\$10,000	Community Risk Reduction Department	COUNTY OF ORANGE	LANDFILL DISPOSAL FEES - DEFERRED PAYMENT	
7/1/2021	B01517-7	\$10,000	Operations Department	COMMERCIAL RESTAURANT SERVICE	WOLF RANGE REPAIR SERVICES	
7/1/2021	B01824-4	\$25,000	Logistics Department	CITY OF SANTA ANA	AS-NEEDED PURCHASE OF UNLEADED AND DIESEL FUEL FROM THE CITY OF SANTA ANA CORPORATE YARD	
7/1/2021	B01622-5	\$45,000	Logistics Department	US FOODS, INC.	HOUSEWARES FOR FIRE STATIONS	
7/1/2021	B01879-3	\$60,000	Logistics Department	SIMPSON CHEVROLET OF GARDEN GROVE	MAINTENANCE, SERVICE, REPAIR, AND PARTS FOR LIGHT DUTY CHEVROLET VEHICLES ON AS-NEEDED BASIS	JA2225
7/1/2021	P0014265	\$3,751	Logistics Department	DELL MARKETING, L.P.	PC FOR ECC. *PLEASE SEND UNIT TO IT WAREHOUSE FOR INVENTORY*	Cooperative Agreement
7/2/2021	P0014269	\$2,140	EMS & Training Department	LIFE ASSIST, INC.	RN EDUCATION SUPPLIES	
7/2/2021	B01878-3	\$15,000	Logistics Department	GUARANTY CHEVROLET	MAINTENANCE, SERVICE, REPAIR, AND PARTS FOR LIGHT DUTY CHEVROLET VEHICLES ON AS-NEEDED BASIS	JA2225
7/2/2021	P0014268	\$22,000	Special Operations Division	UNIVERSITY OF CALIFORNIA, SAN DIEGO	ADDRESS UNFORESEEN COMMUNICATION ISSUES THAT IMPACT THE RELIABILITY OF THE FIRE CAMERA SYSTEM	
7/2/2021	P0014270	\$8,390	Logistics Department	DELL MARKETING, L.P.	MONITORS FOR THE FIRE PREVENTION WILDLAND GROUP	
7/6/2021	B01463-6	\$45,000	Special Operations Division	B & M LAWN & GARDEN CENTER	LAWN AND WILDLAND EQUIPMENT PURCHASE AND REPAIR	
7/7/2021	B01971-2	\$0	Special Operations Division	FOREFLIGHT	FOREFLIGHT BUSINESS PRO ANNUAL SUBSCRIPTIONS FOR OCAF AIR OPERATIONS.	
7/7/2021	P0014271	\$3,901	EMS & Training Department	FIREFIGHTER BOOKSTORE	BOOKS FOR FF AND RFF ACADEMIES	



Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
7/8/2021	P0014274	\$1,102	Executive Management	AMERICAN ENGRAVING COMPANY	RESTOCK OF JR FIREFIGHTER STICKERS	
7/8/2021	P0014272	\$3,695	Special Operations Division	FULLER TRUCK ACCESSORIES	TRUCK SHELL FOR WILDLAND BATTALION CHIEF VEHICLE	
7/8/2021	P0014273	\$2,090	Special Operations Division	AIR COMM SYSTEMS INC	REPAIR OF EQUIPMENT	
7/8/2021	P0014275	\$4,530	Logistics Department	WEST COAST ARBORISTS, INC.	TREE MAINTENANCE @ RFOTC	
7/8/2021	P0014276	\$3,985	Operations Department	C.I. SERVICES, INC.	GUTTER REPAIR/REPLACEMENT @FS05	
7/12/2021	B02232	\$10,000	Operations Department	CALIFORNIA COMPLIANCE ENVIRONMENTAL	STORMWATER MAINTENANCE SERVICES	
7/13/2021	B01937-1	\$2,100	Business Services Department	LEXISNEXIS	STATENET LEGISLATIVE BILL TRACKING SERVICES	
7/13/2021	B01703-5	\$5,500	Executive Management	MELTWATER NEWS US INC.	SUBSCRIPTION TO ONLINE MEDIA TRACKING SERVICES . LICENSING REGISTERED TO ORANGE COUNTY FIRE AUTHORITY	
7/14/2021	P0014287	\$810	Operations Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	TREE TRIMMING SERVICES @FS02	
7/14/2021	P0014288	\$1,300	Operations Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	TREE TRIMMING SERVICES @FS58	
7/14/2021	P0014285	\$32,651	Logistics Department	P2S INC.	CLEAN AGENT SYSTEM DESIGN AND ENGINEERING SERVICES	RO2494
7/14/2021	E00267-3	\$532,105	Logistics Department	CRAYON SOFTWARE EXPERTS LLC	MICROSOFT ENTERPRISE LICENSING AGREEMENT	Cooperative Agreement
7/15/2021	P0014290	\$709	Logistics Department	CURVATURE LLC	SPARE POWER SUPPLIES FOR CISCO 9300 SWITCHES	
7/15/2021	P0014289	\$1,142	Logistics Department	SOURCE CREATIVE OFFICE INTERIORS	KITCHEN CHAIRS FOR FS66	
7/15/2021	P0014291	\$1,750	Operations Department	PAINTING & DECOR INC.	PAINTING APP DOORS @ FIRE STATION #31	
7/15/2021	B02102-1	\$10,000	Special Operations Division	LINEGEAR FIRE & RESCUE	WIDE AREA SEARCH BOOTS FOR USAR FEMA CACHE FEMA CACHE LIST LG-0134.00	
7/15/2021	P0014293	\$24,000	Logistics Department	CONCEPT PAVING SOLUTIONS	REMOVAL AND REPLACEMENT OF UNEVAN ASPHALT REINSTALL ADA PARKING STALL AND PATHWAY	
7/15/2021	P0014292	\$102,471	EMS & Training Department	HOME DEPOT	LUMBER SUPPLIES FOR ACADEMY 53 .	Cooperative Agreement
7/16/2021	P0014302	\$452	Logistics Department	CRAYON SOFTWARE EXPERTS LLC	E3 OFFICE 365 LICENSES FOR ACADEMY	
7/16/2021	P0014300	\$7,995	Operations Department	CONCEPT PAVING SOLUTIONS	ASPHALT REPAIRS AT FIRE STATION 39	
7/16/2021	P0014303	\$12,241	EMS & Training Department	KFT FIRE TRAINER, LLC	SERVICE FOR TRAINING TOWER PROPS	
7/16/2021	B01814-2	\$43,000	Logistics Department	MUNICIPAL EMERGENCY SERVICES	GENESIS EXTRICATION TOOLS REPAIR & MAINTENANCE	JA2172
7/16/2021	P0014299	\$123,500	Special Operations Division	A2Z CONSTRUCT INC.	INSTALLATION OF STEEL STORAGE BUILDINGS FS18	RO2479
7/19/2021	P0014306	\$1,347	Logistics Department	LOCK'ER DOWN, INC	FOR OUTFITTING OF OCIA/FTLO VEHICLE 2337	

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
7/19/2021	P0014304	\$1,831	EMS & Training Department	GANAHL LUMBER COMPANY	LUMBER SUPPLY FOR FIRE ACADEMY 53	
7/19/2021	P0014286	\$8,156	Logistics Department	PROFESSIONAL DIVERSIFIED FLOORING	FLOORING REPLACEMENT FS02	
7/19/2021	P0014305	\$23,248	Logistics Department	REPUBLIC FIRE EQUIPMENT	ACCIDENT REPAIR ITEMS TO LADDER ON UNIT # 5077 VIN 1S9A3JFE9N1003962, LIC 1134340	
7/20/2021	B02234	\$10,000	Logistics Department	ACS HYDRAULICS, INC	HYDRAULIC CYLINDER REPAIR/REBUILD SERVICES	
7/21/2021	P0014309	\$673	Operations Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	IRRIGATION MAINTENANCE FS56	
7/21/2021	P0014308	\$1,300	Operations Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	LANDSCAPE MAINTENANCE FS45	
7/21/2021	B02197-1	\$6,500	Human Resources Department	ADVANCED WORKPLACE STRATEGIES, INC.	DRUG & ALCOHOL TESTING, PROGRAM ADMIN SUPPORT FEDERAL DEPARTMENT OF TRANSPORTATION	
7/21/2021	P0014318	\$20,138	Logistics Department	SNAP-ON TOOLS	SCAN & DIAGNOSIS VEHICLES REPAIR TRUCK 5 & 6	
7/22/2021	B02255	\$1,800	Executive Management	CONSOLIDATED COMMUNICATIONS, INC.	INTERNET SERVICES AT MCCLELLAND - FIRS 3.0	
7/22/2021	P0014310	\$5,998	Logistics Department	HC INTEGRATED SYSTEMS, INC	FIRE ALARM PANEL REPLACEMENT FS15	
7/26/2021	P0014320	\$682	Logistics Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	TREE TRIMMING SERVICES @FS16	
7/26/2021	P0014321	\$1,065	Logistics Department	CODE R DECALS & GRAPHICS	HELMET DECALS FOR STOCK	
7/26/2021	P0014317	\$1,156	Logistics Department	WILLIAMS & MAHER INC	RE-WIRE OF APP BAY LIGHTS FS83	
7/26/2021	P0014314	\$1,650	Logistics Department	WILLIAMS & MAHER INC	RE-WIRE OF APP BAY LIGHTS	
7/26/2021	P0014404	\$2,176	Operations Department	THE TINT PROS	WINDOW TINTING @ FS17	
7/26/2021	P0014319	\$2,259	Operations Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	LANDSCAPING SERVICES @FS45	
7/26/2021	P0014313	\$3,996	Business Services Department	AMERICAN ENGRAVING COMPANY	PRINTING FOR ADOPTED BUDGET BOOK AND BUDGET DETAIL POLICY BOOK	
7/26/2021	P0014312	\$30,148	Logistics Department	LN CURTIS & SONS	BDU PANTS FOR ACADEMY 52 AND 53.	
7/26/2021	P0014315	\$1,158	Logistics Department	WILLIAMS & MAHER INC	RE-WIRE OF APP BAY LIGHTS FS82	
7/27/2021	P0014322	\$1,819	EMS & Training Department	MYSTERY RANCH LTD	THE RAPID ACCESS TRAUMA SYSTEM (RATS) FRONTLINE MEDIC BAG REMOTE PACKS FOR E355 AND OES TYPE 6	
7/28/2021	B01862-3	\$3,000	EMS & Training Department	GUEST SERVICES	TRAVEL-RELATED OCFA STUDENT MEAL PLAN AT FEMA NATIONAL EMERGENCY TRAINING CENTER	
7/28/2021	P0014323	\$3,017	Logistics Department	FIRST DUE ELEVATOR RESCUE - SSC PORPERTY INVESTMENTS	SERVICE CENTER INVENTORY	
7/29/2021	P0014324	\$323	Business Services Department	AMERICAN ENGRAVING COMPANY	PRINTING FY20/21 CAFR COVER & DIVIDERS	
7/29/2021	P0014325	\$2,835	EMS & Training Department	ATHLETIC EVENT SUPPLY INC (DBA STRIKE VISUALS)	EZ-UPS FOR ACADEMY 53 (HEAT INDEX)	

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
7/30/2021	P0014326	\$5,311	Logistics Department	HARBOR POINTE A/C & CONTROLS	AIR COMPRESSOR REPLACEMENT @ FS62	
8/1/2021	B01492-8	\$2,000	Special Operations Division	EVOQUA WATER TECHNOLOGIES	WATER TANK RENTAL AND MAINTENANCE - STA. 54	
8/1/2021	B02267	\$3,200	Executive Management	INTERRA CORPORATION	FIRIS 3.0 - SOFTWARE MODULE MODIFICATION SERVICES	
8/1/2021	B02139-1	\$4,776	EMS & Training Department	PLAYLAND CONCESSIONS	ICE BOX RENTAL FOR TRAINING DEPARTMENT	
8/1/2021	B01603-6	\$5,000	Logistics Department	A PLUS AWARDS BY DEWEY	ENGRAVING SERVICES AND ACCESSORIES	
8/1/2021	B02246	\$15,750	Special Operations Division	FLYING TIGERS AVIATION, LLC	AIRFIELD RENTAL FOR SOUTH BASE QRF	
8/1/2021	B01761-4	\$18,000	Logistics Department	SATCOM GLOBAL INC	SATELLITE PHONE SERVICE	
8/1/2021	B02118-1	\$25,000	Logistics Department	OFFICE DEPOT	OFFICE PAPER	Cooperative Agreement
8/1/2021	B02117-1	\$55,000	EMS & Training Department	3 STAR SITE SERVICES	PORTABLE TOILET/SHOWER RENTALS AND SERVICES	
8/1/2021	B01424-8	\$70,000	Operations Department	HOME DEPOT	BUILDING SUPPLIES	Cooperative Agreement
8/2/2021	P0014328	\$4,893	EMS & Training Department	ZOLL MEDICAL CORP	ZOLL AED FOR OES TYPE 6	
8/3/2021	P0014333	\$6,100	Community Risk Reduction Department	GREAT SCOTT TREE SERVICE, INC.	TREE REMOVALS AND CROWN THINNING AT RANCHO MISSION VIEJO (COW CAMP) FOR INVASIVE TREE PESTS MITIGATION GRANT	
8/3/2021	B01615-6	\$10,781	Logistics Department	THE GENESIS GROUP	GENWATCH3 RADIO NETWORK SOFTWARE MAINTENANCE AND SUPPORT	
8/4/2021	B02001-2	\$0	Logistics Department	GEOCON WEST, INC.	GEOTECHNICAL PROFESSIONAL SERVICES	RO2368
8/4/2021	P0014336	\$23,750	Operations Department	PAINTING & DECOR INC.	PAINTING COMPLETE EXTERIOR @ FS45	
8/5/2021	B01626-6	\$3,860	Special Operations Division	ORBITAL SATCOM CORP	AIRTIME SERVICE - INMARSET BGAN 710 TERMINALS	
8/5/2021	P0014337	\$3,629	Logistics Department	FOPCO	ANNUAL GENERATOR FUEL TANK SERVICE @ RFOTC	
8/5/2021	P0014338	\$3,157	Logistics Department	SOURCE CREATIVE OFFICE INTERIORS	OFFICE FURNITURE FOR LACTATION ROOM AT FS74	
8/5/2021	P0014339	\$18,606	Operations Department	RUSSELL SIGLER, INC.	HVAC SYSTEM FOR RFOTC BUILDING C	
8/5/2021	P0014340	\$12,276	Operations Department	HARBOR POINTE A/C & CONTROLS	HVAC SYSTEM REPLACEMENT FS57	
8/5/2021	P0014341	\$4,091	Logistics Department	CASCADE FIRE EQUIPMENT	SHROUDS FOR SERVICE CENTER STOCK	
8/6/2021	P0014342	\$1,254	EMS & Training Department	POST MEDICAL	SHARPS CONTAINERS	
8/10/2021	P0014343	\$1,831	EMS & Training Department	GANAHL LUMBER COMPANY	LUMBER FOR ACD 53 AND TRAINING TOWER	
8/10/2021	P0014330	\$2,478	Community Risk Reduction Department	TREE OF LIFE NURSERY	CACTUS RESTORATION IN COASTAL PARTNER AREAS WHERE TREES WERE REMOVED DUE TO INVASIVE TREE PEST INFESTATIONS.	

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
8/11/2021	P0014344	\$35,573	Logistics Department	LN CURTIS & SONS	HIGH/LOW PRESSURE AIRBAGS	
8/12/2021	B02115-1	\$245,000	Logistics Department	WAXIE SANITARY SUPPLY	JANITORIAL SUPPLIES	Cooperative Agreement
8/13/2021	P0014345	\$2,553	Business Services Department	HOME DEPOT	LUMBER FOR ACD 53 AND TRAINING TOWER	
8/13/2021	P0014346	\$3,508	EMS & Training Department	PARR LUMBER CO	LIVE FIRE CADRE TRAINING LUMBER	
8/16/2021	P0014348	\$3,084	Special Operations Division	AIR COMM SYSTEMS INC	REPAIR OF EQUIPMENT	
8/16/2021	B01701-5	\$3,498	Logistics Department	SRP COMPUTER SOLUTIONS, INC	ANNUAL LICENSE RENEWAL - OPENSIGHT WORKS	
8/16/2021	P0014349	\$4,741	Logistics Department	HODGE PRODUCTS	PADLOCKS FOR SERVICE CENTER STOCK	
8/16/2021	P0014347	\$32,530	Logistics Department	PACIFIC PLUMBING COMPANY	REQUIRED UTILITY FOR RESTROOM TRAILER FOR TRAINING GROUNDS.	
8/17/2021	P0014354	\$3,560	Logistics Department	DELL MARKETING, L.P.	MIKE VUONG - LAPTOP	
8/17/2021	P0014353	\$4,350	Logistics Department	ASSETWORKS, INC.	ASSETWORKS FLEETFOCUS SOFTWARE	
8/18/2021	P0014361	\$500	Operations Department	WESTERN STATE DESIGN, INC.	APPLIANCE REPAIR SERVICES	
8/18/2021	P0014359	\$879	Logistics Department	AVENZA SYSTEMS INC.	BC IPAD SOFTWARE FOR AIRWATCH MDM	
8/18/2021	P0014357	\$1,366	Logistics Department	WILLIAMS & MAHER INC	NETWORK CABLING INSTALLATION AT FIRE STATION	
8/18/2021	P0014355	\$3,985	Business Services Department	GOLD COAST TOURS	STRIKE TEAM TRANSFER SERVICES	
8/18/2021	P0014362	\$15,927	Special Operations Division	MERIDIAN MEDICAL TECHNOLOGIES, INC.	DUODOTE AUTO-INJECTORS PER FEMA CACHE LIST # MW-0109.00	
8/18/2021	P0014360	\$31,810	Logistics Department	MUNICIPAL EMERGENCY SERVICES	ITEMS FOR FOR SERVICE CENTER STOCK	
8/18/2021	P0014358	\$54,545	Logistics Department	SNAP-ON TOOLS	TOOLS FOR SERVICE TRUCK	Cooperative Agreement
8/19/2021	P0014363	\$59,995	Logistics Department	SOURCE CREATIVE OFFICE INTERIORS	PURCHASE & INSTALLATION OF RECEPTION/ SECURITY STATION WORKSPACE FOR RFOTC LOBBY	
8/23/2021	P0014365	\$279	Logistics Department	ULINE	SEEK TIC INSTALL PARTS	
8/23/2021	P0014364	\$15,928	Logistics Department	PROFESSIONAL DIVERSIFIED FLOORING	RFOTC BOARDROOM FLOORING REPLACEMENT	
8/23/2021	B02126-1	\$17,400	Human Resources Department	FIRE AND POLICE SELECTION, INC.	TESTING SERVICES FOR FIRE BATTALION CHIEF, FIRE CAPTAIN, AND FIRE APPRAATUS ENGINEER PROMOTIONAL EXAMS	
8/23/2021	B01860-3	\$19,920	Logistics Department	MERIDIAN IT INC	BARRACUDA MESSAGE ARCHIVER SOFTWARE	
8/24/2021	P0014367	\$1,867	Logistics Department	MELMAT INC	SEEK TIC STORAGE AND TRANSPORT BOX INSERTS	
8/24/2021	P0014369	\$3,325	Operations Department	C.I. SERVICES, INC.	PATIO COVER REPAIRS - FS45	

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
8/24/2021	P0014371	\$20,892	Logistics Department	MAKO OVERHEAD DOOR	APPARATUS BAY DOOR REPLACEMENT FOR OCFA FIRE STATION 70 AS SPECIFIED	
8/25/2021	P0014372	\$959	EMS & Training Department	LENOVO (UNITED STATES) INC.	OPERATIONS TRAINING & SAFETY ADMINISTRATIVE USE	
8/25/2021	P0014373	\$980	Human Resources Department	USA PROMO ITEMS LLC.	RETRACTABLE BADGE REEL FOR ID'S	
8/25/2021	P0014374	\$7,197	Logistics Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	LANDSCAPE MAINTENANCE AT FS84	
8/25/2021	B01792-4	\$110,000	Logistics Department	LEAVITT COMMUNICATIONS, LLC	BENDIX KING RADIOS/ACCESSORIES & APOLLO PAGER PURCHASE/REPAIR	RO2239
8/26/2021	P0014376	\$21,356	Logistics Department	INSIDE EDGE COMMERCIAL INTERIOR SERVICES LLC	FLOORING REPLACEMENT FOR PROPERTY MANAGEMENT	
8/26/2021	B02249	\$90,000	Business Services Department	LIFE ASSIST, INC.	NITRILE GLOVES ANSELL MICROFLEX LIFESTAR EC - LSE104	LK2505
8/27/2021	B02125-1	\$0	Logistics Department	ZOOM VIDEO COMMUNICATIONS, INC.	ZOOM VIDEO CONFERENCE SERVICES	
8/27/2021	B02019-2	\$2,100	Logistics Department	BOX, INC.	CLOUD CONTENT MANAGEMENT & FILE SHARING SOFTWARE	
8/27/2021	B02131-1	\$30,999	Logistics Department	COMPUWAVE	VMWARE SOFTWARE SUBSCRIPTION RENEWAL	
8/30/2021	P0014377	\$217	Operations Department	DESIGN A WINDOW & INTERIORS	BLACKOUT SHADES FOR FS64	
8/30/2021	P14245	\$2,220	Logistics Department	INSIDE EDGE COMMERCIAL INTERIOR SERVICES LLC	CARPET LOGO INSTALLATION @ RFOTC AE, LOBBY	
8/31/2021	P0014378	\$1,787	Logistics Department	WILLIAMS & MAHER INC	GPS REPEATER INSTALL FIRE STATION	RO2202
8/31/2021	P0014380	\$2,403	Logistics Department	WILLIAMS & MAHER INC	GPS REPEATER INSTALL FIRE STATION	RO2202
8/31/2021	P0014379	\$2,440	Logistics Department	WILLIAMS & MAHER INC	GPS REPEATER INSTALL FIRE STATION	RO2202
9/1/2021	B02007-2	\$0	Logistics Department	GRIFFIN STRUCTURES INC	CONSTRUCTION PROJECT MANAGEMENT SERVICES	RO2368
9/1/2021	B02004-2	\$0	Logistics Department	KOA CORPORATION	ENGINEERING AND CONSTRUCTION SUPPORT SERVICES	RO2368
9/1/2021	P0014366	\$916	Community Risk Reduction Department	SIGNARAMA	ALUMINUM SIGN FOR RAW'S AT CHINO HILLS STATE PARK	
9/1/2021	B02269	\$10,000	Special Operations Division	FW AVIATION LLC	TRAINING TOWER LEASE - STATION 41 LOCATED AT 3710 ARTESIA AVE, SUITE D, FULLERTON, CA 92806	
9/1/2021	B02253	\$10,000	Logistics Department	METRO FLUID CONNECTORS INC	HYDRAULIC CYLINDER REPAIR AND ACCESSORIES	
9/1/2021	B02252	\$57,000	Business Services Department	HOLLAND & KNIGHT	FEDERAL LEGISLATIVE CONSULTING SERVICES	JA2490
9/1/2021	P0014381	\$3,985	Business Services Department	GOLD COAST TOURS	STRIKE TEAM TRANSFER SERVICES	
9/1/2021	P0014382	\$2,730	Logistics Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	TREE TRIMMING SERVICES AT RFOTC FOR 9/11 SERVICES	
9/2/2021	P0014383	\$3,207	Logistics Department	INSIDE EDGE COMMERCIAL INTERIOR SERVICES LLC	CARPET LOGO INSTALLATION @ RFOTC - EAST & WEST ELEVATOR - BUILDING B - CONFERENCE ROOM W/ NEW COVEBASE	

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
9/2/2021	P0014384	\$4,075	Logistics Department	EPLUS TECHNOLOGY, INC.	OUT OF BAND APPLIANCE	
9/2/2021	P0014385	\$3,314	Logistics Department	KONECTA GPS, LLC	GPS ANTENNA KITS	
9/2/2021	P0014386	\$3,997	Logistics Department	PROFESSIONAL DIVERSIFIED FLOORING	UTILITY ROOM FLOORING REPLACEMENT @ FS60	
9/7/2021	P0014387	\$6,146	Executive Management	B & H PHOTO	HEADSETS FOR CAMERA OPS	
9/8/2021	P014256	\$1,785	EMS & Training Department	CONTAINER ALLIANCE COMPANY	WEFIT OUTDOOR CONTAINERS FOR GYM/ STORAGE	
9/8/2021	P0014388	\$64,710	Logistics Department	KITCHELL CORPORATION	DISASTER RECOVER FACILITY FEASIBILITY STUDY	RO2362
9/9/2021	B01853-4	\$5,065	Community Risk Reduction Department	CORELOGIC INFORMATION SOLUTIONS, INC.	REALQUEST SUBSCRIPTION - PROPERTY DATA FOR THE CRR DEPARTMENT	
9/9/2021	B02256	\$12,487	Logistics Department	CDW GOVERNMENT	SOLARWINDS SOFTWARE LICENSING AND SUPPORT	RO2243
9/9/2021	P0014389	\$30,574	Logistics Department	ATLANTIC RADIO TELEPHONE INC.	PORTABLE SATELLITE PHONES FOR EXEC TEAM	
9/13/2021	P0014390	\$24,900	Operations Department	PACIFIC PLUMBING COMPANY	EMERGENCY REPAIRS OF MAIN WATER LINE FS29	
9/14/2021	P0014393	\$903	Logistics Department	GRAYBAR INC	911 CALL BOX INVENTORY	
9/14/2021	P0014395	\$2,225	Human Resources Department	DONNOE & ASSOCIATES, INC.	2020/21 HAND CREW FIREFIGHTER WRITTEN EXAM	
9/14/2021	P0014392	\$3,282	Logistics Department	GRAYBAR INC	WIRELESS AP CEILING MOUNTS	
9/14/2021	P0014396	\$3,672	Logistics Department	TALLEY COMMUNICATIONS	ANTENNAS FOR COMMUNICATIONS INSTALLS	
9/14/2021	P0014397	\$6,814	Special Operations Division	KENNEDY EQUIPMENT INC	REPLACEMENT GAS-POWERED CONCRETE CHAINSAW FOR HEAVY RESCUE 6	
9/14/2021	P0014394	\$7,498	Logistics Department	CURVATURE LLC	VESTA ALTERNATE ANSWER PROJECT	
9/15/2021	P0014399	\$525	Operations Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	TREE TRIMMING SERVICES FS72	
9/15/2021	P0014398	\$4,147	EMS & Training Department	PREMIUM PALLET, INC.	PALLETS NEEDED FOR LFC BURNS	
9/15/2021	P0014400	\$4,953	Business Services Department	HARBOR POINTE A/C & CONTROLS	INSTALL I-WAVES @ RFOTC, TRAINING	
9/15/2021	P0014402	\$9,876	Business Services Department	AIRGAS, INC	HALF MASK FOR FIT TESTING	
9/15/2021	P0014401	\$24,000	Human Resources Department	CPS HR CONSULTING	EXECUTIVE RECRUITING SERVICES - DIRECTOR OF COMMUNICATIONS	JA2508
9/15/2021	B02262	\$50,000	Logistics Department	MCPEEK'S CHRYSLER DODGE JEEP RAM OF ANAHEIM	DODGE PARTS & REPAIR SERVICES	JA2502
9/15/2021	B02260	\$50,000	Business Services Department	M.A.S.S.H. INC	ANNUAL PRICE AGREEMENT FOR AS-NEEDED EMERGENCY INCIDENT MEAL ORDERS	
9/15/2021	B02257	\$50,000	Business Services Department	BROWN BAG SANDWICH COMPANY	ANNUAL PRICE AGREEMENT FOR AS-NEEDED EMERGENCY INCIDENT MEAL ORDERS	

Date	PO/BO Number	Amount	Department	Vendor Name	Description	Formal Solicitation Number
9/16/2021	P0014403	\$3,696	Special Operations Division	AVIATION SPECIALTIES UNLIMITED, INC.	REPAIR OF OCFA NVG GOGGLE SET S/N 25408	
9/21/2021	P0014407	\$1,470	EMS & Training Department	CALUMET PACKAGING	SMALL ENGINE (CHAIN SAW/ ROTARY SAW)	
9/21/2021	P0014410	\$4,154	Special Operations Division	PLAYLAND CONCESSIONS	ICE BOX MERCHANDISER	
9/21/2021	P0014409	\$9,205	Special Operations Division	JETPUBS,INC	AIR OPS MANUAL RESET AND STANDARDIZATION	
9/21/2021	P0014408	\$9,985	Logistics Department	BRIGHTVIEW LANDSCAPE SERVICES, INC.	TREE TRIMMING SERVICE AT RFOTC	
9/21/2021	B02263	\$40,000	Logistics Department	UNITED RENTALS (NORTH AMERICA), iNC.	GENERATOR RENTAL FOR TEMPORARY CLASSROOMS AT RFOTC TRAINING GROUNDS	
9/22/2021	P0014411	\$2,064	Logistics Department	NATIONAL FIRE FIGHTER CORP	WILDCAT GOGGLES FOR SERVICE CENTER STOCK	
9/22/2021	P0014412	\$73,590	EMS & Training Department	MUNICIPAL EMERGENCY SERVICES	GENESIS EXTRICATION TOOLS FOR TRAINING	JA2172
9/23/2021	P0014413	\$4,301	Special Operations Division	AIR COMM SYSTEMS INC	BK RADIO ADAPTERS FOR AIR OPS	
9/23/2021	B01881-4	\$7,800	Business Services Department	QUADIENT INC	MAILING EQUIPMENT - ANNUAL MAINTENANCE FEES	
9/23/2021	B02099-2	\$25,000	Business Services Department	QUADIENT FINANCE USA, INC.	U.S. POSTAGE BILLING ACCOUNT	
9/24/2021	B01610-6	\$945	Community Risk Reduction Department	AMETEK BROOKFIELD	WARRANTY RENEWAL FOR MAX-4000 MOISTURE ANALYZER	
9/24/2021	P0014415	\$2,054	Logistics Department	MOBILE MODULAR MANAGEMENT CORP	STORAGE CONTAINER RENTAL FOR FS49	
9/24/2021	B02022-2	\$10,000	Logistics Department	FRS ENVIRONMENTAL INC.	PARTS WASHER SERVICES AND TRANSPORTATION	
9/24/2021	P0014351	\$33,891	Logistics Department	INSIDE EDGE COMMERCIAL INTERIOR SERVICES LLC	FLOORING REPLACEMENT IN THE MAIN LOBBY, RFOTC	
9/27/2021	P0014416	\$1,247	Operations Department	NORTHERN TOOL & EQUIPMENT	STATION / VEHICLE MAINTENANCE	
9/29/2021	P0014420	\$1,676	Logistics Department	WILLIAMS & MAHER INC	DEDICATED NETWORK CABLING FOR FRONT OFFICE - FS82	
9/29/2021	P0014419	\$3,000	Business Services Department	YORK, DEBRA L	L0975 ALL HAZARDS POSITION SPECIFIC FINANCE/ADMIN UNIT LEADER CLASS	
9/29/2021	P0014418	\$3,000	Business Services Department	BAUMAN, KAREN	L0975 ALL HAZARDS POSITION SPECIFIC FINANCE/ADMIN UNIT LEADER CLASS	
9/29/2021	P0014417	\$25,500	EMS & Training Department	EMS QI PARTNERS, LLC	PRESENTATION ON EMS LEGAL/DOCUMENTATION ISSUES	
9/30/2021	B02130-1	\$10,000	Logistics Department	DIAMOND GLASS	GLASS REPAIR AND REPLACEMENT SERVICES	
9/30/2021	P0014421	\$178,722	Community Risk Reduction Department	S&H TREE LANDSCAPING AND ARBORIST SERVICE LLC	TREE REMOVALS AND TREATMENTS - MODJESKA CANYON	RO2486



Orange County Fire Authority  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**November 10, 2021**

**Agenda Item No. 2D**  
**Consent Calendar**

**First Quarter Financial Newsletter**

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**Contact(s) for Further Information**

Robert Cortez, Assistant Chief  
Business Services Department

[robertcortez@ocfa.org](mailto:robertcortez@ocfa.org)

714.573.6012

Tricia Jakubiak, Treasurer  
Treasury & Financial Planning Division

[triciajakubiak@ocfa.org](mailto:triciajakubiak@ocfa.org)

714.573.6301

Stuart Lam, Budget Manager  
Treasury & Financial Planning Division

[stuartlam@ocfa.org](mailto:stuartlam@ocfa.org)

714.573.6302

**Summary**

This routine agenda item is submitted to provide information regarding revenues and expenditures in the General Fund and the Capital Improvement Program Funds through the first quarter of FY 2021/22.

**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 November 18, 2021, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

The Quarterly Financial Newsletter provides information about the General Fund's top five revenue sources as well as expenditures by department and by type. Revenues and expenditures for the Capital Improvement Program (CIP) funds are also included. Revenues and expenditures for the General and CIP Funds through the first quarter of the fiscal year are within budgetary estimates, except where noted in the attached newsletter.

**Attachment(s)**

First Quarter Financial Newsletter – July 2021 to September 2021



1st Quarter

July 2021 to September 2021

# Financial Newsletter

## Summary

The Quarterly Financial Newsletter provides summary level information regarding the General Fund (GF) operating budget and Capital Improvement Program (CIP) budget to highlight revenue and expenditure trends and areas of note.

With the 1st Quarter (i.e. 25%) of the fiscal year completed, both General Fund actual revenues and actual expenditures are slightly higher than anticipated. As of the end of the quarter, OCFA received 11.2% of budgeted revenues and expended 20.9% of appropriations.

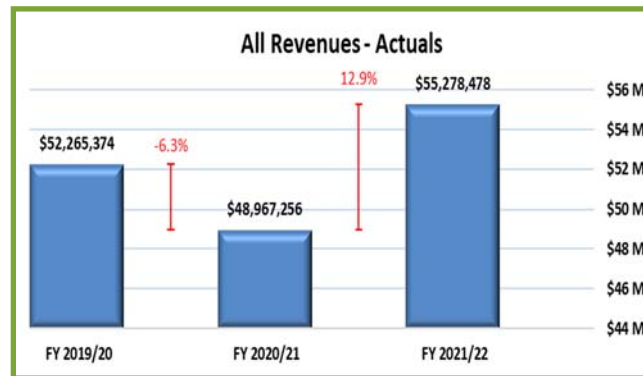
The OCFA expended 3.4% of the GF CIP, 2.2% of Fire Stations & Facilities, 2.8% of Comm. & Info. Systems, and 1.9% of the Fire Apparatus budgets. CIP expenditures to date have been minimal as many projects are still in the planning stages.

For additional info, see attached newsletter.



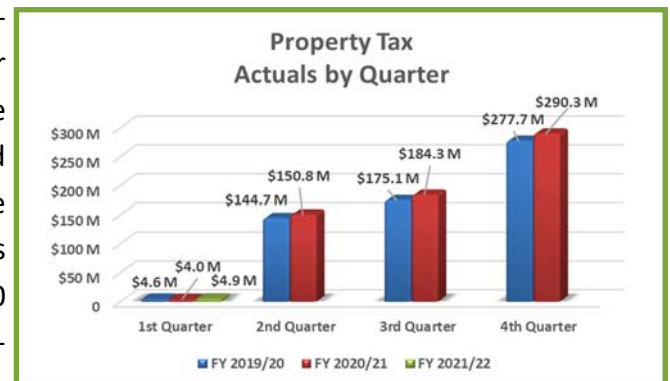
## General Fund

**REVENUES** - General Fund revenues received as of the 1st quarter amounted to \$55.3 million, approximately 12.9% higher than the prior year. The increase is from adjustments to revenue in the first quarter of FY 2020/21 from a \$4.2 million negative

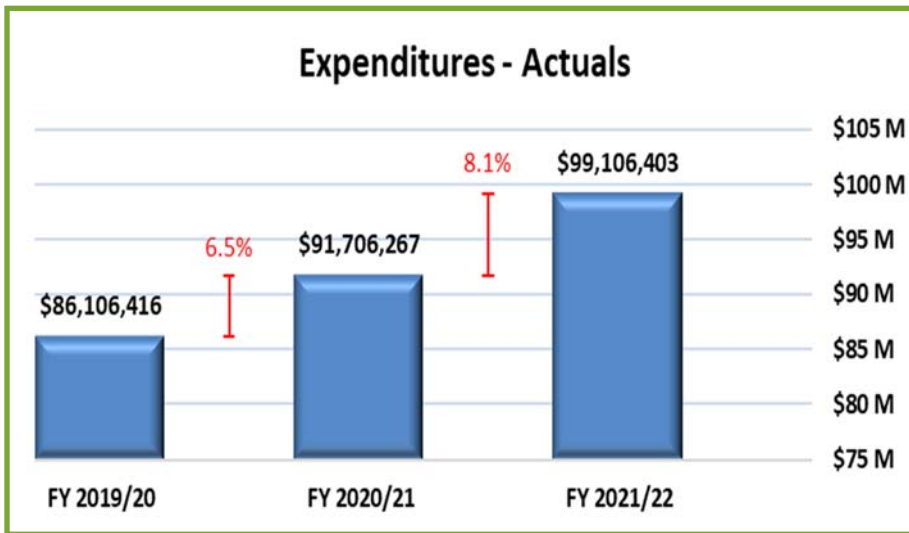


accrual for COVID-19 that was offset later in the year by FEMA COVID-19 public assistance reimbursement. CRR inspection fees are trending lower than budgetary estimates due to delayed non-mandatory inspections resulting from the COVID-19 pandemic.

1st quarter property tax revenues are typically lower as reflected in the chart below. For the 1st quarter of fiscal year 2021/22, unsecured and supplemental property tax are higher by \$828K when compared to the prior year. These revenues represent 2.7% and 1.7% respectively of overall property tax revenue. Secured property tax represents over 95% of overall property tax revenue and receipts will begin in the 2nd quarter. Based on data from the Auditor-Controller, OCFA projects secured property taxes will be \$3.0 million higher than originally anticipated.



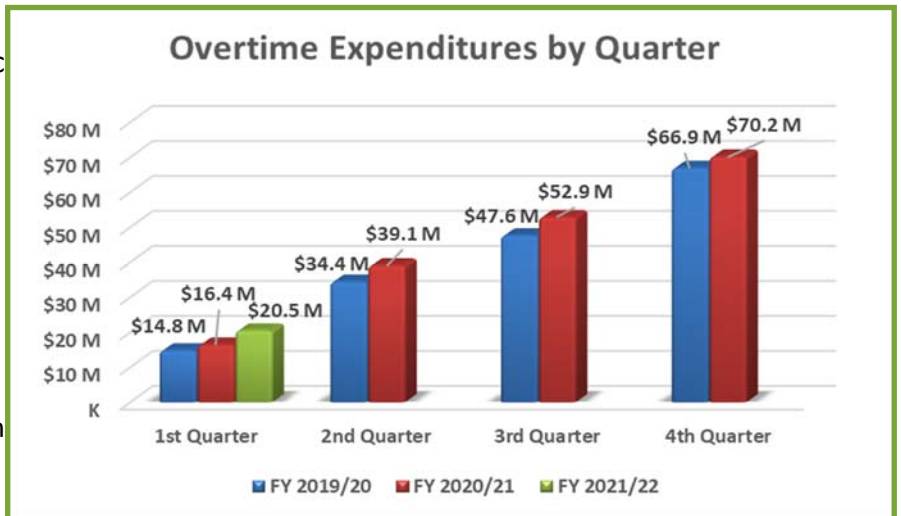
**EXPENDITURES** — General Fund expenditures through the 1st quarter amounted to \$99.1 million and reflect an increase of 8.1% when compared to the prior fiscal year. Initial budget estimates projected 1st quarter expenditures ending at \$91.6 million. Higher than anticipated backfill/overtime expenditures were the main driver. Services and supplies expenditures were in line with budgetary estimates and equipment expenditures were higher than budgetary estimates due to \$146K in CalFire Augmentation grant funded equipment expenditures in the first quarter.



Higher than anticipated backfill/overtime expenditures were the main driver. Services and supplies expenditures were in line with budgetary estimates and equipment expenditures were higher than budgetary estimates due to \$146K in CalFire Augmentation grant funded equipment expenditures in the first quarter.

The following Overtime Expenditures by Quarter chart captures historical cumulative overtime expenditures from fiscal year 2019/20 through the 1st quarter of fiscal year 2021/22. Actual overtime expenditures are \$4.0 million higher than last year. Overtime expenses increased this year over last primarily due to emergency incidents. Major incidents include the Calador, Dixie, French, Lick Creek, River, and Willow fires. These emergency incident overtime expenditures are reimbursable. Workers compensation overtime is also trending high and is \$1.1 million higher compared to last fiscal year. COVID-19 related Workers' Compensation claims has contributed to the increase. Overtime expenditures will continue to be monitored and a Mid-Year Budget Adjustment will be requested if necessary.

Overtime expenses increased this year over last primarily due to emergency incidents. Major incidents include the Calador, Dixie, French, Lick Creek, River, and Willow fires. These emergency incident overtime expenditures are reimbursable. Workers compensation overtime is also trending high and is \$1.1 million higher compared to last fiscal year. COVID-19 related Workers' Compensation claims has contributed to the increase. Overtime expenditures will continue to be monitored and a Mid-Year Budget Adjustment will be requested if necessary.



*We hope you have found this summary information illustrative and useful. Additional detailed information is included in following Newsletter pages, including progress for each of the CIP funds.*



# Orange County Fire Authority

## First Quarter Financial Newsletter – July 2021 to September 2021

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### **OVERVIEW**

This report covers fiscal activities in the General Fund and CIP Funds through the first quarter of Fiscal Year 2021/22. Budget figures include all budget adjustments authorized by the Board through the first quarter.

### **GENERAL FUND**

With 25% of the year completed, General Fund revenues are 11.2% of budget and expenditures are 20.9% as shown below:

General Fund (excludes 12110)	YTD Actual	Budget	Variance in Dollars	% Variance
Revenues	55,278,478	492,575,029	437,296,551	11.2%
Expenditures	99,106,403	474,307,768	375,201,365	20.9%

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

Top Five Revenues	YTD Actual Receipts	Trended YTD Budget Estimate	Variance: Actual to Budget Est. in Dollars	% Variance
Property Taxes	4,852,648	4,350,155	502,493	12%
Cash Contracts	44,400,087	44,523,413	(123,326)	0%
State Reimbursements	1,651,393	1,750,000	(98,607)	-6%
CRA Pass-through	512,223	11,577	500,646	4324%
Community Risk Reduction Fees	1,251,866	1,415,936	(164,070)	-12%
<b>Total</b>	<b>52,668,217</b>	<b>52,051,081</b>	<b>617,136</b>	<b>1%</b>

- **Property Taxes** – The variance in property taxes of \$502K or 12% is a result of unsecured property tax receipts trending higher in the first quarter compared to the last two fiscal years. Unsecured property tax receipts are \$829K higher than last fiscal year due to increased unsecured property values and higher collections in the first quarter.
- **CRA Pass-Through** – CRA Pass-Through revenue was \$501K higher than anticipated in the first quarter due to \$499K in one-time revenue from asset sales from the San Juan Capistrano Redevelopment Successor Agency. On May 28, 2020, the OCFA Board of Directors approved the Draft Compensation Agreement for the disposition of San Juan Capistrano's former redevelopment agency property. OCFA anticipated receiving a portion of the proceeds from the sale of the Lower Rosan Ranch property once the transaction closed and the final Master Agreement was signed which occurred on February 24, 2021.
- **Community Risk Reduction Fees** – CRR Revenue was lower than anticipated due to delayed non-mandatory inspections resulting from the COVID-19 pandemic. As recovery is expected to be gradual, this category of revenue will be monitored for a potential mid-year budget adjustment.

**Expenditures.** The analysis presented below compares the actual expenditures through the first quarter, as compared to the budgetary estimate for this point in the fiscal year. Categories in which the variance is greater than 10% or \$1 million, are discussed below the table.

Expenditures by Department	YTD Actual Expenditures	Trended YTD Budget Estimate	Variance: Actual to Budget in Dollars	% Variance
Business Services	1,716,855	1,729,969	(13,114)	-1%
Command & Emergency Planning	1,990,431	1,899,639	90,792	5%
Community Risk Reduction	2,591,071	2,706,377	(115,306)	-4%
EMS & Training	3,004,699	2,852,213	152,486	5%
Executive Management	2,075,228	2,165,253	(90,025)	-4%
Human Resources	4,036,416	4,261,987	(225,571)	-5%
Logistics	7,202,959	7,101,180	101,780	1%
Operations	69,638,141	62,137,816	7,500,325	12%
Special Operations	6,850,604	6,716,526	134,078	2%
<b>Total</b>	<b>99,106,403</b>	<b>91,570,959</b>	<b>7,535,443</b>	<b>8%</b>

- **Operations** – This department is exceeding budget estimates for the first quarter primarily due to a high volume of backfill/overtime expenditures. Most of the budgetary variance is due to overtime costs incurred for emergency incidents which will be reimbursed. Major incidents in FY 2021/22 include the Caldor, Dixie, French, Lick Creek, River, and Willow fires. Workers' Compensation overtime is also trending high and is \$1.1 million higher compared to last fiscal year. COVID-19 related Workers' Compensation claims has contributed to the increase. Overtime expenditures will continue to be monitored and a Mid-Year Budget Adjustment will be requested if necessary.

Expenditures by type are outlined below, with exception details following the table:

Expenditures by Type	YTD Actual Expenditures	Trended YTD Budget Estimate	Variance: Actual to Budget in Dollars	% Variance
Salary and Employee Benefits	86,379,182	78,624,639	7,754,543	10%
Services and Supplies	12,492,884	12,764,804	(271,920)	-2%
Equipment	234,337	181,516	52,820	29%
<b>Total</b>	<b>99,106,403</b>	<b>91,570,959</b>	<b>7,535,443</b>	<b>8%</b>

- **Salary & Employee Benefits** – This category is trending over budget estimates for the first quarter by approximately \$7.8 million or 10%. This is primarily due to a high volume of backfill/overtime expenditures. Most of the budgetary variance is due to overtime costs incurred for emergency incidents which will be reimbursed. Major incidents in FY 2021/22 include the Caldor, Dixie, French, Lick Creek, River, and Willow fires. Workers' Compensation overtime is also trending high and is \$1.1 million higher compared to last fiscal year. COVID-19 related Workers' Compensation claims has contributed to the increase. Overtime expenditures will continue to be monitored and a Mid-Year Budget Adjustment will be requested if necessary.

- **Equipment** – This category is trending high primarily due to \$146K in CalFire Augmentation grant funded equipment in the first quarter which included expenditures related to the installation of pre-fabricated steel storage buildings at FS 18 and fire camera systems.

## **CIP FUNDS**

Revenues and expenditures for the Capital Improvement Program funds are summarized below. Any variances are noted following the fund table:

### **General Fund CIP**

Fund 12110	YTD Actual	Budget	Percent
Expenditures	439,012	13,098,736	3.4%

- This Fund receives transfers from the General Fund as its revenue source.
- Appropriations of \$13.1 million include funding for upgrades, routine maintenance and replacement of equipment such as: enterprise phone/public address system upgrade, fire station bathroom inclusive facilities projects, data network upgrades, fire shelters, Hazmat air monitors, telephone/alarm system upgrade, replacement of PCs, laptops, tablets, printers, 800 MHz radios, VHF radios, and mobile data computers.
- Expenditures of approximately \$439K are attributable to the fire station telephone/alarm/sound system upgrade, station bathroom inclusive facilities projects, data network upgrades, CPR chest compression devices, enterprise phone/public address system upgrade, replacement PCs, tablets and printers, VHF radios, 800 MHz radios, high pressure air bags, mobile data computers, and various IT and Property Management projects described above.

### **Fire Stations and Facilities**

Fund 123	YTD Actual	Budget	Percent
Revenue	92,477	253,404	36.5%
Expenditures	448,900	20,318,795	2.2%

- Revenues in this fund are attributable to interest earned through the first quarter and developer contributions of \$62K.
- Appropriations of \$20.3 million include funding for replacement of FS 10 and FS 24, RFOTC training grounds expansion and upgrade, infrastructure security enhancements, FS 49 apparatus bay floor reconstruction and retrofit of existing fire station life and safety systems.
- Expenditures of approximately \$449K are primarily attributable to FS 49 apparatus bay floor reconstruction and retrofit of existing fire station life and safety systems.

## Communications & Information Systems

Fund 124	YTD Actual	Budget	Percent
Revenue	5,855	15,588	37.6%
Expenditures	179,048	6,466,515	2.8%

- Revenues in this fund are attributable to interest earned through the first quarter.
- Appropriations of \$6.5 million include funding for: CRR automation/IFP replacement, RFOTC data center fire suppression system upgrade, disaster recovery co-location facility, EMS enterprise system development, enterprise audio video equipment upgrades, incident reporting application replacement, and next generation CAD2CAD.
- Year to date expenditures of \$179K are primarily attributable to the disaster recovery co-location facility, RFOTC data center fire suppression system upgrade, and the CRR automation/IFP replacement.

## Fire Apparatus

Fund 133	YTD Actual	Budget	Percent
Revenue	593,750	2,784,064	21.3%
Expenditures	334,110	17,591,139	1.9%

- Revenues in this fund are attributable to vehicle replacement program payments from cash contract cities and interest earned through the first quarter.
- Appropriations of \$17.6 million include vehicle outfitting, 5 100' quint trucks, 2 engines, 1 air utility vehicle, 3 battalion chief command vehicles, 2 dozer tenders, 1 dozer transport trailer, 3 swift water vehicles, a heavy rescue vehicle, 5 vans, 9 utility pickups, 2 squad vehicles, 18 mid and full-size SUVs, a superintendent vehicle, and other miscellaneous emergency and support vehicles.
- Expenditures through the first quarter include 2 light service trucks and outfitting costs.

## **SUMMARY**

***For more information.*** This summary is based on detailed information from our financial system. If you would like more information or have any questions about the report, please contact Stuart Lam, Budget Manager at 714-573-6302, or Tricia Jakubiak, Treasurer at 714-573-6301.



**Orange County Fire Authority**  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**November 10, 2021**

**Agenda Item No. 2E**  
**Consent Calendar**

**Awarded Grant OCFA Fuels Reduction Equipment**

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**Contact(s) for Further Information**

Vincent Carpino, Division Chief  
Special Operations

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714.274.6692

Justin Neville, Battalion Chief  
Wildland Operations

[justinneville@ocfa.org](mailto:justinneville@ocfa.org)

714.573.6171

**Summary**

This agenda item is submitted for approval of OCFA Fuels Reduction Equipment grant award in the amount of \$228,429. The grant resources will be utilized to purchase specialized heavy equipment (a Caterpillar 299D3 skid steer, a trailer, a Miller Bobcat 200 Air Pak, diesel air compressor and welder, Stihl 461 chainsaws, and HT 131 pole saws) to be used by the Crews and Heavy Fire Equipment when completing fuels projects throughout the County.

**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 November 18, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve a Budget Adjustment to the FY 2021/22 General Fund (121) budget to increase revenue and expenditures by \$228,429 for the grant program award.
2. Approve and authorize the Board Chair and/or Fire Chief and/or their designee to execute all documents necessary to effectuate the grant award.

**Impact to Cities/County**

This grant will assist the County by providing crews with improved means to complete projects quickly and efficiently thereby reducing the potential for wildfire within the State Responsibility Area (SRA). These projects will reduce the fuel load countywide and ensure proper maintenance of access roads. These projects include road repair for increasing emergency responses on wildland fires and remote medical aids, the installation of culverts, tree removal, stump grinding, chipping all in one, including the removal of disease-infested trees.

**Fiscal Impact**

Not Applicable.

**Background**

The roads graded by the OCFA Crews and Equipment program provide access into the SRA for wildfire response, land management and utility operations. These roads lead to municipal water



supplies for Irvine Ranch Water District, Serrano Water District, and many others, as well as powerlines and utility stations owned and operated by Southern California Edison and San Diego Gas and Electric, and communication facilities owned and operated by the County of Orange and County Sheriff's Department, as well as others.

The skid steer and attachments will allow for the proper maintenance of access roads to ensure that the roads remain passable for emergency ingress and egress. This maintenance will protect life and safety of first responders and trail users by allowing safe access for firefighters and fire engines to remote areas to fight fires and conduct remote rescue operations. Maintenance of these roads also helps reduce erosion, runoff, and sedimentation of local streams through installation of water control measures and structures (water bars, drains, etc.), which protects natural resources throughout our SRA. Grading roads in a sustainable fashion by using the skid steer and attachments also reduces maintenance costs and maintenance intervals on the roads, which in turn increases carbon sequestration by reducing the use of heavy equipment.

**Attachment(s)**

1. 5GA20113 OCFA Fuels Reduction Equipment Grant Agreement
2. Resolution to Accept Grant Funds from Cal Fire





## DEPARTMENT OF FORESTRY AND FIRE PROTECTION

P.O. Box 944246  
SACRAMENTO, CA 94244-2460  
(916) 653-7772  
Website: [www.fire.ca.gov](http://www.fire.ca.gov)



October 26, 2021

David Erickson  
Orange County Fire Authority  
1 Fire Authority Road  
Irvine, CA 92602

5GA20113; Orange County Fire Authority, "OCFA Fuels Reduction Equipment"

**This Agreement cannot be considered binding on either party until approved by appropriate authorized CAL FIRE designee. No services should be provided prior to approval, as the State is not obligated to make any payments on any Agreement prior to final approval. FAILURE TO RETURN ALL DOCUMENTS BY DATE BELOW MAY RESULT IN LOSS OF FUNDING.**

**Please contact Gregg Bratcher/ORC at (951) 232-4166 if you have questions concerning services to be performed.**

1. ☒ Full grant agreement including terms and conditions, project grant application form, scope of work, budget, map, and other exhibits enclosed. Please sign, scan, and return the agreement to Aaron Sabin at [Aaron.Sabin@fire.ca.gov](mailto:Aaron.Sabin@fire.ca.gov) no later than **January 3, 2022**.

Alternatively, you may opt to print (single sided), sign in blue ink, and return the agreement with original signature to:  
CAL FIRE

Attn: Grants Management Unit/FP Grants  
P.O. Box 944246  
Sacramento, CA 94244-2460

**In order to expedite your agreement, a scanned/electronic signature copy of the agreement is preferred.**

**In addition, the following completed documents are required before we can execute your agreement:**

- Signed Board Resolution
- Non-Discrimination Compliance (std.19)
- Drug-Free Certification (std.21)

2. ☐ Enclosed for your record is one fully executed copy of the agreement referenced above. When billing for services performed under this agreement, your invoices must reference the agreement number above and be submitted to the contract manager.

Thank you,

Aaron Sabin  
Grants Analyst  
Grants Management Unit

CC: Gregg Bratcher  
Southern Region Grants  
Stella Chan

Enclosures

State of California  
Department of Forestry and Fire Protection (CAL FIRE)  
Office of the State Fire Marshal  
GRANT AGREEMENT

APPLICANT: Orange County Fire Authority  
PROJECT TITLE: OCFA Fuels Reduction Equipment  
GRANT AGREEMENT: 5GA20113

**PROJECT PERFORMANCE PERIOD is from Date Upon Approval through March 15, 2025.**

Under the terms and conditions of this Grant Agreement, the applicant agrees to complete the project as described in the project description, and the State of California, acting through the Department of Forestry & Fire Protection, agrees to fund the project up the total state grant amount indicated.

**PROJECT DESCRIPTION:** The proposed project purchases heavy equipment including a skid steer with attachments and a trailer, as well as tools, such as chainsaws and a portable air compressor/welder, to be used by the OCFA Crews and Equipment program to assist in completing wildfire prevention and fuels reduction projects. The preventative work performed will help to protect the 3.1 million residents within Orange County, while benefitting over 300,000 acres of SRA Threat Zone, nearly 11,576 habitable structures within the SRA, and another 130,220 structures within the Very High LRA WUI areas.

**Total State Grant not to exceed \$ 228,429.00** (or project costs, whichever is less).

*\*The Special and General Provisions attached are made a part of and incorporated into this Grant Agreement.*

Orange County Fire Authority

STATE OF CALIFORNIA  
DEPARTMENT OF FORESTRY  
AND FIRE PROTECTION

Applicant

By \_\_\_\_\_  
Signature of Authorized Representative

By \_\_\_\_\_  
Title: **Mike Richwine, State Fire Marshal**

Title **Brian Fennessy, Fire Chief**

Date \_\_\_\_\_

Date \_\_\_\_\_

**CERTIFICATION OF FUNDING**

GRANT AGREEMENT NUMBER <b>5GA20113</b>	PO ID	SUPPLIER ID 0000072641
FUND 0001	FUND NAME General Fund	
PROJECT ID N/A	ACTIVITY ID N/A	AMOUNT OF ESTIMATE FUNDING \$ 228,429.00
GL UNIT N/A	BUD REF 0011	ADJ. INCREASING ENCUMBRANCE \$ 228,429.00
PROGRAM NUMBER 2470010	ENY 2020	ADJ. DECREASING ENCUMBRANCE \$ 0.00
ACCOUNT 5340580	ALT ACCOUNT 5340580000	UNENCUMBERED BALANCE \$ 228,429.00
REPORTING STRUCTURE 35405909	SERVICE LOCATION 96149	

**I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance.**

Signature of CAL FIRE Accounting Officer

Date

TERMS AND CONDITIONS OF GRANT AGREEMENT

**I. RECITALS**

1. This Agreement, is entered into between the State of California, by and through the California Department of Forestry and Fire Protection (CAL FIRE), hereinafter referred to as "STATE" and, Orange County Fire Authority, hereinafter referred to as "GRANTEE".
2. The STATE hereby grants to GRANTEE a sum (hereinafter referred to as "GRANT FUNDS") not to exceed Two Hundred Twenty-Eight Thousand Four Hundred Twenty-Nine Dollars (**\$228,429.00**).
3. In addition to the terms and conditions of this Agreement, the STATE and GRANTEE agree that the terms and conditions contained in the documents set forth below are hereby incorporated and made part of this agreement.
  - a. California Climate Investments Department of Forestry and Fire Protection Fire Prevention Program Procedural Guide FY 2020-2021 and FY 2021-2022
  - b. The submitted Application, Scope of Work, Project Budget Workbook, GHG Emissions Workbook and Exhibits
  - c. ADDENDUM – FIRE PREVENTION GRANT PROJECTS

**II. SPECIAL PROVISIONS**

1. Recipients of GRANT FUNDS pursuant to California Public Resources Code Section 4124.5 shall abide by the provisions in this Agreement. This includes the requirement that work shall not commence prior to the execution of this Agreement by both parties. Any work started prior to the execution of this Agreement will not be eligible for funding under the terms of this Agreement.
2. As precedent to the State's obligation to provide funding, GRANTEE shall provide to the STATE for review and approval a detailed budget, specifications, and project description. Approval by the STATE of such plans and specifications, or any other approvals provided for in this Agreement, shall be for scope and quality of work, and shall not relieve GRANTEE of the obligation to carry out any other obligations required by this Agreement, in accordance with applicable law or any other standards ordinarily applied to such work or activity.
3. All informational products (e.g., data, studies, findings, management plans, manuals, photos, etc.) relating to California's natural environment produced with the use of GRANT FUNDS shall be available for public use.

### **III. GENERAL PROVISIONS**

#### **1. Definitions**

- a. The term "Agreement" means grant agreement number 5GA20113.
- b. The term "GRANT FUNDS" means the money provided by the STATE to the GRANTEE in this Agreement.
- c. The term "GRANTEE" means an applicant who has a signed Agreement for the award for GRANT FUNDS.
- d. The term "Other Sources of Funds" means all matching fund sources that are required or used to complete the Project beyond the GRANT FUNDS provided by this Agreement.
- e. The term "STATE" means the State of California, Department of Forestry and Fire Protection (CAL FIRE).
- f. The term "Project" means the development or other activity described in the "Project Scope of Work".
- g. The term "Project Budget Detail" as used herein defines the approved budget plan.
- h. The term "Project Scope of Work" as used herein means the individual scope of work describing in detail the approved tasks.

## 2. Project Representatives

The project representatives during the term of the agreement will be:

STATE: CAL FIRE	GRANTEE: Orange County Fire Authority
Section/Unit: ORC	Section/Unit: N/A
Attention: Gregg Bratcher	Attention: David Erickson
Mailing Address: 25380 Franklin Dr., P.O. Box 2097, Idyllwild, CA 92549	Mailing Address: 1 Fire Authority Road Irvine, CA 92602
Phone Number: (951) 232-4166	Phone Number: (714) 573-6178 Secondary: (949) 447-0549
Email Address: gregg.bratcher@fire.ca.gov	Email Address: daviderrickson@ocfa.org

Changes to the project representatives during the term of the agreement shall be made in writing. Notice shall be sent to the above representative for all notice provisions of this Agreement.

## 3. Project Execution

- a. Subject to the availability of grant monies, the STATE hereby grants to the GRANTEE a sum of money (GRANT FUNDS) not to exceed the amount stated on Section I. RECITALS, Paragraph 2 in consideration of and on condition that the sum be expended in carrying out the purposes as set forth in the description of the Project in this Agreement and its attachments and under the terms and conditions set forth in this Agreement.
- b. GRANTEE shall assume any obligation to furnish any additional funds that may be necessary to complete the Project. Any amendment to the Project as set forth in the Application on file with the STATE must be submitted to the STATE for approval in writing. No amendment is allowed until written approval is given by the STATE.
- c. GRANTEE shall complete the Project in accordance with the time of Project performance set forth in this Agreement, unless an amendment has been approved and signed by the STATE under the terms and conditions of this Agreement. Amendments must be requested in advance and will be considered in the event of circumstances beyond the control of the GRANTEE, but in no event less than 90 days from the Agreement expiration date and in no event less than 60 days before the effective date of the amendment. Approval of amendment is at the STATE's discretion.

GRANT NUMBER 5GA20113  
Orange County Fire Authority  
OCFA Fuels Reduction Equipment

- d. GRANTEE certifies that the Project Scope of Work complies with all local, State, and federal laws and regulations.
- e. GRANTEE shall comply with the California Environmental Quality Act (CEQA) (Public Resources Code, Section 21000, et. seq. Title 14, California Code of Regulations, Section 15000 et. seq.) and all other local, State, and federal environmental laws. A copy of the certified CEQA document must be provided to STATE before any GRANT FUNDS are made available for any Project activity that could directly impact the environment (e.g. cutting, piling or burning bush, masticating, dozer work, etc.). CEQA compliance shall be completed within one (1) year from start date of the Agreement. The start date is considered the date the last party signs the Agreement. GRANT FUNDS will be made available in advance of CEQA compliance for project activities that do not have the potential to cause a direct environmental impact (e.g. project planning, locating and marking property or project boundaries, contacting and signing up landowners, etc.).
- f. GRANTEE shall permit periodic site visits by representative(s) of the STATE to ensure program compliance and that work is in accordance with the approved Project Scope of Work, including a final inspection upon Project completion.
- g. GRANTEE, and the agents and employees of GRANTEE, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents, of the STATE. No person who, as an officer, employee, or agent of the state participated in the preparation or creation of or determination to award this Grant Agreement shall serve as an agent or employee of GRANTEE including but not limited to those acts prohibited by Government Code Sections 1090, and 87100.

4. Project Costs and Payment Documentation

- a. Payment by the STATE shall be made after receipt of an acceptable invoice and approval by a duly authorized representative of the STATE. GRANTEE shall submit an invoice for payment to the CAL FIRE Project Representative of the STATE. A final invoice shall be submitted no later than 30 days after completion, expiration, or termination of this Agreement.
- b. For services satisfactorily rendered, and upon receipt and approval of invoices for payment, the STATE agrees to compensate GRANTEE for actual expenditures incurred in accordance with the rates specified herein, which is attached hereto, as Final Project Budget Detail, and made a part of this Agreement.



GRANT NUMBER 5GA20113  
Orange County Fire Authority  
OCFA Fuels Reduction Equipment

- c. Equipment purchased using GRANT FUNDS, wholly or in part, must be used by the GRANTEE for the project which it was acquired. STATE retains a vested interest in the equipment for the useful life of the equipment, even after completion of the grant. GRANTEE shall provide written disposition of the equipment upon completion of the grant and upon any changes to the disposition of the equipment. Such disposition must be approved in advance by STATE. Equipment purchased using GRANT FUNDS cannot be used as collateral, financed, or sold without prior written approval from the STATE.
- d. GRANTEE shall submit, in arrears, not more frequently than once a month, and no less than quarterly, an invoice to the STATE for costs paid by GRANTEE pursuant to this Agreement. Each invoice shall contain the following information: the Agreement number, the dates or time period during which the invoiced costs were incurred, expenditures for the current invoice and cumulative expenditures to date by major budget category (e.g., salaries, benefits, supplies, etc.), appropriate supporting documentation, project progress reports, and the signature of an authorized representative of GRANTEE as detailed in the Invoice Guidelines of the California Climate Investments Department of Forestry and Fire Protection Fire Prevention Program Procedural Guide FY 2020-2021 and FY2021-2022.
- e. GRANT FUNDS in this Agreement have a limited period in which they must be expended. All GRANTEE expenditures must occur prior to the end of the Project performance period of this Agreement.
- f. Except as otherwise provided herein, GRANTEE shall expend GRANT FUNDS in the manner described in the Project Budget Detail approved by the STATE. The dollar amount of an item in the Project Budget Detail may be increased or decreased by up to ten percent (10%) of the budget item through reallocation of funds from another item or items, without approval by the STATE; however, GRANTEE shall notify the STATE in writing in project progress reports when any such reallocation is made, and shall identify both the item(s) being increased and those being decreased. Any increase or decrease of an item of more than ten percent (10%) of the budget item must be approved in writing by the STATE before any such increase or decrease is made. A formal approved amendment is required to increase the total amount of GRANT FUNDS.
- g. GRANTEE shall promptly submit any and all records at the time and in the form as the STATE may request.
- h. GRANTEE shall submit each invoice for payment electronically to both the appropriate CAL FIRE Project Representative as identified in Item 2 and

Southern Region Email Address ([SouthernRegionGrants@fire.ca.gov](mailto:SouthernRegionGrants@fire.ca.gov)).  
Hard copy submissions will not be accepted.

- i. Notwithstanding any of the provisions stated within this Agreement, the STATE may at its discretion make advance payment from the grant awarded to the GRANTEE if GRANTEE is a nonprofit organization, a local agency, a special district, a private forest landowner or a Native American tribe. Advance payment made by the STATE shall be subject to the following provisions.
- GRANTEE shall submit a written request identifying how funds will be used over a six-month period. The written request must be accompanied by an invoice that contains the same level of detail as a regular invoice.
  - GRANTEE shall file an accountability report with STATE four months from the date of receiving the funds and every four months thereafter.
  - Multiple advance payments may be made to a GRANTEE over the life of a project.
  - No single advance payment shall exceed 25% of the total grant amount and must be spent on eligible costs within six months of the advance payment request. GRANTEE may request additional time to spend advance funds but must be approved in writing by the STATE. The balance of unspent advance payment funds not liquidated within the six-month spending period will be billed for the return of advanced funds to the STATE.
  - All work under a previous advance payment must be fully liquidated via an invoice and supporting documentation and completed to the STATE's satisfaction before another advance payment will be made.
  - Any advance payment received by a GRANTEE and not used for project eligible costs shall be returned to CAL FIRE. The amount will be returned to the grant balance.
  - Advance payments must be deposited into an interest-bearing account. Any interest earned on advance payment funds must be accounted for and used toward offsetting the project cost or returned to the STATE.

#### 5. Budget Contingency Clause

- a. If STATE funding for any fiscal year is reduced or deleted for purposes of the Fire Prevention Program California Climate Investments Grant Program, the STATE shall have the option to either cancel this Agreement with no liability occurring to the STATE, or if possible and desirable, offer



an Agreement amendment to GRANTEE to reflect the reduced amount available for the Project.

6. Project Administration

- a. GRANTEE shall provide the STATE a written report showing total final Project expenditures and matching funds upon Project completion or grant expiration, whichever occurs first. GRANTEE must report to the STATE all sources of other funds for the Project. If this provision is deemed to be violated, the STATE will request an audit of GRANTEE and can delay the disbursement of funds until the matter is resolved.
- b. GRANTEE shall promptly submit written Project reports as the STATE may request throughout the term of this Agreement.
- c. GRANTEE shall submit a final accomplishment report, final invoice with associated supporting documentation, and copies of materials developed using GRANT FUNDS, including but not limited to plans, educational materials, etc. within 30 days of Project completion.

7. Financial Records

- a. GRANTEE shall retain all records described in Section 7(c) below for three (3) years after final payment by the STATE. In the case an audit occurs, all such records shall be retained for one (1) year from the date is audit is completed or the three (3) years, whichever date is later.
- b. GRANTEE shall maintain satisfactory financial accounts, documents, and records for the Project and make them available to the STATE for review during reasonable times. This includes the right to inspect and make copies of any books, records, or reports of GRANTEE pertaining to this Agreement or matters related thereto.
- c. GRANTEE shall keep such records as the STATE shall prescribe, including, but not limited to, records which fully disclose (a) the disposition of the proceeds of state funding assistance, (b) the total cost of the Project in connection with such assistance that is given or used, (c) the amount and nature of that portion of the Project cost supplied by other sources, and (d) any other such records as will facilitate an effective audit. All records shall be made available to the STATE, other State of California agency, or other entity as determined by the State of California for auditing purposes at reasonable times.
- d. GRANTEE shall use any generally accepted accounting system.

8. Research

GRANT NUMBER 5GA20113  
Orange County Fire Authority  
OCFA Fuels Reduction Equipment

- a. GRANTEE that receives funding, in whole or in part, in the form of a research grant shall provide for free public access to any publication of a peer-reviewed manuscript describing STATE funded knowledge, STATE funded invention, or STATE funded technology shall be subject to the following conditions:
  - i. GRANTEE is responsible for ensuring that any publishing or copyright agreements concerning peer-reviewed manuscripts fully comply with this section
  - ii. GRANTEE shall report to STATE the final disposition of the peer-reviewed manuscript, including, but not limited to, if it was published, date of publication, where it was published, and, when the 12-month time period from official date of publication expires, where the peer-reviewed manuscript will be available for open access.
- b. For a peer-reviewed manuscript that is accepted for publication pursuant to the terms and conditions of this Agreement, the GRANTEE shall ensure that an electronic version of the peer-reviewed manuscript is available to STATE and on an appropriate publicly accessible repository approved by the state agency, including, but not limited to, the University of California's eScholarship Repository at the California Digital Library, the California State University's ScholarWorks at the Systemwide Digital Library, or PubMed Central, to be made publicly available not later than 12 months after the official date of publication. GRANTEE shall make reasonable efforts to comply with this requirement by ensuring that the peer-reviewed manuscript is accessible on an approved publicly accessible repository, including notifying the state agency that the manuscript is available on a state-agency-approved repository. If the grantee is unable to ensure that his or her manuscript is accessible on an approved, publicly accessible repository, the grantee may comply by providing the manuscript to the state agency not later than 12 months after the official date of publication.
- c. For publications other than those described in (b), including scientific meeting abstracts, GRANTEE shall comply by providing the manuscript to the STATE not later than 12 months after the official date of publication.
- d. The grant shall not be construed to authorize use of a peer-reviewed manuscript that would constitute an infringement of copyright under the federal copyright law described in Section 101 of Title 17 of the United States Code and following.
- e. Use of GRANT FUNDS for publication costs, including fees charged by a publisher for color and page charges, or fees for digital distribution are allowable costs but must be within the GRANT FUNDS and item 4 of the agreement.

- f. GRANTEE may request a waiver to the publication requirement if GRANTEE has an existing publication requirement that meets or exceeds the requirements of the research provision. Waiver shall include information on GRANTEE's existing requirements. Approval of the waiver is at STATE's discretion.

#### 9. Project Termination

- a. This Agreement may be terminated by the STATE or GRANTEE upon 30-days written notice to the other party.
- b. If either party terminates the Agreement prior to the completion of the Project, GRANTEE shall take all reasonable measures to prevent further costs to the STATE under the Agreement and the STATE shall be responsible for any reasonable and non-cancelable obligations incurred by GRANTEE in the performance of this Agreement prior to the date of the notice to terminate, but only up to the undisbursed balance of funding authorized in this Agreement.
- c. Failure by GRANTEE to comply with the terms of this Agreement may be cause for suspension of all obligations of the STATE hereunder at the discretion of the STATE.
- d. Failure of GRANTEE to comply with the terms of this Agreement shall not be cause for the suspension of all obligations of the STATE hereunder if in the judgment of the STATE such failure was due to no fault of GRANTEE. At the discretion of the STATE, any amount required to settle at minimum cost any irrevocable obligations properly incurred shall be eligible for reimbursement under this Agreement.
- e. Final payment to GRANTEE may not be made until the STATE determines the Project conforms substantially to this Agreement.

#### 10. Hold Harmless

- a. GRANTEE shall defend, indemnify and hold the STATE, its officers, employees, and agents harmless from and against any and all liability, loss, expense (including reasonable attorney's fees), or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of GRANTEE, its officers, agents, or employees. The duty of GRANTEE to indemnify and hold harmless includes the duty to defend as set forth in Civil Code Section 2778. This Agreement supersedes GRANTEE's right as a public entity to indemnify

(see Government Code Section 895.2) and contribution (see Government Code Section 895.6) as set forth in Government Code Section 895.4.

- b. GRANTEE waives any and all rights to any type of express or implied indemnity or right of contribution from the STATE, its officers, agents, or employees for any liability resulting from, growing out of, or in any way connected with or incident to this Agreement.
- c. Nothing in this Agreement is intended to create in the public or in any member of it rights as a third-party beneficiary under this Agreement.

#### 11. Tort Claims

##### FEDERAL:

The United States shall be liable, to the extent allowed by the Federal Tort Claims Act 28 United States Code 2671-2680, for claims of personal injuries or property damage resulting from the negligent or wrongful act or omission of any employee of the United States while acting within the scope of his or her employment, arising out of this Agreement.

##### STATE:

The State of California shall be liable, to the extent allowed by law and subject to California Government Code, Title 1, Division 3.6, providing for the filing of tort claims against the State of California, for personal injuries or property damage resulting from the negligent or wrongful act or omission of State of California employees while acting within the scope of his or her employment, arising out of this Agreement.

#### 12. Nondiscrimination

The State of California prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, sex, marital status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. GRANTEE shall not discriminate against any person on any of these bases.

#### 13. Conflict of Interest

GRANTEE or anyone acting on behalf of GRANTEE shall not have any conflicting personal and/or financial interests in carrying out the duties of the Agreement.

#### 14. Incorporation

The grant guidelines and the Project Scope of Work, Project Budget Detail and any subsequent amendments or modifications to the Project Scope of Work and Project Budget Detail approved in writing by the STATE are hereby incorporated by reference into this Agreement as though set forth in full in this Agreement.

15. Severability

If any provision of this Agreement or the Project Scope of Work thereof is held invalid, that invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

16. Waiver

No term or provision hereof will be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing and signed on behalf of the party against whom the waiver is asserted. No consent by either party to, or waiver of, a breach by either party, whether expressed or implied, will constitute consent to, waiver of, or excuse of any other, different, or subsequent breach by either party.

17. Assignment

This Agreement is not assignable by GRANTEE either in whole or in part.

ADDENDUM – FIRE PREVENTION GRANT PROJECTS

**I. PROGRAM ACKNOWLEDGEMENT/RECOGNITION**

All Fire Prevention Grant projects must clearly display, identify and label themselves as being funded by CAL FIRE. Acknowledgements must contain the CAL FIRE logo as well as the following statement:

*“Funding for this project provided by the California Department of Forestry and Fire Protection’s Fire Prevention Program.”*

A draft of the acknowledgement must be approved by the STATE prior to publication. For stationary projects, acknowledgement may include, but is not limited to, a sign on the project site. For other project types, such as vehicles, equipment, and consumer-based incentives, acknowledgement is encouraged by using a decal, sticker or other signage.

California Department of Forestry and Fire Protection (CALFIRE)  
California Climate Investments  
Fire Prevention Program Grant Application  
Fiscal Year 2020-21/2021-22 Funding Opportunity



Please request a Project Tracking # for each separate application by following the instructions in the 2020-21/2021-22 CCI Grant Guidelines on the [Fire Prevention Grants Web Page](#). Submit the application and all supporting materials to the SharePoint folder assigned to your tracking number **no later than 3:00pm PDT on May 19, 2021**. Grant awards are contingent upon appropriation from the [California Climate Investments](#), or other fund source, with up to \$165 million being awarded. Please note: Items marked in red are required.

1. **Project Tracking #:** 20-FP-ORC-0130 CalMapper ID:

Project Name/Title: OCFA Fuels Reduction Equipment

County: Orange

CAL FIRE Unit/Contract County (Please use this 3-letter Unit Identifier for file naming. See Question 14): ORC - Orange County

2. **Organization Type:** County If Other, please specify:

If Non-Profit, are you a registered 501(c)(3)? ☐ Yes ☐ No

3. **Sponsoring Organization:** Orange County Fire Authority  
**Project Manager**

Title: Wildland Resource Planner

First Name: David Last Name: Erickson

Address Line 1: 1 Fire Authority Road

Address Line 2:

City: Irvine State: California Zip Code: 92602

Phone Number: (714) 573-6178 Secondary Phone Number: (949) 447-0549

Email Address: daviderrickson@ocfa.org Fax Number: (714) 368-8836

Tracking #: 20-FP-ORC-0130

Page 1 of 5

Project Name: OCFA Fuels Reduction Equipment



4. For which primary activity is funding being requested? Fuel Reduction

5. **Grant Period:** Please provide the estimated start date and completion date for your project. Projects **MUST** be completed by March 15, 2025 or March 15, 2026, depending on the source of the funds awarded. Note that final billing is due 30 days after project completion. Please use MM/DD/YYYY format.

Project Start Date: 01/01/2022

Project Completion Date: 03/15/2026

6. **Limiting Factors:** Are there any existing forest or land management plans; Conservation Easements; Covenant, Conditions & Restrictions (CC&R's); matters related to zoning; use restrictions, or other factors that can or will limit the fire prevention proposed activity?

☐ If checked, describe existing plan(s) and the limitations, if any, in the attached Scope of Work.

7. **Timber Harvest Plans:** For fuel reduction projects, is there a timber harvesting document on any portion of the proposed project area for which a "Notice of Completion" has not been filed with CAL FIRE?

☐ If checked, provide the THP identification number and describe the relationship to the project in the attached Scope of Work document.

THP ID Number:

8. **Community at Risk:** Is the project associated with a community that is listed as a Community at Risk? See the list of [Communities at Risk](#) on the Office of the State Fire Marshal web page.

☒ Yes ☐ No

Number of Communities in the project area: 20

9. **Disadvantaged/Low Income Community:** Is the project associated with a low-income community that is listed as a Community at Risk? See the information on [Priority Population Investments](#) on the California Air Resources Board web page.

☒ Yes ☐ No

If Yes, select all that applies:

☐ Disadvantaged

☐ Low Income

☒ Both

☐ Buffer Zone

Tracking #: 20-FP-ORC-0130

Page 2 of 5

Project Name: OCFA Fuels Reduction Equipment



**10. Describe how your proposal would reduce the total amount of wildfire (and thereby reduce wildfire emissions) around communities, homes, infrastructure, and other highly valued resources. Please focus on GHG benefits. (Limited to 700 characters.)**

OCFA will purchase equipment to be used by the Crews & Heavy Fire Equipment when completing fuels projects throughout the county. Project activities for these crews include grading fire access roads, thinning roadside vegetation, & removing hazardous dead or dying vegetation. Purchasing this equipment will reduce the total amount of wildfire by providing crews with the means to complete projects quickly & efficiently. These completed projects will reduce the fuel load countywide and ensure proper maintenance of access roads. Limiting fuel sources will directly reduce the amount of wildfire. Further, access roads allow for faster response and will help to reduce a wildfire from spreading.

**11. Federal Responsibility Area:** Does your project/activity include work on Federal Lands that might require NEPA, or use a framework similar to Good Neighbor Authority?

Non-Tribal Lands: ☐ Yes ☒ No If yes, how many acres?

Tribal Lands: ☐ Yes ☒ No If yes, how many acres?

**12. Project Area Statistics:** For all projects, provide an estimate of the Project Influence Zone (PIZ) acres and the Treatment Influence Zone (TIZ) acres.

**PIZ** - The Project influence Zone (PIZ) is the broad geographic area encompassing the neighborhoods or communities that the grant proposal is designed to protect with fuel reductions, public education, or planning activities. This can be the sum of all treatment areas or could include a buffer area around the planning/public education target. Please keep the PIZ from encompassing an overly large area, unless benefits are clearly defined in the Scope-of-Work.

**TIZ** - Treatments are areas within a PIZ, where on-the-ground activities are accomplished (e.g. hazard fuel reductions, shaded fuel breaks, masticating, etc.). There can be multiple discrete Treatment areas associated with a PIZ. Some projects (e.g. Planning & Public Education) may NOT have treatment areas.

	LRA	FRA	SRA
Project Influence Zone (PIZ)	94,530.00	78,538.00	118,328.00
Treatment Influence Zone (TIZ)	94,530.00	78,538.00	118,328.00

Tracking #: 20-FP-ORC-0130

Page 3 of 5

Project Name: OCFA Fuels Reduction Equipment

13. **Project Budget:** What is the proposed budget? Please include a discussion of the project budget in the Scope of Work and enter the amount from the Project Budget workbook (.xls).

Budget Item	Amount
Grant Funding Requested (\$)	228,429.00

14. **Local Wildland Fire Risk Reduction Plans:** Is the project in, consistent with, or build on a larger plan that deals with the risk and potential impact to habitable structures in the WUI covered by this project? If so, discuss in the Scope of Work. **Select all that apply.**

- ☒ CAL FIRE Unit Strategic Fire Plan
- ☐ Homeowners' Association Plan
- ☐ Fire Safe Council Action Plan
- ☐ County Fire Department Strategic Fire Plan
- ☐ Local Fire Department Plan
- ☐ FIREWISE Community Assessment
- ☐ Other Local Plan (Identify in Scope of Work)
- ☒ Local Hazard Mitigation Plan
- ☒ Community Wildfire Protection Plan

15. **CEQA Compliance:** Describe how compliance with the California Environmental Quality Act (CEQA) will be achieved in the Scope of Work. Is there an existing (CEQA) document that addresses this project or can be used to meet CEQA requirements?

Please indicate the CEQA document type (For planning, education and other projects that are exempt from CEQA, select "Not Applicable"):

Not Applicable

Document Identification Number:

16. Have you applied for or received any other CAL FIRE Grants for this project?

☐ Yes ☐ No

If yes, please identify the other CAL FIRE grant program and how the additional grant will be or is being applied to this project.

Tracking #: 20-FP-ORC-0130

Page 4 of 5

Project Name: OCFA Fuels Reduction Equipment

### 17. Application Submission:

**Note to Applicant:** If you modify the language contained in any part of this document, other than to fill in the blanks or to provide requested information, your application **will be rejected**.

Use the table below as a tool to make sure you have all documents ready prior to submitting the application.

Replace "XXXX" in the file name with the project's ID Number. Replace "UUU" in the file name with the 3-letter identifier for the Unit where the project is located. Unit identifiers are listed in the instructions for this application form.

Attachments	File Name
<input checked="" type="checkbox"/> Application Form (.pdf)	20-FP-ORC-0130-Application.pdf
<input checked="" type="checkbox"/> Scope of Work (.doc)	20-FP-ORC-0130-SOW.doc
<input checked="" type="checkbox"/> Project Budget (.xls)	20-FP-ORC-0130-Budget.xls
<input checked="" type="checkbox"/> Project Map (.pdf)	20-FP-ORC-0130-MAP.pdf
<input type="checkbox"/> Articles of Incorporation (.pdf) - Applies to Non-Profits only	20-FP-UUU-XXXX-AOI.pdf
<input checked="" type="checkbox"/> Mapping	Create a Geo Point & Polygon web link

I certify that the above and attached information is true and correct:

  
Original Signature Required: Grantee's Authorized Representative

5.12.21  
Date Signed

DAVE ERICKSON  
Printed Name

WILDLAND  
RESOURCE  
PLANNER  
Title

Executed on: 5.12.21 at IRVINE  
Date City

Please fill out this form completely. Be sure to save a copy of this form and all attachments for your records. Submit the application and all supporting materials to the SharePoint folder assigned to your tracking number **no later than 3:00pm PDT on May 19, 2021**. Please submit the documents as early as possible to avoid unanticipated issues. **Applications submitted or modified in the SharePoint folder after this date will be considered late.** Access to SharePoint after the due date may be revoked.

Tracking #: 20-FP-ORC-0130

Page 5 of 5

Project Name: OCFA Fuels Reduction Equipment





California Department of Forestry and Fire Protection  
(CAL FIRE) California Climate Investments  
Fire Prevention Grants Program  
Project Scope of Work



**Project Name:** OCFA Fuels Reduction Equipment

**Project Tracking Number:** 20-FP-ORC-0130

**Project Description Summary:** Please provide a paragraph summarizing proposed project including the location, habitable structures, acres treated, etc. (Please type in blank space below. Please note there is no space limitations).

The proposed project purchases heavy equipment including a skid steer with attachments and a trailer, as well as tools, such as chainsaws and a portable air compressor/welder, to be used by the OCFA Crews and Equipment program to assist in completing wildfire prevention and fuels reduction projects. The preventative work performed will help to protect the 3.1 million residents within Orange County, while benefitting over 300,000 acres of SRA Threat Zone, nearly 11,576 habitable structures within the SRA, and another 130,220 structures within the Very High LRA WUI areas.

**A. Scope of Work**

This item is broken into project specific criteria depending on the type of project being proposed: planning, education or hazardous fuel reduction. Please **answer one section of questions** that pertain to the primary activity type for your project.

**Section 1: Hazardous Fuel Reduction/Removal of Dead or Dying Tree Projects**

1. Describe the geographic scope of the project, including an estimate of the number of habitable structures and the names of the general communities that will benefit.
2. Describe the goals, objectives, and expected outcomes of the project.
3. Provide a clear rationale for how the proposed project will reduce the risks associated with wildfire to habitable structures in the WUI.
4. Identify any additional assets at risk to wildfire that will benefit from the proposed project. These may include, but are not limited to, domestic and municipal water supplies, power lines, communication facilities and community centers.
5. Is the scale of the project appropriate to achieve the stated goals, objectives and outcomes discussed in Item 2 above?
6. How will the project/activity utilize the left over woody biomass? Will the project/activity use a biomass facility to reduce greater greenhouse gas emissions?

**Section 2: Planning Projects**

1. Describe the geographic scope of the project, including the communities that will benefit, and an estimate of the number of structures within the project area.
2. Describe how the project will assess the risks to residents and structures in the WUI and prioritize projects to reduce this risk over time.

3. Does the proposed plan add or build upon previous wildfire prevention planning efforts in the general project area?
4. Identify a diverse group of key stakeholders, including local, state, and federal officials where appropriate, to collaborate with during the planning process. Discuss how the project proponent plans to engage with these targeted stakeholders.
5. Describe the pathways for community involvement that will be incorporated in the planning process.

### **Section 3: Education**

1. Describe the specific message of the education program and how it relates to reducing the risk of wildfire to owners of structures in the WUI.
2. Describe the target audience of the education program and how information will be distributed to this audience.
3. Will the education program raise the awareness of homeowner responsibilities of living in a fire prone environment?
4. Identify specific actions being advocated in the education material that is expected to increase the preparedness of residents and structures in the WUI for wildfire.
5. Describe the expected outcome of the education in terms of increased or changed public awareness about wildfire.

Answer only 1 set of questions from above, depending on your project; Fuel Reduction, Planning or Education. (Please type in blank space below. Please note there is no space limitations).

1. Geographic scope: The purchased equipment would be used during various projects throughout OCFA's jurisdiction. The OCFA Crews and Equipment projects will provide direct benefits to the 3.1 million residents within Orange County while benefitting nearly 300,000 acres of SRA Threat Zone, 11,576 habitable structures within the SRA, and another 130,220 structures within the Very High LRA WUI areas. All communities within OCFA's jurisdiction will benefit including: Aliso Viejo, Buena Park, Cypress, Dana Point, Garden Grove, Irvine, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Rancho Santa Margarita, Rancho Mission Viejo, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, Yorba Linda.

2. Goals, Objectives, and Expected Outcomes: The primary goal of the project is to purchase specialized heavy equipment that is necessary for the OCFA Crews and Equipment program to complete various fuels reduction projects. The purchased equipment will mainly be used to improve emergency ingress and egress along dirt access roads and brush vegetation back along these access roads. The project will purchase the following: a Caterpillar 299D3 skid steer with a utility broom with water sprinkler kit, a Ziemann 2725-A Trailer to haul the skid steer, a Miller Bobcat 200 Air Pak Diesel air compressor and welder, two skid steer hydraulic oil coolers to attach to the existing skid steer and the new skid steer to keep the equipment attachments (mowing head and masticating head) cool while conducting fuels reduction projects to lessen the risk of overheating and/or starting a fire while conducting fuels reduction projects, four Stihl 461 chainsaws, and four HT 131 pole saws to be used in fuel reduction projects.

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The expected outcome from these purchases is to provide the OCFA Crews and Equipment program with the tools and equipment necessary to successfully complete maintenance, fuels reduction, and fire prevention projects. The skid steer and attachments will allow for the proper maintenance of access roads to ensure that the roads remain passable for emergency ingress and egress. This maintenance will protect life and safety of first responders and trail users by allowing safe access for fire fighters and fire engines to remote areas to fight fires and conduct remote rescue operations. Maintenance of these roads also helps reduce erosion, runoff and sedimentation of local streams through installation of water control measures and structures (water bars, drains, etc), which protects natural resources throughout our SRA. Grading roads in a sustainable fashion by using the skid steer and attachments also reduces maintenance costs and maintenance intervals on the roads, which in turn increases carbon sequestration by reducing the use of heavy equipment.

The newly purchased equipment will be handled, maintained, and stored by OCFA. The equipment will be maintained by OCFA HFEOs, OCFA mechanics, and stored at OCFA stations 18, 47, and 58, depending on project location and need.

The new skid steer and trailer will be towed with the existing OCFA Crews and Equipment dump truck and/or hook truck, which are both capable of towing this equipment.

3. Risk Reduction: As stated above, the purchased equipment will primarily be used by the OCFA Crews and Equipment program to grade, masticate, and brush access roads. OCFA grades and brushes roads to create a sustainable roadbed to provide for sustainable land use management and safety operations while providing maximum feasible protection to the environment. The oil cooler attachments to the skid steers will allow the equipment to run cooler and reduce the risk of overheating equipment attachments, such as a masticating head or mowing deck (already owned by and in use by OCFA). The utility broom with water sprinkler kit will also assist in creating a sustainable road bed by removing debris from roads that may clog culverts or erosion control features, which would otherwise cause the road to blow out or cause significant erosion. These roads are critical for emergency egress and are often the only way in and out of the SRA. The reduction of the vegetation will not only improve emergency access but will also help create a modified fuel break along roads and reduce the fuel load (including ladder fuels) around densely packed homes and increase defensible space. These fuel reduction projects completed by the OCFA Crews and Equipment program will also improve visibility allowing for faster response and ingress times and will help to reduce a structure fire from spreading to the WUI and threatening additional structures and communities.

4. Additional Assets at Risk: The roads graded and brushed by the OCFA Crews and Equipment program provide access into the SRA for wildfire response, land management and utility operations. These roads lead to municipal water supplies for Irvine Ranch Water District, Serrano Water District, and many others, as well as powerlines and utility stations owned and operated by Southern California Edison and San Diego Gas and Electric, and communication facilities owned and operated by the

County of Orange and Orange County Sheriff's Department, as well as others. The road maintenance provided by the OCFA Crews and Equipment program mitigates fuel sources for wildfire and will ensure that access is available to fire crews thereby reducing the risks to all additional assets listed above.

**5. Scale of Project:**

The scale of the project has the potential to impact the ~300,000 acres of SRA Threat Zone, as OCFA Crews and Equipment program conducts fuel reduction projects across the county and the scope is appropriate to achieve the goals, objectives and outcomes discussed in Item 2. The scale of the project is focused on purchasing specific equipment that is the most crucial for the OCFA Crews and Equipment program to successfully complete their fuel reduction and grading projects.

**6. Biomass:**

Most of the biomass created from the fuel reduction projects is either lopped and scattered or chipped onsite. Some of the fuel removed is hauled to nearby green waste facilities where it is left to compost. Based on the location of the closest biomass energy facility, GreenLeaf Power located ~ 121 miles away, it is not an efficient use of carbon to haul debris there for use in bioenergy.

**B. Relationship to Strategic Plans**

Does the proposed project support the goals and objectives of the California Strategic Fire Plan, the local CAL FIRE Unit Fire Plan, a Community Wildfire Protection Plan (CWPP), County Fire Plan, or other long term planning document? (Please type in blank space below. Please note there is no space limitations).

The proposed project is consistent with the California Strategic Fire Plan, and is identified in the Orange County-CAL FIRE Contract County Fire Plan, as well as the CWPP. The purchased equipment will mainly be used in locations located within designated Very High Fire Hazard Severity Zone as identified by the County of Orange and CAL FIRE. The project is identified in the County of Orange Community Wildfire Protection Plan, and is consistent with the Orange County Natural Communities Coalition of Orange County Fire Plan.

**C. Degree of Risk**

1. Discuss the location of the project in relation to areas of moderate, high, or very high fire hazard severity zone as identified by the latest Fire and Resource Assessment Program maps. Fire hazard severity zone maps by county can be accessed at: [http://www.fire.ca.gov/fire\\_prevention/fire\\_prevention\\_wildland\\_zones\\_maps.php](http://www.fire.ca.gov/fire_prevention/fire_prevention_wildland_zones_maps.php)
2. Describe the geographic proximity of the project to structures at risk to damage from wildfire in the WUI. (Please type in blank space below. Please note there is no space limitations).

**1. Hazard:** The purchased equipment will be used on projects that focus on areas in the very high SRA fire hazard severity zones, as well as across the ~300,000 acres of SRA



Threat Zone land. These projects are also completed in adjacent areas rated very high incorporated and unincorporated LRA.

2. Structures in WUI: The OCFA Crews and Equipment projects will provide direct benefits to the 3.1 million residents within Orange County while benefitting nearly 300,000 acres of SRA Threat Zone, 11,576 habitable structures within the SRA, and another 130,220 structures within the Very High LRA WUI areas. The OCFA Crews and Equipment projects will be conducted in thousands of acres of open spaces directly adjacent to thousands of homes within the WUI. The completion of these fuels projects reduces fuel sources as well as prevents ignition and the spread of wildfires. It will also provide safe access for crews during active incidents and enhance evacuation of homes within the WUI.

#### **D. Community Support**

1. Does the project include any matching funds from other funding sources or any in-kind contributions that are expected to extend the impact of the proposed project?
2. Describe plans for external communications during the life of the project to keep the effected community informed about the goals, objectives and progress of the project. Activities such as planned press releases, project signage, community meetings, and field tours are encouraged.
3. Describe any plans to maintain the project after the grant period has ended.
4. Does the proposed project work with other organizations or agencies to address fire hazard reduction at the landscape level?  
(Please type in blank space below. Please note there is no space limitations).

1. Matching: Matching will come from OCFA in the form of grant administration, purchasing of equipment and tools, and equipment maintenance and upkeep.

2. External Communications: OCFA has many partnerships within landownerships in the SRA and SRA Threat Zones, such as the County of Orange Area Safety Taskforce (COAST). If this grant is awarded, our partners will be informed of the new purchases and potential uses on their land.

3. Post-project maintenance: OCFA will maintain all equipment purchased through the grant in perpetuity. A portion of the OCFA budget will be made available for the upkeep and cleaning of the equipment once the grant period has ended.

4. Fire reduction on landscape scale: The purchase of this equipment directly involves working with other organizations to address fire hazard reduction at the landscape level. Through the OCFA COAST partnership, OCFA has partnerships with utilities such as Southern California Edison and San Diego Gas and Electric, large SRA, FRA and LRA landowners such as Rancho Mission Viejo, Starr Ranch Audubon, City of Irvine, Orange County Parks, Cleveland National Forest and more, where fuel reduction projects will occur using the new equipment and tools. These partnerships will be enhanced through the use of mutually beneficial projects that will increase fire safety and reduce the chances for largescale wildfires.



## **E. Project Implementation**

1. Discuss the anticipated timeline for the project. Make sure to take seasonal restrictions into account.
2. Verify the expected timeframes to complete the project will fall under the March 15, 2025 or March 15, 2026, depending on the source of the funds awarded.
3. Describe the milestones that will be used to measure the progress of the project.
4. Describe measurable outcomes (i.e. project deliverables) that will be used to measure the project's success.
5. If applicable, how will the requirements of the California Environmental Quality Act (CEQA) be met?  
(Please type in blank space below. Please note there is no space limitations).

1. Timeline: Once the grant is received, the specialized heavy equipment and tools will be ordered ASAP. There are no seasonal restrictions to the purchase of this equipment.

2. Timeframes: The timeframes for delivery of the equipment is dependent on the manufacturer and inventory availability. The requisition of the equipment will be completed before March 15, 2025.

3. Milestones: Milestones for the purchases 1) purchasing of the equipment and tools 2) receiving the equipment, 3) making the equipment available to the OCFA Crews and Equipment program.

4. Deliverables: The project deliverable used to measure the project's success will be when each piece of equipment is made available to OCFA Crews and Equipment program to use.

5. CEQA: The CEQA process is not applicable for this project. The purchase of this equipment requires no environmental footprint.

## **F. Administration**

1. Describe any previous experience the project proponent has with similar projects. Include a list of recent past projects the proponent has successfully completed if applicable. Project proponents having no previous experience with similar projects should discuss any past experiences that may help show a capacity to successfully complete the project being proposed. This may include partnering with a more experienced organization that can provide project support.
2. Identify who will be responsible for tracking project expenses and maintaining project records in a manner that allows for a full audit trail of any awarded grant funds.  
(Please type in blank space below. Please note there is no space limitations).

1. Previous experience: OCFA has significant experience in receiving, and carrying out, grants, and is also compliant with federal statutes and OMB regulations that require a single audit annually. In addition, OCFA has never been audited by a funding agency, other than routine agreement tracking. Examples of OCFA's most recent grant experience include the following:

(a) 2009 - Assistance to Firefighters Grant (AFG) Regional Award for \$337,400: OCFA acted as the host agency to administer this completed grant award for the purchase of

VHF portable radios, repeaters and training that benefited several Orange County fire agencies, which resulted in better inter-fire agency communication.

(b) May 2011 - FEMA Fire Prevention & Safety Grant for \$332,000 (Federal Share): Awarded for the purchase and installation of smoke alarms and cooking safety devices in high risk communities, the result of this completed grant was that several thousand smoke alarms and cooking safety devices were purchased and installed in high risk communities.

(c) 2011 - AFG Award for \$1.4 million (Federal Share): Awarded to purchase new SCBA's, this completed grant has resulted in improved firefighter safety from the purchase of 400+ SCBA's.

(d) 2012 - AFG Award for \$137,000 (Federal Share): Awarded for the purchase of thermal imaging cameras, this completed grant has improved operations for fire rescues in smoke-filled environments, as a result of using the thermal imaging cameras.

(e) 2013 - FEMA Legislative Pre-Disaster Mitigation Grant for \$252,000 (Federal Share): Awarded for the installation of a new generator at OCFA's Air Operations Fire Station, once complete, this grant will improve reliability, and reduce the risk of a power failure at our Air Operations Fire Station caused by large disasters.

(f) 2013 - California Fire Safe Council Grants Clearinghouse for \$200,000+: This grant is scheduled to close in early 2015, and to date, it has funded fuel reduction projects, wildfire education initiatives, including a large scale community evacuation drill, plus several Chipper Days events in the WUI community of Cowan Heights. Results include hazardous fuels reductions, restoration/replanting with native vegetation, a better informed and prepared public, and a better coordinated emergency response community.

2. Project Tracking: The OCFA Pre-Fire Management team will be responsible for project tracking and budgeting. This team is led by Deputy Fire Marshal Jennifer Bower, Wildland Resource Planner Dave Erickson and Administrative Assistant Ariana Ramos. The PFM team will work internally with the Finance Dept to ensure that financial records are kept in a manner that allows for a full audit trail.

## **G. Budget**

A detailed project budget should be provided in an Excel spreadsheet attached to this grant application. The space provided here is to allow for a narrative description to further explain the proposed budget.

1. Explain how the grant funds, if awarded, will be spent to support the goals and objectives of the project. If equipment grant funds are requested, explain how the equipment will be utilized and maintained beyond the life of the grant.
2. Are the costs for each proposed activity reasonable for the geographic area where they are to be performed? Identify any costs that are higher than usual and explain any special circumstances within the project that makes these increased costs necessary to achieve the goals and objectives of the project.
3. Is the total project cost appropriate for the size, scope, and anticipated benefit of the project?
4. Identify all Indirect Costs and describe why they are necessary for a successful project implementation. Administrative expenses to be paid by the Fire Prevention Grants must be less than 12% of the total grant request (excluding equipment).

Project Tracking Number: 20-FP-ORC-0130

5. Explain each object category in detail and how that would support meeting the grant objectives.

(Please type in blank space below. Please note there is no space limitations).

1. Maintenance of Equipment: The funds will be spent to purchase the specialized equipment and tools as detailed in the attached budget spreadsheet. OCFA will budget yearly for the maintenance and upkeep of the equipment, which will be done in-house by OCFA mechanics and OCFA HFEOs, as well as at the local Caterpillar center for specialized work. OCFA will maintain the equipment in perpetuity.

2. Costs: The costs are commensurate with each item. Most bids that have been received are Sourcwell bids. This means that the bids are the lowest possible for the equipment based on the manufacturer. For tools, OCFA received up to 3 bids to create a competitive process.

3. Cost benefit: This purchase of this equipment will ultimately benefit over 3.1 million residents and the budget has been proportioned to be the most efficient project. The benefit to the communities will be the successful completion of fire prevention, fuel reduction, and maintenance projects by the OCFA Crews and Equipment program throughout the county.

4. Indirect Costs: Since this is a request for equipment, there are no indirect costs being requested.

5. Categories: Equipment- The grant would purchase the following:

- (a) a Caterpillar 299D3 skid steer with a utility broom with water sprinkler kit
- (b) a Zieman 2725-A Trailer to haul the skid steer
- (c) a Miller Bobcat 200 Air Pak Diesel potable air compressor and welder
- (d) two skid steer hydraulic oil coolers to attach to the existing skid steer and new skid steer to keep the equipment attachments (mowing head and masticating head) stay cool while conducting fuels reduction projects to lessen the risk of overheating and/or starting a fire while conducting fuels reduction projects
- (e) four Stihl 461 chainsaws
- (f) four Stihl HT 131 pole saws to be used in fuel reduction projects

## **H. California Climate Investments**

The space provided here is to allow for a narrative description to further explain how the project/activity will reduce Greenhouse Gas emissions.

1. How will the project/activity reduce Greenhouse Gas emissions?
2. Is the project located in a Low-Income or Disadvantaged Community? If not, does the project benefit those communities. Please explain.
3. What are the expected co-benefits of the project/activity (i.e. environmental, public health and safety, and climate resiliency)?
4. When are the Greenhouse Gas emissions and/or co-benefits expected to occur and how will they be maintained?

(Please type in blank space below. Please note there is no space limitations).

1. Greenhouse Gas reductions: By empowering the OCFA Crews and Equipment program to complete fuels reduction, maintenance and road grading and brushing

projects OCFA will be able to respond more efficiently to vegetation fires, thus reducing the size and environmental impact of a wildfire, as well as reducing the Greenhouse Gas emissions emitted by the wildfire. Brushing vegetation back along roadways also helps to create a modified fuel break along all roads, which allows safe access to wildfires and helps to slow and/or stop wildfire spread. Responding more effectively to wildfires will reduce Greenhouse Gas emissions by allowing units to arrive sooner to a more exact location of a wildfire and being able to suppress the wildfire more efficiently, reducing the overall net loss in vegetation, which increases carbon sequestration through photosynthesis and reduces the amount of volatile chemicals and gasses emitted into the atmosphere.

2. Disadvantaged Communities: Yes, this project benefits many of the disadvantaged communities within Orange County because the equipment will be used to complete projects designed to prevent wildfires that threaten disadvantaged communities adjacent to open spaces through the reduction of wildfire smoke and particulates. Much of the work that requires this specialized equipment pertains to open spaces adjacent to disadvantaged communities and will directly benefit these communities by reducing sources of fire ignitions and maintaining defensible spaces. This will help keep these communities safer from wildfire and promote a positive relationship between OCFA, our partners, and the communities that we serve.

3. Co-benefits: The expected co-benefits are reduced environmental impacts from wildfire through earlier response and a reduction in the size of wildfires through fuels reduction projects, which will allow plant communities to grow larger and healthier and sequester more carbon and emit more oxygen through photosynthesis. Maintaining access roads will enhance emergency response, which will allow the OCFA and adjacent fire departments to contain fires sooner and with less acreage burned. Smaller fires will keep communities safer, residents healthier through reduced stress and smoke inhalation, while ongoing education through the OCFA Ready, Set, Go program and outreach will enhance community wildfire awareness.

4. Maintenance: Greenhouse Gas emissions and co-benefits will be realized upon the first use of the equipment by the OCFA Crews and Equipment program. They are expected to last the lifespan of the specialized equipment which can be decades.



Tracking #: 20-FP-ORC-0130

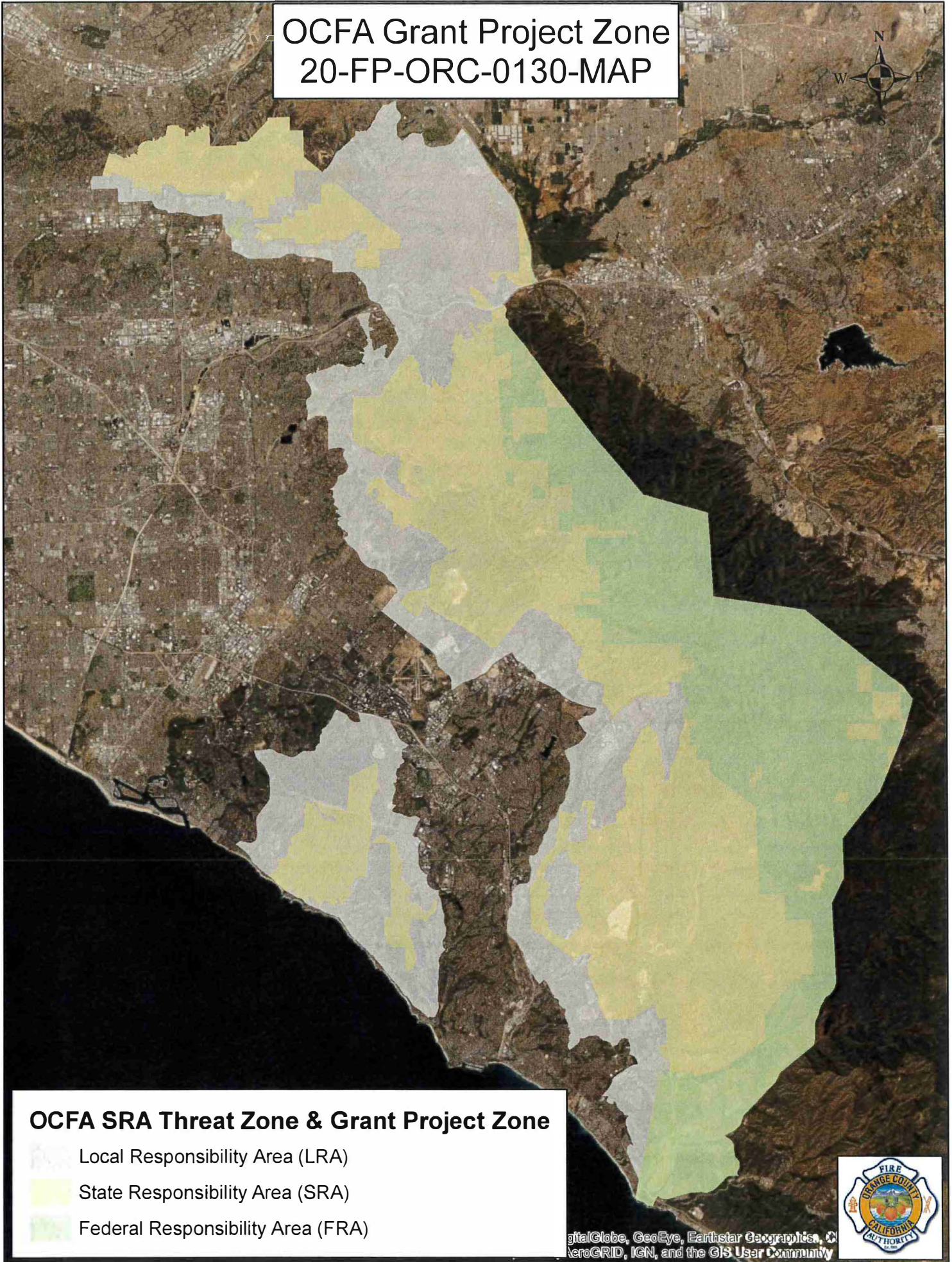
## Project Budget

Project Name: OCFA Fuels Reduction Equipment

Budget Category	Item Description	Cost Basis			Cost Share (%)			Funding Source (\$)			Total (\$)
		Quantity	Units	Cost/Unit	Grant	Grantee	Partner	Grant	Grantee	Partner(s)	
A. Salaries and Wages											
	OCFA Professional Staff	80	Hours	\$ 90	0%	100%	0%	\$ -	\$ 7,200	\$ -	\$ 7,200
	OCFA Admin	30	Hours	\$ 33	0%	100%	0%	\$ -	\$ 990	\$ -	\$ 990
	OCFA Heavy Equipment	100	Hours	\$ 116	0%	100%	0%	\$ -	\$ 11,600	\$ -	\$ 11,600
		0	Days	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Hours	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Hours	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Hours	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Hours	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
Sub-Total Salaries and Wages:								\$ -	\$ 19,790	\$ -	\$ 19,790
B. Employee Benefits											
	25% of total-OCFA	1	Report	\$ 2,575	0%	100%	0%	\$ -	\$ 2,575	\$ -	\$ 2,575
		0	Days	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Hours	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Days	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Hours	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Hours	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Hours	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Hours	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
Sub-Total Employee Benefits:								\$ -	\$ 2,575	\$ -	\$ 2,575
C. Contractual											
		0	Report	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Days	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Acres	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Miles	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
Sub-Total Contractual:								\$ -	\$ -	\$ -	\$ -
D. Travel & Per Diem:											
		0	Days	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Days	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Days	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Days	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
Sub-Total Travel & Per Diem:								\$ -	\$ -	\$ -	\$ -
E. Supplies											
	Stihl 461 chainsaw, 28" bar	4	Each	\$ 904	100%	0%	0%	\$ 3,616	\$ -	\$ -	\$ 3,616
	Stihl HT 131 pole saw	4	Each	\$ 520	100%	0%	0%	\$ 2,080	\$ -	\$ -	\$ 2,080
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
	Taxes on supplies	1	Each	\$ 527	100%	0%	0%	\$ 527	\$ -	\$ -	\$ 527
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
Sub-Total Supplies:								\$ 6,223	\$ -	\$ -	\$ 6,223
F. Equipment											
	Caterpillar 299D3 XE Skid Steer	1	Each	\$ 150,560	100%	0%	0%	\$ 150,560	\$ -	\$ -	\$ 150,560
	Zieman 2725-A Trailer	1	Each	\$ 36,563	100%	0%	0%	\$ 36,563	\$ -	\$ -	\$ 36,563
	Miller Bobcat 200 Air Pak Diesel 9	1	Each	\$ 16,356	100%	0%	0%	\$ 16,356	\$ -	\$ -	\$ 16,356
	Caterpillar 299 Skid Steer Hydraul	2	Each	\$ 6,616	100%	0%	0%	\$ 13,232	\$ -	\$ -	\$ 13,232
	Caterpillar BU115B, Utility Broom	1	Each	\$ 5,494	100%	0%	0%	\$ 5,494	\$ -	\$ -	\$ 5,494
Sub-Total Equipment:								\$ 222,206	\$ -	\$ -	\$ 222,206
G. Other Costs											
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
Sub-Total Other Costs								\$ -	\$ -	\$ -	\$ -
Total Direct Costs								\$ 228,429	\$ 22,365	\$ -	\$ 250,794
Indirect Costs (Exclude Equipment)							0%	\$ -		\$ -	
Total Project Costs								\$ 228,429	\$ 22,365	\$ -	\$ 250,794
Less Program Income								\$ -			\$ -
Total Grant Proposed Costs								\$ 228,429	\$ 22,365	\$ -	\$ 250,794



# OCFA Grant Project Zone 20-FP-ORC-0130-MAP



## OCFA SRA Threat Zone & Grant Project Zone

- Local Responsibility Area (LRA)
- State Responsibility Area (SRA)
- Federal Responsibility Area (FRA)

DigitalGlobe, GeoEye, Earthstar Geographics, GeoGRID, IGN, and the GIS User Community



**RESOLUTION NO. 2021-xx**

**A RESOLUTION OF THE ORANGE COUNTY FIRE  
AUTHORITY BOARD OF DIRECTORS ACCEPTING  
GRANT FUNDS FROM THE STATE OF CALIFORNIA  
DEPARTMENT OF FORESTRY AND FIRE PROTECTION  
(CAL FIRE) OFFICE OF THE STATE FIRE MARSHAL**

WHEREAS, there is a need for Fuels Reduction Equipment to assist in completing wildfire prevention and fuels reduction projects in the County of Orange, and

WHEREAS, Brian Fennessy is the Fire Chief of the Orange County Fire Authority.

NOW, THEREFORE, BE IT RESOLVED, that the Orange County Fire Authority Board of Directors accepts the agreement between the State of California, Department of Forestry and Fire Protection and the Orange County Fire Authority for Fuels Reduction Equipment, and authorizes Fire Chief Brian Fennessy to sign the agreement for the Board of Directors.

PASSED, APPROVED and ADOPTED this                      day of                      2021.

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DAVID J. SHAWVER, CHAIR  
OCFA Board of Directors

ATTEST:

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MARIA D. HUIZAR, CMC  
Clerk of the Authority





## Orange County Fire Authority **AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting  
November 10, 2021**

**Agenda Item No. 3A  
Discussion Calendar**

### **Audited Financial Reports for the Fiscal Year Ended June 30, 2021**

#### **Contact(s) for Further Information**

Robert Cortez, Assistant Chief Business Services Department	<a href="mailto:robertcortez@ocfa.org">robertcortez@ocfa.org</a>	714.573.6012
Julie Nemes, Finance Manager/Auditor	<a href="mailto:julienemes@ocfa.org">julienemes@ocfa.org</a>	714.573.6304
Tammie Pickens, General Accounting Manager	<a href="mailto:tammiepickens@ocfa.org">tammiepickens@ocfa.org</a>	714.573.6320

#### **Summary**

This annual agenda item is submitted to present the OCFA's audited Comprehensive Annual Financial Report and other audited financial reports for the fiscal year ended June 30, 2021, in compliance with the provisions of Section 6505 of the California Government Code and the Amended Joint Powers Agreement.

#### **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 November 18, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Receive and approve the reports.
2. Review the calculations used to determine the fund balance amounts assigned to the capital improvement program and workers' compensation and confirm the calculations' consistency with the OCFA's Assigned Fund Balance Policy.

#### **Impact to Cities/County**

Not Applicable.

#### **Fiscal Impact**

Not Applicable.

#### **Background**

See attached expanded background.

#### **Attachment(s)**

1. Comprehensive Annual Financial Report for the Year Ended June 30, 2021
2. Report on Internal Control for the Year Ended June 30, 2021
3. Single Audit Report for the Year Ended June 30, 2021
4. Audit Communication Letter for the Year Ended June 30, 2021
5. Assigned Fund Balance Calculations as of June 30, 2021 for:
  - A. Capital Improvement Program
  - B. Workers Compensation
6. Calculation of Unencumbered Fund Balance as of June 30, 2021



## **Background**

### ***Financial Audit and Reports***

Lance, Soll & Lunghard, LLP, Certified Public Accountants (LSL), performed OCFA's annual financial audit for Fiscal Year 2020/21. Their work included an audit of OCFA's Financial Statements in accordance with generally accepted auditing standards (GAAS); a review of internal controls to determine the depth of planned audit procedures; and a Single Audit of federal grant expenditures. The following Fiscal Year 2020/21 audit reports are being submitted for approval:

- **Comprehensive Annual Financial Report** (Attachment 1) – OCFA's Finance Division staff has prepared the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021. This report includes OCFA's audited Financial Statements, as well as additional background and multi-year statistical information covering OCFA's financial trends, revenue and debt capacity, demographic and economic information, and operating information. The auditors issued an unmodified or "clean" opinion, which states that OCFA's Financial Statements are fairly presented, in all material respects, in accordance with generally accepted accounting principles (GAAP). The auditors' opinion is presented on Pages 1 - 3 of the Comprehensive Annual Financial Report.
- **Report on Internal Control** (Attachment 2) – The auditors have reported no significant deficiencies or material weaknesses in their report on internal control over financial reporting, compliance, and other matters.
- **Single Audit Report** (Attachment 3) – This report includes a review of federal grant funds expended by OCFA during the fiscal year. The major program selected for more in-depth testing was the National Urban Search and Rescue (US&R) Response System program. Below is a summary of the auditors' results as described in the report:

	<b>Financial Statements (Financial Reporting)</b>	<b>Federal Awards (Major Federal Programs)</b>
Type of opinion	Unmodified	Unmodified
Internal control:		
Significant deficiency identified?	No	No
Material weakness identified?	No	No
Noncompliance material to the financial statements noted?	No	n/a
Findings required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200?	n/a	No

- **Audit Communication Letter** (Attachment 4) – Professional standards require the auditors to communicate certain information pertaining to the audit directly to those charged with the governance. This letter provides communication in several areas, including qualitative aspects of OCFA's accounting practices, any difficulties encountered while performing the audit, corrected and uncorrected financial statement misstatements, any disagreements with management, management's representations to the auditors, any consultation with other auditors, other audit findings or issues, and various other matters. In the "Other Audit Findings

or Issues” section of this letter, LSL has provided the Board with follow-up information regarding OCFA’s handling of emergency purchases during the COVID-19 pandemic. This matter was originally brought to the attention of the Board at the conclusion of the Fiscal Year 2019/20 audit. In July 2021, OCFA added language to its Roles, Responsibilities, and Authorities Matrix (Matrix) which clarified emergency purchases pertaining to long-duration emergency incidents will now be reported to the Executive Committee on a quarterly basis. In addition, emergency purchases will also be reported to the full Board of Directors following the Executive Committee’s receipt and/or ratification of the emergency purchases report. LSL believes the added language in the Matrix addresses the auditors’ recommendations and will allow the Board of Directors to exercise better oversight over emergency purchases.

The Comprehensive Annual Financial Report will be published electronically on OCFA’s website. The Comprehensive Annual Financial Report and other audit reports will be filed with the County Auditor-Controller, the State Controller’s Office, the State Auditor, the Federal Audit Clearinghouse, and other grant agencies, as applicable. Copies for public review are available at the office of the Clerk of the Authority.

### ***Assigned Fund Balance***

The Board of Directors has adopted an *Assigned Fund Balance Policy*, which delegates authority to assign fund balance amounts for the capital improvement program and workers’ compensation from the Board of Directors to the Deputy Chief of the Administrative & Support Bureau, or his/her designee, with a final review of the calculation by the Budget and Finance Committee. The Budget and Finance Committee’s review of the calculation occurs each year at the time the audited financial statements are approved and confirms the calculation’s consistency with the provisions of the policy. OCFA’s fund balance as of June 30, 2021, includes assignments for the capital improvement program (\$42,804,373) and workers’ compensation (\$109,770,629), with detailed calculations included as Attachments 5A and 5B.

### ***Current Year Changes in Financial Statement Reporting***

During Fiscal Year 2020/21, OCFA implemented Governmental Accounting Standards Board (GASB) Statement No. 87 *Leases*, which enhances the comparability of financial statements among governments by requiring lessees and lessors to report leases using a single model. Previously, “operating leases” were accounted for as revenues or expenditures when payments were made, while only “capital leases” were reported among a government’s long-term assets or liabilities. Under GASB Statement No. 87, all leases (both “operating” and “capital”) now receive identical accounting and reporting treatment. A lessor is required to recognize a lease receivable. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset. Detailed information regarding the impact of the required changes in financial reporting can be found in the Notes to the Financial Statements (Attachment 1) No. 1g, 3, 8, 9, 18, and 21. Key changes include the following:

- OCFA’s Finance Division has established a materiality dollar threshold of \$50,000 per lease contract for determining the inclusion or exclusion of leases in the external financial statements, both as lessor and lessee.
- OCFA is the lessor in an agreement to provide space at the RFOTC to install and operate wireless communication towers. As of June 30, 2021, OCFA reported a lease receivable totaling \$873,249, on the General Fund’s Balance Sheet and on the governmental activities

Statement of Net Position. The receivable represents the present value of future lease payments expected to be received per the terms of the lease contract.

- As of June 30, 2021, OCFA is the lessee in lease agreements for a helicopter tower at Fullerton Airport, RFOTC and fire station copiers, and real property at Fullerton Airport. OCFA reported right-to-use capital assets (net of accumulated amortization) and long-term liabilities totaling \$4,867,930 and \$4,980,351, respectively, on the June 30, 2021, governmental activities Statement of Net Position. These long-term assets and liabilities represent the present value of future lease benefits and payments expected to be recognized per the terms of the lease contracts.
- As part of the implementation process, beginning balances for long-term assets, liabilities, and deferred inflows of resources were restated as of July 1, 2020. However, the net impact of these adjustments to beginning net position (governmental activities) and fund balance (General Fund) was \$0.

#### ***Net Pension Liability vs. Unfunded Actuarial Accrued Liability***

OCFA follows GASB Statements No. 68 *Accounting and Financial Reporting for Pensions* and No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Under these accounting standards, the **funding** or paying of OCFA's pension liability is disconnected from the **reporting** of the liability and related pension expense in the audited financial statements.

Each year OCFA receives two separate actuarial valuations from the Orange County Employees Retirement System (OCERS) that are used to identify OCFA's annual costs and future obligations pertaining to the retirement plan for its full-time employees. Both actuarial valuations are prepared by Segal Consulting (Segal) on behalf of OCERS using a "measurement date" of December 31.

- **Funding Valuation:** The "funding valuation" is used to determine OCFA's Unfunded Actuarial Accrued Liability (UAAL) and to set required contribution rates for the upcoming fiscal year. The method in which governmental employers fund their UAAL is systematic and assumed to occur over a long period of time. Contributions paid annually over the UAAL's amortization period are intended to accumulate to an amount necessary to fund the UAAL over time. OCFA's UAAL as reported in the December 31, 2020, funding valuation totaled \$276 million.
- **GASB Reporting Valuation:** The "GASB reporting valuation" is used to determine OCFA's Net Pension Liability (NPL), annual pension expense, and related calculations for financial reporting purposes in compliance with GASB Statement No. 68. The actuarial assumptions in this report differ from the "funding valuation" since they must comply with national GASB standards that are consistently applied by all governments. Amounts in this valuation may materially change from one year to the next, creating more volatility in the pension expense recognized in the financial statements (as compared to the required contributions identified in the "funding valuation"). OCFA's NPL for its OCERS pension plan reported in the June 30, 2021, audited financial statements totaled \$181 million. More detailed information regarding this long-term net liability can be found on the Statement of Net Position and in the Notes to the Financial Statements No. 23 (Attachment 1).

Currently, the net difference between OCFA's UAAL (funding) and NPL (reporting) is \$95 million, which is the result of different liability and asset values used in measuring these amounts in the separate actuarial valuations. The primary differences are attributed to the NPL being calculated using the plan's current market value of assets, and the UAAL being calculated by adjusting the market value of assets for asset smoothing per the OCERS Actuarial Funding Policy. Differences are also created by timing differences of when actuarial gains and losses are recognized in the liability calculation for financial reporting purposes compared to funding valuation purposes. Segal has provided OCERS with a reconciliation to assist in understanding the underlying differences between the UAAL and the NPL for the retirement plan as a whole. Following is a recap of the Segal reconciliation including only the rate groups applicable to OCFA:

	<b>Rate Group #8 (Safety)</b>	<b>Rate Group #10 (General)</b>	<b>OCFA Total</b>
<b>Liability Reconciliation</b>			
Actuarial accrued liability (L1)	\$1,942,902,000	\$280,972,000	\$2,223,874,000
Gains (losses) from lower (higher) than expected:			
Salary increases	13,007,000	282,000	13,289,000
Cost of living increases	11,588,000	1,642,000	13,230,000
Other experience gain or (loss)	214,000	(1,774,000)	(1,560,000)
Gain (loss) from rolled forward to actual liabilities	1,917,490	686,606	2,604,096
<b>Total pension liability (L2)</b>	<b>\$1,969,628,490</b>	<b>\$281,808,606</b>	<b>\$2,251,437,096</b>
<b>Asset Reconciliation</b>			
Valuation of assets (A1)	\$1,701,480,000	\$246,743,000	\$1,948,223,000
Adjustment for deferred investment return and non-valuation reserve	106,629,413	15,463,045	122,092,458
<b>Market value of assets (A2)</b>	<b>\$1,808,109,413</b>	<b>\$262,206,045</b>	<b>\$2,070,315,458</b>
<b>Net Reconciliation</b>			
Unfunded Actuarial Accrued Liability (UAAL) (L1-A1); "Funding Valuation"	\$241,422,000	\$34,229,000	\$275,651,000
<b>Net Pension Liability (NPL) (L2-A2); "GASB Reporting Valuation"</b>	<b>\$161,519,077</b>	<b>\$19,602,561</b>	<b>\$181,121,638</b>
<b>Net Difference (UAAL – NPL)</b>	<b>\$79,902,923</b>	<b>\$14,626,439</b>	<b>\$94,529,362</b>
<b>Difference in Liabilities</b>	<b>\$(26,726,490)</b>	<b>\$(836,606)</b>	<b>\$(27,563,096)</b>
<b>Difference in Assets</b>	<b>\$(106,629,413)</b>	<b>\$(15,463,045)</b>	<b>\$(122,092,458)</b>

### ***Structural Fire Fund***

The Amended Joint Powers Agreement gives the Board of Directors the sole discretion to determine if sufficient unencumbered funds from the prior fiscal year are available for OCFA-related services or resource enhancements to over-funded Structural Fire Fund (SFF) members. This determination is made after consideration of the audited Financial Statements and after consideration of the OCFA's financial needs. Based on the audited Financial Statements for the fiscal year ended June 30, 2021, the unencumbered fund balance is \$4,590,935 (Attachment 6), which is 0.98% of the General Operating Fund budget for Fiscal Year 2021/22. Additional information on staff's recommendation for the \$4,590,935 fund balance allocation will be included with the 2021 Long Term Liability Study item tentatively scheduled for January 2022.

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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FISCAL YEAR ENDED JUNE 30, 2021



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ORANGE COUNTY FIRE AUTHORITY  
ORANGE COUNTY, CALIFORNIA  
BUSINESS SERVICES DEPARTMENT / FINANCE DIVISION





# Orange County Fire Authority Comprehensive Annual Financial Report Year ended June 30, 2021

## Board of Directors As of June 2021

**David Shawver, Chair**  
City of Stanton  
*(Board Member Since 1995)*

**Michele Steggell, Vice Chair**  
City of La Palma  
*(Board Member Since 2015)*

**Ross Chun**  
City of Aliso Viejo  
*(Board Member Since 2020)*

**Don Sedgwick**  
City of Laguna Hills  
*(Board Member Since 2015)*

**Carol Gamble**  
City of Rancho Santa  
Margarita  
*(Board Member Since 2011)*

**Vince Rossini**  
City of Villa Park  
*(Board Member Since 2017)*

**Sunny Park**  
City of Buena Park  
*(Board Member Since 2021)*

**Sandy Rains**  
City of Laguna Niguel  
*(Board Member Since 2019)*

**Kathy Ward**  
City of San Clemente  
*(Board Member Since 2019)*

**Tri Ta**  
City of Westminster  
*(Board Member Since 2009)*

**Frances Marquez**  
City of Cypress  
*(Board Member Since 2020)*

**Noel Hatch**  
City of Laguna Woods  
*(Board Member Since 2013)*

**Troy Bourne**  
City of San Juan Capistrano  
*(Board Member Since 2021)*

**Gene Hernandez**  
City of Yorba Linda  
*(Board Member Since 2013)*

**Joseph Muller**  
City of Dana Point  
*(Board Member Since 2015)*

**Mark Tettemer**  
City of Lake Forest  
*(Board Member Since 2020)*

**Jessie Lopez**  
City of Santa Ana  
*(Board Member Since 2020)*

**Lisa Bartlett**  
County of Orange  
*(Board Member Since 2015)*

**John R. O'Neill**  
City of Garden Grove  
*(Board Member Since 2019)*

**Shelley Hasselbrink**  
City of Los Alamitos  
*(Board Member Since 2015)*

**Joe Kalmick**  
City of Seal Beach  
*(Board Member Since 2021)*

**Donald Wagner**  
County of Orange  
*(Board Member Since 2019)*

**Anthony Kuo**  
City of Irvine  
*(Board Member Since 2020)*

**Ed Sachs**  
City of Mission Viejo  
*(Board Member Since 2015)*

**Letitia Clark**  
City of Tustin  
*(Board Member Since 2019)*

**Brian Fennessy**  
Fire Chief

Prepared by OCFA Finance Division

Photos provided by OCFA Multimedia

# Orange County Fire Authority



## Mission Statement

We proudly serve the changing needs of our communities by providing exceptional emergency and support services. We pledge a commitment to preserving the quality of life.

## Vision Statement

We are dedicated to protecting lives and property with first class public safety and emergency services through courage, compassion, and competency.

## Values Statement and Service Principles

We rely on our PEOPLE and our Service Principles as we carry out our mission with:

- Professionalism
- Enthusiasm
- Organizational Integrity
- Pride
- Leadership
- Effectiveness

Service Principles guide our relationships with each other and with our customers:

- |                            |                           |                        |
|----------------------------|---------------------------|------------------------|
| • Safety                   | • Excellence              | • Honesty and Fairness |
| • Financial Responsibility | • Ethics                  | • Reliability          |
| • Teamwork                 | • Personal Accountability | • Diversity            |
| • Trust                    | • Care and Respect        | • Integrity            |

## Motto

In service of others!



**ORANGE COUNTY FIRE AUTHORITY**  
**Comprehensive Annual Financial Report**  
**Year ended June 30, 2021**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION:**

Transmittal Letter .....	iii
Organization Chart .....	ix
Management Staff and Appointed Officials .....	x
Organization of Board of Directors .....	xi
Certificate of Achievement for Excellence in Financial Reporting.....	xii

**FINANCIAL SECTION:**

Independent Auditors' Report .....	1
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	24
Statement of Activities .....	25
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet .....	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	29
Statement of Revenues, Expenditures and Changes in Fund Balances .....	30
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	31
Budgetary Comparison Statement – General Fund .....	32
Fiduciary Funds:	
Statement of Fiduciary Net Position .....	33
Statement of Changes in Fiduciary Net Position .....	34
Notes to the Financial Statements .....	35
Required Supplementary Information:	
OCERS Retirement Plan:	
Schedule of OCFA's Proportionate Share of the Net Pension Liability .....	88
Schedule of Contributions .....	89
Extra Help Retirement Plan:	
Schedule of Changes in Net Pension Liability and Related Ratios .....	90
Schedule of Contributions .....	92
Schedule of Money Weighted Rate of Return .....	94
Retiree Medical Plan:	
Schedule of Changes in Net OPEB Liability and Related Ratios .....	95
Schedule of Contributions .....	96
Schedule of Money Weighted Rate of Return .....	97
Supplementary Schedules:	
Major Governmental Funds:	
Budgetary Comparison Schedules:	
Communications and Information Systems .....	100
Fire Apparatus .....	101
Fire Stations and Facilities .....	102

## **TABLE OF CONTENTS (Continued)**

Components of General Fund:	
Combining Balance Sheet .....	104
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	105
Combining Original Budget.....	106
Combining Final Budget.....	107
Fiduciary Funds – Pension and Other Employee Benefit Trust Funds:	
Combining Schedule of Fiduciary Net Position .....	110
Combining Schedule of Changes in Fiduciary Net Position .....	111
<b>STATISTICAL SECTION (Unaudited):</b>	
Overview of the Statistical Section .....	113
Financial Trends Information:	
Net Position by Component – Last Ten Fiscal Years.....	116
Changes in Net Position – Last Ten Fiscal Years .....	118
Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	120
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	122
Revenue Capacity Information:	
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years .....	126
Property Tax Rates of Direct and Overlapping Governments – Last Ten Fiscal Years .....	128
Principal Property Tax Payers – Current and Nine Years Ago .....	129
Property Tax Levies and Collections – Last Ten Fiscal Years .....	130
Debt Capacity Information:	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....	132
Demographic and Economic Information:	
Demographic and Economic Indicators – Last Ten Fiscal Years .....	134
Population and Housing Statistics – Current and Nine Years Ago .....	135
Principal Employers – Current and Nine Years Ago .....	136
Operating Information:	
Authorized Positions by Unit – Last Ten Fiscal Years .....	138
Frozen Positions by Unit – Last Ten Fiscal Years .....	139
Jurisdiction Information – Last Ten Fiscal Years.....	140
Incidents by Major Category Definitions.....	141
Incidents by Type – Last Ten Fiscal Years .....	142
Incidents by Member Agency – Last Ten Fiscal Years .....	143
Capital Equipment by Category – Last Ten Fiscal Years .....	144
Capital Vehicles by Category – Last Ten Fiscal Years.....	148
Map of Division and Battalion Boundaries and Station Locations.....	153
List of Stations by Member Agency.....	154
Description of the Organization, Programs and Service Delivery .....	156



## Introductory Section





# ORANGE COUNTY FIRE AUTHORITY

**P. O. Box 57115, Irvine, CA 92619-7115 • 1 Fire Authority Rd., Irvine, CA 92602**  
**(714) 573-6000** **www.ocfa.org**

October 7, 2021

The Board of Directors  
Orange County Fire Authority  
1 Fire Authority Road  
Irvine, California 92602

We are pleased to present the Comprehensive Annual Financial Report of the Orange County Fire Authority (OCFA) for the fiscal year ended June 30, 2021. This report consists of management's representations concerning the finances of the OCFA and is presented using the financial reporting model outlined in statements issued by the Governmental Accounting Standards Board (GASB). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that this financial report is complete and reliable in all material respects, to the best of our knowledge and belief.

To provide a reasonable basis for making its representations, OCFA management has established a comprehensive internal control framework. This framework is designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that accounting transactions are executed in accordance with management's authorization and properly recorded so that the financial statements can be prepared in conformity with generally accepted accounting principles (GAAP). Because the cost of a control should not exceed the benefits to be derived, the objective of the internal control framework is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The design and operation of internal controls also ensures that federal and state financial assistance funds are expended in compliance with applicable laws and regulations related to those programs.

OCFA's financial statements have been audited by Lance, Soll & Lunghard, LLP, a firm of certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the OCFA's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The Management's Discussion and Analysis (MD&A) narrative provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations, and variances in the financial data. The MD&A is also intended to disclose any known significant events or decisions that affect the financial condition of the OCFA. The MD&A complements, and should be read in conjunction with, this letter of transmittal.

## **Background Information on the OCFA**

OCFA was formed on March 1, 1995, transitioning from the Orange County Fire Department to a joint powers authority (JPA) as allowed by California State Government Code 6500 et seq. OCFA is an independent entity similar to a special district. The service area includes twenty-three member cities and the unincorporated areas of Orange County. A twenty-five member Board of Directors governs the OCFA, including an elected official appointed to represent each member city and two representatives from the County Board of Supervisors. OCFA is managed by an appointed Fire Chief who reports to the Board of Directors.

The OCFA Foundation (Foundation) was established in July 2010 as a nonprofit corporation to support OCFA with additional resources. The Foundation is governed by a separate, five-member Board of Directors with prior experience in government, community, or fire service organizations. OCFA's Fire Chief serves as the Chief Executive Officer of the Foundation. The Foundation is presented in this report as a discretely presented component unit due to the nature and significance of its relationship with OCFA.

Serving the Cities of: Aliso Viejo • Buena Park • Cypress • Dana Point • Garden Grove • Irvine • Laguna Hills • Laguna Niguel • Laguna Woods • Lake Forest • La Palma • Los Alamitos • Mission Viejo • Rancho Santa Margarita • San Clemente • San Juan Capistrano • Santa Ana • Seal Beach • Stanton • Tustin • Villa Park • Westminster • Yorba Linda and Unincorporated Areas of Orange County

**RESIDENTIAL SPRINKLERS AND SMOKE ALARMS SAVE LIVES**

The annual budget serves as the foundation for OCFA's financial planning and control. The budget development process begins in November. The budget team compiles the input received from the section/division managers who follow the policies and guidelines established by Executive Management. The results are presented to Executive Management for review and prioritization. The draft budget is further refined through various committee reviews, including a City Managers' Budget and Finance Committee, a Capital Improvement Program Ad Hoc Committee, and the OCFA Budget and Finance Committee. The OCFA Budget and Finance Committee recommends the budget for approval by the Board of Directors in May or June. The Board has the option of holding a public hearing on the proposed budget and is required to adopt a final budget no later than June 30, the close of OCFA's fiscal year.

The appropriated budget is allocated by fund and department. Department Chiefs may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of Executive Management, and transfers between funds require the approval of the Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. A Budgetary Comparison Statement for the General Fund is presented in the governmental funds section of the accompanying financial statements. Budgetary Comparison Schedules for all remaining governmental funds with appropriated annual budgets are presented in the supplementary schedules section of the accompanying financial statements.

### **Information on Orange County and the Local Economy**



The information presented in the financial statements is best understood when it is considered from the broader perspective of the local economic environment within which OCFA operates.

### **Orange County Profile:**

Orange County is located along the southern coast of California, with Los Angeles County to the north; San Diego County to the south; and Riverside and San Bernardino counties to the east. Orange County covers an area of 799 square miles, with 42 miles of coastline along the Pacific Ocean, and is home to nearly 3.2 million people.<sup>1</sup> There are thirty-four cities in Orange County. OCFA provides regional fire services to twenty-three of those cities, along with the unincorporated areas throughout the county.

### **Economic Overview:**

After the development and roll-out of a COVID-19 vaccine in early 2021, the economy is now experiencing a V-shaped recovery from the COVID-19 Recession. A V-shaped recovery is characterized by a period of economic decline, a short trough, and finally a rapid recovery. Therefore, recovery is currently occurring at a much faster pace than the previous U-shaped recovery that followed the Great Recession. This is due in large part to federal government's unprecedented fiscal policy and financial stimulus, which included three waves of stimulus funding totaling over \$6 trillion. As the economy continues to emerge from the aftermath of the pandemic, uncertainty remains about the recovery's duration and the impacts on inflation and future interest rates.<sup>2</sup>

California experienced a 7.4% loss in jobs during 2020, driven by its relatively stringent pandemic interventions enacted in an effort to reduce infections and deaths. The state's job growth is now outpacing that of the nation because it has more unemployed workers to return to the workforce.<sup>3</sup> Orange County's unemployment rate was 2.8% in February 2020 but jumped to 13.3% by June 2020. A year later, the county's June 2021 unemployment rate was 6.4%, a significant improvement but still higher than pre-pandemic levels.<sup>4</sup> Most pandemic-related job losses in Orange County were concentrated in the leisure and hospitality sector, which are still below pre-recession levels. By contrast, Orange County's strong construction sector has already recovered and is doing the most to fuel local recovery.<sup>5</sup>

<sup>1</sup> California Department of Finance, <http://www.dof.ca.gov/forecasting/demographics/estimates>, Table E-5 *Population and Housing Estimates for Cities, Counties, and the State, January 2011-2021*

<sup>2</sup> Chapman University, *Economic & Business Review*, June 2021, *A V-Shaped Recovery: But at What Cost?*

<sup>3</sup> Chapman University, *Economic & Business Review*, June 2021, *Jobs Hit Hard by the COVID Recession: The Culprit? Greater Stringency*

<sup>4</sup> Bureau of Labor Statistics, [https://www.bls.gov/eag/eag.ca\\_santaana\\_md.htm](https://www.bls.gov/eag/eag.ca_santaana_md.htm), Local Area Unemployment Statistics, Anaheim-Santa Ana-Irvine, CA Metropolitan Division, Years 2011 to 2021

<sup>5</sup> Chapman University, *Economic & Business Review*, June 2021, *Seems Like Clear Sailing: But Storm Clouds are Forming*

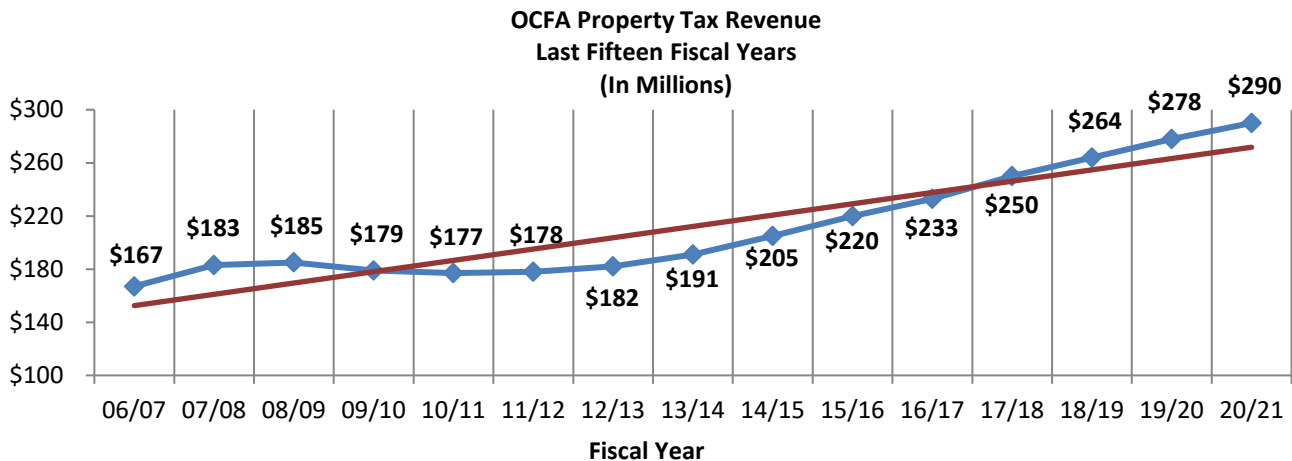
**Income and Housing Affordability:**

Households in Orange County have a median annual income of \$95,934, which exceeds state (\$80,440) and national (\$65,712) levels.<sup>6</sup> However, the county has long experienced a high cost of living and a shortage of affordable housing for its residents. Salaries have not kept up with rising home prices and there has not been enough stock of single-family and multi-family residences available to meet demand.

The median price for a single-family home in Orange County was approximately \$893,000 in 2020, an increase of 8.6% over the prior year. At the same time, the number of residential building permits issued in the last year has decreased by 42.6% – from 10,294 permits in 2019 to 5,907 permits in 2020. The affordability index for a median priced, single-family home did increase from 71.3% in 2019 to 77.9% in 2020.<sup>7</sup> However, Orange County is also experiencing historically low mortgage rates and a tight housing supply. The average number of days to sell a home in Orange County was at a historic low of 22 days in May 2021. This combination may place downward pressure on housing affordability for the foreseeable future.

**Property Taxes:**

The most significant local economic factor impacting OCFA is Orange County's housing market, including fluctuations in new construction activities and housing prices. Property taxes derived from these activities comprised 58.7% of OCFA's total governmental funds revenues in Fiscal Year 2020/21. As previously described, home prices continue to rise. OCFA's property tax revenues have steadily increased over the last ten fiscal years since the Great Recession, as shown in the chart below. The current median, single-family home price of \$893,000 well exceeds the pre-recession price peak of \$747,260 from April 2007.



**Long-term Financial Planning**

Since its formation in 1995, OCFA has been preparing multi-year projections of its revenues and expenditures. A firm of property tax consultants has been retained to assist in the projection of the OCFA's single largest revenue source – property taxes. With these projections and a collection of conservative assumptions, OCFA forecasts its financial condition five years into the future. Various scenarios can be developed from the forecast to assess the impact of proposed or impending changes to the budget, the economy or the underlying assumptions. As a result, this tool provides an early warning of potential financial difficulties. The consultant's method of projecting property tax revenue is to increase the value of existing structures by the 2% constitutional maximum (if CPI is 2% or greater); increase values to account for re-sales; add in the value of any new development; account for assessment appeals and reassessments in a recession; and account for value restoration post-recession.

<sup>6</sup> Data USA, <https://datausa.io/profile/geo/orange-county-ca/#economy/>, 2019 Median Household Income

<sup>7</sup> Chapman University, *Economic & Business Review*, June 2021, *Seems Like Clear Sailing: But Storm Clouds are Forming*; Table 11  
*Orange County Annual History and Forecasts: 2016-2020*

### **Relevant Financial Policies**

The OCFA Board of Directors has adopted the following formal budgetary and fiscal policies:

**Financial Stability Budget Policy:** This policy is intended to guide OCFA budget actions toward maintaining long-term financial stability and to establish fund balance levels and annual funding targets for the General Fund and Capital Improvement Program (CIP). The policy also includes guidance on facilitating the accelerated payment of OCFA's unfunded liabilities for improved fiscal health.

**Fiscal Health Plan:** The purpose of this plan is to establish a framework for ensuring an ongoing focus on fiscal health and a general process to ensure timely and appropriate response to adverse fiscal circumstances. The cornerstones of this plan are a set of strong fiscal policies and a comprehensive system for monitoring OCFA's fiscal performance. Financial indicators are monitored through frequent updates of OCFA's five-year financial forecast to evaluate stability, strength, or weaknesses of OCFA's finances.

**Investment Policy:** This policy is updated annually to reflect changes in legislation and the changing needs of the OCFA. It specifies the types of investments allowed in the OCFA portfolio, as well as the diversification and maturity requirements for investments.

**Roles/Responsibilities/Authorities for the OCFA:** This document identifies those roles and responsibilities that have been retained by the Board, as well as responsibilities that have been delegated. All authority rests with the Board unless it is delegated by statute or Board action. When delegated, these authorities are further defined by contracts, resolutions, policies and/or other Board actions.

**Accounts Receivable Write-off Policy for Uncollectible Accounts:** This policy establishes the criteria and procedures for requesting uncollectible amounts to be written off.

**Short-term Debt Policy:** This policy establishes guidelines for managing the OCFA's cash flow position in a fiscally conservative manner through the issuance of short-term debt.

**Emergency Appropriations Policy:** This policy establishes guidelines for increasing appropriations in the event of extraordinary fire or emergency activity following the last Board meeting of the fiscal year.

**Assigned Fund Balance Policy:** This policy establishes the authority by which OCFA may set aside cumulative resources in fund balance for an intended future use.

**Grants Management Policy:** This policy establishes an overall framework for guiding OCFA's use and management of grant resources.

**Capital Projects Fund Policy:** This policy defines the types of allowable activities that may be accounted for in OCFA's capital projects funds, as defined by Governmental Accounting Standard Board (GASB) Statement No. 54.

### **Major Initiatives Expected to Affect Future Financial Position**

Highlights of select initiatives that have the potential to impact OCFA's future financial position are described below.

**Accelerated Pay-Down of Pension Liability with the Orange County Employees Retirement System:** OCFA continues its policy efforts and Board actions to reduce its unfunded liabilities, thereby improving the sustainability of services. In September 2013, the Board approved several strategies to accelerate funding OCFA's Unfunded Actuarial Accrued Liability (UAAL) with the Orange County Employees Retirement System (OCERS). Those strategies, referred to as the "Snowball Plan," currently include the following:

- (A) Use unencumbered fund balance available at the close of each fiscal year to make annual lump sum payments, estimated at an average amount of \$3 million annually;
- (B) Include savings from reduced retirement rates resulting from the implementation of the Public Employees' Pension Reform Act;
- (C) Budget an additional \$1 million beginning in Fiscal Year 2016/17, and increase by \$2 million each subsequent fiscal year until reaching an annual amount of \$15 million;
- (D) Contribute \$1 million annually for five years, beginning in Fiscal Year 2016/17, from surplus fund balance available from the

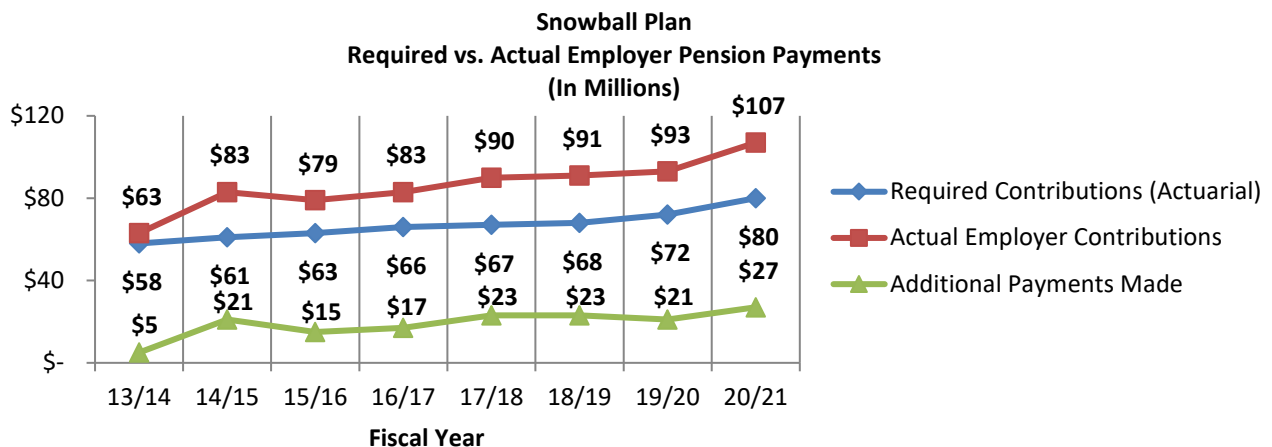


General Fund's fund balance assignment for workers' compensation;

- (E) Contribute 50% of General Fund surplus, if any, annually beginning in Fiscal Year 2017/18 in accordance with the Financial Stability Budget Policy; and
- (F) Contribute \$500,000 annually beginning in Fiscal Year 2020/21 until the liability is 85% funded in accordance with the Irvine Settlement Agreement.

In November 2016, the Board of Directors also authorized modifications of the "Snowball Plan" to (1) alter the funding target from 100% to 85%; and (2) to redirect expedited payments from the UAAL to the OCFA's unfunded liability for the Retiree Medical Plan after achieving that 85% target. OCFA has been making additional payments toward its UAAL annually since Fiscal Year 2013/14, with additional payments made during Fiscal Year 2020/21 totaling \$27.0 million. The Board of Directors is updated annually on the status of the pay-down plan. As of January 2021, estimates received from the OCERS actuary indicated that these accelerated payments have saved OCFA \$34.4 million in interest, and that OCFA will achieve 85% funding by December 31, 2021, and 100% funding by December 31, 2026. Below is a summary of additional payments made toward the UAAL under the "Snowball Plan" since Fiscal Year 2013/14, followed by a comparison of required versus actual employer pension contributions made during that same time period.

	Part A	Part B	Part C	Part D	Part E	Part F			
Fiscal Year Ended June 30	Available Fund Balance	Annual PEPRA Savings	Annual Budget Increases	Budget Increases from Workers Comp Assignment	50% of General Fund Surplus	Irvine Settlement Agreement	Total Snowball Plan Payments	Other UAAL Rate Savings Payments	Total Additional Payments Toward the UAAL
2014	\$ 3,000,000	\$ 2,235,753	\$ -	\$ -	\$ -	\$ -	\$ 5,235,753	\$ -	\$ 5,235,753
2015	21,290,238	86,061	-	-	-	-	21,376,299	-	21,376,299
2016	12,609,380	2,802,122	-	-	-	-	15,411,502	-	15,411,502
2017	9,814,477	1,653,114	1,000,000	1,000,000	-	-	13,467,591	3,128,369	16,595,960
2018	13,174,516	1,886,420	3,000,000	1,000,000	870,041	-	19,930,977	3,164,819	23,095,796
2019	10,000,000	3,167,397	5,000,000	1,000,000	-	-	19,167,397	3,665,549	22,832,946
2020	4,030,172	1,648,658	7,000,000	1,000,000	-	-	13,678,830	7,324,607	21,003,437
2021	3,000,000	2,368,859	9,000,000	1,000,000	-	500,000	15,868,859	11,092,090	26,960,949
<b>Total</b>	<b>\$76,918,783</b>	<b>\$15,848,384</b>	<b>\$25,000,000</b>	<b>\$5,000,000</b>	<b>\$870,041</b>	<b>\$500,000</b>	<b>\$124,137,208</b>	<b>\$28,375,434</b>	<b>\$152,512,642</b>



**Service Level Assessments:** OCFA has been working with Citygate Associates, LLC, since January 2019 to conduct organizational Service Level Assessments (SLA's). Each SLA evaluates the operational performance of a key area in OCFA's operations in order to compare to national best practices, and to evaluate the needs of OCFA, its employees, and its agency customers. The intent of each SLA is to accomplish the same objectives as a strategic plan but in smaller pieces, and to allow for progress to be made on objectives while other portions of the organization are still being assessed. As of August 2020, SLA's were finalized for the first of five key areas of the organization – field deployment, emergency medical services, emergency command center, fleet services, and executive leadership. OCFA will continue to use the SLA findings in those reports to guide improvement throughout the organization. In addition, OCFA's Board has authorized the completion of SLA's for two new areas – OCFA's Business Services Department and Community Risk Reduction Department. Work on those two SLA's commenced in November 2020 and is ongoing.

**Ongoing Response to COVID-19 Pandemic:** Fiscal Year 2020/21 has been a year unlike any other in the history of OCFA. As a public safety organization, OCFA has been serving on the front lines of the COVID-19 global pandemic since it began in March 2020. Even as California Governor Gavin Newsom lifted an initial “stay at home order” in June 2020, OCFA continued to provide 24/7 emergency and support services to the Orange County community. Proactive measures based on state and federal guidelines were implemented to minimize the risk and potential for exposure to OCFA’s workforce, including facility closures to the general public (except for Community Risk Reduction customers at the RFOTC), employee health screenings, enhanced security services, extra facility cleaning, sanitation stations, and providing facemasks to employees. A COVID-19 employee leave bank was established effective March 29, 2021 through September 30, 2021, in accordance with SB95. Certain paid sick leave entitlements were made available for employees who were unable to work or telework due to specific qualifying reasons related to COVID-19. The exact economic impacts to assessed property values and property taxes, OCFA’s primary revenue source, are not completely known at this time. There is generally a delay of one to two fiscal years between when a significant economic event occurs and when property tax revenues are subsequently impacted. OCFA will continue to monitor the impacts of the pandemic on the economy and OCFA’s future financial position.

OCFA began administering COVID-19 vaccinations to its safety personnel and support staff in December 2020 and January 2021, respectively. OCFA’s role in the county-wide vaccination efforts expanded in 2021 as the county’s first vaccine distribution “pod” site for health care workers and other qualified individuals was established at OCFA’s own Regional Fire Operations and Training Center (RFOTC). OCFA went on to collaborate with the County of Orange in support of a county-wide vaccination effort titled Operation Independence. The mission of Operation Independence was to complete all county vaccinations by July 4, 2021. OCFA assisted in this effort by filling long-term leadership and support roles on the Operation Independence team, and by staffing various county-operated “super pod” sites at Disneyland, Soka University, and other locations. The super pod sites were designed to distribute the vaccine to county residents in an efficient and expeditious manner.

With the continued improvements in the COVID-19 pandemic and vaccine availability, OCFA has modified measures previously implemented relative to its workforce. Beginning in June 2021, fully-vaccinated employees were no longer required to wear face coverings in most situations. Public access to the RFOTC was opened effective July 1, 2021, with limited usage of conference rooms or classrooms by external parties other than OCFA employees. Certain OCFA activities that were canceled or modified throughout the pandemic were restored in July 2021. OCFA is pleased that most of its activities have now returned to normal operations. OCFA and its personnel have persevered through an extremely challenging year. Even as the global pandemic is certainly not over, we remain committed to providing the highest possible level of emergency response service to the communities in which we serve.

#### **Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the OCFA for its Fiscal Year 2019/20 Comprehensive Annual Financial Report, the twenty-third consecutive year OCFA has received this prestigious award. In order to be awarded this certificate, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that satisfies both GAAP and applicable legal requirements. The certificate is valid for a period of one year. We believe our Fiscal Year 2020/21 Comprehensive Annual Financial Report continues to meet the program’s requirements, and we are submitting it to the GFOA to determine its eligibility for this year’s award.

The timely preparation of the Comprehensive Annual Financial Report was made possible by the dedicated efforts of the staff of the Finance Division. We acknowledge the support and direction provided to OCFA staff by the accounting firm of Lance, Soll & Lunghard, LLP. We would also like to express our appreciation to the Board of Directors and Budget and Finance Committee for their leadership and support in planning and conducting the financial operations of the OCFA in a responsible and progressive manner.

Respectfully submitted,

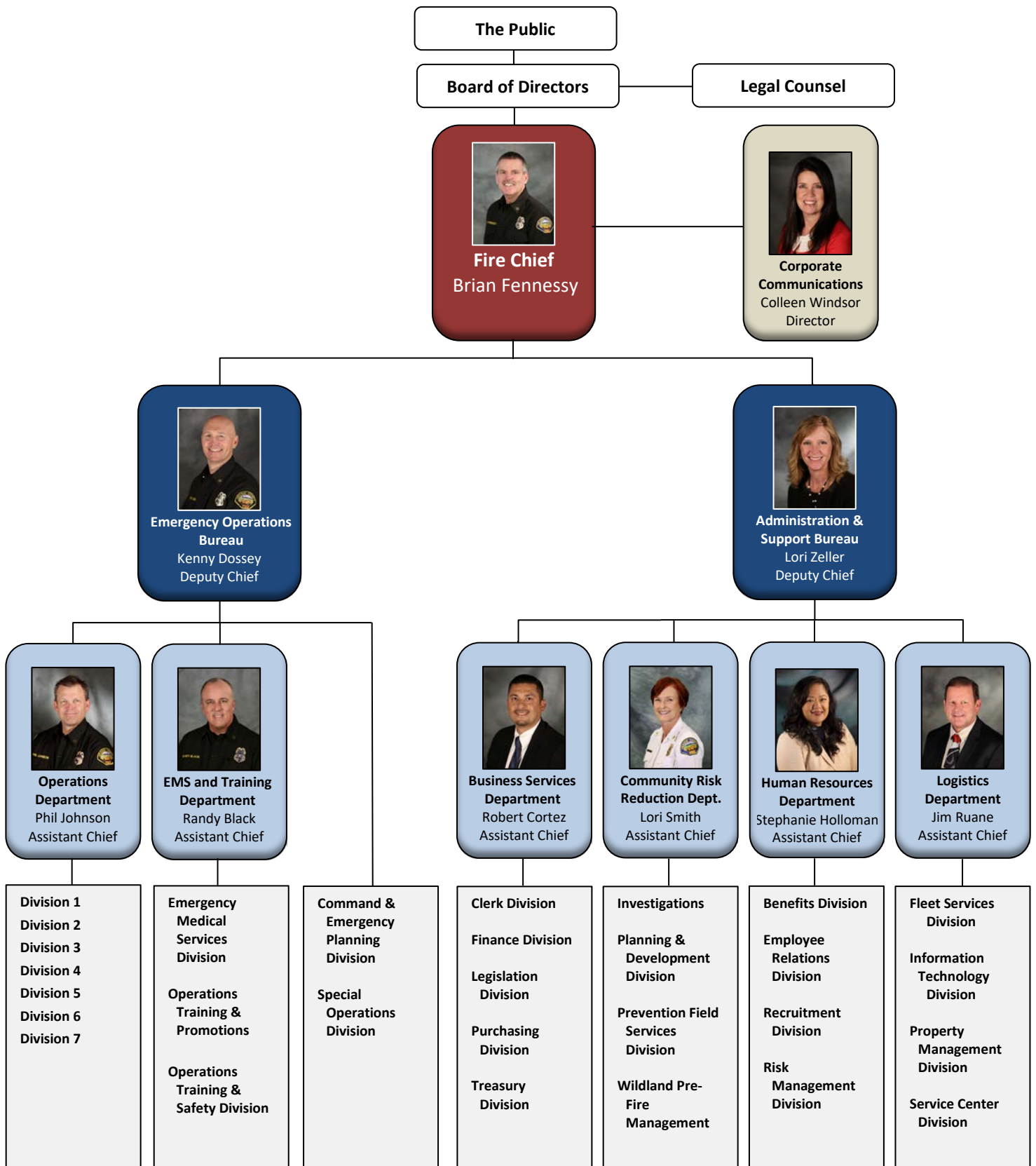


Brian Fennessy  
Fire Chief



Robert Cortez  
Assistant Chief, Business Services Department

ORANGE COUNTY FIRE AUTHORITY  
Organization Chart  
As of June 30, 2021



**ORANGE COUNTY FIRE AUTHORITY**  
**Management Staff and Appointed Officials**  
**As of June 30, 2021**

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**Executive Management**

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***Fire Chief***

Brian Fennessy

***Deputy Chiefs***

Kenny Dossey	Emergency Operations
Lori Zeller	Administration & Support

***Assistant Chiefs***

Phil Johnson	Operations
Randy Black	EMS and Training
Robert Cortez	Business Services
Lori Smith	Community Risk Reduction
Stephanie Holloman	Human Resources
Jim Ruane	Logistics

***Directors***

Colleen Windsor	Corporate Communications
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**Appointed Officials**

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Patricia Jakubiak	Treasurer
Julie Nemes	Auditor
Maria D. Huizar	Clerk of the Authority

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**Legal Counsel**

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Woodruff, Spradlin & Smart	General Counsel
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**ORANGE COUNTY FIRE AUTHORITY**  
**Organization of Board of Directors**  
**As of June 30, 2021**

Orange County Fire Authority's Board of Directors has twenty-five members as of June 30, 2021. Twenty-three of the members represent member cities and two members represent the county unincorporated area. The Board of Directors meets monthly. Following are descriptions of each committee that has been established by the Board of Directors:

The **Executive Committee** conducts all business of the OCFA, with the exception of policy issues, including labor relations, budget issues, and other matters specifically retained by the Board. The Executive Committee consists of no more than nine members of the Board and includes the following designated positions: the Chair and Vice Chair of the Board, the immediate past Chair of the Board, and the Chair of the Budget and Finance Committee. In addition, the Chair appoints five at-large members, subject to the approval of the Board. At least one member of the County Board of Supervisors serves on this committee. In addition, the ratio of committee members representing cash contract cities to the total committee membership is as close as reasonably possible to the ratio of the number of cash contract cities to total member agencies. The Chair of the City Managers Technical Advisory Committee serves as an ex-officio, non-voting member of the Executive Committee.

The **Budget and Finance Committee** advises staff and makes recommendations to the Board on matters related to financial and budget policies, development of budgets for the General Fund and capital expenditures, assignment of fund balances, budget balancing measures, evaluation and development of plans to meet long-term financing needs, investment oversight, and purchasing policies. The Budget and Finance Committee is also designated to serve as OCFA's audit oversight committee. The Board Chair makes appointments to the committee on an annual or as-needed basis and in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing structural fire fund and cash contract cities. The Board, through the Board Chair, appoints one City Manager to serve as an ex-officio, non-voting member of the committee.

The **Human Resources Committee** advises OCFA staff and makes recommendations to the Board on matters regarding human resources policies; job class specifications; compensation programs; benefit changes and renewals; labor negotiations; staff training, development and recognition programs; succession planning; risk management and workers' compensation policies; and development of management/performance evaluation and information systems. The committee consists of no more than seven members of the Board, all of which are appointed by the Board Chair. Appointments to the committee are made in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing structural fire fund and cash contract cities.



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Orange County Fire Authority  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO





## Financial Section





## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Orange County Fire Authority  
Irvine, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison statement for the General Fund of Orange County Fire Authority, (the Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Board of Directors  
Orange County Fire Authority  
Irvine, California

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Orange County Fire Authority as of June 30, 2021, the respective changes in financial position, and the budgetary comparison statement for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedule of OCFA's proportionate share of the net pension liability, the schedule of changes in net pension liability and related ratios, the schedule of changes in net OPEB liability and related ratios, the schedules of contributions, and the schedules of money weighted rate of return on as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Prior Year Comparative Information*

The financial statements include partial prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2020, from which such partial information was derived.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.



To the Board of Directors  
Orange County Fire Authority  
Irvine, California

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2021 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Lance, Soll & Lughard, LLP*

Brea, California  
October 7, 2021



## Orange County Fire Authority Safety Message

### Be Ember Aware



*Embers are burning pieces of vegetation or other flammable material and are the leading cause of structural damage and home loss from a wildfire.*

- ✓ Once they're picked up by strong winds, embers can travel as much as five miles in front of the active front of a wildfire. Before flames get anywhere near your home, embers can land in dry or flammable vegetation or small open spaces on your roof or walls, and ignite, threatening your home.
- ✓ If embers fall on and ignite nearby plants, the radiant heat created by the fire can burn combustible siding, doors, or window frames. Radiant heat can also cause windows to break, creating openings that allow flames and embers to enter your home. Once the home is on fire, it will create more embers that can be picked up by winds, travel to other homes and neighborhoods, and increase fire damage for the entire community.
- ✓ Embers create a huge threat during a wildfire. It's the steps you take now to make your home and landscaping more ember-resistant that will protect your family, your home, and your community during the next wildfire. Take responsibility!

*In order to successfully protect your home,  
you need to understand the real threat during a wildfire.*

# Management's Discussion & Analysis



9-11 Remembrance Ceremony  
September 11, 2020



**ORANGE COUNTY FIRE AUTHORITY**  
**Management's Discussion and Analysis**  
**Year ended June 30, 2021**

As management of the Orange County Fire Authority (OCFA), we offer readers of the financial statements this overview and analysis of OCFA's financial activities for the fiscal year ended June 30, 2021.

**Financial Highlights**

**Governmental Activities:** OCFA's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$207,511,949 at June 30, 2021. Net position consisted of net investment in capital assets totaling \$214,278,884; amounts restricted for capital and other projects totaling \$7,815,047; and an unrestricted deficit totaling \$429,605,880. Net position increased by \$67,152,849 as the result of current year operations.

**Governmental Funds:** OCFA's governmental fund balances totaled \$240,024,583 at June 30, 2021, an increase of \$6,588,962 over the prior fiscal year. Approximately 8.5% was available for funding future operational needs.

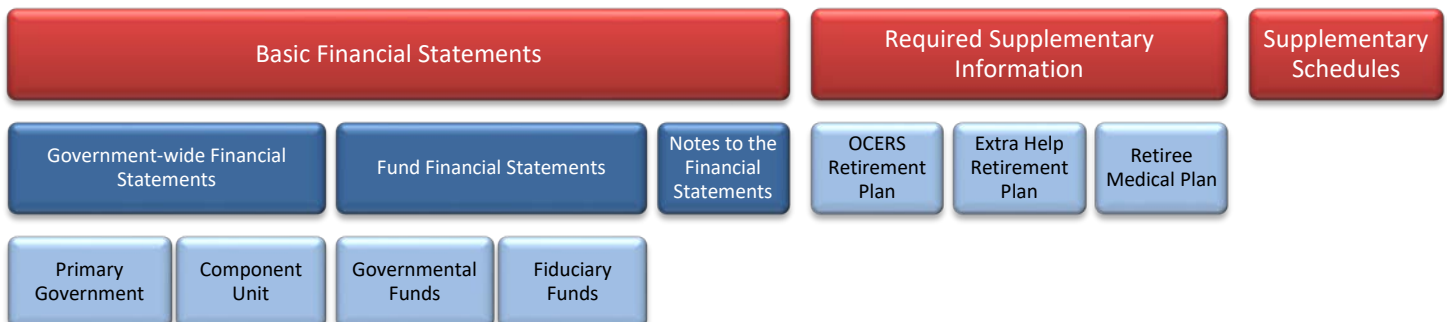
**General Fund:** Fund balance in the General Fund was categorized as follows at June 30, 2021:

➤ Nonspendable	\$ 41,707,145
➤ Restricted	7,380,284
➤ Committed	1,120,950
➤ Assigned	119,680,181
➤ Unassigned	<u>20,391,894</u>
Fund balance of the General Fund as of June 30, 2021	<u>\$190,280,454</u>

**Events with Significant Financial Impact:** During Fiscal Year 2020/21, OCFA implemented Governmental Accounting Standards Board (GASB) Statement No. 87 *Leases*. This statement enhances the usefulness and comparability of financial statements among governments by requiring lessees and lessors to report leases using a single model. As a lessee, OCFA's governmental activities began reporting new right-to-use capital assets and long-term lease liabilities totaling \$5.1 million for a helicopter training tower, copiers, utility pickup trucks, and a land lease at Fullerton Airport. Related inflows or outflows of resources were recognized based on the payment provisions of each lease contract. As a lessor, OCFA's governmental activities and General Fund began reporting a long-term lease receivable and deferred inflow of resources totaling \$0.9 million for a cell tower located at the Regional Fire Operations and Training Center (RFOTC).

**Overview of the Financial Statements**

This discussion and analysis serves as an introduction to OCFA's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition, the financial section of this report contains required supplementary information and supplementary schedules.



**Government-wide Financial Statements:** The government-wide financial statements provide a broad overview of OCFA's and the OCFA Foundation's finances in a manner like private-sector business. Public safety activities are reported as governmental activities, because they are principally supported by taxes and intergovernmental revenues. The government-wide financial statements can be found on pages 24-25.

**Statement of Net Position:** The statement of net position presents information on assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The differences between these items are reported as "net position". Over time, increases or decreases in net position serve as an indicator of whether the financial position is improving or deteriorating.

**Statement of Activities:** The statement of activities shows how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

**Fund Financial Statements:** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities. Like other state and local governments, OCFA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. OCFA's funds can be divided into two categories – governmental and fiduciary.

**Governmental Funds:** Governmental funds account for essentially the same functions as those reported in the government-wide financial statements as "governmental activities." However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information is useful in evaluating a government's near-term financing requirements. Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of near-term financial decisions. Reconciliations are provided to facilitate this comparison for the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances.

OCFA reports four governmental funds. Information for each governmental fund is presented separately in the fund financial statements, because OCFA has elected to classify all governmental funds as major funds. OCFA adopts an annual appropriated budget for each governmental fund. Budgetary comparison statements or schedules are provided for the governmental funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 28-32.

**Fiduciary Funds:** Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support OCFA's own programs. Combined basic fiduciary fund financial statements can be found on pages 33-34.

**Notes to the Financial Statements and Required Supplementary Information (RSI):** The notes to the financial statements and RSI provide additional information that is essential to fully understanding the data provided in the government-wide and fund financial statements, including information about OCFA's retirement and other postemployment benefit plans. RSI, while not a part of the basic financial statements, is considered to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The notes to the financial statements can be found on pages 35-86 and RSI can be found on pages 87-97.

**Supplementary Schedules:** The budgetary schedules referred to earlier in connection with governmental funds are presented in the supplementary schedules section. Combining and individual fund schedules can be found on pages 99-111.

### Government-wide Financial Analysis

**Net Position:** As noted earlier, the change in net position over time serves as a useful indicator of a government's financial position. In the case of OCFA, net position totaled a deficit of \$207,511,949 at the end of the most recent fiscal year, a 24.4% change from the prior fiscal year. Following is a summary of OCFA's net position as of June 30, 2021 and 2020:

**ORANGE COUNTY FIRE AUTHORITY's Net Position**

<u>Governmental Activities</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u> <u>Amount</u>	<u>%</u>
<b>Assets:</b>				
Current and other assets	\$ 247,290,940	\$ 231,040,916	\$ 16,250,024	7.0%
Restricted assets	3,797,698	2,121,417	1,676,281	79.0%
Capital assets, net	<u>219,259,235</u>	<u>217,317,435</u>	<u>1,941,800</u>	0.9%
<b>Total assets</b>	<b><u>470,347,873</u></b>	<b><u>450,479,768</u></b>	<b><u>19,868,105</u></b>	<b>4.4%</b>
<b>Deferred outflows of resources:</b>				
Related to pensions/OPEB	<u>169,462,497</u>	<u>127,422,203</u>	<u>42,040,294</u>	33.0%
<b>Total deferred outflows of resources</b>	<b><u>169,462,497</u></b>	<b><u>127,422,203</u></b>	<b><u>42,040,294</u></b>	<b>33.0%</b>
<b>Liabilities:</b>				
Long-term liabilities	615,766,071	722,904,449	(107,138,378)	-14.8%
Other liabilities	<u>27,494,874</u>	<u>17,391,109</u>	<u>10,103,765</u>	58.1%
<b>Total liabilities</b>	<b><u>643,260,945</u></b>	<b><u>740,295,558</u></b>	<b><u>(97,034,613)</u></b>	<b>-13.1%</b>
<b>Deferred inflows of resources:</b>				
Related to leases	854,202	-	854,202	n/a
Related to pensions/OPEB	<u>203,207,172</u>	<u>112,271,211</u>	<u>90,935,961</u>	81.0%
<b>Total deferred inflows of resources</b>	<b><u>204,061,374</u></b>	<b><u>112,271,211</u></b>	<b><u>91,790,163</u></b>	<b>81.8%</b>
<b>Net position:</b>				
Net investment in capital assets	214,278,884	217,317,435	(3,038,551)	-1.4%
Restricted for capital projects	599,148	391,477	207,671	53.0%
Restricted for augmentation and upstaffing activities	1,147,785	956,880	190,905	20.0%
Restricted for greenhouse gas reduction activities	1,986,525	1,354,680	631,845	46.6%
Restricted for Section 115 pension trust	3,795,815	2,120,383	1,675,432	79.0%
Restricted for grants, donations, and other programs	285,774	1,836,756	(1,550,982)	-84.4%
Unrestricted	<u>(429,605,880)</u>	<u>(498,642,409)</u>	<u>69,036,529</u>	13.8%
<b>Total net position (deficit)</b>	<b><u>\$(207,511,949)</u></b>	<b><u>\$(274,664,798)</u></b>	<b><u>\$ 67,152,849</u></b>	<b>24.4%</b>

**Net Investment in Capital Assets:** At June 30, 2021, the largest portion of OCFA's net position is its net investment in capital assets. OCFA uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Repayment of any debt issued to acquire capital assets must be from other sources. OCFA cannot sell the assets to obtain funding.

**Net Position Restricted for Capital Projects and Other Purposes:** An additional portion of OCFA's net position includes resources that are subject to external restrictions on how they may be used. As of June 30, 2021, restricted net position relates to CALFIRE contract revenues that are legally restricted for fire station development; state funding restricted for augmentation, upstaffing, and greenhouse gas reduction activities; amounts set aside in a Section 115 pension trust per contractual requirements; donations received for specific programs; and unperformed purchase orders for grant-funded programs.

**Unrestricted Net Position:** The remaining balance of net position is considered unrestricted. A positive unrestricted balance would represent amounts that may be used to meet OCFA's ongoing obligations to citizens and creditors. A deficit unrestricted balance, as reported on June 30, 2021 and June 30, 2020, indicates that OCFA's obligations currently exceed its resources. This deficit is due to the implementation of Governmental Accounting Standards Board (GASB) Statements No. 68 and No. 75 during Fiscal Year 2014/15 and Fiscal Year 2017/18, respectively. These statements required OCFA to begin reporting its net pension liabilities and the full amount of its net other postemployment benefit liabilities (OPEB) on the Statement of Net Position.

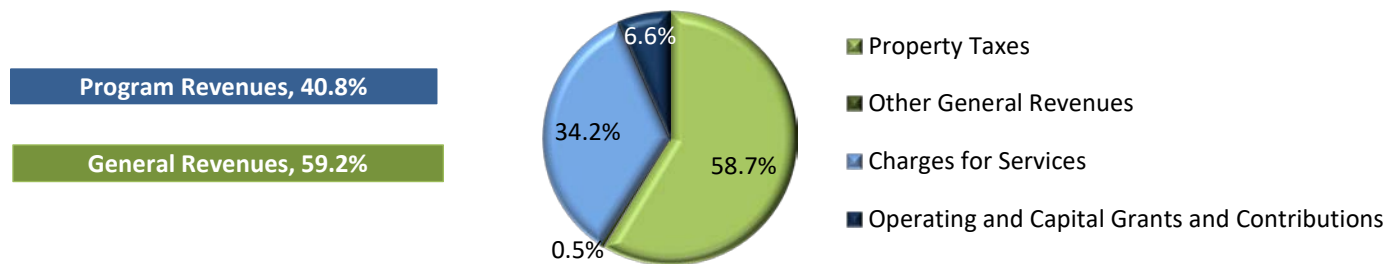
**Changes in Net Position:** Net position of OCFA's governmental activities increased by \$67,152,849 during the most recent fiscal year, an indication that OCFA's financial position has improved. As previously noted, changes in financial reporting requirements under GASB Statements No. 68 and No. 75 are the reason why OCFA reports an overall deficit in its net position.

Governmental activities are divided into two categories – program and general. Program revenues are those derived directly from a government program itself, or from parties outside the government's taxpayers, and thus reduce the net cost of providing that program. Any program expenses that are not offset by program revenues must essentially be financed by general revenues, such as taxes and investment earnings. Following is a summary of the changes in OCFA's net position for Fiscal Year 2020/21 and Fiscal Year 2019/20, followed by explanations for the increases or decreases in revenues and expenses between fiscal years.

**ORANGE COUNTY FIRE AUTHORITY's Changes in Net Position**

Governmental Activities	June 30, 2021	June 30, 2020	Increase (Decrease)	
			Amount	%
Program revenues:				
Charges for services	\$ 169,343,205	\$ 156,740,363	\$12,602,842	8.0%
Operating grants and contributions	31,323,104	29,275,482	2,047,622	7.0%
Capital grants and contributions	1,332,000	3,850,481	(2,518,481)	-65.4%
Total program revenues	201,998,309	189,866,326	12,131,983	6.4%
General revenues:				
Property taxes	290,310,882	277,721,815	12,589,067	4.5%
Investment income	462,789	3,374,813	(2,912,024)	-86.3%
Gain on disposal of capital assets	174,666	12,641	162,025	1281.7%
Miscellaneous	1,786,052	1,740,904	45,148	2.6%
Total general revenues	292,734,389	282,850,173	9,884,216	3.5%
Total revenues	494,732,698	472,716,499	22,016,199	4.7%
Public safety expenses:				
Salaries and benefits	331,869,650	352,573,221	(20,703,571)	-5.9%
Services and supplies	82,748,977	84,600,263	(1,851,286)	-2.2%
Depreciation and amortization	12,961,222	12,137,499	823,723	6.8%
Total public safety expenses	427,579,849	449,310,983	(21,731,134)	-4.8%
Change in net position	67,152,849	23,405,516	43,747,333	
Net position (deficit), beginning of year	(274,664,798)	(298,070,314)	23,405,516	
Net position (deficit), end of year	\$(207,511,949)	\$(274,664,798)	\$67,152,849	24.4%

**Revenues of Governmental Activities - By Source**  
**Fiscal Year 2020/21**



**Program Revenues:** Program revenues, which totaled \$201,998,309 for Fiscal Year 2020/21 and accounted for 40.8% of total revenues, increased by \$12,131,983 over the prior fiscal year.

**Charges for Services** include amounts received from those who purchase, use, or directly benefit from or are affected by a program. These revenues increased by \$12,602,842 over the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease
+\$12,745,000	Reimbursements for state and federal "assistance by hire" incidents vary depending on fire and emergency response activity. Reimbursements from CALFIRE, the California Emergency Management Agency (CAL EMA), and the Cleveland National Forest increased in Fiscal Year 2020/21 by \$12,970,000. OCFA responded to ninety-seven incidents in the current fiscal year as compared to fifty-nine in the prior fiscal year. Some of the more significant fire incidents in Fiscal Year 2020/21 included the in-county Santiago and Bond fires and the out-of-county Apple, LNU Lighting Complex, and El Dorado fires. Federal responses to national emergency incidents decreased in Fiscal Year 2020/21 by \$225,000. Activity was higher in the prior fiscal year due to Tropical Cyclone Dorian in September 2019 and the Puerto Rico Earthquake in January 2020.

(Continued)

(Continued)

Amount (Rounded)	Reason for Increase / Decrease
+\$3,350,000	OCFA contracts to provide emergency response services to its cash contract cities and other government agencies. Fire service contract revenues from cash contract cities increased by a net \$1,410,000 during Fiscal Year 2020/21. The net increase was based on contractual terms of the Joint Powers Agreement with eight current members (+\$8,525,000), offset by the loss of revenue from the City of Placentia (-\$7,115,000). The City of Placentia withdrew from the OCFA effective July 1, 2020. Other revenue increases in Fiscal Year 2020/21 included OCFA's contracts with California Department of Forestry (CALFIRE) for protection of State Responsibility Area (SRA) lands (+\$1,730,000) and with John Wayne Airport for Airport Rescue Firefighting (ARFF) Services (+\$210,000).
-\$1,560,000	Funding for OCFA's response to the COVID-19 pandemic decreased in Fiscal Year 2020/21. During the prior fiscal year, OCFA recognized a public assistance reimbursement claim totaling \$4,250,000 from the Federal Emergency Management Agency (FEMA). An additional \$130,000 in FEMA revenue was recognized during the current fiscal year, along with \$60,000 in Cares Act funding for personal protective equipment (PPE) and \$2,500,000 for the Operation Independence vaccine distribution initiative.
-\$1,360,000	Fee-based fire prevention revenues for inspections, planning and development, and false alarm events decreased due to lower activity in Fiscal Year 2020/21 brought on by the ongoing adverse effects of the COVID-19 pandemic on building efforts and material costs. In addition, the number of false alarms decreased as customers addressed fire alarm issues timely, thus avoiding the more punitive fees for repeat offences.
-\$445,000	Ambulance transport and supplies reimbursements were lower in Fiscal Year 2020/21 primarily due to a reduction in activity within the City of Placentia, which was no longer an OCFA member effective July 1, 2020.
-\$130,000	Road maintenance, fuel reduction, and other contract revenues generated by the hand crew decreased because less work was completed for Southern California Edison and the Orange County Parks Department.
+\$12,600,000	Program Revenues: Charges for Services – Net Increase

**Operating Grants and Contributions** include grants, contributions, donations, and similar items that are restricted to one or more specific program. These revenues increased by \$2,047,622 over the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease
+\$4,820,000	During Fiscal Year 2019/20, OCFA received \$3,930,000 in state revenues to fund the Fire Integrated Real-Time Intelligence System (FIRIS) Pilot Program in support of the 2019 wildfire season. During Fiscal Year 2020/21, OCFA received \$8,750,000 to fund the Fire Integrated Real-Time Intelligence System (FIRIS) 2.0 Program in support of the 2020 wildfire season. The duration and scope of the current fiscal year's program increased from five to ten months and from one to two airbases.
-\$3,065,000	Federal and state operating grants decreased due to a one-time grant received in Fiscal Year 2019/20 to purchase COVID-19 personal protective equipment. OCFA also made fewer purchases in the current fiscal year for certain multi-year federal grants, including grants for additional firefighter positions and fireground survival training. The fireground survival training grant was placed on hold for most of Fiscal Year 2020/21 as a COVID-19 safety measure.
+\$2,050,000	Tax increment passed through from members increased by \$2,050,000. The State of California dissolved its redevelopment program in Fiscal Year 2011/12. City redevelopment agencies were replaced with successor agencies to manage the wind-down of the program. Tax increment from this program was deposited into a trust fund from which the County of Orange Auditor/Controller makes disbursements.
-\$1,870,000	In both the current and prior fiscal years, OCFA received donations from Southern California Edison (SCE) to support seasonal wildland air operations programs. Current fiscal year revenues were lower because programs operated for a shorter duration. The Fiscal Year 2019/20 program operated for approximately six months (Next Generation Aerial Operations Based Pilot Program). The Fiscal Year 2020/21 programs operated for approximately three months (Very Large Helitanker Services Program) and sixteen days (Quick Reaction Force Pilot Program). The 180-day Quick Reaction Force Pilot Program commenced on June 15, 2021.
+\$115,000	Other operating grants and contributions increased primarily due to state funding used for greenhouse gas reduction activities.
+\$2,050,000	Program Revenues: Operating Grants and Contributions – Net Increase

**Capital Grants and Contributions** include grants, contributions, donations, and similar items that are restricted to one or more specific capital-related programs. These revenues decreased by \$2,518,481 from the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease
-\$3,155,000	Capital assets contributed to OCFA decreased primarily due to the acquisition of various fire apparatus, vehicles, and equipment from the City of Garden Grove in the prior fiscal year. This was a one-time contribution that occurred when the city became a new OCFA member on August 16, 2019.
+\$635,000	Revenues from developers increased per the terms of various Secured Fire Protection Agreements. Contributions varied between the prior and current year because of construction projects in the cities of Irvine and Lake Forest. The individual project having the greatest impact on developer revenue was the Great Park in Irvine.
-\$2,520,000	Program Revenues: Capital Grants and Contributions – Net Decrease

**General Revenues:** General revenues, which totaled \$292,734,389 for Fiscal Year 2020/21 and accounted for 59.2% of total revenues, increased by \$9,884,216 over the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease			
+\$12,590,000	Property taxes increased by \$12,590,000 over the prior fiscal year primarily due to increases in secured property taxes. Secured property taxes increased by 4.7%, which is consistent with a corresponding 4.7% increase in the assessed property values for jurisdictions within OCFA’s structural fire fund.			
-\$2,910,000	Investment income decreased by \$2,910,000. OCFA’s year-to-date effective rate of return on its investment portfolio was 0.36% at June 30, 2021, as compared to 1.63% at June 30, 2020. This decline generated a decrease to overall portfolio earnings. OCFA adjusts its investments to market value as of June 30 each year. This resulted in an overall investment loss in Fiscal Year 2020/21 and generated a decrease in total investment income as compared to the prior fiscal year’s market value gain. The market value adjustment is a “paper only” transaction since OCFA typically holds its investments to maturity. These components of investment income, including interest earned from the County of Orange on property taxes and the Section 115 pension trust, are summarized below:			
		FY 2020/21	FY 2019/20	Increase (Decrease)
	Portfolio earnings	\$553,095	\$2,607,604	\$(2,054,509)
	Market value gain (loss)	(460,756)	312,594	(773,350)
	Interest on property taxes	206,081	341,629	(135,548)
	Section 115 pension trust	96,418	40,805	55,613
	Total investment income	\$394,838	\$3,302,632	\$(2,907,794)
+\$205,000	Miscellaneous and other revenues increased due to a gain on disposal of various capital assets and due to workers’ compensation insurance recoveries, including a new Fiscal Year 2020/21 case covered under OCFA’s excess workers’ compensation policy.			
+\$9,885,000	General Revenues – Net Increase			





**Public Safety Expenses:** Total public safety expenses decreased by \$21,731,134 from the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease																
+\$18,490,000	Reasons for increases and decreases to the following categories of salaries and benefits are further explained in the <b>Major Governmental Funds – General Fund</b> portion of this Management’s Discussion and Analysis (see page 14): other pay (+\$6,855,000); regular pay, FICA, and Medicare (+\$4,690,000); overtime costs (+\$3,825,000); employee health insurance and other benefits (+\$2,630,000); vacation and sick leave payouts (+\$450,000); and temporary “extra help” salaries (+\$40,000).																
-\$49,590,000	Retirement contributions remitted to the Orange County Employees Retirement System (OCERS) increased by \$13,410,000. Reasons for the increase in actual plan contributions are further explained in the <b>Major Governmental Funds – General Fund</b> portion of this Management’s Discussion and Analysis (see page 14). In addition, under the requirements of GASB Statement No. 68, the amount of pension expense recognized during Fiscal Year 2020/21 to fully capture OCFA’s share of the net pension liability in its governmental activities was \$63,000,000 less than the prior fiscal year.																
+\$10,425,000	Under the requirements of GASB Statement No. 75, the amount of OPEB expense recognized during Fiscal Year 2020/21 in order to fully capture OCFA’s net OPEB liability in its governmental activities was \$10,425,000 more than the prior fiscal year.																
-\$30,000	The net change in long-term liabilities for various employee leave balances decreased by \$30,000 as compared to the prior fiscal year and is recognized as an expense (credit) in the governmental activities.																
-\$20,705,000	<b>Subtotal for Public Safety Salaries and Benefits – Net Decrease</b>																
+\$1,680,000	Reasons for increases and decreases to the following categories of services and supplies are further explained in the <b>Major Governmental Funds</b> portion of this Management’s Discussion and Analysis (see pages 15-18): <div><div>➤ Fire Integrated Real-Time Intelligence System Programs</div><div>➤ Seasonal Wildland Air Operations Programs</div><div>➤ COVID-19 Pandemic</div><div>➤ Thermal Imaging Cameras</div><div>➤ First-In Alerting and Phone Systems Project</div><div>➤ Helicopter Maintenance</div><div>➤ Garden Grove Start-Up Costs</div><div>➤ Fire Station No. 42 (Portola Hills) Site Stabilization Project</div><div>➤ Other services and supplies</div><div>Total – net increase in expenses</div></div> <div><div>+\$4,805,000</div><div>-\$2,080,000</div><div>-\$1,930,000</div><div>+\$1,080,000</div><div>+\$680,000</div><div>+\$655,000</div><div>-\$655,000</div><div>-\$605,000</div><div>-\$270,000</div><div>+\$1,680,000</div></div>																
-\$3,530,000	OCFA’s long-term liability for workers’ compensation reflects the present value of estimated outstanding losses, as determined by an actuarial valuation and the “confidence level” set by the Board of Directors. The change in the actuarial liability estimate, plus actual cash claims paid, is recognized as an expense. <table><tr><td></td><td>FY 2020/21</td><td>FY 2019/20</td><td>Increase (Decrease)</td></tr><tr><td>Actual claims paid</td><td>\$14,790,000</td><td>\$12,340,000</td><td>\$2,450,000</td></tr><tr><td>Change in actuarial estimate</td><td>11,340,000</td><td>17,320,000</td><td>(5,980,000)</td></tr><tr><td>Total fiscal year expense</td><td>\$26,130,000</td><td>\$29,660,000</td><td>\$(3,530,000)</td></tr></table>		FY 2020/21	FY 2019/20	Increase (Decrease)	Actual claims paid	\$14,790,000	\$12,340,000	\$2,450,000	Change in actuarial estimate	11,340,000	17,320,000	(5,980,000)	Total fiscal year expense	\$26,130,000	\$29,660,000	\$(3,530,000)
	FY 2020/21	FY 2019/20	Increase (Decrease)														
Actual claims paid	\$14,790,000	\$12,340,000	\$2,450,000														
Change in actuarial estimate	11,340,000	17,320,000	(5,980,000)														
Total fiscal year expense	\$26,130,000	\$29,660,000	\$(3,530,000)														
-\$1,850,000	<b>Subtotal for Public Safety Services and Supplies – Net Decrease</b>																
+\$825,000	<b>Public Safety Depreciation and Amortization Expense</b> , which had no impact on OCFA’s cash balances, increased by \$825,000, and pertained primarily to depreciation on equipment. Fiscal Year 2020/21 was the first full year of depreciation expense on a dispatcher console upgrade project that was placed into service during the prior fiscal year. In addition, GASB Statement No. 87 <i>Leases</i> was implemented during Fiscal Year 2020/21 and included new recognition of amortization for various right-to-use leased assets.																
-\$21,730,000	<b>Total Public Safety Expenses – Net Decrease</b>																

**OCFA Foundation:** OCFA reports the financial activities of the OCFA Foundation as a discretely presented component unit in its government-wide financial statements. The OCFA Foundation also issues separate, component-unit financial statements that may be obtained through written request from OCFA Executive Management at 1 Fire Authority Road, Irvine, California, 92602. The net position of the OCFA Foundation totaled \$357,733 at June 30, 2021, a 105.6% increase over the prior year. Following is a summary of the OCFA Foundation's net position as of and for the changes thereof for the fiscal years ending June 30, 2021 and 2020:

OCFA FOUNDATION's Condensed Financial Activity					
Component Unit	June 30, 2021	June 30, 2020	Increase (Decrease)		
			Amount	%	
Assets:					
Current and other assets	\$351,897	\$160,475	\$191,422	119.3%	
Capital assets, net	<u>12,716</u>	<u>13,515</u>	<u>(799)</u>	-6.0%	
Total assets	<u>364,613</u>	<u>173,990</u>	<u>190,623</u>	109.6%	
Liabilities:					
Other liabilities	<u>6,880</u>	<u>-</u>	<u>6,880</u>	n/a	
Total liabilities	<u>6,880</u>	<u>-</u>	<u>6,880</u>	n/a	
Net position:					
Investment in capital assets	12,716	13,515	(799)	-6.0%	
Restricted for grants, donations, and other programs	107,630	39,490	68,140	172.6%	
Unrestricted	<u>237,387</u>	<u>120,985</u>	<u>116,402</u>	96.3%	
Total net position	<u>\$357,733</u>	<u>\$173,990</u>	<u>\$183,743</u>	105.6%	
Program revenues:					
Operating grants and contributions	<u>\$304,466</u>	<u>\$130,382</u>	<u>\$174,084</u>	133.6%	
Total revenues	<u>304,466</u>	<u>130,382</u>	<u>174,084</u>	133.6%	
Public safety expenses:					
Services and supplies	119,924	99,717	20,207	20.3%	
Depreciation and amortization	<u>799</u>	<u>799</u>	<u>-</u>	n/a	
Total expenses	<u>120,723</u>	<u>100,516</u>	<u>20,207</u>	20.1%	
Change in net position	183,743	29,866	153,877		
Net position, beginning of year	<u>173,990</u>	<u>144,124</u>	<u>29,866</u>		
Net position, end of year	<u>\$357,733</u>	<u>\$173,990</u>	<u>\$183,743</u>	105.6%	

**Net Position:** At June 30, 2021, a portion of OCFA Foundation's net position reflects its investment in capital assets, which are not available for future spending. An additional portion of net position represents resources subject to external, donor-imposed restrictions that will be met through the actions of the Foundation or the passage of time. As of June 30, 2021, restricted net position included unspent amounts received for the Smoke Alarm Outreach Program, Drowning Prevention, the Fire Cadet Academy, the September 11<sup>th</sup> Memorial Project, Girls Empowerment Camp, and the Best & Bravest Awards Event. The remaining balance of the OCFA Foundation's net position is considered unrestricted and may be used to meet ongoing obligations.

**Changes in Net Position:** During Fiscal Year 2020/21, operating grants and contributions included \$188,102 in general contributions and \$116,364 in donations and other revenues restricted for various OCFA Foundation programs. Services and supplies expenses included \$11,339 in administrative costs and a \$50,000 repayment to OCFA for the start-up funding used to establish the Foundation in 2010. Other services and supplies expenses totaling \$58,585 related to various programs.

#### Financial Analysis of OCFA's Governmental Funds

**Governmental Funds:** OCFA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of OCFA's governmental funds is on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the OCFA's financing requirements. Fund balance is divided into the following five categories:

- **Nonspendable:** Not in a spendable form, or legally or contractually required to remain intact
- **Restricted:** Subject to externally enforceable legal restrictions
- **Committed:** Use is constrained by specific limitations that the Board of Directors imposes upon itself by a formal action
- **Assigned:** Intended to be used by the government for specific purposes, subject to change, as established by the governing body itself or by management officials who have been delegated authority by the governing body

- **Unassigned:** Residual amounts in the General Fund available for any purpose (may serve as a useful measure of a government's net resources available for funding future operational needs)

At the end of Fiscal Year 2020/21, OCFA's governmental funds reported combined ending fund balances of \$240,024,583, an increase of \$6,588,962 in comparison with the prior fiscal year. Approximately 8.5% constitutes unassigned fund balance, which is available for spending for any purpose. The remaining 91.5% of fund balance is not available for spending on any new purpose, because it has already been restricted, committed, or assigned for specific purposes, or it is in a nonspendable form.

**Major Governmental Funds:** If the assets, liabilities, revenues, or expenditures of a governmental fund exceed 10% of the total of all governmental funds, that fund is reported as a major governmental fund in the fund financial statements. OCFA has elected to classify all four of its governmental funds as major, regardless of the calculation. Following is a description of the changes in each fund's revenues, expenditures, and transfers from the prior to the current fiscal year, and how those changes impacted net fund balance.

***Increases to revenues and transfers in impact fund balance positively, while increases to expenditures and transfers out impact fund balance negatively.***



The **General Fund** is the chief operating fund of OCFA. At the end of Fiscal Year 2020/21, the General Fund's fund balance totaled \$190,280,454. Unassigned fund balance totaling \$20,391,894 (10.7%) is available for future spending. The remaining \$169,888,560 (89.3%) is not available for spending on any new purpose, because it has already been restricted, committed or assigned for specific purposes, or is in a nonspendable form. Total fund balance of OCFA's General Fund decreased by \$307,799 during the current fiscal year. The prior fiscal year's fund balance increased by \$21,863,627, a difference of \$22,171,426. The significant reason(s) for that net difference are summarized in the following tables.

	Impact on Fund Balance (Rounded)
Revenues – net increase	+\$25,210,000
Expenditures – net decrease	-\$36,555,000
Other financing sources and uses – net decrease	-\$10,825,000
Impact on fund balance – net decrease	<u>-\$22,170,000</u>

Impact on Fund Balance (Rounded)	Description
+\$16,965,000	<b>Intergovernmental.</b> The increase in intergovernmental revenue primarily related to \$12.7 million in state and federal "assistance by hire" revenues for emergency response activity and federal reimbursements for response to tropical cyclones and other disasters. OCFA personnel responded to more of these types of emergencies in Fiscal Year 2020/21 as compared to the prior fiscal year, including the in-county Silverado and Bond fires in October 2020 and December 2020, respectively.
+\$12,590,000	<b>Taxes.</b> Revenue from property taxes increased primarily due to secured property taxes, which were 4.7% higher than the prior fiscal year. The increase in secured property taxes is related to a rise in assessed property values for jurisdictions within OCFA's structural fire fund.
-\$2,430,000	<b>Use of Money and Property.</b> The portion of investment portfolio earnings and a net market value loss allocated to the fund decreased (-\$2,350,000), as well as interest earnings related to property taxes (-\$135,000). This was offset by increased earnings in OCFA's Section 115 pension trust, which generated +\$55,000 more during Fiscal Year 2020/21 as compared to the prior fiscal year.
-\$2,200,000	<b>Miscellaneous.</b> The decrease in miscellaneous revenue is primarily related to donations received from Southern California Edison (SCE) in conjunction with seasonal wildland air operations programs. During Fiscal Year 2019/20, SCE donated \$4.9 million to fund the Next Generation Aerial Operations Based Pilot Program from July 2019 to December 2019. During Fiscal Year 2020/21, SCE donated \$2.1 million to fund the Very Large Helitanker Services Program from October 2020 to December 2020. Both programs funded daytime and nighttime air support to enhance OCFA's regional aerial wildland fire response. Fiscal Year 2020/21 revenue also included \$850,000 in SCE donations for the new 180-day Quick Reaction Force Pilot Program, which commenced on June 15, 2021.

(Continued)

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Impact on Fund Balance (Rounded)	Description														
+\$285,000	<b>Charges for Services.</b> The most significant increase in charges for services was over \$2.0 million for operating and facilities charges to cash contract cities per terms of the Joint Powers Agreement. The most significant decreases were for planning and development fees (-\$675,000), inspection fees (-\$605,000), and ambulance transport and supplies reimbursements (-\$445,000). The adverse effects of the COVID-19 pandemic on building efforts and material costs resulted in fewer requests for new occupancy plan reviews during Fiscal Year 2020/21. This, in turn, affected plan review and inspection revenues for fire alarms and sprinkler systems. In addition, OCFA continued to limit inspections to those required by mandate and other select inspection types as part of its ongoing response to the COVID-19 pandemic. There were less ambulance transport and supplies reimbursements in Fiscal Year 2020/21 primarily due the City of Placentia, which was no longer an OCFA member effective July 1, 2020.														
<b>+\$25,210,000</b>	<b>Subtotal – Impact of Revenues</b>														
-\$13,410,000	<b>Retirement.</b> Actuarially required pension contributions based on employee compensation, net of savings achieved by pre-paying a portion of the subsequent fiscal year's contribution to OCERS, increased by \$7.5 million. That increase is due in part to corresponding increases in employee compensation. In accordance with OCFA's "snowball" plan to expedite the paydown of its net unfunded pension liability, one-time employer pension contributions and other rate savings payments increased by \$2.2 million and \$3.8 million, respectively.														
-\$6,855,000	<p><b>Other Pay.</b> Other pay – which includes pay to employees on workers' compensation, educational incentives, paramedic/EMT bonuses, bilingual pay, and other specialty pay – increased or decreased as follows:</p> <table> <tr> <td>➤ Emergency medical technician (EMT) pay</td><td>+\$2,460,000</td></tr> <tr> <td>➤ Paramedic specialty pay</td><td>+\$750,000</td></tr> <tr> <td>➤ Special assignment pay for other safety specialties</td><td>+\$540,000</td></tr> <tr> <td>Subtotal – increase in specialty pay for safety employees</td><td>+\$3,750,000</td></tr> <tr> <td>➤ Workers' compensation pay</td><td>+\$2,360,000</td></tr> <tr> <td>➤ Other miscellaneous taxable and nontaxable pay</td><td>+\$750,000</td></tr> <tr> <td>Total – net increase in expenditures</td><td>+\$6,860,000</td></tr> </table> <p>Specialty pay for safety employees was the most significant contributor to the overall increase in other pay. During Fiscal 2020/21, new Memorandums of Understanding (MOU) were negotiated between OCFA and its safety labor groups (Orange County Professional Firefighters Association and Orange County Fire Authority Chief Officers Association). Both MOU's included modifications to certain specialty pay provisions, which are typically calculated as a percentage of regular pay. Effective July 1, 2020, all chief officers with a current EMT or paramedic certification were eligible to receive new EMT pay calculated at 4.5% of base salary. Effective September 1, 2020, EMT pay for all firefighters increased by 2% of base salary (from 5% to 7%).</p>	➤ Emergency medical technician (EMT) pay	+\$2,460,000	➤ Paramedic specialty pay	+\$750,000	➤ Special assignment pay for other safety specialties	+\$540,000	Subtotal – increase in specialty pay for safety employees	+\$3,750,000	➤ Workers' compensation pay	+\$2,360,000	➤ Other miscellaneous taxable and nontaxable pay	+\$750,000	Total – net increase in expenditures	+\$6,860,000
➤ Emergency medical technician (EMT) pay	+\$2,460,000														
➤ Paramedic specialty pay	+\$750,000														
➤ Special assignment pay for other safety specialties	+\$540,000														
Subtotal – increase in specialty pay for safety employees	+\$3,750,000														
➤ Workers' compensation pay	+\$2,360,000														
➤ Other miscellaneous taxable and nontaxable pay	+\$750,000														
Total – net increase in expenditures	+\$6,860,000														
-\$4,690,000	<b>Regular Pay.</b> Regular pay and related costs such as FICA and Medicare increased by \$4.7 million in Fiscal Year 2020/21. Scheduled pay increases went into effect per negotiated labor contracts, including general and supervisory units (2.00% effective August 2020) and administrative managers (2.00% effective August 2020).														
-\$3,825,000	<b>Overtime.</b> Overtime costs increased by over \$3.8 million, including overtime for emergencies and backfill for suppression personnel utilizing leave balances or on workers' compensation. There were more in-county emergency events generating overtime in Fiscal Year 2020/21, most notably the Silverado Fire in October 2020 and Bond Fire in December 2020. There were also more out-of-county incidents to which OCFA provided state "assistance by hire" in Fiscal Year 2020/21 as compared to the prior fiscal year, including the Apple Fire (July 2020), LNU Lightning Complex Fire (August 2020), and El Dorado Fire (September 2020).														
-\$2,630,000	<b>Health Insurance.</b> Employee health insurance and other benefits increased primarily due to firefighter health insurance premiums. OCFA contributes toward the cost of firefighter health insurance premiums at a contractual rate per month, per employee. The monthly rate increased from \$2,095 to \$2,199 per month in January 2021.														
-\$450,000	<b>Vacation and Sick Leave Payouts.</b> Vacation and sick leave payouts increased primarily due to the retirement of two long-term employees with significant balances during Fiscal Year 2020/21.														
-\$40,000	<b>Extra Help.</b> Salary costs for temporary, "extra help" employees vary each year as projects and short-term vacancies arise. The net increase was primarily due to employees hired to staff a temperature check-in station at the Regional Fire Operations and Training Center (RFOTC) during the COVID-19 pandemic.														
<b>-\$31,900,000</b>	<b>Subtotal – Impact of Salaries and Benefits</b>														

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Impact on Fund Balance (Rounded)	Description								
-\$4,805,000	<p><b>Fire Integrated Real-Time Intelligence System Programs.</b> During Fiscal Year 2020/21, services and supplies totaled \$8,745,000 for the Fire Integrated Real-Time Intelligence System (FIRIS) 2.0 Program, an expanded ten-month program to enhance regional wildfire situational awareness for first responders during the 2020 wildfire season. The state-funded program provided for the operation of two air bases located in Southern and Northern California, with OCFA as the lead agency. Professional service costs from September 2020 to June 2021 totaling \$8,660,000 included the operation of fixed wing aircraft by Aevex (+\$4.5 million); twelve Air Tactical Group Supervisors (ATGS) (+\$1.8 million); situational awareness and fire modeling by the University of San Diego (+\$1.0 million); mapping, coordination, and consulting by Intterra Corporation (+\$900,000); project management by the North County Fire Protection District and the Los Angeles Fire Department (+\$430,000); and strategic planning by Mission Centered Solutions, Inc. (+\$30,000). Other costs included hangar and office space rental at both airbases (+\$40,000) and lodging costs for the ATGS personnel (+\$45,000). By comparison, services and supplies totaled \$3,940,000 for the FIRIS Pilot Program in Fiscal Year 2019/20. That five-month pilot program, which supported the 2019 wildfire season, operated for a shorter duration and out of a single air base located in Southern California.</p>								
-\$2,450,000	<p><b>Workers' Compensation Payments.</b> OCFA's self-insurance program covers workers' compensation claims up to \$50 million, subject to a \$2 million retention per incident. Claims paid during Fiscal Year 2020/21 increased by \$2,450,000 over the prior fiscal year. The reason for the increase is largely attributed to two firefighter injuries that occurred during the in-county Silverado Fire in October 2020.</p>								
+\$2,080,000	<p><b>Seasonal Wildland Air Operations Programs.</b> OCFA has partnered with Southern California Edison (SCE) in both the current and prior fiscal years to fund seasonal air operations programs designed to enhance OCFA's regional aerial wildland fire response and benefit the residents and businesses within SCE's service territory. Below is a summary of the net increases and decreases in program expenditures for each program:</p> <table style="margin-left: 40px;"> <tr> <td>➤ Next Generation Aerial Operations Based Pilot Program</td><td style="text-align: right;">-\$5,290,000</td></tr> <tr> <td>➤ Very Large Helitanker Services Program</td><td style="text-align: right;">+\$2,360,000</td></tr> <tr> <td>➤ Quick Reaction Force Pilot Program</td><td style="text-align: right;">+\$850,000</td></tr> <tr> <td>Total – net decrease in expenditures</td><td style="text-align: right;"><u>-\$2,080,000</u></td></tr> </table> <p>The <b>Next Generation Aerial Operations Based Pilot Program</b> was designed to enhance regional wildland firefighting capabilities through the use of various innovative technology. The pilot program operated a type 1 helitanker and type 3 intelligence-gathering helicopter. Pilots provided by Coulson Aviation, Inc. used night vision goggles and electronic image-gathering equipment to engage in nighttime fire attack operations. The program operated from July through December 2019, with program expenditures totaling \$5,290,000.</p> <p>For the <b>Very Large Helitanker Services Program</b>, pilots provided by Coulson Aviation, Inc. operated a CH-47 helitanker as an additional daytime and nighttime firefighting resource. The program operated from October through December 2020, with program expenditures totaling \$2,360,000.</p> <p>The 180-day <b>Quick Reaction Force (QRF) Pilot Program</b> commenced operations on June 15, 2021, in partnership with the Los Angeles County Fire Department and the Ventura County Fire Department. A QRF is a combination of aerial firefighting resources pre-assembled and organized to work together as a specialized unit, twenty-four hours a day. The QRF deploys when a wildland fire exceeds suppression resources available during initial attack, and has new capabilities to drop large amounts of fire retardant at night. This program provides for a very large helitanker and an aerial supervision aircraft operated by Coulson Aviation, Inc., as well as mobile fire-retardant plant services. Initial program expenditures totaled \$850,000 during Fiscal Year 2020/21.</p>	➤ Next Generation Aerial Operations Based Pilot Program	-\$5,290,000	➤ Very Large Helitanker Services Program	+\$2,360,000	➤ Quick Reaction Force Pilot Program	+\$850,000	Total – net decrease in expenditures	<u>-\$2,080,000</u>
➤ Next Generation Aerial Operations Based Pilot Program	-\$5,290,000								
➤ Very Large Helitanker Services Program	+\$2,360,000								
➤ Quick Reaction Force Pilot Program	+\$850,000								
Total – net decrease in expenditures	<u>-\$2,080,000</u>								
+\$1,930,000	<p><b>COVID-19 Pandemic.</b> During Fiscal Year 2020/21, OCFA purchased services and supplies totaling \$870,000 in response to the global COVID-19 pandemic, as compared to \$2.8 million in the prior fiscal year. Pandemic-related purchases are ongoing; however, the most significant costs were incurred during the first few months of the pandemic from March through June 2020. One-time purchases made in the prior fiscal year included telecommuting laptops and meals for the Incident Management Team (IMT). OCFA also acquired a large stock of employee personal protective equipment (PPE) and patient medical supplies at the outset of the pandemic. New purchases were made in the current fiscal year to replenish that stock as items were used.</p>								

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**FY 2020 / 2021**  
**Comprehensive Annual Financial Report**

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Impact on Fund Balance (Rounded)	Description												
-\$1,080,000	<b>Thermal Imaging Cameras.</b> The majority of OCFA’s supply of thermal imaging cameras were purchased in 2007. There have been several technological improvements made to the firefighting equipment since that time. During Fiscal Year 2020/21, OCFA replaced all 158 thermal imaging cameras assigned front-line apparatus (+\$680,000) and also purchased 698 new thermal imaging cameras designed for use by individual firefighters (+\$400,000).												
-\$680,000	<b>First-In Alerting and Phone Systems Project.</b> During Fiscal Year 2020/21, expenditures increased by \$680,000 as part of an ongoing project to upgrade alerting technology and phone systems at all OCFA fire stations. In order to utilize the same digital technology as the Computer Aided Dispatch (CAD) system that was replaced in 2014, the alerting systems are being upgraded over a fifteen-year period at a rate off three to five stations per year. The cost per station varies depending on size, the number of crew, apparatus deployed, and condition of existing wiring and infrastructure. During the prior fiscal year, the most significant costs were incurred to finalize the alerting system upgrade at Fire Station No. 33 (Airport). By comparison, alerting system upgrades at four fire stations were completed during the current fiscal year – Fire Station No. 04 (University), Fire Station No. 06 (Irvine), Fire Station No. 54 (Foothill Ranch), and Fire Station No. 64 (Westminster).												
-\$655,000	<b>Helicopter Maintenance.</b> Maintenance costs on OCFA’s helicopter fleet increased by \$655,000 during Fiscal Year 2020/21. The cost to maintain the newer Bell 412 helicopters increased by \$910,000. This was primarily due to the 5-year scheduled inspection and other unscheduled maintenance performed on Helicopter 1. Costs were significantly higher than those incurred for the 5-year scheduled inspection of Helicopter 2 during the prior fiscal year. In addition, cabin seating for both aircraft was replaced during Fiscal Year 2020/21. The cost to maintain the older Bell Super Huey helicopters decreased by \$255,000. In September 2020, the Fire Chief retired Helicopters 3 and 4, citing safety concerns and a cost/benefit maintenance analysis. Use of the two Bell Super Huey helicopters was discontinued and ongoing maintenance was no longer required.												
+655,000	<b>Garden Grove Start-Up Costs.</b> OCFA incurred \$655,000 of reimbursable services and supplies costs during Fiscal Year 2019/20 relating to the transition of fire and emergency medical services from the City of Garden Grove in August 2019. No transition costs were incurred during Fiscal Year 2020/21.												
-\$155,000	<b>Other Services and Supplies.</b> Other services and supply costs experienced a net increase in Fiscal Year 2020/21 relating to utilities (+\$510,000); clothing and personal protective equipment (+\$500,000); insurance (+295,000); special department expenditures (-\$280,000); office supplies and related items (-\$265,000); professional services (-\$240,000); equipment and vehicle maintenance (-\$230,000); travel, training, and meetings (-\$200,000); food (-\$150,000); transportation (+\$115,000); communications (+\$80,000); facility maintenance (+\$70,000); household items (-\$60,000); and facility rent (+10,000).												
<b>-\$5,160,000</b>	<b>Subtotal – Impact of Services and Supplies</b>												
+\$215,000	<b>Capital Outlay.</b> Capital outlay varies each year based on organizational needs for new and replacement equipment and vehicles. The most significant equipment purchase in Fiscal Year 2019/20 was for ninety-five automatic chest compression devices (-\$1.4 million). The most significant vehicle purchase in Fiscal Year 2020/21 was for four crew-carrying vehicles (+\$1.2 million).												
+\$290,000	<b>Interest and Fiscal Charges.</b> Interest decreased on amounts borrowed by the General Fund from other funds, a mechanism OCFA utilizes to manage its short-term cash flow needs. The total amount borrowed, number of days outstanding, and average short-term borrowing rate all declined in Fiscal Year 2020/21 as follows: <table><tr><td></td><td>Fiscal Year 2020/21</td><td>Fiscal Year 2019/20</td></tr><tr><td>➤ Amount borrowed by the General Fund</td><td>\$15,000,000</td><td>\$20,000,000</td></tr><tr><td>➤ Number of days outstanding</td><td>245</td><td>312</td></tr><tr><td>➤ Interest rate</td><td>0.36%</td><td>1.91%</td></tr></table>		Fiscal Year 2020/21	Fiscal Year 2019/20	➤ Amount borrowed by the General Fund	\$15,000,000	\$20,000,000	➤ Number of days outstanding	245	312	➤ Interest rate	0.36%	1.91%
	Fiscal Year 2020/21	Fiscal Year 2019/20											
➤ Amount borrowed by the General Fund	\$15,000,000	\$20,000,000											
➤ Number of days outstanding	245	312											
➤ Interest rate	0.36%	1.91%											
<b>+\$505,000</b>	<b>Subtotal – Impact of Capital Outlay, Interest, and Fiscal Charges</b>												
<b>-\$36,555,000</b>	<b>Subtotal – Impact of Expenditures</b>												

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Impact on Fund Balance (Rounded)	Description
-\$11,060,000	<b>Interfund Transfers.</b> Transfers made from the General Fund to the capital projects funds for projects in the Capital Improvement Program totaled \$11,060,000 in Fiscal Year 2020/21. No transfers out were made in the prior fiscal year.
+\$235,000	<b>Insurance Recoveries.</b> Insurance recoveries increased in Fiscal Year 2020/21 due to proceeds from OCFA's excess workers' compensation policy for a case relating to the October 2020 Silverado Fire, as well as various recoveries received for vehicle accidents.
<b>-\$10,825,000</b>	<b>Subtotal – Impact of Other Financing Sources and Uses</b>
<b>-\$22,170,000</b>	<b>General Fund – Net Impact on Fund Balance</b>



The **Communications and Information Systems Fund** had total fund balance of \$5,223,735 at the end of Fiscal Year 2020/21. Fund balance was assigned to the Capital Improvement Program (\$5,089,194) and communications and information technologies projects (\$123,750). The remaining \$10,791 is not available for spending on any new purpose, because it is in a nonspendable form. Total fund balance decreased by \$1,005,178 during the current fiscal year. The prior fiscal year's fund balance decreased by \$1,678,800, a difference of \$673,622. The significant reason(s) for that net difference are identified in the following table.

Impact on Fund Balance (Rounded)	Description
+\$805,000	<b>Dispatch Consoles.</b> Expenditures for services and supplies and capital outlay decreased by \$805,000 due to a variety of multi-year capital improvement projects. The project with the most significant impact on the overall expenditure decrease was the 800 MHz Countywide-Communications (CCCS) System capital improvement project. The upgrade and replacement of the original system was implemented in phases beginning in Fiscal Year 2016/17. Participating agencies were responsible for purchasing their own radios and dispatch consoles that are compatible with the new system. During Fiscal Year 2019/20, OCFA incurred costs to finalize the upgrade of dispatch consoles. The multi-year project was finalized and placed into service in June 2020.
-\$130,000	<b>Use of Money and Property.</b> The portion of investment portfolio earnings and a net market value loss allocated to the fund decreased.
<b>+\$675,000</b>	<b>Communications and Information Systems Fund – Net Impact on Fund Balance</b>



The **Fire Apparatus Fund** had total fund balance of \$26,031,912 at the end of Fiscal Year 2020/21. Fund balance was assigned to the Capital Improvement Program (\$12,486,395) and purchase of fire apparatus and vehicles (\$13,545,517). Total fund balance increased by \$7,041,383 during the current fiscal year. The prior fiscal year's fund balance increased by \$7,358,706, a difference of \$317,323. The significant reason(s) for that net difference are identified in the following table.

Impact on Fund Balance (Rounded)	Description
+\$3,060,000	<b>Interfund Transfers.</b> Transfers in from other funds for projects in the Capital Improvement Program increased by \$3,060,000 as compared to the amount transferred during the prior fiscal year.
-\$2,950,000	<b>Apparatus and Vehicles.</b> Expenditures to purchase and outfit vehicles vary each year based on organizational needs for new and replacement vehicles. Expenditures were higher in the current fiscal year due to the purchase of three type three engines and one 103' truck.
-\$305,000	<b>Use of Money and Property.</b> The portion of investment portfolio earnings and a net market value loss allocated to the fund decreased (-\$165,000). Interfund borrowing interest earned from the General Fund also decreased due to declines in the total number of days principal was outstanding during the year and the average daily rate used to calculate interest (-\$140,000).

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Impact on Fund Balance (Rounded)	Description
-\$120,000	<b>Charges for Services.</b> Cash contract city vehicle charges decreased in accordance with the terms of the Joint Powers Agreement. Charges received in Fiscal Year 2019/20 from the City of Placentia, which withdrew membership from OCFA effective July 1, 2020, was the primary reason for the overall decrease in revenues.
<b>-\$315,000</b>	<b>Fire Apparatus Fund – Net Impact on Fund Balance</b>



The **Fire Stations and Facilities Fund** had total fund balance of \$18,488,482 at the end of Fiscal Year 2020/21. Amounts pertaining to CALFIRE revenues received for future fire station construction (\$434,763) were classified as restricted. Other amounts were assigned to the Capital Improvement Program (\$17,246,140) and construction projects (\$804,115). The remaining \$3,464 is not available for spending on any new purpose, because it is in a nonspendable form. Total fund balance increased by \$860,556 during the current fiscal year. The prior fiscal year's fund balance decreased by \$8,314,679, a difference of \$9,175,235. The significant reason(s) for that net difference are identified in the following table.

Impact on Fund Balance (Rounded)	Description
+\$8,000,000	<b>Interfund Transfers.</b> Transfers out to the Fire Apparatus Fund for projects in the Capital Improvement Program totaled \$8,000,000 in Fiscal Year 2019/20. No amounts were transferred out in the current fiscal year.
+\$820,000	<b>Capital Projects.</b> Expenditures decreased by \$820,000 due to multi-year capital improvement projects as follows: <ul style="list-style-type: none"> <li>➤ During Fiscal Year 2017/18, OCFA began a project to stabilize the property and foundation caused by long-term soil erosion at Fire Station No. 42 (Portola Hills). Non-capitalized project costs included permits, geotechnical engineering services, and construction, with most work completed during Fiscal Year 2019/20 (-\$605,000). The project was finalized in November 2019 at a three-year cost of just over \$1 million.</li> <li>➤ During Fiscal Year 2019/20, OCFA commenced its project to replace Fire Station No. 10 (Yorba Linda). In anticipation of two fire stations transitioning back to the City of Placentia on July 1, 2020, OCFA identified an immediate need to acquire multiple portable buildings to house the displaced units (-\$275,000). During Fiscal Year 2020/21, additional temporary station costs were incurred, including trailer ramps, monthly rent of an office trailer and portable sanitation units, and lockers (+\$60,000).</li> </ul>
+\$640,000	<b>Developer Contributions.</b> Contributions generated by Secured Fire Protection Agreements with developers vary each fiscal year based on housing development projects being completed throughout the county. Increases in developer activity primarily related to projects in the City of Irvine that were completed in Fiscal Year 2020/21.
-\$330,000	<b>Use of Money and Property.</b> The portion of investment portfolio earnings and a net market value loss allocated to the fund decreased (-\$185,000). Interfund borrowing interest earned from the General Fund also decreased due to declines in the amount borrowed, the total number of days principal was outstanding during the year, and the average daily rate used to calculate interest (-\$150,000).
+\$45,000	<b>Intergovernmental.</b> The increase in intergovernmental revenue related to contract revenues funds for the protection of the State Responsibility Area.
<b>+\$9,175,000</b>	<b>Fire Stations and Facilities Fund – Net Impact on Fund Balance</b>

**General Fund Budgetary Highlights**

The following table summarizes the changes in General Fund appropriations, as well as the variance between the final budget and actual amounts for Fiscal Year 2020/21.

	Original Budget	Increase (Decrease)	Final Budget	Variance Positive (Negative)	Actual Amounts
Salaries and benefits	\$375,549,198	\$31,752,672	\$407,301,870	\$ 366,678	\$406,935,192
Services and supplies	61,884,759	38,680,049	100,564,808	29,470,304	71,094,504
Capital outlay	2,741,362	4,995,975	7,737,337	4,713,482	3,023,855
Interest and fiscal charges	6,177	29,117	35,294	(952)	36,246
Transfers out	11,059,336	-	11,059,336	-	11,059,336
	<u>\$451,240,832</u>	<u>\$75,457,813</u>	<u>\$526,698,645</u>	<u>\$34,549,512</u>	<u>\$492,149,133</u>

**Adjustments to Appropriations:** Budgeted General Fund appropriations increased by \$75,457,813 from the time the original budget was adopted until the end of the fiscal year. Adjustments typically pertained to activities that occurred throughout the year but were either unknown or for which reliable estimates could not be determined at the time of the original budget adoption. Significant adjustments are listed below:

Reason for Adjustment to Original Budget	Increase (Decrease) (Rounded)
Overtime and backfill for response to out-of-county and other incidents	\$23,510,000
Quick Reaction Force Pilot Program	9,410,000
Fire Integrated Real-Time Intelligence System Programs	9,190,000
Grant activities	8,560,000
Various Capital Improvement Program projects	4,340,000
Employee Memorandum of Understanding changes	4,290,000
Contributions toward unfunded pension liability	3,500,000
Various equipment and vehicles	3,260,000
Very Large Helitanker Services Program	2,490,000
COVID-19 pandemic overtime, services, and supplies	2,480,000
Structural Fire Entitlement projects	1,230,000
Employee training	820,000
Insurance	420,000
Helicopter program	380,000
Various professional services	240,000
Facility maintenance	130,000
Vehicle maintenance	130,000
Equipment maintenance	70,000
Staffing changes, reconfigurations, and service enhancements	70,000
Interest on interfund borrowing	30,000
Various other appropriations	910,000
<b>Total adjustments</b>	<b>\$75,460,000</b>

**Variance Between Final Budget and Actual Amounts:** Final, budgeted General Fund expenditures exceeded actual amounts, resulting in a positive budget variance totaling \$34,549,512. Nearly \$29.5 million of this variance related to various operating costs, projects, and other purchases for services and supplies that were budgeted but not completed during Fiscal Year 2020/21. In some cases, uncompleted projects were delayed due to project complexity or time requirements and will be re-budgeted, if needed, to Fiscal Year 2021/22. Individually significant services and supplies variances are summarized below:

Description of Budget/Actual Variance	Amount (Rounded)
<b>Quick Reaction Force Pilot Program.</b> During Fiscal Year 2020/21, OCFA budgeted \$9.4 million for the Quick Reaction Force Pilot Program. The program commenced June 15, 2021, and expenditures totaling approximately \$850,000 were incurred during the first sixteen days. A balance of \$8,560,000 remains unspent on services and supplies as of June 30, 2021. It is anticipated that the remaining funds will be used during Fiscal Year 2021/22.	\$8,560,000
<b>Workers' Compensation Claims Paid.</b> The amount budgeted for workers' compensation is based on an actuarially-determined estimate. Actual case activity typically occurs over multiple years, which attributes to a difference between budgeted costs and actual expenditures during any given fiscal year. During Fiscal Year 2020/21, claims paid from the General Fund were less than the actuarial estimate, creating a positive budget variance.	5,260,000
<b>Invasive Tree Pest Mitigation Grant.</b> In October 2018, OCFA was awarded a \$5.4 million state grant passed through CALFIRE for invasive tree pest mitigation. The grant award's performance period is December 2018 through March 2022. A balance of \$4.6 million remains unspent on services and supplies as of June 30, 2021. It is anticipated that the remaining funds will be used during Fiscal Year 2021/22 through the end of the grant's award period.	4,570,000
<b>Irvine Settlement Agreement.</b> OCFA and the City of Irvine entered into a Settlement Agreement with provisions that enhance services throughout OCFA's jurisdiction. All projects identified in the agreement were budgeted during Fiscal Year 2020/21 at the maximum potential amount per the agreement. However, the city did not submit any reimbursement requests for the Joint Police-Fire Training Facility or bi-directional amplifiers. In addition, actual reimbursements made by OCFA for the CERT Coordinator position were less than the budgeted amount.	1,580,000
<b>Bathroom Gender Accommodation Project.</b> During Fiscal Year 2019/20, OCFA began a multi-year bathroom gender accommodation project at Fire Stations No. 14 (Silverado), No. 16 (Modjeska) and No. 32 (Yorba Linda). Of the \$1.7 million budgeted amount, a balance of \$1.4 million remains unspent as of June 30, 2021. Contracts have been awarded for approximately \$500,000 of the unspent balance.	1,380,000
<b>Fullerton Airport Dorm Repairs.</b> During Fiscal Year 2019/20, OCFA began work on dorm repairs at Fire Station No. 41 (Fullerton Airport), with the project expected to take place over multiple fiscal years. The project was placed on hold during Fiscal Year 2020/21. Almost all of the \$1.3 million budgeted amount remains unspent as of June 30, 2021. Contracts have been awarded for approximately \$75,000 of the unspent balance. Work is expected to commence again in Fiscal Year 2021/22 pending direction from the Fire Chief.	1,260,000
<b>Structural Fire Fund Projects.</b> The entire balance of funds committed for Structural Fire Fund projects was budgeted during Fiscal Year 2020/21; however, cities submitted reimbursement requests only for those projects completed.	1,120,000
Other variances combined	5,740,000
<b>Total services and supplies variance</b>	<b>\$29,470,000</b>

#### Capital Assets and Debt Administration

**Capital Assets:** OCFA's net investment in capital assets for its government activities at the end of Fiscal Year 2020/21 totaled \$214,278,884 (net of accumulated depreciation and amortization and related outstanding debt). This investment in capital assets includes land, buildings, equipment, vehicles, work in progress, construction in progress, and right-to-use leased assets, net of outstanding lease liabilities. Net capital assets decreased from the prior fiscal year by \$3,206,586 (-1.4%). Following is a summary of capital assets by type for the current and prior fiscal years.

**Capital Assets and Accumulated Depreciation/Amortization**  
**As of June 30, 2021 and 2020 (Restated)**  
(In Millions)



**Construction in Progress (CIP) and Work in Progress (WIP):** Construction projects completed over the span of multiple fiscal years are classified as CIP at year-end if they are not yet completed and placed into service. Fire engines, trucks, and other vehicles, are classified as WIP at year-end if they are in the process of being outfitted for operation and will be completed over the span of multiple fiscal years. WIP also includes multi-year communications and information systems projects.

- CIP additions totaling \$360,000 related to the expansion of the RFOTC training ground and “North 40” area, dormitory improvements at Fire Station No. 41 (Fullerton Airport), and audio-visual upgrades at the USAR warehouse. All projects remained in progress at fiscal year-end.
- WIP additions totaled nearly \$2.9 million during Fiscal Year 2020/21, including costs pertaining to an incident reporting system, an immunization tracking system, and various fire apparatus in the process of being outfitted for operation. As of June 30, 2021, seven individual WIP projects were placed into service and seventeen were still in progress.

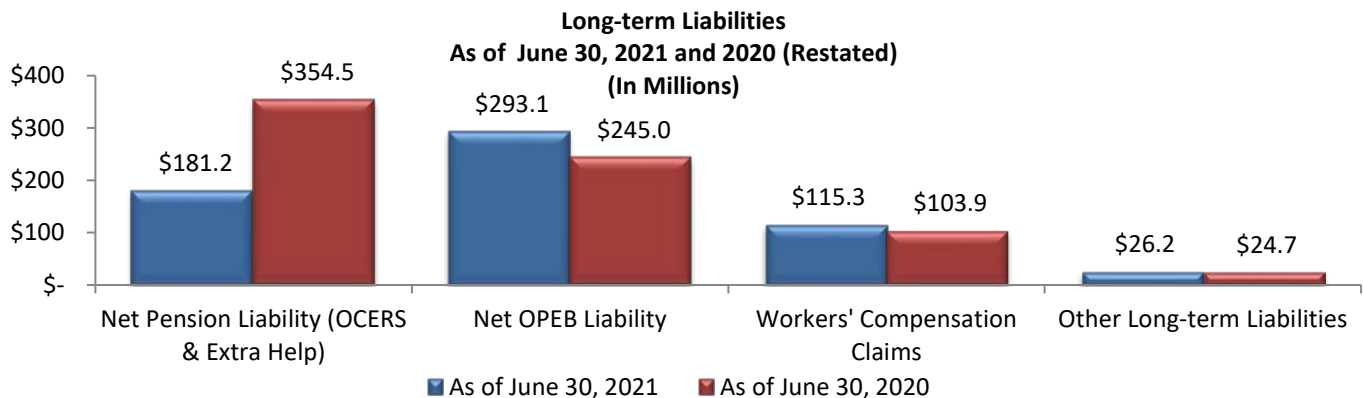
**Equipment:** Equipment additions totaled nearly \$1.4 million for 146 items placed into service during Fiscal Year 2020/21. The most individually significant additions included ninety 800MHz portable radios (\$505,000); thirty mobile data computer tablets (\$125,000); and an immunization tracking system transferred in from WIP (\$140,000).

**Vehicles:** Vehicle additions totaled nearly \$6.0 million for 53 items placed into service during Fiscal Year 2020/21. The most individually significant additions included three type one engines (\$1.6 million); four crew-carrying vehicles (\$1.2 million); and two water tenders (\$885,000). Twenty-seven vehicles were removed from OCFA’s fleet during Fiscal Year 2020/21 as part of OCFA’s ongoing vehicle replacement plan. Two of these were returned to the City of Santa Ana. One support vehicle was in an accident and deemed a total loss by OCFA’s insurance provider. The remaining vehicles were sold at public auction.

**Right-to-Use Leased Assets:** Right-to-use leased assets totaling \$5.1 million were reported as a restatement to OCFA’s capital assets as of July 1, 2020, due to the implementation of GASB Statement No. 87. OCFA’s most individually significant leased asset is \$4.7 million in land at Fire Station No. 41 (Fullerton Airport). OCFA is the lessee in an agreement with the City of Fullerton to lease the land for forty years through December 2050, with an option to extend the lease through December 2065.

Additional information pertaining to OCFA’s capital assets can be found in Note 9 of the accompanying Notes to the Financial Statements.

**Long-term Debt:** Total long-term liabilities decreased by net \$112,286,746 (-15.4%) during Fiscal Year 2020/21.



The most significant change to long-term liabilities pertained to the net pension liability for the Orange County Employees Retirement System (OCERS) pension plan. As of June 30, 2021, OCFA’s share of the plan’s net pension liability at OCERS totaled \$181.1 million, as determined by an actuarial valuation for the plan as a whole. This was a net \$173.3 million decrease from the prior fiscal year. The increases and decreases reported for the long-term pension liability are reported using an “accounting-based approach” to fully capture OCFA’s net liability and related pension expense incurred during each fiscal year. This differs from the “funding-based approach” used to calculate annual retirement rates and the amount of required employer and employee contributions due from OCFA to OCERS. Net pension liability represents the amount of the total pension liability that exceeds the market value of assets as of June 30. The following table summarizes the changes in the components of the OCERS net pension liability from June 30, 2021 to June 30, 2020.

**FY 2020 / 2021**  
**Comprehensive Annual Financial Report**

Component of OCERS Net Pension Liability	As of June 30, 2021	As of June 30, 2020	Increase (Decrease) Amount	%
<b>Safety:</b>				
Total pension liability	\$1,969,628,490	\$1,891,853,011	\$ 77,775,479	4.1%
Market value of assets	<u>1,808,109,413</u>	<u>1,569,911,269</u>	<u>238,198,144</u>	15.2%
Net pension liability - safety	<u>\$ 161,519,077</u>	<u>\$ 321,941,742</u>	<u>\$(160,422,665)</u>	-49.8%
<b>General:</b>				
Total pension liability	\$ 281,808,606	\$ 257,504,904	\$ 24,303,702	9.4%
Market value of assets	<u>262,206,045</u>	<u>225,051,189</u>	<u>37,154,856</u>	16.5%
Net pension liability - general	<u>\$ 19,602,561</u>	<u>\$ 32,453,715</u>	<u>\$(12,851,154)</u>	-39.6%
<b>Total:</b>				
Total pension liability	\$ 2,251,437,096	\$2,149,357,915	\$ 102,079,181	4.7%
Market value of assets	<u>2,070,315,458</u>	<u>1,794,962,458</u>	<u>275,353,000</u>	15.3%
Net pension liability - total	<u>\$ 181,121,638</u>	<u>\$ 354,395,457</u>	<u>\$(173,273,819)</u>	-48.9%

Additional information on the OCFA's long-term liabilities can be found in Note 18 of the accompanying Notes to the Financial Statements.

**Next Year's Budget**

The Fiscal Year 2021/22 General Operating Fund adopted expenditure budget is approximately \$434.3 million, which is a net increase of \$13.5 million (3.2%) from the final Fiscal Year 2020/21 General Operating Fund budget totaling \$420.8 million. (These amounts exclude one-time and grant-related items, as well as unspent, encumbered appropriations from the prior fiscal year that are effectually re-appropriated in the ensuing year's budget). Highlights of the Fiscal Year 2021/22 General Operating Fund Budget are as follow:

- Budgeted salaries increased by \$6.2 million. The budget reflects annual salary costs in accordance with approved Memorandums of Understanding (MOU) with all labor groups, including increases for Emergency Medical Technician (EMT) pay for the Orange County Professional Firefighters Association (OCPFA) and Chief Officers Association (COA). No MOU salary increases were scheduled or included for the Orange County Fire Authority Managers Association (OCFAMA) or the Orange County Employees Association (OCEA). The budget also reflects a \$3.2 million increase for overtime usage, which has been trending higher in recent years, and a \$5.0 million decrease for salary savings in the firefighter rank due to projected vacancies.
- Budgeted benefits increased by \$6.9 million. The retirement budget for Fiscal Year 2021/22 is based on rates provided by the Orange County Employees Retirement System (OCERS), which were approximately 0.44% and 0.69% lower for safety and general personnel, respectively, as compared to the prior year. Overall retirement increases are budgeted due to increases in pensionable EMT pay.
- Budgeted services and supplies and capital outlay increased by \$0.4 million. Overall, budgets were held flat as compared to Fiscal Year 2020/21, with any increases identified by OCFA management on a case-by-case basis.

**Requests for Information**

This financial report is designed to provide a general overview of OCFA's and the OCFA Foundation's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Manager, Orange County Fire Authority, 1 Fire Authority Road, Irvine, California 92602.



# Government-wide Financial Statements



Silverado & Blue Ridge Fires  
October 26-November 7, 2020



## Orange County Fire Authority Safety Message

### Defensible Space



*Defensible space is an area between your house and an oncoming wildfire, where the vegetation has been controlled, trimmed, or removed to reduce wildfire threats from embers, flames, and intense heat.*

- ✓ In order to offer wildfire protection, Defensible Space should reach at least 100 feet from the house, garage, and other buildings on the property, or to the property line. In many cases, Defensible Space is simply the front, side, and back yards of your home.
- ✓ Guidelines for Vegetation Management within 100 feet of your home include:
  - Remove all dead and dying plants
  - Remove vegetation found on the Undesirable Plant List and replant using drought-tolerant, fire-resistive plants
  - Trim or remove plants to create the recommended vertical and horizontal separation between them
  - Remove dry leaves, twigs, pine needles, etc. from the yard, roof, and rain gutters
- ✓ It's not necessary to remove all vegetation around your home, but creating Defensible Space will give firefighters a better chance of keeping wildfire from spreading to your home. Mowing, weeding, pruning, thinning, spacing, and careful plant selection can make the difference between survival and losing your home during a wildfire. Consult a geologist prior to beginning maintenance if you have slope stability issues.

*Creating defensible space is the duty of every resident living in an area at risk for wildfires.*

**ORANGE COUNTY FIRE AUTHORITY**  
**Statement of Net Position**  
**June 30, 2021**  
**(With Comparative Data for Prior Year)**

	Primary Government		Component Unit	
	Governmental Activities		OCFA Foundation	
	2021	2020	2021	2020
<b>Assets:</b>				
Cash and investments (Note 4)	\$ 196,906,442	\$ 187,297,857	\$ 351,897	\$ 160,475
Accounts receivable, net (Note 5)	2,105,913	2,566,137	-	-
Accrued interest receivable	147,758	376,640	-	-
Prepaid costs and other assets (Note 6)	23,545,784	24,034,974	-	-
Due from other governments, net (Note 7)	23,711,794	16,765,308	-	-
Restricted cash and investments (Note 4)	3,797,698	2,121,417	-	-
Lease receivables (Note 8)	873,249	-	-	-
Capital assets (Note 9):				
Land	42,757,850	42,757,850	-	-
Construction in progress	697,149	338,554	-	-
Work in progress	3,484,045	1,462,545	-	-
Capital assets, net of accumulated depreciation/amortization	<u>172,320,191</u>	<u>172,758,486</u>	<u>12,716</u>	<u>13,515</u>
Total assets	<u>470,347,873</u>	<u>450,479,768</u>	<u>364,613</u>	<u>173,990</u>
<b>Deferred outflows of resources:</b>				
Related to pensions/OPEB (Note 22)	<u>169,462,497</u>	<u>127,422,203</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>169,462,497</u>	<u>127,422,203</u>	<u>-</u>	<u>-</u>
<b>Liabilities:</b>				
Accounts payable	7,513,465	5,730,979	6,880	-
Accrued liabilities	12,928,630	10,980,091	-	-
Unearned revenue (Note 10)	6,960,549	574,002	-	-
Due to other governments (Note 11)	92,230	106,037	-	-
Compensated absences due within one year (Note 18)	4,844,515	4,486,981	-	-
Claims and judgments due within one year (Note 18)	16,411,354	14,808,917	-	-
Lease liabilities due within one year (Note 18)	96,322	-	-	-
Noncurrent liabilities due in more than one year:				
Compensated absences due in more than one year (Note 18)	16,383,949	15,036,102	-	-
Claims and judgments due in more than one year (Note 18)	98,883,921	89,136,878	-	-
Lease liabilities due in more than one year (Note 18)	4,884,029	-	-	-
Net OPEB liability (Notes 18)	293,055,745	244,964,263	-	-
Proportionate share net pension liability (Notes 18)	<u>181,206,236</u>	<u>354,471,308</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>643,260,945</u>	<u>740,295,558</u>	<u>6,880</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Related to leases (Note 8)	854,202	-	-	-
Related to pensions/OPEB (Note 22)	<u>203,207,172</u>	<u>112,271,211</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>204,061,374</u>	<u>112,271,211</u>	<u>-</u>	<u>-</u>
<b>Net position:</b>				
Net investment in capital assets (Note 9b)	214,278,884	217,317,435	12,716	13,515
Restricted for capital projects	599,148	391,477	-	-
Restricted for augmentation and upstaffing activities	1,147,785	956,880	-	-
Restricted for greenhouse gas reduction activities	1,986,525	1,354,680	-	-
Restricted for Section 115 pension trust	3,795,815	2,120,383	-	-
Restricted for grants, donations, and other programs	285,774	1,836,756	107,630	39,490
Unrestricted	<u>(429,605,880)</u>	<u>(498,642,409)</u>	<u>237,387</u>	<u>120,985</u>
Total net position	<u>\$ (207,511,949)</u>	<u>\$ (274,664,798)</u>	<u>\$ 357,733</u>	<u>\$ 173,990</u>

**See Notes to the Financial Statements**

**ORANGE COUNTY FIRE AUTHORITY**  
**Statement of Activities**  
**Year ended June 30, 2021**  
**(With Comparative Data for Prior Year)**

	Primary Government		Component Unit	
	Governmental Activities		OCFA Foundation	
	2021	2020	2021	2020
Expenses:				
Public safety:				
Salaries and benefits	\$ 331,869,650	\$ 352,573,221	\$ -	\$ -
Services and supplies	82,748,977	84,600,263	119,924	99,717
Depreciation and amortization (Note 9c)	12,961,222	12,137,499	799	799
Total program expenses	<u>427,579,849</u>	<u>449,310,983</u>	<u>120,723</u>	<u>100,516</u>
Program revenues:				
Public safety:				
Charges for services	169,343,205	156,740,363	-	-
Operating grants and contributions	31,323,104	29,275,482	304,466	130,382
Capital grants and contributions	1,332,000	3,850,481	-	-
Total program revenues	<u>201,998,309</u>	<u>189,866,326</u>	<u>304,466</u>	<u>130,382</u>
Net program (expenses) revenues	<u>(225,581,540)</u>	<u>(259,444,657)</u>	<u>183,743</u>	<u>29,866</u>
General revenues:				
Property taxes	290,310,882	277,721,815	-	-
Investment income	462,789	3,374,813	-	-
Gain on disposal of capital assets	174,666	12,641	-	-
Miscellaneous	1,786,052	1,740,904	-	-
Total general revenues	<u>292,734,389</u>	<u>282,850,173</u>	<u>-</u>	<u>-</u>
Change in net position	67,152,849	23,405,516	183,743	29,866
Net position at beginning of year	<u>(274,664,798)</u>	<u>(298,070,314)</u>	<u>173,990</u>	<u>144,124</u>
Net position at end of year	<u>\$ (207,511,949)</u>	<u>\$ (274,664,798)</u>	<u>\$ 357,733</u>	<u>\$ 173,990</u>



## Orange County Fire Authority Safety Message

### Disaster Supply Kit and GO! Bag



*A Disaster Supply Kit and a GO! Bag contain a collection of basic items your family may need during or after a wildfire.*

- ✓ The American Red Cross, FEMA, and the California Emergency Management Agency recommend putting together a Disaster Supply Kit with supplies for at least 72 hours, including food, water, and supplies for pets.
- ✓ After a disaster, basic services, such as electricity, gas, water, and phone may be out of service for days or even weeks. This may affect some people more than others, especially if they have special needs. It's important to consider the needs of every member of your household when creating your kit so your family is prepared to survive until additional resources are available.
- ✓ A GO! Bag should contain some of the 6 P's like prescription medication, copies of important documents (papers), and personal supplies (credit cards, toothbrush/toothpaste, phone list, maps, etc.). If you're forced to evacuate and can grab only your GO! Bag, the items inside will make it easier for you to during and after a wildfire, earthquake, or other disaster.
- ✓ Keeping extra supply kits in your car and at work is also a great idea in case a wildfire or other disaster stops you from going home.

*Creating a Disaster Supply Kit in advance will prepare your family, not only for an evacuation, but for a long stay at home if escape routes are blocked during or after a wildfire.*



# Fund Financial Statements



Academy 51 Graduation  
December 2, 2020





## Orange County Fire Authority Safety Message

### Wildfire Home Assessment



*A Wildfire Home Assessment is a meeting at your home with a fire department representative who will give you tips on how to better protect your home from a wildfire.*

- ✓ Experts can't tell you when the next wildfire will happen, but they do know that wildfires can happen at any time in Southern California. Many residents have not taken the most basic steps to protect their families, homes, and neighborhoods from Orange County's #1 fire risk.
- ✓ During your FREE Wildfire Home Assessment, the outside of your home and property, along with other risk factors, will be evaluated. Then, you'll be given specific steps you can take to reduce your home's vulnerability to wildfire.
- ✓ Many proven tips to help your home survive a wildfire are available 24/7 at [www.ocfa.org](http://www.ocfa.org) including landscaping, construction, and safety.
- ✓ Homes survive wildfires because of what you do to prepare for them ahead of time, not by fate or luck. No matter where you live, or how much money you can spend, there are things that you can do right now to help protect your home.
- ✓ For more information, please visit the OCFA website or call **(714) 573-6774** to schedule a Wildfire Home Assessment.

*Don't wait. Set up a free Wildfire Home Assessment to protect your home today.*

**ORANGE COUNTY FIRE AUTHORITY**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2021**  
**(With Comparative Data for Prior Year)**

	Capital Projects Funds				Total Governmental Funds	
		Communications and Information Systems	Fire Apparatus	Fire Stations and Facilities	2021	2020
General Fund						
<b>Assets:</b>						
Cash and investments	\$146,611,085	\$ 5,412,168	\$ 26,405,927	\$ 18,477,262	\$196,906,442	\$187,297,857
Accounts receivable, net (Note 5)	2,105,913	-	-	-	2,105,913	2,566,137
Accrued interest receivable	53,468	10,407	13,260	70,623	147,758	376,640
Prepaid costs and other assets (Note 6)	41,725,529	10,791	-	3,464	41,739,784	42,721,974
Due from other governments, net (Note 7)	23,704,580	-	-	7,214	23,711,794	16,765,308
Restricted cash and investments	3,797,698	-	-	-	3,797,698	2,121,417
Lease receivables (Note 8)	873,249	-	-	-	873,249	-
<b>Total assets</b>	<b>\$218,871,522</b>	<b>\$ 5,433,366</b>	<b>\$ 26,419,187</b>	<b>\$ 18,558,563</b>	<b>\$269,282,638</b>	<b>\$251,849,333</b>
<b>Liabilities:</b>						
Accounts payable	\$ 6,846,478	\$ 209,631	\$ 387,275	\$ 70,081	\$ 7,513,465	\$ 5,730,979
Accrued liabilities	12,928,630	-	-	-	12,928,630	10,980,091
Unearned revenue (Note 10)	6,960,549	-	-	-	6,960,549	574,002
Due to other governments (Note 11)	92,230	-	-	-	92,230	106,037
<b>Total liabilities</b>	<b>26,827,887</b>	<b>209,631</b>	<b>387,275</b>	<b>70,081</b>	<b>27,494,874</b>	<b>17,391,109</b>
<b>Deferred inflows of resources:</b>						
Unavailable revenue (Note 10)	908,979	-	-	-	908,979	1,022,603
Related to leases (Note 8)	854,202	-	-	-	854,202	-
<b>Total deferred inflows of resources</b>	<b>1,763,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,763,181</b>	<b>1,022,603</b>
<b>Fund balances:</b>						
Nonspendable prepaid costs (Note 6)	41,707,145	10,791	-	3,464	41,721,400	42,704,819
Restricted (Note 12):						
Capital improvement program	-	-	-	434,763	434,763	391,477
Various departments	3,584,469	-	-	-	3,584,469	4,148,316
Section 115 pension trust	3,795,815	-	-	-	3,795,815	2,120,383
Committed to SFF cities (Note 13)	1,120,950	-	-	-	1,120,950	1,288,272
Assigned (Note 14):						
Capital improvement program	7,982,644	5,089,194	12,486,395	17,246,140	42,804,373	32,017,913
Workers' compensation	109,770,629	-	-	-	109,770,629	98,998,999
Various departments	372,302	-	-	-	372,302	739,400
Facilities projects	56,082	-	-	-	56,082	83,568
Communications/IT projects	813,975	123,750	-	-	937,725	462,222
Fire apparatus and vehicles	-	-	13,545,517	-	13,545,517	14,841,073
Construction projects	684,549	-	-	804,115	1,488,664	1,285,244
Unassigned (Note 15)	20,391,894	-	-	-	20,391,894	34,353,935
<b>Total fund balances</b>	<b>190,280,454</b>	<b>5,223,735</b>	<b>26,031,912</b>	<b>18,488,482</b>	<b>240,024,583</b>	<b>233,435,621</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$218,871,522</b>	<b>\$ 5,433,366</b>	<b>\$ 26,419,187</b>	<b>\$ 18,558,563</b>	<b>\$269,282,638</b>	<b>\$251,849,333</b>

See Notes to the Financial Statements

**ORANGE COUNTY FIRE AUTHORITY**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**June 30, 2021**  
**(With Comparative Data for Prior Year)**

	2021	2020
Fund balances of governmental funds	\$ 240,024,583	\$ 233,435,621
<u><b>Capital Assets</b></u>		
The cost of capital assets used in governmental activities are recorded as expenditures in governmental funds when purchased, constructed, or leased. The Statement of Net Position includes those capital assets among the assets of OCFA as a whole, net of accumulated depreciation/amortization.		
Land, construction in progress, work in progress, buildings, equipment, and vehicles:		
Capital assets	379,328,027	372,248,496
Accumulated depreciation/amortization	(164,936,722)	(154,931,061)
Right-to-use leased assets:		
Capital assets	5,093,182	-
Accumulated amortization	(225,252)	-
<u><b>Long-term Liabilities</b></u>		
Long-term liabilities applicable to governmental activities are not due and payable in the current period and are not reported as governmental fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
OCERS pension plan:		
Net pension liability	(181,121,638)	(354,395,457)
Pension contributions	(18,194,000)	(18,687,000)
Deferred outflows of resources	130,063,613	112,123,798
Deferred inflows of resources	(201,136,247)	(97,996,328)
Extra Help pension plan:		
Net pension liability	(84,598)	(75,851)
Deferred outflows of resources	1,330	874
Other postemployment benefits (OPEB):		
Net OPEB liability	(293,055,745)	(244,964,263)
Deferred outflows of resources	39,397,554	15,297,531
Deferred inflows of resources	(2,070,925)	(14,274,883)
Accrued claims and judgments	(115,295,275)	(103,945,795)
Compensated absences	(21,228,464)	(19,523,083)
Lease liabilities	(4,980,351)	-
<u><b>Unavailable Revenues</b></u>		
Unavailable revenues are reported in the governmental funds if not collected or expected to be collected within OCFA's availability period. Amounts relating to unavailable revenues are not reported in the Statement of Net Position since revenue recognition is not based upon measurable and available criteria.		
Due from other governments - Garden Grove start-up costs	908,979	1,022,603
Net position of governmental activities	<u>\$ (207,511,949)</u>	<u>\$ (274,664,798)</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year ended June 30, 2021**  
**(With Comparative Data for Prior Year)**

		Capital Projects Funds			Total Governmental Funds	
		Communications and Information Systems	Fire Apparatus	Fire Stations and Facilities	2021	2020
	General Fund					
Revenues:						
Taxes	\$ 290,310,882	\$ -	\$ -	\$ -	\$ 290,310,882	\$ 277,721,815
Intergovernmental	58,222,827	-	-	43,286	58,266,113	41,258,003
Charges for services	137,177,441	-	1,632,441	-	138,809,882	138,641,512
Use of money and property	451,974	3,384	33,178	10,499	499,035	3,700,453
Miscellaneous	3,978,404	-	-	-	3,978,404	6,184,387
Developer contributions	-	-	-	1,317,000	1,317,000	679,800
Total revenues	<u>490,141,528</u>	<u>3,384</u>	<u>1,665,619</u>	<u>1,370,785</u>	<u>493,181,316</u>	<u>468,185,970</u>
Expenditures:						
Current - public safety:						
Salaries and benefits	406,935,192	-	-	-	406,935,192	375,032,147
Services and supplies	71,094,504	242,213	1,940	228,875	71,567,532	67,271,454
Capital outlay	3,023,855	766,349	5,681,632	281,354	9,753,190	7,790,083
Debt service:						
Interest and fiscal charges	36,246	-	-	-	36,246	325,640
Total expenditures	<u>481,089,797</u>	<u>1,008,562</u>	<u>5,683,572</u>	<u>510,229</u>	<u>488,292,160</u>	<u>450,419,324</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,051,731</u>	<u>(1,005,178)</u>	<u>(4,017,953)</u>	<u>860,556</u>	<u>4,889,156</u>	<u>17,766,646</u>
Other financing sources (uses):						
Transfers in (Note 17)	-	-	11,059,336	-	11,059,336	8,000,000
Transfers out (Note 17)	(11,059,336)	-	-	-	(11,059,336)	(8,000,000)
Sale of capital assets	147,194	-	-	-	147,194	142,044
Insurance recoveries	1,552,612	-	-	-	1,552,612	1,320,164
Total other financing sources (uses)	<u>(9,359,530)</u>	<u>-</u>	<u>11,059,336</u>	<u>-</u>	<u>1,699,806</u>	<u>1,462,208</u>
Net change in fund balances	<u>(307,799)</u>	<u>(1,005,178)</u>	<u>7,041,383</u>	<u>860,556</u>	<u>6,588,962</u>	<u>19,228,854</u>
Fund balances, beginning of year	<u>190,588,253</u>	<u>6,228,913</u>	<u>18,990,529</u>	<u>17,627,926</u>	<u>233,435,621</u>	<u>214,206,767</u>
Fund balances, end of year	<u>\$ 190,280,454</u>	<u>\$ 5,223,735</u>	<u>\$ 26,031,912</u>	<u>\$ 18,488,482</u>	<u>\$ 240,024,583</u>	<u>\$ 233,435,621</u>

See Notes to the Financial Statements

**ORANGE COUNTY FIRE AUTHORITY**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**Year ended June 30, 2021**  
**(With Comparative Data for Prior Year)**

	2021	2020
Net change in fund balances - total governmental funds	\$ 6,588,962	\$ 19,228,854
<u><b>Capital Assets</b></u>		
Governmental funds report capital outlays as expenditures. The cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense in the Statement of Activities.		
Capital outlay	9,753,190	7,790,083
Depreciation/amortization expense	(12,961,222)	(12,137,499)
Capital assets received through grant or donation are recognized as revenue in the Statement of Activities at their estimated acquisition value at time of receipt.		
From new member agencies	-	2,947,511
From developers, grantors, and donors	15,000	223,170
Governmental funds report proceeds from disposal of capital assets as other financing sources. In the Statement of Activities, those proceeds are offset by the net book value of the assets, resulting in a gain or loss on the disposal.		
Proceeds from disposal of capital assets	(188,220)	(161,150)
Gain (loss) on disposal of capital assets	174,666	12,641
<u><b>Long-term Liabilities</b></u>		
Repayment of principal on long-term debt and lease agreements is reported as an expenditure in governmental funds. Principal payments reduce long-term liabilities in the Statement of Net Position.		
Principal payments - helicopter tower lease agreement	17,028	-
Principal payments - copier lease agreement	95,803	-
Principal payments - utility pickup trucks lease agreement	55,204	-
Other long-term liabilities are reported in the Statement of Net Position. The net annual change in the liability is recognized as an expense in the Statement of Activities. Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.		
OCERS pension plan	88,566,715	25,525,804
Extra Help pension plan	(8,291)	32,202
Other postemployment benefits (OPEB)	(11,787,501)	(1,363,728)
Accrued claims and judgments - workers' compensation	(11,349,480)	(17,328,809)
Compensated absences - other leave balances	(1,705,381)	(1,735,352)
<u><b>Unavailable Revenues</b></u>		
Certain receivables that have been accrued but not collected are reflected as unavailable revenue in the governmental funds. All earned revenue is recognized in the Statement of Activities regardless of when collected.		
Charges for services - Garden Grove start-up costs	(113,624)	371,789
<u><b>Interfund Transactions</b></u>		
Transactions between governmental funds are eliminated for presentation in the government-wide financial statements.		
Transfers in	(11,059,336)	(8,000,000)
Transfers out	11,059,336	8,000,000
Use of money and property	(36,246)	(325,640)
Interest and fiscal charges	36,246	325,640
Change in net position of governmental activities	<u>\$ 67,152,849</u>	<u>\$ 23,405,516</u>

See Notes to the Financial Statements

**ORANGE COUNTY FIRE AUTHORITY**  
**General Fund**  
**Budgetary Comparison Statement**  
**Year ended June 30, 2021**  
**(With Comparative Data for Prior Year)**

	2021			2020
	Budget Amounts		Variance with Final Budget Positive (Negative)	Actual Amounts
	Original	Final	Actual Amounts	
Budgetary fund balance, July 1	\$ 190,588,253	\$ 190,588,253	\$ 190,588,253	\$ 168,724,626
Resources (inflows):				
Taxes	285,647,942	287,967,482	290,310,882	277,721,815
Intergovernmental	24,986,249	66,489,858	58,222,827	41,258,003
Charges for services	137,821,137	135,497,444	137,177,441	136,890,975
Use of money and property	1,165,109	513,469	451,974	2,883,542
Miscellaneous	1,018,500	12,803,488	3,978,404	6,184,387
Sale of capital assets	75,000	95,000	147,194	142,044
Insurance recoveries	-	358,881	1,552,612	1,320,164
Total resources (inflows)	450,713,937	503,725,622	491,841,334	466,400,930
Amounts available for appropriations	641,302,190	694,313,875	682,429,587	635,125,556
Charges to appropriation (outflows):				
Salaries and benefits	375,549,198	407,301,870	406,935,192	375,032,147
Services and supplies	61,884,759	100,564,808	71,094,504	65,936,776
Capital outlay	2,741,362	7,737,337	3,023,855	3,242,740
Interest and fiscal charges	6,177	35,294	36,246	325,640
Transfers out	11,059,336	11,059,336	11,059,336	-
Total charges to appropriations	451,240,832	526,698,645	492,149,133	444,537,303
Budgetary fund balance, June 30	\$ 190,061,358	\$ 167,615,230	\$ 190,280,454	\$ 190,588,253

See Notes to the Financial Statements



**ORANGE COUNTY FIRE AUTHORITY**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2021**  
**(With Comparative Data for Prior Year)**

	Pension and Other Employee Benefit Trust Funds	Total Fiduciary Funds 2021	2020
Assets:			
Cash and investments (Note 4):			
Local Agency Investment Fund:			
Domestic fixed income	\$ 49,896	\$ 49,896	\$ 46,934
Pooled amounts held in trust with OCERS	<u>42,830,564</u>	<u>42,830,564</u>	<u>42,242,955</u>
Total cash and investments	42,880,460	42,880,460	42,289,889
Receivables:			
Other receivables	<u>9,679</u>	<u>9,679</u>	<u>12,302</u>
Total assets	<u>42,890,139</u>	<u>42,890,139</u>	<u>42,302,191</u>
Liabilities:			
Accrued liabilities	<u>886,193</u>	<u>886,193</u>	<u>850,367</u>
Total liabilities	<u>886,193</u>	<u>886,193</u>	<u>850,367</u>
Net position restricted for:			
Pensions	49,896	49,896	46,934
Postemployment benefits other than pensions	<u>41,954,050</u>	<u>41,954,050</u>	<u>41,404,890</u>
Total net position	<u>\$ 42,003,946</u>	<u>\$ 42,003,946</u>	<u>\$ 41,451,824</u>

See Notes to the Financial Statements

**ORANGE COUNTY FIRE AUTHORITY**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**Year ended June 30, 2021**  
**(With Comparative Data for Prior Year)**

	Pension and Other Employee Benefit Trust Funds	Total Fiduciary Funds	
		2021	2020
Additions:			
Contributions:			
Employer	\$ 2,286,443	\$ 2,286,443	\$ 2,222,636
Plan members	1,976,874	1,976,874	2,112,049
Total contributions	4,263,317	4,263,317	4,334,685
Net investment income:			
Total investment income	4,371,391	4,371,391	5,566,977
Investment fees and expenses	(236,588)	(236,588)	(264,395)
Total net investment income	4,134,803	4,134,803	5,302,582
Total additions	8,398,120	8,398,120	9,637,267
Deductions:			
Benefits and refunds paid to plan members and beneficiaries	7,823,558	7,823,558	7,253,089
Administrative expenses	22,440	22,440	21,240
Total deductions	7,845,998	7,845,998	7,274,329
Change in net position	552,122	552,122	2,362,938
Net position, beginning of year	41,451,824	41,451,824	39,088,886
Net position, end of year	<u>\$ 42,003,946</u>	<u>\$ 42,003,946</u>	<u>\$ 41,451,824</u>

See Notes to the Financial Statements

# Notes to the Financial Statements



Bond Fire  
December 2-10, 2020

**ORANGE COUNTY FIRE AUTHORITY**  
**Index to Notes to the Financial Statements**  
**Year ended June 30, 2021**

	<u>Page</u>
(1) Summary of Significant Accounting Policies .....	37
(2) Compliance and Accountability .....	43
(3) Implementation of New Accounting Standards.....	44
(4) Cash and Investments.....	44
(5) Accounts Receivable, Net .....	49
(6) Prepaid Costs, Other Assets, and Nonspendable Fund Balance of Governmental Funds .....	49
(7) Due from Other Governments, Net .....	50
(8) Lessor in Lease Agreement (Lease Receivables) .....	50
(9) Capital Assets .....	51
(10) Unearned and Unavailable Revenue .....	52
(11) Due to Other Governments .....	53
(12) Fund Balance of Governmental Funds – Restricted.....	53
(13) Fund Balance of Governmental Funds – Committed .....	54
(14) Fund Balance of Governmental Funds – Assigned.....	54
(15) Fund Balance of Governmental Funds – Unassigned .....	55
(16) Commitments and Contingencies.....	56
(17) Interfund Transfers .....	59
(18) Changes in Long-term Liabilities .....	59
(19) Compensated Absences.....	59
(20) Insurance and Accrued Claims and Judgments.....	60
(21) Lessee in Lease Agreements (Lease Liabilities) .....	61
(22) Pension Plans and Other Postemployment Benefits (OPEB) .....	64
(23) Retirement Plan for Full-Time Employees .....	64
(24) Retirement Plan for Part-Time Employees .....	70
(25) Other Postemployment Benefits (OPEB) .....	75
(26) Retiree Defined Contribution Healthcare Expense Reimbursement Plan .....	84
(27) Deferred Compensation Plans .....	85
(28) Subsequent Events .....	86



## Orange County Fire Authority Safety Message

### Red Flag Warning



*A Red Flag Warning is issued to signal the need for heightened awareness and increased fire safety.*

- ✓ Conditions needed to issue a Red Flag Warning, include:
  - Sustained winds 15 MPH or greater
  - Relative humidity of 25% or less
  - Temperatures greater than 75° F
- ✓ If these conditions are present or likely to happen within 24 hours, red flags are displayed at fire stations and participating county facilities, public libraries, and city halls. Red flags are also put up at chosen locations along highways, streets, and toll roads.
- ✓ Safety guidelines recommended during Red Flag Warnings include the following:
  - Do all yard work that requires a gas or electric motor before 10 a.m. and never when the wind is blowing
  - Remove rocks from the area before you begin using any equipment
  - Keep flammable materials away from gas-powered equipment
  - Never drive or park vehicles on dry grass or brush
  - Use lawnmowers on lawns only
  - Grease trailer wheels, check tires, and make sure safety chains are not touching the ground
  - Use caution with gas lanterns, barbeques, gas stoves, and anything else that can cause a wildfire
  - Follow park, trail, camping, campfire restrictions and closure signs
  - Throw away cigarettes or other smoking supplies properly in non-combustible containers

*Knowing how to respond when Red Flag Warnings are issued is your responsibility if you live, work, or even spend time in or near areas prone to wildfires.*

**ORANGE COUNTY FIRE AUTHORITY**  
**Notes to the Financial Statements**  
**Year ended June 30, 2021**

**(1) Summary of Significant Accounting Policies**

**(a) Description of the Reporting Entity**

Effective March 1, 1995, the County of Orange (County) and the cities of Buena Park, Cypress, Dana Point, Irvine, Laguna Hills, Laguna Niguel, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Placentia, San Clemente, San Juan Capistrano, Seal Beach, Stanton, Tustin, Villa Park, and Yorba Linda entered into a Joint Powers Agreement (JPA) to create the Orange County Fire Authority (OCFA). Since the creation of the OCFA, the cities of Aliso Viejo, Garden Grove, Laguna Woods, Rancho Santa Margarita, Santa Ana, and Westminster have also joined as members. The City of Placentia withdrew its membership from OCFA effective July 1, 2020. The purpose of OCFA is to provide fire protection, prevention, suppression, and related and incidental services including, but not limited to, emergency medical and transport services and hazardous materials regulation, as well as providing facilities and personnel for such services. OCFA's governing board consists of one representative from each member city and two from the County.

OCFA's operations are funded with a portion of property taxes collected by the County (Structural Fire Fund) for the unincorporated area and on behalf of all member cities except for the cities of Buena Park, Garden Grove, San Clemente, Santa Ana, Seal Beach, Stanton, Tustin, and Westminster, which are considered cash contract cities. The County pays all Structural Fire Fund taxes it collects to OCFA. Cash contract cities make cash contributions based on OCFA's annual budget. Upon dissolution, all surplus money and property of OCFA will be conveyed or distributed to each member in proportion to all funds provided to OCFA by that member or by the County on behalf of that member during its membership. Each member must execute any instruments of conveyance necessary to effectuate such distribution or transfer.

As required by generally accepted accounting principles, these financial statements present OCFA as the primary government, as well as any of its component units. A component unit is an entity for which a primary government entity is considered financially accountable.

- The primary government is considered financially accountable for an organization if it appoints a voting majority of that organization's governing body, and (1) if the primary government is able to impose its will on that organization or (2) there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
- The primary government may also be considered financially accountable for an organization if that organization is fiscally dependent on the primary government (i.e., the organization is unable to approve or modify its budget, levy taxes or set rates/charges, or issue bonded debt without approval from the primary government).
- In certain cases, other organizations are included as component units if the nature and significance of their relationship with the primary government are such that their exclusion would cause the primary government's financial statements to be misleading or incomplete, even though the primary government is not considered financially accountable for that organization under the criteria previously described. A legally separate, tax exempt organization is reported as a component unit if (1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the primary government or its constituents; (2) the primary government is entitled to or has the ability otherwise access a majority of the economic resources received or held by the organization; and (3) the economic resources received or held by the organization are significant to the primary government.

Component units must be classified as either "blended" or "discrete" in the primary government's financial statements. A component unit is "blended" if the governing boards of the two organizations are substantially the same, or if the component unit provides services entirely or almost entirely to the primary government. Because of the closeness of its relationship with the primary government, a "blended" component unit is presented as though it is part of the primary



government and, therefore, is included in both the government-wide and fund financial statements. Component units that do not meet either of these two criteria are considered “discrete” and are reported only in the government-wide financial statements.

A brief description of OCFA’s discretely presented component unit is as follows:

- The **OCFA Foundation** (“Foundation”) was established by the OCFA Board of Directors in July 2010, and qualifies as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The purpose of the Foundation is to support OCFA with the additional resources needed to provide an enhanced level of fire prevention, suppression, and emergency medical services to the citizens of Orange County. The Foundation assists OCFA by conducting fundraising activities and securing non-government grant funds, services, materials, and contributions that support OCFA’s mission. OCFA provided \$50,000 from the General Fund as start-up funding for the Foundation. The tax-exempt status of the Foundation was approved by the Internal Revenue Service on February 23, 2011, and the inaugural meeting of the Foundation Board was April 28, 2011.

The Foundation’s Board of Directors consists of no less than three and no more than seven members, the exact number determined by resolution of the Foundation Board. Foundation Board members must have been active in or had significant prior experience in governmental or community organizations, or the fire service. The Foundation Board may consist of any combination of members of the public, OCFA employees, and/or past or current OCFA Board members. Initially, the Chair of OCFA’s Board appointed the first three Foundation Directors. As of June 30, 2021, there were five non-OCFA Board members on the Foundation’s Board. Additional members may be appointed by the Foundation Board at a future date via a simple majority vote.

The Foundation is considered a component unit of OCFA, because the nature and significance of its relationship with OCFA is such that its exclusion would cause OCFA’s financial statements to be misleading or incomplete. Within these financial statements, the Foundation is reported as a discrete component unit in the government-wide financial statements. The Foundation also issues separate, component unit financial statements that may be obtained through written request from OCFA Executive Management at 1 Fire Authority Road, Irvine, California 92602.

OCFA reports the Extra Help Retirement Plan and the Retiree Medical Plan, single-employer pension and other post-employment benefits plans, respectively, as fiduciary component units in the Pension and Other Post-Employment Benefits Trust Funds. These plans are administered by OCFA, with the OCFA Board serving as the governing body of the plans and approving plan provisions. Plan assets are held in trust in a fiduciary capacity for the purpose of providing pension and other post-employment benefits to OCFA’s retirees. As such, these component units are not reported as part of the OCFA’s reporting entity, but rather as fiduciary activities in accordance with GASB Statement No. 84.

(b) Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities), report information about OCFA as a whole, excluding its fiduciary activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. During the course of operations, OCFA has activity between its governmental funds for various purposes. Residual balances at the end of the fiscal year, interfund transfers, and other transactions between governmental funds, if any, are eliminated in the preparation of the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of the given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital

requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

#### Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. OCFA considers revenues to be available if they are typically collected within 180 days of the end of the current fiscal period, with the exception of property taxes, which are considered available if they are typically collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and leases, are recorded only when payment is due.

Property taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by OCFA.

Fiduciary fund financial statements are reported using the same *economic resources measurement focus* and the *accrual basis of accounting* described for the government-wide financial statements.

#### (c) Major Funds and Other Fund Types

##### Major Governmental Funds

Major funds are those whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. The General Fund is always a major fund. OCFA has elected to report all of its governmental funds as major funds.

- The **General Fund** is the primary operating fund of OCFA and is used to account for all financial resources not accounted for and reported in another fund. The General Fund accounts for the financial activities of providing fire suppression, protection, prevention, and related services to OCFA's member cities and unincorporated areas. The primary sources of revenue are property taxes for fire protection (Structural Fire Fund), cash contracts, intergovernmental reimbursements, and various user fees.
- The **Communications and Information Systems Fund** is a capital projects fund used to account for the significant acquisition, improvement, or replacement of specialized communications and information technology systems and/or equipment.
- The **Fire Apparatus Fund** is a capital projects fund used to account for the significant acquisition, improvement, or replacement of fire apparatus, including vehicles, trailers, and helicopters.
- The **Fire Stations and Facilities Fund** is a capital projects fund used to account for the significant acquisition, improvement, replacement, or construction of fire stations and facilities.

Fiduciary Fund Types

- **Pension and Other Employee Benefit Trust Funds** are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans. OCFA's pension and other employee benefit trust funds account for the extra help postemployment defined benefit retirement plan, and a postemployment health care plan trust established under Internal Revenue Code section 401(h) to pay health allowances to eligible retired members of the OCFA. The postemployment healthcare plan is presented in accordance with the plan year-end of December 31.

(d) Cash and Investments

OCFA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments.

Investments are stated at fair value (the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants), in accordance with GASB Statement No. 72. OCFA's policy is generally to hold investments until maturity. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

(e) Receivables

All accounts receivable are shown net of an allowance for uncollectible amounts.

Under California law, counties assess and collect property taxes up to 1% of assessed value and can increase the property tax rate no more than 2% per year. The property taxes go into a pool and are then allocated to the cities and local government entities based on complex formulas. The County bills and collects the property taxes and distributes them to OCFA in installments during the year. Accordingly, OCFA accrues only those taxes which are received from the County within 60 days after year-end. A summary of the property tax calendar is as follows:

Lien date	January 1
Levy date	Fourth Monday of September
Due dates	November 1 and February 1
Delinquent dates	December 10 and April 10

(f) Inventories and Prepaid Costs

OCFA accounts for all supplies inventories (i.e., office supplies, automotive parts, vehicle and jet fuel, etc.) under the "purchase method," whereby expenditures are recognized at the time they are purchased, rather than when they are consumed or used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both the government-wide and fund financial statements. OCFA accounts for prepaid items (i.e., warranties, annual maintenance fees, and professional memberships) under the "consumption method," whereby expenditures are recognized proportionately over the period that the services are provided. Nonspendable fund balance in an amount equal to prepaid costs is reported in the governmental fund types, since these amounts are not in a spendable form.

OCFA has established a dollar threshold for the review and establishment of prepaid items. Individual invoices and charges greater than or equal to \$5,000 are evaluated for reporting under the consumption method. Individual invoices and charges less than \$5,000 are reported under the "purchase method." At the discretion of OCFA Finance Division management, exceptions to the \$5,000 threshold may include travel-related items or situations where failing to report a prepaid item under the consumption method may cause an individual division or section to materially exceed its appropriated budget for a given fiscal year.

**(g) Capital Assets and Right-to-Use Leased Assets**

Capital assets of governmental activities, which include property, plant, and equipment assets, are reported in the government-wide financial statements. Capital assets are defined by OCFA as assets with an estimated useful life in excess of one year and with an initial, individual cost of \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or developer-contributed capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not materially add to the value of the asset or materially extend the asset's useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets received in a service concession arrangement, if any, are reported at acquisition value.

Right-to-use leased assets are reported in the applicable governmental activities column in the government-wide financial statements. These assets are defined by OCFA as assets with an estimated useful life in excess of one year and with an initial, individual cost of \$50,000 or more. Such assets are recorded at the present value of the lease liability, including expenses to place the asset into service. In accordance with GASB Statement No. 87, OCFA has reported right-to-use leased assets for buildings, equipment, vehicles, and land.

OCFA's capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Buildings and Improvements	45 years
Equipment	3 – 40 years
Vehicles	4 – 20 years
Right-to-use leased assets	Shorter of the leased asset's useful life or the lease term (currently >1 – 45 years)

**(h) Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position of governmental activities and the Balance Sheet of governmental funds may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position or fund balance that apply to future period(s) and so will not be recognized as outflows of resources (expenses or expenditures) during the current fiscal year. OCFA currently reports deferred outflows pertaining to pensions and other postemployment benefits on the Statement of Net Position of governmental activities.

In addition to liabilities, the Statement of Net Position of governmental activities and the Balance Sheet of governmental funds may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position or fund balance that apply to future period(s) and so will not be recognized as inflows of resources (revenues) during the current fiscal year. Items that qualify for reporting as a deferred inflow in the governmental funds, which arise under the modified accrual basis of accounting, include unavailable revenue and deferred inflows pertaining to leases. These amounts will be recognized as an inflow of resources in the period that the amounts become available. OCFA also currently reports deferred inflows pertaining to pensions, other postemployment benefits, and leases on the Statement of Net Position of governmental activities.

**(i) Compensated Absences**

OCFA's policy permits employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and unpaid sick leave to which employees are entitled under their respective Memorandums of Understanding (MOU's) have been accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if it has matured (for example, as a result of employee resignations or retirements).

**(j) Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Orange County Employees Retirement System (OCERS) plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis

as they are reported by OCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(k) Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Retiree Medical Plan and additions to/deductions from OCFA's fiduciary net position have been determined on the same basis. For this purpose, OCFA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(l) Fund Equity

The components of the fund balances of governmental funds reflect the component classifications described below.

- **Nonspendable** fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.
- **Restricted** fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.
- **Committed** fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Board of Directors serves as OCFA's highest level of decision-making authority and has the authority to establish, modify, or rescind a fund balance commitment via a minutes order, which may or may not be documented by a written Board resolution.
- **Assigned** fund balance includes amounts intended to be used by OCFA for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors. OCFA's Board of Directors has established a *Fund Balance Assignment Policy* which establishes the authority by which OCFA may set aside cumulative resources in fund balance for an intended future use. The Board of Directors has the authority to assign fund balance, and has delegated its authority to assign amounts for workers' compensation and the capital improvement program to the Deputy Chief of the Administration & Support Bureau, or his/her designee, in accordance with the parameters outlined in the policy and subject to annual review and concurrence by the Budget and Finance Committee.
- **Unassigned** fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose. The General Fund should be the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, OCFA's *Flow Assumptions Policy* specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, OCFA's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

**(m) Operating Contingency**

In June 1998, OCFA established a General Fund Contingency Reserve (“operating contingency”), which was subsequently revised to 10% of budgeted non-grant operating expenditures. OCFA’s policy states that the operating contingency be used only for operating contingencies, emergencies caused by calamitous events, and economic uncertainty. The operating contingency’s balance is included within the unassigned fund balance category of the General Fund.

**(n) Prior Year Data**

The information included in the accompanying financial statements for the prior year has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Certain minor reclassifications of prior year data have been made in order to enhance their comparability with current year figures.

**(o) Use of Estimates**

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America and, accordingly, include amounts that are based on management’s best estimates and judgments. Actual results could differ from those estimates.

**(2) Compliance and Accountability**

**(a) Budgetary Information**

OCFA establishes accounting control through formal adoption of an annual operating budget for its governmental funds. The operating budgets are prepared on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all of OCFA’s governmental funds.

Perspective differences occur when the framework used for budgeting differs from the fund structure used for financial reporting. OCFA’s General Fund consists of five separately budgeted sub-funds that have been combined and consolidated for financial statement presentation. The table below reconciles fund balance for the General Fund as reported on the budgetary basis to the presentation in the financial statements. The Supplementary Schedules section of this report includes additional General Fund combining schedules for balance sheet, budgetary data, and actual operating data for the year ended June 30, 2021.

	Fund Balance as of June 30, 2021
Budgetary basis:	
General Operating Fund	\$ 44,396,236
General Fund Capital Improvement Program (CIP)	9,679,008
Structural Fire Entitlement	1,120,950
Self Insurance	109,770,629
Settlement Agreement	<u>25,313,631</u>
General Fund for financial statement presentation	<u>\$190,280,454</u>

The adopted budget can be amended by the Board to change both appropriations and estimated revenues as unforeseen circumstances come to management’s attention. Increases and decreases in revenue and appropriations and transfers between funds require the Board’s approval; however, division and section managers, Assistant Chiefs, Directors, and Deputy Chiefs may authorize changes within funds and/or their respective authorized budgets. Expenditures may not exceed total appropriations at the individual fund level. It is the practice of OCFA to review the budgets mid-year and, if necessary, recommend changes to the Board.



**(b) Emergency Appropriations Policy**

In September 2008, the Board adopted the Emergency Appropriations Policy to provide a means of increasing budgeted appropriations in the event that extraordinary fire or emergency incident activity occurs after the last Board meeting of the fiscal year, which may cause expenditures to exceed the authorized General Fund budget. The contingency appropriation, which may not exceed \$3,000,000 each fiscal year, is established for unforeseen requirements, primarily salary and employee benefits for extraordinary fire or emergency response. No expenditures may be made directly against the contingency appropriations; however, OCFA management may recommend a transfer from the contingency appropriations to a specific purpose appropriation. The Chair of the Board of Directors or the Vice Chair, in the absence of the Chair, must pre-approve any such transfers. Upon approval by the Chair or Vice Chair, notice of this transfer must be provided immediately to the full Board in writing.

**(c) Encumbrance Accounting**

Encumbrance accounting is employed in governmental funds. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in OCFA's governmental funds. Encumbrances outstanding at year-end are reported as restricted, committed, or assigned fund balance, depending on the type of revenue source associated with the encumbrance, and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year. All appropriations lapse at year-end with the exception of encumbered appropriations, which are effectually re-appropriated in the ensuing year's budget.

**(3) Implementation of New Accounting Standards**

During the year ended June 30, 2021, OCFA early-implemented the following new accounting standard issued by the Governmental Accounting Standards Board (GASB):

- **GASB Statement No. 87** *Leases* enhances usefulness and comparability of financial statements among governments by requiring lessees and lessors to report leases using a single model. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases, and recognizes inflows or outflows of resources based on the payment provisions of the lease contracts. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. The table below summarizes the net impact of implementing GASB Statement No. 87 to beginning balances as of July 1, 2020:

	Impact to Beginning Net Position of Governmental Activities	Impact to Beginning Fund Balances of Governmental Funds
Long-term lease liability	\$(5,148,386)	\$ -
Right-to-use leased assets	5,148,386	-
Long-term lease receivable	907,602	907,602
Deferred inflows of resources	(907,602)	(907,602)
Net restatement	<u>\$ -</u>	<u>\$ -</u>

**(4) Cash and Investments**

**(a) Financial Statement Presentation**

OCFA maintains a cash and investment pool that is available for use for all funds. Each fund's position in the pool is reported on the balance sheet as cash and investments. Pooled investments held in trust with OCERS (presented within

the Fiduciary Funds of these financial statements) are reported as of the December 31, 2020 plan year-end date. Additional investment information is provided within these notes as Note 25.

Cash and investments as of June 30, 2021, are reported in the financial statements as follows:

	Statement of Net Position		Statement of Fiduciary Net Position	
	Governmental Activities	Discretely Presented Component Unit (OCFA Foundation)	Fiduciary Funds	Total
Cash and investments	\$196,906,442	\$351,897	\$42,880,460	\$240,138,799
Restricted cash and investments	<u>3,797,698</u>	<u>-</u>	<u>-</u>	<u>3,797,698</u>
Total	<u>\$200,704,140</u>	<u>\$351,897</u>	<u>\$42,880,460</u>	<u>\$243,936,497</u>

Cash and investments consist of the following as of June 30, 2021:

Petty cash / cash on hand	\$ 14,492
Demand deposits	19,040,945
Investments	<u>224,881,060</u>
Total	<u>\$243,936,497</u>

**(b) Demand Deposits**

At June 30, 2021, the carrying amount of OCFA's demand deposits was \$19,040,945 and the bank balance was \$19,216,337. The \$175,392 difference represents outstanding checks and other reconciling items.

California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "agent of depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government. The OCFA Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC.

**(c) Investments Authorized by Government Code and OCFA Investment Policy**

The table below identifies investment types that are authorized by OCFA's investment policy and by California Government Code Section 53600 et seq. and Section 5922(d). The table also identifies provisions of the California Government Code (or OCFA's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The table, however, does not cover investments of debt proceeds, if any, held by fiscal agent, which are governed by the provisions of debt agreements of OCFA rather than the general provisions of OCFA's investment policy. In addition, this table does not include other investment types that are allowable under the California Government Code but are not specifically authorized by OCFA's investment policy.

Investment Types	Maximum Maturity	Maximum % of Portfolio in Investment Type	Maximum % of Portfolio in Single Issuer
U.S. Treasury obligations	5 years	100%	100%
Federal agency securities	5 years	75% <sup>(1)</sup>	75% <sup>(1)</sup>
Bankers' acceptances	180 days	25% <sup>(1)</sup>	25% <sup>(1)</sup>
Commercial paper	270 days	15% <sup>(1)</sup>	15% <sup>(1)</sup>
Negotiable certificates of deposit	5 years	25% <sup>(1)</sup>	25% <sup>(1)</sup>
Repurchase agreements	14 days	15% <sup>(1)</sup>	15% <sup>(1)</sup>
Money market mutual funds	n/a	15% <sup>(1,2)</sup>	15% <sup>(1,2)</sup>
Local Agency Investment Fund	n/a	75% <sup>(1)</sup>	75% <sup>(1)</sup>

(1) Based on OCFA investment policy requirement, which is more restrictive than state law

(2) No limit on automatic overnight sweep

(d) Local Agency Investment Fund

OCFA is a voluntary participant in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the State and invests the cash. The fair value of OCFA's investment in this pool, which approximates cost, is reported in the accompanying financial statements based on OCFA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis and reported as cash equivalents in the Statement of Net Position. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. Deposits and withdrawals to and from LAIF are made on the basis of \$1 and not at fair value. Accordingly, under the fair value hierarchy, the investment with LAIF is uncategorized.

The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized. The value of OCFA's LAIF deposits as of June 30, 2021, was \$75,006,223 and had a weighted average maturity of 291 days. LAIF is not rated as to credit risk by a nationally recognized statistical rating organization. LAIF is administered by the State Treasurer's Office and audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office, 915 Capitol Mall, Sacramento, California 95814.

(e) Internal Revenue Code Section 115 Trust

On May 23, 2019, OCFA's Board of Directors approved the adoption of the Public Agencies Post-Employment Benefits Trust, an Internal Revenue Service (IRS) Section 115 irrevocable trust (115 Trust) as required under the terms of a Settlement Agreement with the City of Irvine. The 115 Trust is administered by Public Agency Retirement Services (PARS) per the terms of an Agreement for Administrative Services (AAS) between OCFA and PARS for the term May 23, 2019 through May 23, 2022. Under the terms of the AAS, PARS holds a private letter ruling from the IRS that assures the tax-exempt status of the investment. OCFA maintains control over the assets in the 115 Trust, which are not commingled with other agencies. PARS has entered into a Public Agencies Post-Employment Benefits Trust Arrangement with U.S. Bank National Association (U.S. Bank) effective November 5, 2014, whereby PARS serves as the Trust Administrator and U.S. Bank serves as the Trustee for a public agency that executes a 115 Trust agreement with PARS. Additional 115 Trust information, including the funding timeline required per OCFA's Settlement Agreement with the City of Irvine, is provided within these notes as Note 16.

(f) GASB Statement No. 72

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants

at the measurement date. OCFA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. For Level 2 inputs, OCFA's custodian Union Bank uses the services of ICE Data Services to obtain the pricing information. Level 3 inputs are significant unobservable inputs. OCFA has the following fair value measurements as of June 30, 2021:

	Fair Value Hierarchy Level			Total
	Level 1	Level 2	Level 3	
Federal agency securities	\$ -	\$103,246,575	\$ -	\$103,246,575
	<u>\$ -</u>	<u>\$103,246,575</u>	<u>\$ -</u>	103,246,575
Uncategorized investments:				
LAIF				75,006,223
Pooled amounts held in trust with OCERS				42,830,564
Section 115 pension trust				<u>3,797,698</u>
Total				<u>\$224,881,060</u>

U.S. Treasury obligations and federal agency securities are valued using institutional bond quotes. Money market investments that have a remaining maturity at the time of purchase of one year or less and are held by governments other than external investment pools, and investments held by 2a7-like external investment pools, are measured at amortized cost as provided in GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

**(g) Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the California Government Code, OCFA's investment policy, or debt agreements, as well as the actual rating as of year-end for each investment type.

	Minimum Rating Required	Rating at Year-End			
		Aaa	P1	Unrated	Total
Federal agency securities	N/A	\$81,248,975	\$21,997,600	\$ -	\$103,246,575
LAIF	N/A	-	-	75,006,223	75,006,223
Pooled amounts held in trust with OCERS	N/A	-	-	42,830,564	42,830,564
Section 115 pension trust	N/A	-	-	<u>3,797,698</u>	<u>3,797,698</u>
Total		<u>\$81,248,975</u>	<u>\$21,997,600</u>	<u>\$121,634,485</u>	<u>\$224,881,060</u>

**(h) Custodial Credit Risk**

The custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. OCFA's investment policy requires that collateral be held by an independent third party with whom OCFA has a current custodial agreement. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. OCFA's investment policy requires that all security transactions are conducted on a delivery-versus-payment (DVP) method and that all securities are held by a qualified, third-party custodian, as evidenced by safekeeping receipts. The trust department of OCFA's bank may act as third-party custodian, provided that the custodian agreement is separate from the banking agreement. As of June 30, 2021, none of the OCFA's deposits or investments was exposed to disclosable custodial credit risk.

(i) Concentration of Credit Risk

OCFA's investment policy imposes restrictions for certain types of investments with any one issuer to 15% of the total investment pool with the following exceptions: U.S. Treasury obligations (100%), LAIF (75%), federal agency securities (75%), bankers' acceptances (25%), and negotiable certificates of deposit (25%). With respect to concentration risk as of June 30, 2021, OCFA is in compliance with the investment policy's restrictions. In addition, GASB Statement No. 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value (exclusive of amounts held by fiscal agent and OCERS). Investments guaranteed by the U.S. government, mutual funds, and external investment pools are excluded from this requirement. Investments with issuers exceeding 5% of the total investment portfolio at June 30, 2021, are summarized below.

Issuer	Fair Value	% of Portfolio
Federal Home Loan Bank (FHLB)	\$62,289,645	34.9%
Federal Farm Credit Bank (FFCB)	\$40,956,930	23.0%

(j) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates. OCFA's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. OCFA's investment policy states that at least 50% of the portfolio must mature in one year or less, and unless matched to a specific requirement and approved by the Executive Committee and the Board of Directors, no portion of the portfolio may exceed five years. OCFA has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2021, the OCFA had the following investments and maturities:

	Investment Maturities in Months				Total
	6 or Less	7 to 12	13 to 60	N/A	
Federal agency securities	\$21,997,600	\$ -	\$81,248,975	\$ -	\$ 103,246,575
LAIF	-	75,006,223	-	-	75,006,223
Pooled amounts held in trust with OCERS	-	-	-	42,830,564	42,830,564
Section 115 pension trust	-	-	-	3,797,698	3,797,698
Total	<u>\$21,997,600</u>	<u>\$75,006,223</u>	<u>\$81,248,975</u>	<u>\$46,628,262</u>	<u>\$224,881,060</u>

As of June 30, 2021, OCFA's investments included the following callable investments, which are exposed to interest rate risk:

Issuer	Call Date(s)	Yield to Call	Maturity Date	Fair Value
Federal Home Loan Bank (FHLB)	7/8/2021	0.38%	4/8/2024	\$9,406,129
Federal Home Loan Bank (FHLB)	7/23/2021	0.52%	10/23/2024	\$10,975,676
Federal Farm Credit Bank (FFCB)	7/28/2021	0.72%	4/28/2025	\$11,997,960
Federal Farm Credit Bank (FFCB)	8/1/2021	0.19%	9/22/2023	\$13,968,780
Federal Home Loan Bank (FHLB)	8/11/2021	0.55%	10/11/2024	\$11,946,960
Federal Home Loan Bank (FHLB)	9/30/2021	0.55%	9/30/2024	\$7,979,600
Federal Home Loan Bank (FHLB)	10/29/2021	1.00%	4/29/2026	\$11,981,880
Federal Farm Credit Bank (FFCB)	4/21/2022	0.71%	4/21/2025	\$2,991,990

**(5) Accounts Receivable, Net**

Accounts receivable, net of allowance for doubtful accounts, consists of the following as of June 30, 2021:

	Governmental Funds	Primary Government
	General Fund	Governmental Activities
Ambulance and other reimbursements	\$1,766,144	\$1,766,144
Fire prevention and late fees	242,510	242,510
Other/miscellaneous	<u>107,092</u>	<u>107,092</u>
Accounts receivable	2,115,746	2,115,746
Allowance for doubtful accounts	<u>(9,833)</u>	<u>(9,833)</u>
Accounts receivable, net	<u>\$2,105,913</u>	<u>\$2,105,913</u>

**(6) Prepaid Costs, Other Assets, and Nonspendable Fund Balance of Governmental Funds**

In January 2020, OCFA prepaid a portion of its Fiscal Year 2020/21 retirement contributions to the Orange County Employees Retirement System (OCERS) totaling \$40,488,479. In January 2021, OCFA prepaid a portion of its Fiscal Year 2021/22 retirement contributions to OCERS totaling \$39,420,100. In the governmental funds, the unamortized balance of the January 2020 prepayment totaled \$1,557,249 as of June 30, 2021, due to the timing of the pay period calendar. The entire amount of the January 2021 prepayment was unamortized as of June 30, 2021. In the governmental activities, a portion of Fiscal Year 2021/22 prepaid retirement contributions totaling \$18,194,000 is reported as a deferred outflow of resources related to pensions, since the contributions will reduce the net pension liability with OCERS prior to the Plan's next measurement date. Other prepaid costs and assets as of June 30, 2021, included annual maintenance and support fees, subscriptions, professional memberships, and insurance premiums; and deposits with the third-party administrator of an employee benefit flexible health spending program.

Prepaid costs and other assets consist of the following as of June 30, 2021:

	Governmental Funds			Primary Government
	General Fund	Communications and Information Systems	Fire Stations and Facilities	Governmental Activities
Prepaid costs:				
Retirement contributions:				
Fiscal Year 2021/22	\$39,420,100	\$ -	\$ -	\$21,226,100
Fiscal Year 2020/21	1,557,249	-	-	1,557,249
Maintenance and support	565,468	10,791	-	576,259
Insurance premiums	13,295	-	-	13,295
Subscriptions and memberships	4,307	-	-	4,307
Other	<u>146,726</u>	<u>-</u>	<u>3,464</u>	<u>150,190</u>
Total prepaid costs	41,707,145	10,791	3,464	23,527,400
Other assets:				
Health spending deposits	<u>18,384</u>	<u>-</u>	<u>-</u>	<u>18,384</u>
Total	<u>\$41,725,529</u>	<u>\$10,791</u>	<u>\$3,464</u>	<u>\$23,545,784</u>

Prepaid costs are reported as an asset until the expenditures are recognized proportionately over the future period in which the services are to be provided. An amount equal to the asset is reported as nonspendable fund balance in the governmental funds, since these amounts are not in a spendable form. As of June 30, 2021, nonspendable fund balance totaled \$41,721,400 and is reported in the General Fund (\$41,707,145) the Communications and Information Systems Fund (\$10,791), and the Fire Stations and Facilities Fund (\$3,464).



**(7) Due from Other Governments, Net**

Amounts due from other governments, net of allowance for doubtful accounts, consist of the following as of June 30, 2021:

	Governmental Funds		Primary Government
	General Fund	Fire Stations and Facilities	Governmental Activities
COVID-19 pandemic response	\$ 6,903,669	\$ -	\$ 6,903,669
Property tax and tax increment	5,457,008	-	5,457,008
Assistance by hire (ABH) and activation claims	3,477,742	-	3,477,742
FIRIS 2.0 program	3,191,586	-	3,191,586
State responsibility area	2,508,936	7,214	2,516,150
Cash contract charges	1,031,424	-	1,031,424
Grants	611,027	-	611,027
Airport rescue firefighting	450,935	-	450,935
Other	<u>115,151</u>	<u>-</u>	<u>115,151</u>
Due from other governments	23,747,478	7,214	23,754,692
Allowance for ABH claims	<u>(42,898)</u>	<u>-</u>	<u>(42,898)</u>
Due from other governments, net	<u>\$23,704,580</u>	<u>\$7,214</u>	<u>\$23,711,794</u>

**(8) Lessor in Lease Agreement (Lease Receivables)**

**(a) General Information about the Lease**

On March 24, 2011, OCFA entered into a Wireless Communications Facilities Site Lease with Vista Towers, LLC (Vista), to provide space at the OCFA-owned Regional Fire Operations and Training Center to install and operate a digital mobile radio communications site consisting of up to two wireless communication towers, equipment shelters, and cabinets, for up to six cell phone carriers (Cell Tower). In July 2015, the Board of Directors approved Vista's request to assign its interest in the lease to SBA Towers VI, LLC (SBA). SBA assumed the payment terms of the original agreement, and is responsible for the installation, construction, maintenance, repairs, replacement, and operations of the towers and, if applicable, the removal of the towers upon termination of the lease.

The five-year lease term commenced on July 15, 2012. The lease may be renewed for up to four consecutive five-year increments, for a total of twenty-five years through July 15, 2037. Rent is due the first of each month and is determined based on the number of carriers being occupied by each of the towers. Initial base rent, which automatically increases by 3% annually, was \$1,250 for each month in which there is one or no carrier on one of the towers, and \$1,000 per month for each additional carrier occupied on each tower beyond the first carrier. OCFA began collecting base rent commencing July 15, 2012, with rent for a second and third carrier commencing in June and October 2013, respectively. Adjusted monthly base rent as of June 30, 2021, was \$4,082 for the three carriers.

As of June 30, 2021, OCFA reported a lease receivable and a deferred inflow of resources totaling \$873,249, and \$854,202, respectively, in the General Fund and the primary government's governmental activities. The deferred inflow of resources relating to leases will be recognized as a reduction of the lease receivable over the remaining term of the lease agreement. The lease receivable will be reduced as repayments are received. Principal and interest totaling \$34,353 and \$14,608, respectively, were received during the year ended June 30, 2021.

**(b) Inflows of Resources**

Inflows of resources recognized in Fiscal Year 2020/21 consisted of the following:

<u>Inflows of Resources</u>	<u>Amount</u>
Lease revenue	\$53,400
Interest revenue	<u>14,608</u>
Total	<u>\$68,008</u>

**(9) Capital Assets**

**(a) Changes in Capital Asset Balances by Asset Class**

Capital asset activity for the year ended June 30, 2021, was as follows:

<u>Primary Government/ Governmental Activities</u>	<u>Beginning Balances, as Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Capital assets not depreciated/amortized:					
Land	\$ 42,757,850	\$ -	\$ -	\$ -	\$ 42,757,850
Construction in progress	338,554	358,595	-	-	697,149
Work in progress	<u>1,462,545</u>	<u>2,852,737</u>	<u>-</u>	<u>(831,237)</u>	<u>3,484,045</u>
Total capital assets not depreciated/amortized	<u>44,558,949</u>	<u>3,211,332</u>	<u>-</u>	<u>(831,237)</u>	<u>46,939,044</u>
Capital assets depreciated/amortized:					
Buildings	153,637,069	-	-	-	153,637,069
Right-to-use leased buildings	238,888	-	-	-	238,888
Equipment	70,486,295	1,239,376	(661,475)	160,138	71,224,334
Right-to-use leased equipment	174,672	-	-	-	174,672
Vehicles	103,566,183	5,317,482	(2,027,184)	671,099	107,527,580
Right-to-use leased vehicles	55,204	-	(55,204)	-	-
Right-to-use leased land	<u>4,679,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,679,622</u>
Subtotal	<u>332,837,933</u>	<u>6,556,858</u>	<u>(2,743,863)</u>	<u>831,237</u>	<u>337,482,165</u>
Less accumulated depreciation/amortization:					
Buildings	(53,611,916)	(3,389,225)	-	-	(57,001,141)
Right-to-use leased buildings	-	(21,408)	-	-	(21,408)
Equipment	(44,227,642)	(3,630,194)	654,955	-	(47,202,881)
Right-to-use leased equipment	-	(99,828)	-	-	(99,828)
Vehicles	(57,091,503)	(5,661,347)	2,020,150	-	(60,732,700)
Right-to-use leased vehicles	-	(55,204)	55,204	-	-
Right-to-use leased land	<u>-</u>	<u>(104,016)</u>	<u>-</u>	<u>-</u>	<u>(104,016)</u>
Subtotal	<u>(154,931,061)</u>	<u>(12,961,222)</u>	<u>2,730,309</u>	<u>-</u>	<u>(165,161,974)</u>
Total capital assets depreciated/amortized, net	<u>177,906,872</u>	<u>(6,404,364)</u>	<u>(13,554)</u>	<u>831,237</u>	<u>172,320,191</u>
Capital assets, net	<u>\$222,465,821</u>	<u>\$ (3,193,032)</u>	<u>\$ (13,554)</u>	<u>\$ -</u>	<u>\$219,259,235</u>

**FY 2020 / 2021**  
**Comprehensive Annual Financial Report**

Component Unit/ OCFA Foundation	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets depreciated/amortized:					
Equipment	\$ 15,979	\$ -	\$ -	\$ -	\$ 15,979
Less accumulated depreciation/amortization:					
Equipment	(2,464)	(799)	-	-	(3,263)
Capital assets, net	<u>\$ 13,515</u>	<u>\$ (799)</u>	<u>-</u>	<u>-</u>	<u>\$ 12,716</u>

**(b) Net Investment in Capital Assets**

The portion of net position that is invested in capital assets as of June 30, 2021, is calculated as follows:

	Primary Government Governmental Activities	Component Unit OCFA Foundation
Capital assets, net of accumulated depreciation/amortization	\$219,259,235	\$12,716
Capital-related debt – lease liabilities	(4,980,351)	-
Net investment in capital assets	<u>\$214,278,884</u>	<u>\$12,716</u>

**(c) Depreciation/Amortization Expense**

Depreciation/amortization expense in the amounts of \$12,961,222 and \$799 were charged to public safety in the Statement Activities of the primary government and the component unit, respectively, for the year ended June 30, 2021.

**(10) Unearned and Unavailable Revenue**

Revenue amounts that have been collected but are *unearned* are reported as liabilities of both the governmental activities and the governmental funds. Revenue amounts that have been earned but are considered *unavailable* to finance the expenditures of the current fiscal period are reported as deferred inflows of resources of the governmental funds. Unearned and unavailable revenues consist of the following as of June 30, 2021:

	Governmental Funds	Primary Government Governmental Activities
Unearned revenue:		
Quick Reaction Force pilot program cash advance	\$6,874,548	\$6,874,548
City of Fullerton proposal fee	80,208	80,208
Cell tower rent – July 2021	4,143	4,143
Miscellaneous cash advances	<u>1,650</u>	<u>1,650</u>
Total	<u>\$6,960,549</u>	<u>\$6,960,549</u>
Unavailable revenue:		
City of Garden Grove start-up costs	<u>\$908,979</u>	
Total	<u>\$908,979</u>	

**(11) Due to Other Governments**

Amounts due to other governments consist of the following as of June 30, 2021:

	Governmental Funds	Primary Government
	General Fund	Governmental Activities
Pass-through payments for activations and exercises:		
City of Anaheim	\$ 3,751	\$ 3,751
City of Orange	1,278	1,278
Grant overpayment:		
Federal Emergency Management Agency	<u>87,201</u>	<u>87,201</u>
Total	<u>\$92,230</u>	<u>\$92,230</u>

**(12) Fund Balance of Governmental Funds – Restricted**

Restricted fund balance consists of the following as of June 30, 2021:

	Governmental Funds		
Description	General Fund	Fire Stations and Facilities	Total
Capital improvement program	\$ -	\$434,763	\$ 434,763
Various departments	3,584,469	-	3,584,469
Section 115 pension trust	<u>3,795,815</u>	-	<u>3,795,815</u>
Total	<u>\$7,380,284</u>	<u>\$434,763</u>	<u>\$7,815,047</u>
Type/Source of Restriction			
Encumbrances	\$ 285,774	\$ -	\$ 285,774
CalFire augmentation funding	769,593	-	769,593
CalFire augmentation upstaffing	378,192	-	378,192
CalFire contract revenues	164,385	434,763	599,148
CalFire greenhouse gas reduction funding	1,986,525	-	1,986,525
Section 115 pension trust	<u>3,795,815</u>	-	<u>3,795,815</u>
Total	<u>\$7,380,284</u>	<u>\$434,763</u>	<u>\$7,815,047</u>

Restricted fund balance in the General Fund includes grant-funded or other restricted, unexpended encumbrances outstanding at year-end; unencumbered CalFire funding restricted for certain activities; and amounts set aside in a Section 115 trust for pension obligations. Restricted fund balance in the Fire Stations and Facilities Fund includes CalFire contract revenues that are legally restricted for new fire station development or improvements to existing fire stations. Any related encumbrances that are outstanding at year-end are also reported as restricted fund balance in the applicable fund.

**(13) Fund Balance of Governmental Funds – Committed**

In July 1999, the Board of Directors authorized that \$4,405,086 be set aside to fund OCFA-related service or resource enhancement projects in certain structural fire fund member agencies. In January 2012 and November 2017, the Board of Directors authorized an additional \$622,106 and \$1,000,000, respectively, to be set aside for the same purpose. As of June 30, 2021, the remaining unspent amount, plus accrued interest earnings, totaling \$1,120,950 was reported as a fund balance commitment in the General Fund. The funds are committed for projects in the following member agencies:

Member Agency	Governmental Funds
	General Fund
County of Orange	\$ 2,283
Dana Point	2,859
Irvine	995,508
Laguna Niguel	96,059
Rancho Santa Margarita	16,008
San Juan Capistrano	953
Villa Park	<u>7,280</u>
Total	<u>\$1,120,950</u>

**(14) Fund Balance of Governmental Funds – Assigned**

Assigned fund balance includes the following as of June 30, 2021:

Capital Improvement Program	\$ 42,804,373
Workers' compensation	109,770,629
Assigned, unexpended encumbrances	<u>16,400,290</u>
Total	<u>\$168,975,292</u>

The Board of Directors has established a *Fund Balance Assignment Policy* authorizing the assignment of fund balance to the Capital Improvement Program and self-insured workers' compensation claims.

- The assignment to the Capital Improvement Program reflects cumulative amounts transferred from the General Fund to the capital projects funds, net of actual cumulative project expenditures and other revenue sources accounted for in those funds. The assignment may also include net resources accumulated within the General Fund itself to fund purchases and projects that are capital in nature but do not necessarily meet the criteria to be reported in one of OCFA's capital projects funds. The assignment may not exceed the net cost of future identifiable projects. Fund balance assigned for the Capital Improvement Program totaled \$42,804,373 as of June 30, 2021, and is reported in the General Fund (\$7,982,644), Communications and Information Systems Fund (\$5,089,194), Fire Apparatus Fund (\$12,486,395) and Fire Stations and Facilities Fund (\$17,246,140).
- The assignment to workers' compensation reflects the cumulative difference between actual workers' compensation expenditures incurred and budgeted costs, which are based on an annual actuarial valuation prepared by an external actuary and a confidence level set by the Board of Directors. The assignment for workers' compensation is reported in the General Fund and totaled \$109,770,629 as of June 30, 2021.

Assigned fund balance pertaining to unexpended encumbrances outstanding as of June 30, 2021, totaled \$16,400,290 and is summarized below for each governmental fund:

**FY 2020 / 2021**  
**Comprehensive Annual Financial Report**

Purpose of Encumbrance	Communications and Information Systems Communications/ IT Projects	Fire Apparatus Fire Apparatus and Vehicles	Fire Stations and Facilities Construction Projects
Type 1 engines	\$ -	\$ 8,830,210	\$ -
Hazardous materials vehicles	-	1,941,261	-
Heavy rescue vehicle	-	947,488	-
RFOTC training ground improvements	-	-	703,041
Air utility support vehicle	-	611,628	-
Foam tender	-	537,205	-
Hazardous materials support vehicle	-	456,651	-
Other vehicles, outfitting, and improvements	-	221,074	-
Disaster recovery facility	98,687	-	-
Infrastructure security enhancements	-	-	52,923
Station No. 49 (Laguna Niguel) apparatus bay floor repair	-	-	38,527
Next Generation CAD2CAD project	16,705	-	-
Retrofit fire station life safety systems	-	-	9,624
Enterprise audio visual upgrade	<u>8,358</u>	<u>-</u>	<u>-</u>
Total	<u>\$123,750</u>	<u>\$13,545,517</u>	<u>\$804,115</u>

General Fund					
Purpose of Encumbrance	Various Departments	Facilities Projects	Communications/ IT Projects	Construction Projects	Total
Station bathroom gender compliance projects	\$ -	\$ -	\$ -	\$499,258	\$ 499,258
Portable VHF radios	-	-	444,253	-	444,253
Data network upgrades	-	-	263,306	-	263,306
Weapons of mass destruction (WMD) suits and cases	117,641	-	-	-	117,641
Station dorm privacy projects	-	-	-	110,021	110,021
Station No. 41 (Air Operations) dorm repairs	-	-	-	73,400	73,400
Service level assessment	64,102	-	-	-	64,102
Station phone, alarm, sound systems	-	-	56,515	-	56,515
Consulting services for study of cash contract city charges	45,492	-	-	-	45,492
Station No. 8 (Skyline) apparatus bay door replacement	-	20,892	-	-	20,892
Other	<u>145,067</u>	<u>35,190</u>	<u>49,901</u>	<u>1,870</u>	<u>232,028</u>
Total	<u>\$372,302</u>	<u>\$56,082</u>	<u>\$813,975</u>	<u>\$684,549</u>	<u>\$1,926,908</u>

**(15) Fund Balance of Governmental Funds – Unassigned**

Unassigned fund balance in the General Fund consists of the following as of June 30, 2021:

10% Operating Contingency	\$20,391,894
All other residual amounts available for any purpose	-
Total	<u>\$20,391,894</u>

The total amount of the 10% Operating Contingency calculation was \$38,806,343 as of June 30, 2021, which exceeded the General Fund's total unassigned fund balance by \$18,414,449.



**(16) Commitments and Contingencies**

**(a) Settlement Agreement**

Effective March 28, 2019, OCFA and Irvine entered into a Settlement Agreement, which was amended December 4, 2019, to provide the following provisions benefiting the citizens of Orange County and enhancing services provided throughout OCFA's jurisdiction:

- **Joint Police-Fire Training Facility** – Irvine will plan, develop, construct, operate, and maintain a joint training center, which will include a joint emergency operations center (collectively the Joint Training Facility) for use by the City and OCFA for no less than fifty years from completion of the facility's construction. Irvine will contribute the land and will operate and maintain the real property that comprises the Joint Training Facility. In exchange for its use, OCFA will contribute \$20,500,000 to be used by Irvine toward the Joint Training Facility's design, construction, furnishing, and the provision of fixtures or equipment for facilities. Upon Irvine's execution of design contracts, OCFA will pay Irvine \$1,000,000 for the exclusive use of making payments on the design contracts and for other expenses relating to the design of the Joint Training Facility as mutually agreed upon by Irvine and OCFA. Upon Irvine's execution of a construction contract, OCFA will pay Irvine additional amounts as follows: (1) a combined \$19,500,000 for the construction, furniture, fixtures, and equipment of the training center (\$18,500,000) and the emergency operations center (\$1,000,000); and (2) the cost of any facility enhancements OCFA requested during the design process that would cause OCFA's total financial contributions to collectively exceed \$20,500,000.
- **Drone Program** – Irvine will establish and operate a program under which Irvine personnel will use drones to monitor open space areas in Irvine. Drones will be available to OCFA upon request to monitor open space or active fires or other hazards and disasters throughout OCFA's jurisdictional boundaries. Irvine must certify on or prior to July 1, 2019, that it has established and budgeted for the Drone Program, including anticipated costs of personnel, equipment, space, and other direct costs, totaling at least \$500,000 per year. OCFA will pay Irvine \$500,000 annually on July 15 beginning July 15, 2019, and ending July 15, 2029. If Irvine has not provided the annual certification of program and budget as previously described by June 1 of any year, then OCFA's annual payment will not be due until thirty days after such certification is provided. On or prior to May 1 each fiscal year beginning May 1, 2020, and ending May 1, 2030, Irvine will certify to OCFA the actual fiscal year-to-date costs incurred and anticipated costs to be incurred prior to the close of the fiscal year. If those costs are less than OCFA's annual \$500,000 payment, the difference will be deducted from OCFA's subsequent year payment. OCFA's expenditures for Fiscal Year 2020/21 totaled \$500,000.
- **Bi-Directional Amplifiers** – OCFA will reimburse Irvine \$500,000 for the purchase and installation of bi-directional amplifiers at nine locations within Irvine's municipal boundaries. Reimbursement payments will be made upon documentation that the amplifiers are installed and operating.
- **OCFA Training of Irvine Police Department (IPD) Emergency Medical Technicians (EMT)** – OCFA personnel will provide IPD personnel with EMT training at a cost to OCFA of \$50,000 per fiscal year through June 30, 2030. Training will be provided as requested by IPD personnel and unused training sessions will not carry over to future fiscal years. OCFA's obligation to provide EMT training commences on the latter of July 1, 2019, and the date IPD identifies personnel that are either specifically employed to serve as EMT's for Irvine or that have EMT functions integrated into their job duties.
- **Public Safety Community Emergency Response Team (CERT) Coordinator** – OCFA will pay Irvine \$118,000 per fiscal year toward the cost of one Irvine-employed, full-time CERT Coordinator. Irvine must certify on or prior to July 1, 2019, that it has established and budgeted for a CERT Coordinator position, including anticipated costs of salary, benefit, and other direct costs, totaling at least \$118,000 per year. OCFA will pay Irvine \$118,000 annually on July 15 beginning July 15, 2019, and ending July 15, 2029. If Irvine has not provided the certification of program and budget as previously described by June 1, 2019, then the first payment will not be due to Irvine until thirty days after such certification is provided. On or prior to May 1 each fiscal year beginning May 1, 2020, and ending May 1, 2030, Irvine will certify to OCFA the actual fiscal year-to-date costs incurred and anticipated

costs to be incurred prior to the close of the fiscal year. If those costs are less than OCFA's annual \$118,000 payment, the difference will be deducted from OCFA's subsequent year payment. OCFA's expenditures for Fiscal Year 2020/21 totaled \$77,250.

- Pension Funding Annual Deposits to 115 Trust** – OCFA will pay \$2,000,000 per year into an Internal Revenue Code Section 115 Trust (115 Trust) to be established with the Public Agency Retirement Services (PARS), the Orange County Employees Retirement System (OCERS), or another mutually-agreed upon administrator (Trust Administrator). On or prior to July 1, 2019, OCFA will establish the 115 Trust with the Trust Administrator. The annual \$2,000,000 115 Trust payment will be due on July 15 of each fiscal year beginning July 15, 2019, and ending July 15, 2029; however, if OCFA has not funded 85% of its pension liability as determined by OCERS by June 30, 2020, then the required 115 Trust payment will be reduced to \$1,500,000 per fiscal year until OCFA achieves the targeted 85% funding level. The \$500,000 reduction will instead be contributed to OCERS as an additional employer pension contribution. The first 115 Trust payment due on July 15, 2019, will not be reduced even if the 85% target funding has not been achieved. Sub-accounts will be established within the 115 Trust to attribute on a pro-rata basis portions of each payment to Structural Fire Fund members whose revenues were greater than the cost of providing fire services during the prior fiscal year. If OCFA is dissolved in the manner described in California Government Code Section 6508.2, then as part of the dissolution process OCFA will apportion retirement liabilities among all of its member agencies. The amounts deposited into the 115 Trust and attributed by sub-accounts will not be utilized in making this apportionment calculation. Upon completion of the apportionment calculation, the 115 Trust will be liquidated and the amounts used toward the satisfaction of the portion of liability assigned to such 115 Trust contributing members through the apportionment calculation. OCFA remitted payment(s) to the 115 Trust totaling \$1,500,000 during Fiscal Year 2020/21.

OCFA's remaining financial commitment as of June 30, 2021, under the various provisions of the Settlement Agreement totals approximately \$45,012,000 over the remaining nine-year period July 1, 2021, through June 30, 2030, as summarized in the table below.

Settlement Agreement Service Enhancement	OCFA Financial Commitment	
	Ongoing Annual Costs	One-Time Costs
Joint Police-Fire Training Facility and Emergency Operations Center	\$ -	\$20,500,000
Drone Program	500,000	-
Bidirectional Amplifiers	-	500,000
OCFA Training of Irvine Police Department Emergency Medical Technicians	50,000	-
Public Safety Community Emergency Response Team (CERT) Coordinator	118,000	-
Pension Funding Annual Deposits to 115 Trust	<u>2,000,000</u>	<u>-</u>
Total original financial commitment	<u>\$ 2,668,000</u>	<u>\$21,000,000</u>
Total remaining OCFA financial commitment over nine fiscal years (Fiscal Year 2021/22 through Fiscal Year 2029/30)	\$24,012,000	\$21,000,000

**(b) Commitments for Outstanding Encumbrances**

As of June 30, 2021, commitments with vendors for outstanding encumbrances (unperformed purchase orders and contracts for goods and services) by major governmental fund are as follows:

General Fund	\$ 2,212,682
Communications and Information Systems	123,750
Fire Apparatus	13,545,517
Fire Stations and Facilities	<u>804,115</u>
Total outstanding encumbrances	<u>\$16,686,064</u>

**FY 2020 / 2021**  
**Comprehensive Annual Financial Report**

Significant individual commitments with vendors as of June 30, 2021, are identified below.

<u>Fund / Vendor</u>	<u>Description</u>	<u>Original Commitment</u>	<u>Spent-to- Date</u>	<u>Remaining Commitment</u>
<u>General Fund:</u>				
BK Technologies, Inc.	Portable VHF radios	\$444,253	\$ -	\$444,253
Griffin Structures, Inc.	Project and construction management services for bathroom gender compliance and dorm privacy projects	290,602	44,956	245,646
EPlus Technology, Inc.	911 network hardware	\$367,516	139,529	227,987
Los Angeles Freightliner	(1) Freightliner Cascadia	\$217,107	-	217,107
Ready2Go Restroom Trailers Sales, LLC	Portable restroom and shower trailers	269,337	57,382	211,955
Gillis + Panichapan Architects	Pre-construction architectural and engineering support for station renovation projects	441,777	305,570	136,207
LN Curtis & Sons	Weapons of mass destruction (WMD) suits	116,418	-	116,418
<u>Communications and Information Systems:</u>				
Westnet	Alerting system server	164,478	65,791	98,687
<u>Fire Apparatus:</u>				
KME Fire Apparatus	(13) Type 1 engines	8,830,210	-	8,830,210
Rosenbauer Minnesota, LLC	(2) Hazardous materials vehicles	1,941,261	-	1,941,261
Rosenbauer Minnesota, LLC	(1) Heavy rescue vehicle	947,488	-	947,488
Rosenbauer South Dakota, LLC	(1) Air utility vehicle	611,628	-	611,628
Rosenbauer South Dakota, LLC	(1) Foam tender	537,205	-	537,205
Emergency Vehicle Group, Inc.	(1) Hazardous materials support vehicle	456,651	-	456,651
KME Fire Apparatus	Telma retarder add-on for (13) type 1 engines	175,994	-	175,994
<u>Fire Stations and Facilities:</u>				
HMC Group	Architectural engineering and construction support for RFOTC training grounds expansion project	880,400	270,412	609,988

**(c) Pending Litigation**

OCFA is a defendant in a pending legal matter brought forth by an employee alleging wrongful conduct by OCFA and fourteen of its employees for discrimination, harassment, failure to engage in the interactive process, and failure to provide reasonable accommodation. As of June 30, 2021, OCFA intends to vigorously defend against the claims asserted in the lawsuit; however, an unfavorable outcome is reasonably possible based on discovery completed to-date. Further discovery, including many depositions, will be needed before a more precise liability assessment can be completed. A loss for this contingent legal matter has not been recorded in the accompanying financial statements. OCFA and its employees have management liability insurance coverage in place set at \$1,000,000 per occurrence. During Fiscal Year 2020/21, OCFA paid an insurance deductible totaling \$6,936 relating to this case.

**(17) Interfund Transfers**

Interfund transfers are used to move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them. Interfund transfers for the year ended June 30, 2021, are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$11,059,336
Fire Apparatus	<u>11,059,336</u>	<u>-</u>
Total	<u>\$11,059,336</u>	<u>\$11,059,336</u>

Transfers totaling \$11,059,336 were made from the General Fund to the Fire Apparatus fund for current and future capital improvement projects identified in the Capital Improvement Plan.

**(18) Changes in Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2021, is summarized in the table below. All long-term liabilities are normally liquidated by the General Fund.

Primary Government/ Governmental Activities	Beginning Balances, as Restated	Additions	Deletions	Ending Balances	Due Within One Year
Net pension liability:					
OCERS pension plan	\$354,395,457	\$ -	\$(173,273,819)	\$181,121,638	\$ -
Extra Help pension plan	<u>75,851</u>	<u>8,747</u>	<u>-</u>	<u>84,598</u>	<u>-</u>
	354,471,308	8,747	(173,273,819)	181,206,236	-
Net OPEB liability	244,964,263	54,700,171	(6,608,689)	293,055,745	-
Compensated absences	19,523,083	17,933,176	(16,227,795)	21,228,464	4,844,515
Accrued claims and judgments – workers' compensation	103,945,795	26,145,327	(14,795,847)	115,295,275	16,411,354
Lease liabilities	<u>5,148,386</u>	<u>-</u>	<u>(168,035)</u>	<u>4,980,351</u>	<u>96,322</u>
Total	<u>\$728,052,835</u>	<u>\$98,787,421</u>	<u>\$(211,074,185)</u>	<u>\$615,766,071</u>	<u>\$21,352,191</u>

**(19) Compensated Absences**

OCFA is obligated to its employees for accumulated earned but unused leave benefits as of June 30, 2021. Sick leave includes only those amounts that OCFA is obligated to reimburse employees at the end of their active service life. Leave balances by employee type are as follows as of June 30, 2021:

**FY 2020 / 2021**  
**Comprehensive Annual Financial Report**

	<u>Vacation</u>	<u>Comp/Other</u>	<u>Sick Leave</u>	<u>Total</u>
Safety Members	\$12,871,505	\$213,622	\$ 2,445,961	\$15,531,088
General Members	<u>2,909,161</u>	<u>692,393</u>	<u>2,095,822</u>	<u>5,697,376</u>
Total	<u>\$15,780,666</u>	<u>\$906,015</u>	<u>\$4,541,783</u>	<u>\$21,228,464</u>

**(20) Insurance and Accrued Claims and Judgments**

(a) Insurance Coverage Limits

OCFA has purchased commercial insurance coverage for general and auto liabilities, and excess coverage for the self-insured workers compensation. Coverage limits for Fiscal Year 2020/21 included the following:

Notable Exposure Data:

Total Insured Values	\$351,328,176
Total Reported Fleet Values	\$114,654,776

Liability Limits:

Each Occurrence or Wrongful Act	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Fire Damage Legal Liability	\$1,000,000
Medical Expense (each accident)	\$10,000
General Aggregate	\$10,000,000
Products/Completed Operations Annual Aggregate	\$10,000,000
Management Liability (Employment Practices; D&O)	\$1,000,000
Cyber Liability (Claims Made)	\$1,000,000
Auto Liability (Combined Single Limit)	\$1,000,000
Garage Keepers Legal Liability	\$500,000
Excess Liability	\$10,000,000
Excess Workers Compensation	Statutory Limits

Property Limits:

Buildings and Contents	Not to Exceed Scheduled Value on File
Crime (Employee Dishonesty Coverage)	\$2,000,000

Deductibles:

General, Auto, and Garage Liability	\$0
Management Liability	\$7,500
Auto (Comp and Collision)	\$5,000 (Emergency Vehicles); \$1,000 (Private Passenger)
Garage Keepers	\$250 (Comprehensive); \$500 (Collision)
Property	\$5,000
Crime	\$1,000

There have been no significant changes in insurance coverage as compared to last year. Settlements have not exceeded coverage in each of the past three fiscal years.

(b) Workers' Compensation Self-Insurance

OCFA transitioned its program for workers' compensation insurance from Guaranteed Cost to Self-Insurance effective March 1, 2002. OCFA's self-insurance program covers workers' compensation claims up to \$50,000,000, subject to a \$2,000,000 self-insured retention (SIR) per incident. Workers' compensation claims in excess of the self-insured level are insured by the California State Association of Counties Excess Insurance Authority (CSAC-EIA) at statutory limits. OCFA utilizes the services of a third-party claims administrator for administration of workers' compensation claims.

As of June 30, 2021, accrued claims and judgments for workers' compensation totaled \$115,295,275 and were recorded as a long-term liability in the government-wide financial statements. This liability reflects the present value of estimated outstanding losses at the 50% confidence level, as determined by an actuarial valuation dated December 31, 2020, and

includes claims that have been incurred but not yet reported (IBNR's). A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, a 50% confidence level means that the actuary believes funding will be sufficient in five years out of ten. On May 27, 2010, the Board of Directors authorized to change the OCFA's confidence level from 80% to 50%. Changes in accrued claims and judgments relating to workers' compensation self-insurance for the years ended June 30, 2021 and 2020, are as follows:

Primary Government/ Governmental Activities	Fiscal Year Ended	
	June 30, 2021	June 30, 2020
Unpaid claims at beginning of fiscal year	\$103,945,795	\$ 86,616,986
Incurred claims (including IBNR's)	26,145,327	29,668,931
Claim payments	<u>(14,795,847)</u>	<u>(12,340,122)</u>
Unpaid claims at end of fiscal year	<u>\$115,295,275</u>	<u>\$103,945,795</u>
Due within one year	\$ 16,411,354	\$ 14,808,917
Due in more than one year	<u>98,883,921</u>	<u>89,136,878</u>
Unpaid claims at end of fiscal year	<u>\$115,295,275</u>	<u>\$103,945,795</u>
Confidence level at end of fiscal year	50%	50%
Discount rate	2%	1%

Because of the long-term nature of this liability, it is excluded from the OCFA's governmental fund financial statements under the modified accrual basis of accounting. However, OCFA has established a fund balance assignment for workers' compensation in the General Fund in the amount of \$109,770,629. This assignment reflects the cumulative difference for multiple years between actual expenditures and budgeted costs, which are based on the annual actuarial valuation. Actual expenditures for workers' compensation cases often occur over multiple years, attributing to the cumulative difference between budgeted costs and expenditures.

**(21) Lessee in Lease Agreements (Lease Liabilities)**

(a) General Information about the Leases

OCFA was obligated as a lessee under the following lease agreements during the year ended June 30, 2021:

Lease Terms	Helicopter Tower	Copiers	Utility Pickup Trucks	Land Lease
Lessor	FW Aviation, LLC	Cell Business Equipment	Enterprise Rent a Car of Los Angeles, LLC	City of Fullerton
Purpose	Helicopter tower at Fullerton Airport for training and storage	RFOTC and fire station copiers and accessories	(4) Utility Pickup Trucks for Crew 2 in Irvine	Real property land lease at Fullerton Airport
Major Class of Underlying Assets	Right-to-use leased buildings	Right-to-use leased equipment	Right-to-use leased vehicles	Right-to-use leased land
Lease Date	August 25, 2011	December 22, 2016	March 1, 2019	June 14, 2010
Initial Lease Term	Ten years commencing September 2011 through August 2021	Five years commencing April 2017 through March 2022	One year commencing March 2019 through February 2020	Forty years commencing January 2011 (Eastern Half) and July 2013 (Western Half) through December 2050



Lease Terms	Helicopter Tower	Copiers	Utility Pickup Trucks	Land Lease
Optional Extended Lease Term	Ten-year option to extend for a total of twenty years through August 2031	Continue on a month-to-month basis if OCFA does not return or purchase the equipment thirty days prior to the conclusion of the initial lease term	One-year option to extend for a total of two years through February 2021	Fifteen-year option to extend for a total of fifty-five years through December 2065
Initial Lease Payment	Monthly payments totaling \$1,575 consisting of base rent (\$1,308) and common area (\$267)	Monthly payments totaling \$5,962 (114 copiers) plus a \$75 document fee on the first invoice	Monthly payments totaling \$9,948 for base rent, sales tax, and state vehicle license fees	Monthly payments of \$2,886 (Eastern Half) and \$2,070 (Western Half)
Rent Increases	Base rent increases annually by \$18 for the first ten years. Base rent increases by 3% annually during the optional ten-year period.	Pricing adjusted annually for any additional copiers or accessories added over the term of the lease	None	Increase annually by an amount equal to the change in the consumer price index, for a minimum of 3% to a maximum of 5%
Adjusted Lease Payment as of June 30, 2021	\$1,737 monthly	\$8,991 monthly (139 copiers)	N/A	\$6,683 monthly
Due Date	Monthly on the 1 <sup>st</sup>	Monthly within 30 days of invoice	N/A	Payable monthly in advance on the 1 <sup>st</sup>
Implicit Lease Rate	N/A	6.192%	N/A	N/A
Other Variable Payments Not Included in the Measurement of the Lease Liability	None	Per-copy overage fees billed quarterly at rate of \$.0049 (black/white) and \$.0443 (color)	Fees for actual miles driven over monthly allotment; \$0.20 per mile driven beyond 3,000 allotted miles (approximately \$2,232 per month)	None

(b) Right-to-Use Leased Assets

Right-to-use leased assets included the following as of June 30, 2021:

Lease	Major Class of Underlying Assets	Amount of Leased Capital Assets	Accumulated Amortization
Helicopter tower	Right-to-use leased buildings	\$ 238,888	\$ 21,408
Copiers	Right-to-use leased equipment	174,672	99,828
Land lease	Right-to-use leased land	<u>4,679,622</u>	<u>104,016</u>
Total		<u>\$5,093,182</u>	<u>\$225,252</u>

**(c) Outflows of Resources for Variable Payments**

Outflows of resources recognized in Fiscal Year 2020/21 for variable payments not included in the measurement of the lease liability consisted of the following:

Outflows of Resources	Copiers	Utility Pickup Trucks
Copy coverage and relocation fees	\$69,011	\$ -
Mileage coverage fees and refueling charges	-	305
Total	<u>\$69,011</u>	<u>\$305</u>

**(d) Principal and Interest Requirements**

Future principal and interest requirements to maturity for each lease liability as of June 30, 2021, are as follows:

Helicopter Tower			
Fiscal Year(s)	Principal	Interest	Total
2021/22	\$ 17,453	\$3,831	\$ 21,284
2022/23	18,310	3,512	21,822
2023/24	19,206	3,176	22,382
2024/25	20,130	2,826	22,956
2025/26	21,096	2,456	23,552
2026/27 - 2030/31	121,184	6,120	127,304
2031/32 - 2035/36	<u>4,481</u>	<u>5</u>	<u>4,486</u>
Total	<u>\$221,860</u>	<u>\$21,926</u>	<u>\$243,786</u>

Copiers			
Fiscal Year(s)	Principal	Interest	Total
2021/22	<u>\$78,869</u>	<u>\$2,050</u>	<u>\$80,919</u>
Total	<u>\$78,869</u>	<u>\$2,050</u>	<u>\$80,919</u>

Land Lease			
Fiscal Year(s)	Principal	Interest	Total
2021/22	\$ -	\$ 82,608	\$ 82,608
2022/23	1,281	83,799	85,080
2023/24	3,882	83,754	87,636
2024/25	6,613	83,663	90,276
2025/26	9,452	83,524	92,976
2026/27 - 2030/31	94,821	413,571	508,392
2031/32 - 2035/36	188,251	401,117	589,368
2036/37 - 2040/41	303,910	379,346	683,256
2041/42 - 2045/46	446,019	346,089	792,108
2046/47 - 2050/51	619,449	298,755	918,204
2051/52 - 2055/56	830,117	234,307	1,064,424
2056/57 - 2060/61	1,084,880	149,104	1,233,984
2061/62 - 2065/66	<u>1,090,947</u>	<u>36,309</u>	<u>1,127,256</u>
Total	<u>\$4,679,622</u>	<u>\$2,675,946</u>	<u>\$7,355,568</u>

**(22) Pension Plans and Other Postemployment Benefits (OPEB)**

OCFA participates in two defined benefit pension plans that are administered through a trust or equivalent arrangement. Additional plan information is provided within these notes as Note 23 and Note 24. OCFA also provides other postemployment benefits (OPEB) through the Retiree Medical Plan. Additional plan information is provided within these notes as Note 25. Following is a summary of plan balances as of and for the year ended June 30, 2021:

Description	Net Pension/ OPEB Liability	Deferred Outflows of Resources Related to Pensions/ OPEB	Deferred Inflows of Resources Related to Pensions/ OPEB	Pension/ OPEB Expense (Credit)
OCERS Pension Plan	\$181,121,638	\$130,063,613	\$201,136,247	\$17,590,285
Extra Help Pension Plan	84,598	1,330	-	10,408
Subtotal	181,206,236	130,064,943	201,136,247	17,600,693
OPEB	293,055,745	39,397,554	2,070,925	14,149,239
Total	<u>\$474,261,981</u>	<u>\$169,462,497</u>	<u>\$203,207,172</u>	<u>\$31,749,932</u>

**(23) Retirement Plan for Full-Time Employees**

(a) General Information about the Plan

Plan Description and Administration

OCFA participates in the Orange County Employees Retirement System (OCERS), a cost-sharing multiple-employer, defined benefit pension plan for the County of Orange, the City of San Juan Capistrano, and thirteen other agencies – Orange County Cemetery District; Orange County Children and Families Commission; Orange County Department of Education; Orange County Employees Retirement System; Orange County Fire Authority (OCFA); Orange County In-Home Supportive Services Public Authority; Orange County Local Agency Formation Commission; Orange County Public Law Library; Orange County Sanitation District; Superior Court of California; Orange County Transportation Authority; Transportation Corridor Agencies; and the University of California, Irvine Medical Center and Campus. The Orange County Department of Education and the University of California, Irvine Medical Center and Campus are closed to new member participation and only the latter has remaining active employees. Capistrano Beach, Cypress Recreation & Parks District, Orange County Vector Control District, and the City of Rancho Santa Margarita are no longer active plan sponsors, but retired members and their beneficiaries, as well as deferred members, remain in the OCERS system. OCERS is legally and fiscally independent of the County of Orange.

OCERS was established in 1945 under the provisions of the County Employees Retirement Law of 1937. OCERS is governed by a ten-member Board of Retirement, including nine voting members and one alternate member. Board membership consists of four members appointed by the County of Orange Board of Supervisors and five members elected by the members of the pension system – two by the general members, two by the safety members (one voting and one alternate), and one by the retired members. The County of Orange Treasurer-Tax Collector, who is elected by the voters registered in the county, serves as an ex-officio member. The OCERS Board of Retirement is responsible for establishing policies governing the administration of the retirement plan; making disability determinations; assuring benefit payments; establishing investment policy for the retirement system; and monitoring execution of its policies. OCERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost-sharing plans that are administered by OCERS. The report can be obtained from OCERS at 2223 Wellington Avenue, Santa Ana, California 92701.

Benefits Provided

OCERS provides retirement, disability, and death benefits to safety and general members. Safety membership includes those members serving in active law enforcement, fire suppression, and as probation officers. General membership applies to all other occupations. Plan retirement benefits are tiered based upon date of OCERS membership. Tier I members were hired prior to September 21, 1979, and use their highest one-year average salary to determine their retirement allowance. Tier II members were hired on or after September 21, 1979, and use their highest three-year

average salary to determine their retirement allowance. Member rate groups are determined by employer, bargaining unit, and benefit plan. The benefit plan represents the benefit formula and tier that will be used in calculating a retirement benefit. All regular employees scheduled to work twenty hours or more per week become members of the plan upon commencing employment with one of OCERS' plan sponsors, with the exception of a provision adopted in 2014 that allows new members over the age of 65 to opt out of the plan. Active members are vested in OCERS upon accumulating five years of accredited service or attaining the age of 70.

On September 12, 2012, California Governor Brown signed Assembly Bill 340, which created the California Public Employees' Pension Reform Act of 2012 (PEPRA) and amended sections of the 1937 Act under which OCERS operates. The law created a benefit tier for new employees entering public agency employment and public retirement system membership, effective January 1, 2013. One of the many changes brought about by PEPRA involved new retirement formulas for newly hired employees who do not establish reciprocity with OCERS. Another change brought about by PEPRA requires employees who do not establish reciprocity to pay 50% of the normal retirement costs from the beginning of their employment.

In general, the retirement benefits received by members are determined by plan formula, age at retirement, years of service, and final average salary. Members are entitled to receive a retirement allowance upon reaching the following years of service and age criteria:

Years of Service Credit	Eligible Age
10 or more	Age 50
5 or more (PEPRA Members)	Age 50
30 or more (General Members)	Any age
20 or more (Safety Members)	Any age
5 or more, and at least 10 years of active employment with a sponsoring agency covered by OCERS (Part-time Members)	Age 55
Any	Age 70

Retired member monthly allowances are adjusted annually in accordance with changes in the cost-of-living, as determined by the average annual change in the Consumer Price Index (CPI) for the prior calendar year. The cost-of-living adjustment is limited to a maximum increase or decrease of three percent per year as established by the OCERS Board of Retirement.

The OCFA's Board establishes and amends benefit plan formulas for active OCFA members through negotiations with its labor bargaining units. The provisions and benefits provided by OCFA to its safety and general members as of June 30, 2021, are summarized below:

Benefits Provided to Safety Members					
Plan	Tier	Benefit Formula	Representation / Bargaining Unit / Employee Hire Date		
			Orange County Professional Firefighters Association	Orange County Fire Authority Chief Officers Association	Unrepresented
			Firefighter Unit	Fire Management Unit	Executive Management in Safety Positions
F	II	3.0% at 50	Prior to 7/1/2012	Prior to 7/1/2012	Prior to 7/1/2011
R	II	3.0% at 55	On or After 7/1/2012 (with reciprocity)	On or After 7/1/2012 (with reciprocity)	On or After 7/1/2011 (with reciprocity)
V	II	2.7% at 57 (PEPRA)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)

Benefits Provided to General Members					
Plan	Tier	Benefit Formula	Representation / Bargaining Unit / Employee Hire Date		
			Orange County Employees Association	Orange County Fire Authority Managers Association	Unrepresented
			General and Supervisory Management	Administrative Management	Executive Management in General Positions
I	I	2.7% at 55	Prior to 7/1/2011	Prior to 12/1/2012	Prior to 12/1/2012
J	II	2.7% at 55	Prior to 7/1/2011	Prior to 12/1/2012	Prior to 12/1/2012
N	II	2.0% at 55	On or After 7/1/2011 (with reciprocity)	On or After 12/1/2012 (with reciprocity)	On or After 12/1/2012 (with reciprocity)
U	II	2.5% at 67 (PEPRA)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)

### Contributions

Each year, an actuarial valuation is performed for OCERS to determine funding contributions for each agency member within their assigned rate group and plan on an actuarial basis. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability (UAAL). The table below summarizes OCFA's required employer contribution rates and employee rates (paid by OCFA) for the year ended June 30, 2021:

Category	Plan	Tier	Benefit Formula	Employer Contribution Rates			Employee Contribution Rates (See Below)
				Normal Cost	UAAL	Total	
Safety	F	II	3.0% at 50	26.97%	23.84%	50.81%	15.03% - 21.24%
Safety	R	II	3.0% at 55	21.83%	23.84%	45.67%	14.24% - 20.12%
Safety	V	II	2.7% at 57 (PEPRA)	15.27%	23.84%	39.11%	12.95% - 20.37%
General	I	I	2.7% at 55	14.71%	14.96%	29.67%	10.52% - 17.77%
General	J	II	2.7% at 55	14.71%	14.96%	29.67%	10.06% - 16.61%
General	N	II	2.0% at 55	13.50%	14.96%	28.46%	7.71% - 13.78%
General	U	II	2.5% at 67 (PEPRA)	10.16%	14.96%	25.12%	7.43% - 14.79%

Employees in each unit have agreed through their respective Memorandums of Understanding or Personnel and Salary Resolution to pay their full employee share of retirement costs. The retirement payment is deducted from the employee's compensation earnable and continues throughout the employee's entire term of employment with OCFA. Employee contribution rates vary depending on the individual employee's hire date and unit and are summarized below for the year ended June 30, 2021.

Employee Hire Date	Benefit Formula	Employee Contribution Rate
<b>Safety – Firefighter Unit</b>		
Prior to 1/1/2011	3.0% at 50	Effective 9/1/2019: 20.53%^ Effective 9/1/2020: 50% of Normal Cost^, Less a 2% Health Care Converted Retirement Contribution (HCRC)
1/1/2011 - 6/30/2012	3.0% at 50	Effective 9/1/2019: 20.53%^
On or After 7/1/2012 (with reciprocity)	3.0% at 55	Effective 9/1/2020: 50% of Normal Cost^
On or After 1/1/2013 (without reciprocity)	2.7% at 57 (PEPRA)	50% of Normal Cost^
<b>Safety – Firefighter Management Unit</b>		
Prior to 7/1/2012	3.0% at 50	50% of Normal Cost^
On or After 7/1/2012 (with reciprocity)	3.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.7% at 57 (PEPRA)	50% of Normal Cost^

Employee Hire Date	Benefit Formula	Employee Contribution Rate
<i>Safety – Executive Management</i>		
Prior to 7/1/2011	3.0% at 50	50% of Normal Cost^
On or After 7/1/2011 (with reciprocity)	3.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.7% at 57 (PEPRA)	50% of Normal Cost^
<i>General – General and Supervisory Management</i>		
Prior to 7/1/2011	2.7% at 55	50% of Normal Cost^
On or After 7/1/2011 (with reciprocity)	2.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.5% at 67 (PEPRA)	50% of Normal Cost^
<i>General – Administrative Management</i>		
Prior to 12/1/2012	2.7% at 55	50% of Normal Cost^
On or After 12/1/2012 (with reciprocity)	2.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.5% at 67 (PEPRA)	50% of Normal Cost^
<i>General – Executive Management</i>		
Prior to 12/1/2012	2.7% at 55	50% of Normal Cost^
On or After 12/1/2012 (with reciprocity)	2.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.5% at 67 (PEPRA)	50% of Normal Cost^

^ Capped at maximum employee contribution as required by OCERS

For the year ended June 30, 2021, employer and employee contributions remitted to OCERS were as follows:

	Employer Contributions	Employee Contributions	Total Contributions
Contributions paid (credited) by OCFA	\$106,715,236	\$ (27,219)	\$106,688,017
Contributions paid by employees	-	27,232,305	27,232,305
Total	<u>\$106,715,236</u>	<u>\$27,205,086</u>	<u>\$133,920,322</u>

**(b) Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources**

OCFA's net pension liability with OCERS is measured as the proportionate share of the net pension liability. The net pension liability of each member agency is measured as of December 31, 2020, and the total pension liability for each member agency used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020, using standard update procedures. OCFA's proportion of the net pension liability was based on a projection of OCFA's long-term share of contributions to the pension plan relative to the projected contributions of all participating agencies, actuarially determined. OCFA's proportionate share of the total OCERS net pension liability as of June 30, 2021 and 2020 was as follows:

Member Type	OCFA's Proportionate Share of the Total OCERS Net Pension Liability					
	At June 30, 2020		Increase (Decrease)		At June 30, 2021	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Safety	\$321,941,742	6.4%	\$(160,422,665)	(2.6%)	\$161,519,077	3.8%
General	32,453,715	0.6%	(12,851,154)	(0.1%)	19,602,561	0.5%
Total	<u>\$354,395,457</u>	<u>7.0%</u>	<u>\$(173,273,819)</u>	<u>(2.7%)</u>	<u>\$181,121,638</u>	<u>4.3%</u>

For the year ended June 30, 2021, OCFA recognized pension expense of \$17,590,285. At June 30, 2021, OCFA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience in the Total Pension Liability	\$ 42,647,259	\$ (22,151,617)
Changes in assumptions	20,847,354	(51,604,825)
Net differences between projected and actual earnings on plan investments	-	(127,379,805)
	63,494,613	(201,136,247)
Employer contributions subsequent to measurement date	66,569,000	-
Total	<u>\$130,063,613</u>	<u>\$(201,136,247)</u>

Deferred outflows of resources related to contributions subsequent to the measurement date totaling \$66,569,000 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will also be recognized as an adjustment to pension expense as follows:

Year Ended June 30	Amount
2022	\$ (42,479,079)
2023	(16,842,534)
2024	(50,346,635)
2025	(23,552,306)
2026	(4,421,080)
Total	<u>\$(137,641,634)</u>

(c) Actuarial Assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2019			
Measurement Date	December 31, 2020, rolled forward on an actuarial basis			
Actuarial Cost Method	Entry age actuarial cost method (normal)			
Discount rate	7.00%			
Inflation	2.75%			
Investment rate of return	7.00%, net of pension plan investment expense, including inflation			
Salary increases	Safety 4.75% to 17.25% and General 4.25% to 12.25% (vary by service, including inflation)			
Date of experience study	Actuarial assumptions were based on the results of an experience study for the period January 1, 2014 through December 31, 2016.			
Mortality:	Safety		General	
• Healthy	Pub-2010 Safety Retiree Amount-Weighted Above-Median Mortality Table (male and female), projected generationally with the two-dimensional mortality improvement scale MP-2019		Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (male and female) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019	



Mortality:	Safety	General
<ul style="list-style-type: none"> <li>Disabled</li> </ul>	Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (male and female), projected generationally with the two-dimensional mortality improvement scale MP-2019	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (male and female) with rates decreased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019
<ul style="list-style-type: none"> <li>Beneficiaries</li> </ul>	Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table (male and female) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019.	
<ul style="list-style-type: none"> <li>Employee Contribution Rates</li> </ul>	Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (male and female), projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 80% male and 20% female	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (male and female) with rates increased by 5%, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 40% male and 60% female

The Pub-2010 mortality tables and adjustments as shown above reflect the mortality experience as of the measurement date. The generational projection is a provision for future mortality improvement.

#### Discount Rate

The discount rate used to measure the Total Pension Liability was 7.00% and 7.00% as of December 31, 2020, and December 31, 2019, respectively. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of both December 31, 2020, and December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin.

The target allocation (approved by the OCERS Retirement Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap Equity	23.10%	5.43%
Small Cap Equity	1.90%	6.21%
International Developed Equity	13.00%	6.67%
Emerging Markets Equity	9.00%	8.58%
Core Bonds	9.00%	1.10%
High Yield Bonds	1.50%	2.91%
TIPS	2.00%	0.65%
Emerging Market Debt	2.00%	3.25%
Corporate Credit	1.00%	0.53%
Long Duration Fixed Income	2.50%	1.44%
Real Estate	3.01%	4.42%
Private Equity	13.00%	9.41%
Value Added Real Estate	3.01%	7.42%
Opportunistic Real Estate	0.98%	10.18%
Energy	2.00%	9.68%
Infrastructure (Core Private)	1.50%	5.08%
Infrastructure (Non-Core Private)	1.50%	8.92%
CTA – Trend Following	2.50%	2.38%
Global Macro	2.50%	2.13%
Private Credit	2.50%	5.47%
Alternative Risk Premia	<u>2.50%</u>	2.50%
Total	<u>100.0%</u>	

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents OCFA's proportionate share of the net pension liability with OCERS, calculated using the discount rate of 7.00%, as well as what OCFA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total proportionate share of net pension liability	<u>\$498,882,290</u>	<u>\$181,121,638</u>	<u>\$77,902,060</u>

(d) Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OCERS financial report.

**(24) Retirement Plan for Part-Time Employees**

(a) General Information About the Plan

*Plan Description and Administration*

OCFA administers the Extra Help Retirement Plan (Plan), a single-employer defined benefit pension plan that provides retirement benefits for its less than half-time and extra help employees. The Plan was established on January 1, 1997, and is accounted for in the Extra Help Retirement Plan fiduciary fund. The Board establishes and amends all Plan provisions, and has the authority to change contribution rates and investment types. A separate, audited pension plan report is not available. Effective July 1, 2018, the Plan is closed to new entrants and all eligible extra help employees hired by OCFA are enrolled as participants in a 457(OBRA) Deferred Compensation Plan in lieu of the Extra Help Retirement Plan.

Benefits Provided

The Plan provides retirement benefits in the form of a lifetime annuity. Retirement benefits are calculated at the rate of 2% of career earnings during the first thirty years of credited service. Upon retirement, participants are eligible to receive their benefit either as a lump sum payment or as a monthly payment. If employment with OCFA is terminated prior to retirement and the value of the employee's contributions with interest is \$3,500 or less, the employee may receive an immediate lump sum distribution in lieu of any future benefits payable under the Plan. If the value of the terminated employee's contributions with interest exceeds \$3,500, the employee may elect to receive a lump sum distribution or leave the contributions on deposit until he or she reaches retirement age.

During the year ended June 30, 2021, there were no lump sum distributions made to participants. Currently, there are no participants collecting retirement benefits.

Plan Membership

As of June 30, 2021, Plan membership consisted of the following:

Plan Members (or Beneficiaries)	Balance as of June 30, 2021		
	\$3,500 or Less	More than \$3,500	Total
Inactive; currently receiving benefits	-	-	-
Inactive; entitled to but not yet receiving benefits	36	2	38
Active	<u>1</u>	-	<u>1</u>
Total	<u>37</u>	<u>2</u>	<u>39</u>

Contributions

All eligible half-time and extra help employees hired on or after January 1, 1997, are required to contribute a percentage of compensation corresponding to an age-based table included in the Plan. Age is determined as attained age on every January 1. Employee contributions rates range from 2.5% to 7.5% based on age. After 30 years of credited service, OCFA is responsible for the employee's Plan contributions. Employee contributions are credited with 5% interest compounded semi-annually. Any interest earnings credited to the Plan in excess of actual investment earnings are reported as employer contributions. During the year ended June 30, 2021, employee and employer contributions totaled \$579 and \$2,117, respectively.

(b) Investments

Method Used to Value Investments

All Plan assets are invested in the Local Agency Investment Fund (LAIF), which is reported based on OCFA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

Investment Policy

Contributions are deposited into OCFA's Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. Additional LAIF information is provided within these notes as Note 4(d).

Concentrations

All Plan assets are invested in the Local Agency Investment Fund (LAIF).

(c) Net Pension Liability

Net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The Plan's fiduciary net pension liability is measured as of June 30, 2021, using an actuarial valuation as of January 1, 2021, rolled forward to June 30, 2021, using standard update procedures. A summary of components of the Plan's net pension liability as of June 30, 2021, is shown below, followed by principal assumptions and methods used to determine the net pension liability.

Total pension liability	\$134,494
Plan fiduciary net position	<u>(49,896)</u>
Net pension liability	<u>\$ 84,598</u>

Plan fiduciary net position as a % of the total pension liability	37.10%
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Actuarial Assumptions

Actuarial calculations reflect a long-term perspective. Calculations are based on the benefits provided under the terms of the Plan in effect at the time of each valuation and on the pattern of sharing of costs between the OCFA and plan members to that point. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The total pension liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	January 1, 2021
Measurement Date	June 30, 2021, rolled forward on an actuarial basis
Actuarial Cost Method	Entry age normal
Discount rate	2.10% per annum; average (rounded to 5 basis points) of three 20-year municipal bond rate indices as of June 30, 2021: S&P Municipal Bond 20-Year High Grade Rate Index, Bond-Buyer 20-Bond GO Index, and 20-Year Yield of the Fidelity Municipal General Obligation AA Curve
Inflation	2.75%
Investment rate of return	2.10%
Salary increases	3.00%, including merit, seniority, and inflation; annual salary for the current year assumed to be equal to the average annual salary over the last 3 years
Mortality	PubS2010 mortality table with generational improvements based on the MP-2020 scale. As the plan is not large enough to have credible experience, mortality assumptions are set to reflect general population trends.
Experience study	Given the size of the plan, there was not enough data available to conduct a credible experience study. The assumptions are not anticipated to produce significant cumulative actuarial gains or losses over time. Liabilities and data are analyzed each year in order to identify any trends of experience deviating from the actuarial assumptions.
Form of payment	Participants who have 5 years or less of credited service or have a contribution balance less than or equal to \$3,500 are assumed to take an immediate lump sum upon termination or retirement. Participants who have worked more than 5 years or have attained age 55 are assumed to commence a modified cash refund annuity starting at age 65. As the plan is not large enough to have credible experience, forms of payment are based on professional judgment and expectations based on the provisions of the plan.
Retirement	100% retirement at age 65. Due to the size of the plan, use of an assumption more than a single point estimate is not merited.

Termination	Service 0 years, Rate 30%; Service 1-3 years, Rate 50%; Service 4 years, Rate 25%; Service 5+ years, Rate 5%
Plan Assets	The employee contributions are deposited into the Authority's LAIF account. The LAIF account is managed by the State Treasurer's Office and is invested in fixed income securities.

Changes of Assumptions

Following is a comparison of actuarial assumptions for the years ended June 30, 2021 and 2020:

	As of June 30, 2021	As of June 30, 2020	Change
Discount rate	2.10%	2.45%	(0.35)%
Inflation	2.75%	2.75%	n/a
Investment rate of return	2.10%	2.45%	(0.35)%
Salary increases	3.00%	3.00%	n/a

Discount Rate

The discount rate used to measure the total pension liability was 2.10% (a decrease of 0.35% since the prior measurement date). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Local Agency Investment Fund	100.00%	2.10%

The annual money-weighted rate of return was 0.55%, and was an estimate based on mid-year timing of contributions and benefit payments. The money rated rate of return expresses investment performance, net of pension plan investment expenses, adjusted for changing amounts actually invested.

(d) Changes in the Net Pension Liability

Changes in the Plan's net pension liability for the year ended June 30, 2021, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
Balance at June 30, 2020	<u>\$122,785</u>	<u>\$46,934</u>	<u>\$75,851</u>
Changes in the year:			
Service cost	994	-	994
Interest	3,033	-	3,033
Differences between expected and actual experience	829	-	829
Changes of assumptions	6,853	-	6,853
Contributions – employer	-	2,117	(2,117)
Contributions – plan members	-	579	(579)
Net investment income	-	266	(266)
Benefit payments, including refunds of employee contributions	-	-	-
Net changes	<u>11,709</u>	<u>2,962</u>	<u>8,747</u>
Balance at June 30, 2021	<u>\$134,494</u>	<u>\$49,896</u>	<u>\$84,598</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 2.10%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.10%) or one percentage point higher (3.10%) than the current rate:

	1% Decrease (1.10%)	Current Discount Rate (2.10%)	1% Increase (3.10%)
Net pension liability	<u>\$111,453</u>	<u>\$84,598</u>	<u>\$63,567</u>

(e) Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2021, OCFA recognized pension expense of \$10,408. At June 30, 2021, OCFA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience in the Total Pension Liability	\$ -	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	<u>1,330</u>	-
Total	<u>\$1,330</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an adjustment to pension expense as follows:

Year Ended June 30	Amount
2022	\$ 536
2023	338
2024	271
2025	<u>185</u>
Total	<u>\$1,330</u>

**(f) Pension Plan Fiduciary Net Position**

As previously mentioned, the Plan does not issue a separate stand-alone financial report. Below are the Plan's financial statements as of and for the year ending June 30, 2021:

	<u>Extra Help Retirement</u>
Assets:	
Cash and investments:	
Local Agency Investment Fund:	
Domestic fixed income	\$49,896
Total assets	<u>49,896</u>
Net position restricted for pensions	<u>\$49,896</u>
Additions:	
Contributions:	
Employer	\$ 2,117
Plan members	<u>579</u>
Total contributions	<u>2,696</u>
Net investment income:	
Total investment income	<u>266</u>
Total net investment income	<u>266</u>
Total additions	<u>2,962</u>
Deductions:	
Benefits and refunds paid to plan members and beneficiaries	<u>-</u>
Total deductions	<u>-</u>
Change in net position	2,962
Net position, beginning of year	<u>46,934</u>
Net position, end of year	<u>\$49,896</u>

**(25) Other Postemployment Benefits (OPEB)**

**(a) General Information**

Plan Description and Administration

OCFA provides other postemployment benefits (OPEB), such as healthcare benefits to eligible retirees and their dependents, through the Retiree Medical Plan (Plan). The purpose of the Plan is to assist employees hired prior to January 1, 2007, in maintaining health insurance coverage following their retirement by providing a monthly grant applied toward the cost of such health insurance coverage. The Plan is intended to qualify for the exclusion from income as an accident or health plan under sections 105(e) and 106 of the Internal Revenue Code. Employee participation is contingent on a contribution of 4% of base salary through payroll deductions to OCFA. OCFA has entered into Memorandum of Understanding with each of its four labor bargaining groups mandating this 4% employee contribution.

The single-employer Plan was established by OCFA's Board of Directors on January 1, 1997, and amended on September 28, 2006. OCFA's Board of Directors is the Plan's Board, establishing and amending all Plan provisions, including benefit terms and contribution requirements, through negotiations with labor bargaining groups. OCFA may terminate the Plan by action of its Board of Directors in its sole discretion. Amendment or termination of the plan is subject to the meet and confer requirement of the Myers-Milias-Brown Act and any other applicable law.

Plan assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by the



Orange County Employees Retirement System (OCERS). Funds are held in a trust account established pursuant to Section 401(h) of the Internal Revenue Code and are held separate from the assets of the OCERS retirement system, except for investment purposes. The trust is presented in accordance with the Plan year, which is on a calendar basis ending December 31, 2020. The Plan's Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position (presented within the Fiduciary Funds of these financial statements) are reported as of the December 31, 2020 plan year-end date. A publicly available OCERS financial report, which includes the Plan's assets, can be obtained at 2223 Wellington Avenue, Santa Ana, California 92701 or online at <http://www.ocers.org/finance/finance.htm>. A separate, audited OPEB Plan report is not available.

All retirees and full-time employees hired on or after January 1, 2007, are not considered Plan participants; however, they are eligible to receive OPEB benefits in the form of employer contributions toward monthly healthcare premiums per the Public Employees' Medical and Hospital Care Act (PEMHCA). OCFA provides health insurance benefits to its employees and retirees through the California Public Employees' Retirement System (CalPers), subject to the legal requirements of the PEMHCA. OCFA contributes toward the monthly payment of healthcare premiums on behalf of eligible retirees at an amount equal to the PEMHCA statutory minimum, which was \$139 for 2020 and \$143 for 2021. In addition, retirees and full-time employees hired on or after January 1, 2007, are eligible to participate in an employer-sponsored defined contribution plan. Additional information regarding the defined contribution benefit is provided within these notes as Note 26.

#### Eligibility

All full-time or part-time employees who were hired prior to January 1, 2007, and who are credited with at least one year (2,080 hours) of service are eligible to participate in the Plan. An eligible employee, and his or her surviving dependents, will participate in the Plan upon his or her retirement or other termination of employment with OCFA, subject to the terms and conditions contained in the Plan, as applicable for "covered retirees" and "covered former employees."

- A "covered retiree" is a retiree who receives a monthly retirement allowance from the Orange County Employees Retirement System (OCERS) and who meets all coverage and participation requirements.
- A "covered former employee" is an employee who meets the coverage and participation requirements of the Plan at the time of his or her termination of employment with OCFA.

An employee who retires and does not immediately begin receiving a retirement allowance from OCERS will not participate in the Plan until such retirement allowance commences. An employee who terminates employment with OCFA for reasons other than retirement, or who is not eligible to receive a monthly retirement allowance from OCERS, will not be eligible to receive the grant until the age of fifty-five (55) and requests that OCFA commence distribution of the grant. Such requests must be made no later than ninety (90) days from the employee's fifty-fifth birthday.

To be eligible to receive the grant, a participant must be covered under a "qualified health plan" (covered retirees), a "recognized health insurance plan" (covered former employees), or Medicare. A "qualified health plan" is a health insurance plan made available to OCFA's employees and retirees, including an OCFA health plan or a plan administered by an employee organization that the OCFA has agreed will be a "qualified health plan." A "recognized health insurance plan" means a health insurance plan other than a "qualified health plan" covering a former employee or his/her surviving dependents and which is acceptable to OCFA.

Participation of a covered retiree, a covered former employee, or his or her surviving dependents may be terminated as follows:

- Participation of a covered retiree and his or her surviving dependents will cease and eligibility for benefits will be terminated upon the earlier of (a) the failure to elect coverage under a "qualified health plan" or Medicare; (b) failure to make all required contributions or premium payments under a "qualified health plan;" (c) the participant's death; (d) amendment of the Plan to preclude such coverage; or (e) termination of the Plan.

- Participation of a covered former employee and his or her surviving dependents will cease and eligibility for benefits will be terminated upon the earlier of (a) the failure or refusal to maintain and provide proof of coverage under a “recognized health insurance plan” or Medicare; (b) the participant’s death; (c) amendment of the Plan to preclude such coverage; or (d) termination of the Plan.

If participation in the Plan is terminated, eligibility will be extinguished, years of service will be lost, and he or she may not later again participate in the Plan.

#### Benefit Provisions

The Plan provides a grant toward the cost of retirees’ health insurance coverage. The grant is equal to the product of the monthly grant amount multiplied by years of credited service, up to a maximum of twenty-five years.

- The amount of the monthly grant is adjusted annually by the average increase or decrease in OCFA’s health plan premiums, not to exceed 5% per year. The amount of the monthly grant was as follows for calendar years 2019 through 2021:

<u>Calendar Year</u>	<u>Monthly Grant Amount</u>	<u>% Increase</u>
2021	\$29.13	5.0%
2020	\$27.74	5.0%
2019	\$26.42	1.4%

- The grant is applied as a credit or reimbursement to reduce the cost of the retiree’s or former employee’s monthly medical insurance premium under his or her selected health plan. If the grant amount exceeds the cost of such coverage, it may be used to offset the cost of the Medicare premium. In no case may the grant exceed the actual cost of the combined health plan and Medicare premiums.
- A surviving dependent of an eligible retiree or former employee is eligible to receive a monthly survivor benefit equal to 50% of the grant that the retiree or covered former employee was eligible to receive at the time of his or her death. A surviving dependent is (a) a surviving spouse who was legally married to an employee, retiree, or covered former employee at the time of his or her death; or (b) a dependent child, as defined by an OCFA health plan or health plan of a covered former employee, of a deceased employee, retiree, or covered former employee.

#### Plan Membership

The Retiree Medical Plan is closed to new entrants. Plan membership consisted of the following at December 31, 2020, the date of the latest actuarial valuation:

<u>Plan Membership Status</u>	<u>Retiree Medical Plan (Hired Prior to January 1, 2007)</u>	<u>PEMHCA Eligible Employees (Hired on or After January 1, 2007)</u>	<u>Total</u>
Inactive plan members or beneficiaries currently receiving benefit payments	826	4	830
Inactive plan members entitled to but not yet receiving benefit payments	37	-	37
Active plan members	<u>406</u>	<u>1,046</u>	<u>1,452</u>
Total	<u>1,269</u>	<u>1,050</u>	<u>2,319</u>

Contributions

Current, active employees who became employed by OCFA prior to January 1, 2007, are required to contribute 4% of their base salary through payroll deductions to OCFA, to be applied as employee contributions to the Plan, per the terms of the Plan, Memorandums of Understanding between OCFA and each of its four labor bargaining groups, and the Personnel and Salary Resolution covering unrepresented employees. Employee participation in the Plan is contingent on this 4% payroll deduction.

At the time the Plan was implemented and subsequently amended in 2006, all OCFA classifications received a salary range adjustment, which was earmarked for the required employee contribution. Employees were not given the option to receive the salary increase as cash payment. Required employee withholdings contributed to the Plan are considered employer contributions for tax purposes, because OCFA as the employer maintains the tax-exempt status for the Plan. However, these contributions are considered employee contributions for financial reporting purposes.

OCFA may also make additional employer contributions to the Plan in amounts authorized to be contributed by the Board of Directors. OCFA's employer contributions to the Plan were as follows:

Type of Employer Contribution	Measurement Period Ending December 31, 2020	Fiscal Year Ending June 30, 2021
Cash contributions	\$ -	\$ -
Implicit subsidy	<u>2,284,326</u>	<u>2,361,738</u>
Total	<u>\$2,284,326</u>	<u>\$2,361,738</u>

(b) Plan Investments

Investment Policy

OCERS serves as trustee for the Plan's assets as established under Internal Revenue Code Section 401(h). Health care assets for the 401(h) trusts are commingled with OCERS' pension trust assets for investment purposes and are used exclusively to pay health benefits to OCFA's eligible Plan members.

State Street Bank and Trust maintains custody of the majority of OCERS' investments. The acquisition of investments is authorized by state statute and OCERS' Investment Policy Statement. The allocation of investment assets is approved by OCERS' Board of Retirement, as outlined in its Investment Policy Statement, and assets are invested solely for the benefit of plan participants and beneficiaries while attempting to minimize employer contributions and investment and administration costs. The Investment Policy Statement calls for an asset allocation plan that seeks to optimize long-term returns for the level of risk that the Board of Retirement considers appropriate. The Board of Retirement conducts a periodic review of the asset allocation plan to maintain an optimal allocation, and may also revise the asset allocation in response to significantly changing market conditions that may affect valuations and forward-looking expected returns of asset classes.

Investments are reported at fair value, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72 *Fair Value Measurement and Application*. Plan investments consist of domestic, international and global equity securities; domestic fixed income; real estate; diversified credit; emerging markets equity and debt; real return strategies; absolute return strategies; and private equity. OCERS is authorized by its investment policy and state law to lend its investment securities, including global public equities, core fixed income, credit, and real assets to brokers/dealers in exchange for collateral in the form of either cash or securities.

The following was the Board of Retirement's adopted asset allocation plan as of December 31, 2020:

Asset Class	Target Allocation
Global Equities	47.0%
Private Equities	13.0%
Real Assets	12.0%
Fixed Income	11.0%
Risk Mitigation	10.0%
Credit	7.0%
Total	<u>100.0%</u>

Concentrations

Concentration of credit risk is the risk of loss attributed to the magnitude of OCERS' investment in a single issuer. By policy, OCERS did not hold investments in any one issuer that represented five percent (5%) or more of net position and net investments during the year ended December 31, 2020. Investments issued or explicitly guaranteed by the U.S. Government and pooled investments are excluded from this policy requirement.

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on OCERS' plan assets, net of investment expense, was 11.2%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the timing of cash flows and the changing amounts actually invested.

(c) Net OPEB Liability

Components of the Net OPEB Liability

Net OPEB liability is measured as the total OPEB liability, less the Plan's fiduciary net position. The Plan's fiduciary net position is measured as of December 31, 2020, using an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2020, using standard update procedures. A summary of components of the Plan's net OPEB liability as of the measurement date is shown below, followed by principal assumptions and methods used to determine the net OPEB liability.

Total OPEB liability	\$335,009,795
Plan fiduciary net position	<u>(41,954,050)</u>
Net OPEB liability	<u>\$293,055,745</u>

Plan fiduciary net position as a % of the total OPEB liability	12.52%
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Actuarial Assumptions

The total OPEB liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2020
Measurement Date	December 31, 2020
Actuarial Cost Method	Entry age normal
Discount Rate	<ul style="list-style-type: none"> <li>2.20%; Based on the blended rate of return on invested assets available to pay future benefits and a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (bond index range 1.93% - 2.12%).</li> <li>The 20-year tax-exempt general obligation municipal bond rates as of December 31, 2020, included the Bond Buyer Go 20-Bond Municipal Bond Index (2.12%), the S&amp;P</li> </ul>

	Municipal Bond 20-Year High Grade Rate Index (1.93%), and the Fidelity 20-Year Go Municipal Bond Index (2.00%). <ul style="list-style-type: none"><li>The crossover year is 2027 (year that the Trust is expected to be depleted based on the current funding strategy).</li></ul>																					
Inflation	2.75%																					
Investment Rate of Return	7.0%																					
Salary Increases	3.25%																					
Pre and Post-Retirement Mortality	Mortality rates from the SOA Pub-2010 Headcount Weighted Mortality Tables for General, Public Safety, and Continuing Survivor projected fully generational using Scale MP-2020.																					
Healthcare Cost Trend Rates	<table><tr><td><u>Year</u></td><td><u>Trend</u></td></tr><tr><td>2020</td><td>6.5%</td></tr><tr><td>2021</td><td>6.0%</td></tr><tr><td>2022</td><td>5.5%</td></tr><tr><td>2023</td><td>5.0%</td></tr><tr><td>2024</td><td>4.5%</td></tr></table>	<u>Year</u>	<u>Trend</u>	2020	6.5%	2021	6.0%	2022	5.5%	2023	5.0%	2024	4.5%									
<u>Year</u>	<u>Trend</u>																					
2020	6.5%																					
2021	6.0%																					
2022	5.5%																					
2023	5.0%																					
2024	4.5%																					
Funding Policy	Partially prefund benefits through 4% employee contributions through a 401(h) account held in trust with OCERS																					
Pre-Retirement Turnover	0.9% - 11.0% (General) 0.2% - 4.5% (Safety)																					
Retirement Age	<table><tr><td><u>Age</u></td><td><u>General</u></td><td><u>Safety</u></td></tr><tr><td>50-54</td><td>2.0% - 5.5%</td><td>5.0% - 15.0%</td></tr><tr><td>55-59</td><td>10.0% - 15.0%</td><td>18.0% - 28.0%</td></tr><tr><td>60-64</td><td>12.0% - 16.0%</td><td>30.0% - 35.0%</td></tr><tr><td>65-69</td><td>22.0% - 23.0%</td><td>100.0%</td></tr><tr><td>70-74</td><td>25.0%</td><td>100.0%</td></tr><tr><td>75+</td><td>100.0%</td><td>100.0%</td></tr></table>	<u>Age</u>	<u>General</u>	<u>Safety</u>	50-54	2.0% - 5.5%	5.0% - 15.0%	55-59	10.0% - 15.0%	18.0% - 28.0%	60-64	12.0% - 16.0%	30.0% - 35.0%	65-69	22.0% - 23.0%	100.0%	70-74	25.0%	100.0%	75+	100.0%	100.0%
<u>Age</u>	<u>General</u>	<u>Safety</u>																				
50-54	2.0% - 5.5%	5.0% - 15.0%																				
55-59	10.0% - 15.0%	18.0% - 28.0%																				
60-64	12.0% - 16.0%	30.0% - 35.0%																				
65-69	22.0% - 23.0%	100.0%																				
70-74	25.0%	100.0%																				
75+	100.0%	100.0%																				
Future Accruals	Current active employees are assumed to earn one year of service for each future year.																					
Participation Rates	100% of active employees eligible for the Plan grant are assumed to elect medical coverage at retirement. 35% of active employees eligible for the PEMHCA minimum required contribution are assumed to elect to continue coverage through PEMHCA at retirement.																					
Spouse Coverage	For future retirees, 65% of males and 25% females are assumed to be married at retirement or pre-retirement death. For current retirees, spouses are assumed for those enrolled in two-party and family coverage. Male spouses are assumed to be three years older than female spouses.																					
Claim Cost Development	Based on the 2020 and 2021 premiums and funding rates. Safety employees are underwritten with the active and retirees pooled together, thus an implied rate subsidy has been estimated and is included in the valuation. The rate subsidy equals the difference between the estimated cost and the actual premium for coverage. General employees are assumed to participate in a community-rated plan. This valuation includes the liability for the implied subsidy. The expected retiree cost for both Safety and General employees is determined using unisex morbidity rates.																					
Medical Grant Amount	Assumed 5% annual increase																					
Minimum Required Contribution (PEMHCA)	Assumed 4% annual increase																					
Actuarial Value of Assets	Market Value																					

Changes of Assumptions

Following is a comparison of changes in actuarial assumptions as of December 31, 2020 and 2019:

	As of December 31, 2020	As of December 31, 2019	Change
Discount rate	2.20%	3.31%	(1.11%)
Twenty-year bond rate	1.93% – 2.12% Range	2.74% - 3.26% Range	(0.81%) to (1.14%) Range
Crossover year	2027	2025	2 years
Mortality rate scale	MP-2020	MP-2019	n/a
Healthcare trend rates	Initial rate of 6.0% (2021) decreasing by 0.5% annually to an ultimate rate of 4.5% (2024)	Initial rate of 6.5% (2020) decreasing by 0.5% annually to an ultimate rate of 4.5% (2024)	(0.5%) Initial rate

Discount Rate

The discount rate used to measure the total OPEB liability was 2.20% (a decrease of 1.11% since the prior measurement date). The projection of cash flows used to determine the discount rate assumed that plan member contributions were made at the 4.0% required contribution rate. The discount rate incorporates a municipal bond rate range of 1.93 – 2.12% (Bond Buyer Go 20-Bond Municipal Bond Index; S&P Municipal Bond 20-Year High Grade Rate Index; Fidelity 20-Year Go Municipal Bond Index). Based on those assumptions, the Plan's fiduciary net position is projected to be unable to make all projected future benefit payments for its current plan members in the year 2027.

Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of returns (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and adding in expected inflation (2.75%). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target allocation as of December 31, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equities	47.0%	5.0%
Private Equities	13.0%	7.0%
Real Assets	12.0%	5.0%
Fixed Income	11.0%	1.0%
Risk Mitigation	10.0%	4.0%
Credit	<u>7.0%</u>	5.0%
Total	<u>100.0%</u>	7.0%

The annual money-weighted rate of return was 11.2%.

**(d) Changes in the Net OPEB Liability**

Changes in the Plan's net OPEB liability for the year ended June 30, 2021, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	<u>\$286,369,153</u>	<u>\$41,404,890</u>	<u>\$244,964,263</u>
Changes in the year:			
Service cost	8,510,680	-	8,510,680
Interest on the total OPEB liability	9,632,097	-	9,632,097
Difference between expected and actual experience	1,145,322	-	1,145,322
Changes in assumptions	37,176,101	-	37,176,101
Contributions – employer	-	2,284,326	(2,284,326)
Contributions – plan members	-	1,976,295	(1,976,295)
Net investment income (loss)	-	4,134,537	(4,134,537)
Benefit payments, including refunds of employee contributions	(7,823,558)	(7,823,558)	-
Administrative expense	-	(22,440)	22,440
Net changes	<u>48,640,642</u>	<u>549,160</u>	<u>48,091,482</u>
Balance at June 30, 2021	<u>\$335,009,795</u>	<u>\$41,954,050</u>	<u>\$293,055,745</u>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability, calculated using the current discount rate of 2.20%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.20%) or one percentage point higher (3.20%) than the current discount rate:

	1% Decrease (1.20%)	Current Discount Rate (2.20%)	1% Increase (3.20%)
Net OPEB liability	<u>\$358,828,018</u>	<u>\$293,055,745</u>	<u>\$241,815,304</u>

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability, calculated using the current healthcare cost trend rates (6.5% decreasing to 4.5%), as well as what the net OPEB liability would be if it were calculated using rates that are one percentage point lower (5.5% decreasing to 3.5%) or one percentage point higher (7.5% decreasing to 5.5%) than the current rates:

	1% Decrease (5.5% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (6.5% decreasing to 4.5%)	1% Increase (7.5% decreasing to 5.5%)
Net OPEB liability	<u>\$275,454,029</u>	<u>\$293,055,745</u>	<u>\$302,298,077</u>



**(e) OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, OCFA recognized OPEB expense of \$14,149,239. At June 30, 2021, OCFA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience in the total OPEB liability	\$ 858,991	\$ (323,685)
Changes in assumptions	37,318,988	-
Net differences between projected and actual earnings on plan investments	-	(1,747,240)
	38,177,979	(2,070,925)
Contributions subsequent to measurement date	1,219,575	-
Total	<u>\$39,397,554</u>	<u>\$(2,070,925)</u>

Deferred outflows of resources related to contributions subsequent to the measurement date totaling \$1,219,575 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. All other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will also be recognized as an adjustment to OPEB expense as follows:

Year Ended June 30	Amount
2022	\$13,538,897
2023	14,052,276
2024	8,783,149
2025	<u>(267,268)</u>
Total	<u>\$36,107,054</u>

**(f) OPEB Plan Fiduciary Net Position**

As previously mentioned, the Plan does not issue a separate stand-alone financial report. Below are the Plan's financial statements as of and for the year ending June 30, 2021:

	Retiree Medical Plan
Assets:	
Cash and investments:	
Pooled amounts held in trust with OCERS	\$42,830,564
Total cash and investments	42,830,564
Receivables:	
Other receivables	9,679
Total assets	<u>\$42,840,243</u>
Liabilities:	
Accrued liabilities	886,193
Total liabilities	<u>886,193</u>
Net position restricted for postemployment benefits other than pensions	<u>\$41,954,050</u>

	<u>Retiree Medical Plan</u>
Additions:	
Contributions:	
Employer	\$ 2,284,326
Plan members	<u>1,976,295</u>
Total contributions	<u>4,260,621</u>
Net investment income:	
Total investment income (loss)	4,371,125
Investment fees and expenses	<u>(236,588)</u>
Total net investment income (loss)	<u>4,134,537</u>
Total additions	<u>8,395,158</u>
Deductions:	
Benefits and refunds paid to plan members and beneficiaries	7,823,558
Administrative expenses	<u>22,440</u>
Total deductions	<u>7,845,998</u>
Change in net position	549,160
Net position, beginning of year	<u>41,404,890</u>
Net position, end of year	<u>\$41,954,050</u>

**(26) Retiree Defined Contribution Healthcare Expense Reimbursement Plan**

**(a) Plan Description and Administration**

On September 28, 2006, OCFA's Board of Directors created the Orange County Fire Authority Retiree Defined Contribution Healthcare Expense Reimbursement Plan (Plan), an employer-sponsored defined contribution benefit plan. The Plan became effective January 1, 2007. OCFA's Board of Directors establishes and amends all Plan provisions through negotiations with labor bargaining groups, subject to all applicable requirements of the Myers-Milias-Brown Act and any other applicable law.

Plan assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by Further (formerly Select Account). Funds are held in a Healthcare Reimbursement Account as a "self-insured medical reimbursement plan" pursuant to Sections 105 and 106 of the Internal Revenue Code. All contributions, investment income, and realized and unrealized gains and losses are credited to individual recordkeeping accounts maintained in the name of each Plan participant. Account assets are invested as directed by the participant from among investment funds selected by the OCFA. The Healthcare Reimbursement Account is considered an employer-funded account for tax purposes. An individual employee may not decide to participate or not participate beyond the terms of the applicable agreement.

**(b) Benefit Provisions and Eligibility**

All full-time employees who were hired on or after January 1, 2007, are eligible to participate in the Plan. The Plan provides for the reimbursement of medical, dental, and other eligible healthcare expenses of retirees, their spouses, and dependents. Participants are eligible to receive Plan benefits upon reaching retirement age, including those who terminate employment with the OCFA for reasons other than retirement.

**(c) Contributions**

All active, full-time employees who became employed by OCFA on or after January 1, 2007, are required to contribute 4% of their base pay to the Plan through payroll deductions to the OCFA. Employees are not permitted to contribute more or less to the Plan.

At the time the Plan was implemented, all OCFA classifications received a salary range adjustment that was earmarked for the required contribution into the Healthcare Reimbursement Account. Employees were not given the option to

receive the salary increase as cash payment. Required employee withholdings contributed to the Plan are considered employer contributions for tax purposes, because OCFA as the employer maintains the tax-exempt status for the Plan. However, these contributions are considered employee contributions for financial reporting purposes. Contractually required employee contributions for the fiscal year ended June 30, 2021, totaled \$4,027,078.

**(d) Public Employees' Medical and Hospital Care Act**

All retirees and full-time employees hired on or after January 1, 2007, are eligible for the legally required Public Employees' Medical and Hospital Care Act (PEMHCA) minimum, as stipulated by the California Public Employees' Retirement System (CalPERS). Additional information regarding other postemployment benefits (OPEB) for PEMHCA is provided within these notes as Note 25.

**(27) Deferred Compensation Plans**

**(a) 457(b) and 401(a) Deferred Compensation Plans**

All OCFA employees may participate in OCFA's 457(b) Deferred Compensation Plan, a retirement savings plan. The 457(b) Deferred Compensation Plan (457b Plan) is administered by the Nationwide Trust Company. Employees may make voluntary contributions to the 457b Plan, including after-tax Roth 457 contributions, up to the maximum annual amounts permitted by the Internal Revenue Service. Voluntary employee contributions to the 457b Plan for the fiscal year ended June 30, 2021, totaled \$12,280,109.

On February 28, 2019, OCFA's Board of Directors created the Orange County Fire Authority 401(a) Deferred Compensation Plan (401a Plan). The 401a Plan is also administered by Nationwide Trust Company. In accordance with OCFA's Personnel and Salary Resolution, Executive Management employees are eligible to receive deferred compensation contributions from OCFA in an amount equal to 4.5% of base salary. In accordance with OCFA's Memorandum of Understanding with the Administrative Management unit, employees at the maximum of their salary range are eligible to receive a merit-based deferred compensation contribution in the amount of \$500 per year. Contractually required employer contributions to the 401a Plan for the fiscal year ended June 30, 2021, totaled \$113,901 for Executive Management employees and \$8,500 for Administrative Management employees.

OCFA's Board of Directors establishes and amends all deferred compensation plan provisions, including benefit terms and contribution requirements, through negotiations with labor bargaining groups when applicable. Amendment or termination of the plans is subject to the meet and confer requirement of the Myers-Milias-Brown Act and any other applicable law.

**(b) 457(OBRA) Deferred Compensation Plan**

On January 26, 2017, OCFA's Board of Directors created a 457(OBRA) Deferred Compensation Plan (Plan), a mandatory retirement savings plan, for the participation of all eligible part-time employees pursuant to federal legislation. For Internal Revenue Service (IRS) tax purposes, all OCFA Board Members are considered employees and, as such, OCFA is required to provide a retirement savings plan for mandatory enrollment. The Plan satisfies OCFA's obligation to enroll all employees in a retirement savings plan. Effective July 1, 2018, all eligible extra help employees hired by OCFA are also enrolled as participants in the Plan in lieu of OCFA's Extra Help Retirement Plan, a single-employer defined benefit pension plan described within these notes as Note 24.

Plan participants are required to contribute 7.5% of their earnings to the Plan, subject to maximum annual federal limits, and may immediately receive benefits without penalty upon separation of employment from OCFA. The Plan is administered by NaCoServices, Inc., a subsidiary of the National Association of Counties and Nationwide Retirement Solutions, Inc. Required employee contributions for the fiscal year ended June 30, 2021, totaled \$19,973.

**(28) Subsequent Events**

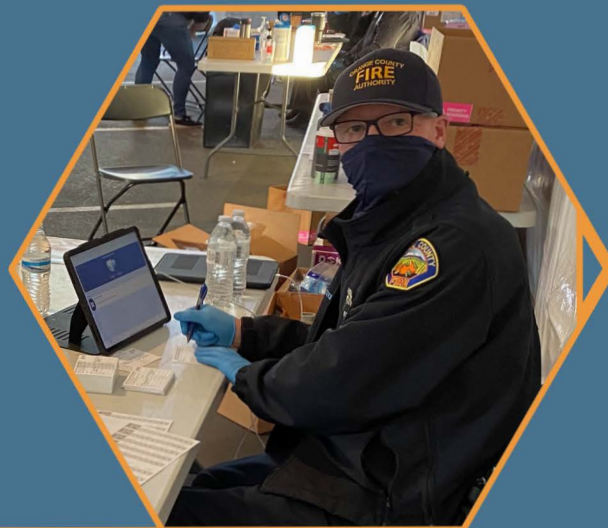
**(a) Deposit to 115 Trust**

On July 2, 2021, OCFA deposited \$1,500,000 into the Public Agencies Post-Employment Benefits Trust (115 Trust) for the purpose of pre-funding pension and/or other post-employment benefit obligations in accordance with terms of the Settlement Agreement between OCFA and the City of Irvine. Assets of the 115 Trust are held by U.S. Bank National Association (U.S. Bank) and are administered by Public Agency Retirement Services (PARS).

**(b) General Liability Insurance Premium Increase**

In July 2021, OCFA renewed its Fiscal Year 2021/22 general liability insurance premium at a cost of \$2,151,311. This was an 84% increase over the expiring Fiscal Year 2020/21 premium totaling \$1,169,408. The Fiscal Year 2021/22 premium was paid in two equal installments of \$1,075,656 each on July 23, 2021, and August 13, 2021. The premium increase is primarily due to the FAIRA pool experiencing above-average losses in employment liability claims; the general hardening of the current insurance market; the COVID-19 pandemic; and the increase in the number of OCFA vehicles, fire stations, and employees. In addition, the Fiscal Year 2021/22 deductible for the management liability portion of the policy increased from \$7,500 to \$250,000 per wrongful act.

# Required Supplementary Information



COVID-19 Vaccine Clinic  
January-March 2021

**Required Supplementary Information**

**OCERS Retirement Plan**

OCFA participates in the Orange County Employees Retirement System (OCERS), a cost-sharing multiple-employer, defined benefit pension plan that provides retirement, disability, and death benefits to safety and general members.

**Extra Help Retirement Plan**

OCFA administers a single-employer, defined benefit pension plan that provides retirement benefits for OCFA's less than half-time and extra help employees hired prior to July 1, 2018. Plan assets are accounted for in the Extra Help Retirement fiduciary fund.

**Retiree Medical Plan**

OCFA provides a single-employer, defined benefit plan for OCFA's full-time and part-time employees hired prior to January 1, 2007, which provides a monthly grant toward the cost of retirees' health insurance coverage. Plan assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by the Orange County Employees Retirement System (OCERS).

**ORANGE COUNTY FIRE AUTHORITY**

**OCERS Retirement Plan**  
**A Cost-Sharing, Multiple-Employer Defined Benefit Pension Plan**  
**As of June 30, 2021**  
**Last Ten Fiscal Years (A)**

**Schedule of OCFA's Proportionate Share of the Net Pension Liability**

Fiscal Year Ended June 30	OCFA's Proportion of the Collective Net Pension Liability	OCFA's Proportionate Share of the Collective Net Pension Liability	OCFA's Covered Payroll	Proportionate Share of the Collective Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	Applicable Measurement Date (B)
2014	8.366%	\$ 442,651,348	\$ 129,689,221	341.32%	\$ 10,821,318,000	67.16%	12/31/2013
2015	9.188%	\$ 466,968,323	\$ 129,187,729	361.46%	\$ 11,536,106,000	69.42%	12/31/2014
2016	9.056%	\$ 517,669,806	\$ 129,452,647	399.89%	\$ 11,657,318,000	67.10%	12/31/2015
2017	9.043%	\$ 469,430,660	\$ 124,514,004	377.01%	\$ 12,809,208,000	71.16%	12/31/2016
2018	7.485%	\$ 370,674,668	\$ 148,890,685	248.96%	\$ 14,801,895,000	74.93%	12/31/2017
2019	7.531%	\$ 466,731,526	\$ 155,479,486	300.19%	\$ 14,481,680,000	70.03%	12/31/2018
2020	6.982%	\$ 354,395,457	\$ 164,583,742	215.33%	\$ 16,678,581,000	76.67%	12/31/2019
2021	4.299%	\$ 181,121,638	\$ 190,254,989	95.20%	\$ 18,797,203,000	81.69%	12/31/2020

Notes to Schedule:

(A) Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68; therefore, only eight years of data are available for presentation. Other years will be added as they become available.

(B) Applicable measurement date reflects the most recent fiscal year-end of the Orange County Employees Retirement System.



**ORANGE COUNTY FIRE AUTHORITY**

**OCERS Retirement Plan**  
**A Cost-Sharing, Multiple-Employer Defined Benefit Pension Plan**  
**As of June 30, 2021**  
**Last Ten Fiscal Years**

**Schedule of Contributions**

Fiscal Year Ended June 30	Required Employer Contributions		Actual Employer		Contribution Excess		Actual Contributions as a Percentage of	
	(Actuarially Determined)		Contributions		(Deficiency)	Covered Payroll	Covered Payroll	
2012	\$ 55,756,764	\$	55,756,764	\$	-	\$ 111,444,130	50.03%	
2013	\$ 61,206,670	\$	61,206,670	\$	-	\$ 128,121,447	47.77%	
2014	\$ 57,795,043	\$	63,030,796	\$	5,235,753	\$ 125,869,628	50.08%	
2015	\$ 61,323,319	\$	82,699,618	\$	21,376,299	\$ 128,215,528	64.50%	(A)
2016	\$ 63,297,103	\$	78,708,605	\$	15,411,502	\$ 132,248,620	59.52%	
2017	\$ 66,284,815	\$	82,880,775	\$	16,595,960	\$ 144,564,215	57.33%	
2018	\$ 67,135,009	\$	90,230,805	\$	23,095,796	\$ 149,170,809	60.49%	
2019	\$ 68,220,529	\$	91,053,475	\$	22,832,946	\$ 153,247,752	59.42%	
2020	\$ 72,228,778	\$	93,232,215	\$	21,003,437	\$ 176,975,377	52.68%	
2021	\$ 79,754,287	\$	106,715,236	\$	26,960,949	\$ 185,441,142	57.55%	

Notes to Schedule:

(A) Beginning in Fiscal Year 2014/15, required and actual contributions presented in the above schedule exclude any employer-paid member contributions. Since it was not practical to obtain data in this format prior to Fiscal Year 2014/15, earlier periods have not been restated. Required and actual contributions presented for Fiscal Year 2013/14 and prior include any employer-paid member contributions.

**ORANGE COUNTY FIRE AUTHORITY**

**Extra Help Retirement Plan**  
**A Single-Employer Defined Benefit Pension Plan**  
**As of June 30, 2021**  
**For the Last Ten Fiscal Years (A)**

**Schedule of Changes in Net Pension Liability and Related Ratios**

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Total pension liability (TPL):				
Service cost	\$ 8,030	\$ -	\$ 8,331	\$ 6,050
Interest	11,484	-	11,865	6,637
Differences between expected and actual experience	(3,269)	9,728	(131,777)	-
Changes of assumptions	-	-	47,323	(27,593)
Benefit payments, including refunds of member contributions	(8,676)	(6,459)	(10,642)	(31,370)
Net change in total pension liability	7,569	3,269	(74,900)	(46,276)
Total pension liability - beginning	302,551	310,120	313,389	238,489
Total pension liability - ending	310,120	313,389	238,489	192,213
Plan fiduciary net position (FNP):				
Contributions - employer	2,117	2,481	2,267	839
Contributions - plan members	13,542	11,831	8,923	21,080
Net investment income	586	714	1,219	2,407
Benefit payments, including refunds of member contributions	(8,676)	(6,459)	(10,642)	(31,370)
Net change in plan fiduciary net position	7,569	8,567	1,767	(7,044)
Total plan fiduciary net position - beginning	56,895	64,464	73,031	74,798
Total plan fiduciary net position - ending	64,464	73,031	74,798	67,754
Net pension liability (NPL)	<u>\$ 245,656</u>	<u>\$ 240,358</u>	<u>\$ 163,691</u>	<u>\$ 124,459</u>
Plan FNP as a % of the TPL	20.79%	23.30%	31.36%	35.25%
Covered payroll	\$ 205,340	\$ 205,340	\$ 108,526	\$ 108,526
NPL as a % of covered payroll	119.63%	117.05%	150.83%	114.68%

Notes to Schedule:

(A) GASB Statements No. 67 and No. 68 were implemented during Fiscal Year 2013/14 and Fiscal Year 2014/15, respectively. Additional years will be added as they become available in the future.

(B) Change in actuarial assumptions:

Discount rate and investment rate of return	3.75%	3.75%	2.90%	3.40%
Inflation	3.00%	3.00%	2.75%	2.75%
Salary increases	3.00%	3.00%	3.00%	3.00%

2018	2019	2020	2021
\$ 5,386	\$ 2,911	\$ 6,786	\$ 994
6,297	5,007	5,388	3,033
(36,700)	21,397	(63,020)	829
5,961	9,879	16,260	6,853
(24,786)	(16,426)	(13,768)	-
(43,842)	22,768	(48,354)	11,709
192,213	148,371	171,139	122,785
148,371	171,139	122,785	134,494
1,519	876	1,072	2,117
16,641	9,043	891	579
1,196	1,731	1,191	266
(24,786)	(16,426)	(13,768)	-
(5,430)	(4,776)	(10,614)	2,962
67,754	62,324	57,548	46,934
62,324	57,548	46,934	49,896
\$ 86,047	\$ 113,591	\$ 75,851	\$ 84,598
42.01%	33.63%	38.22%	37.10%
\$ 73,747	\$ 160,212	\$ 9,541	\$ 7,744
116.68%	70.90%	795.00%	1092.43%
3.50%	3.15%	2.45%	2.10%
2.75%	2.75%	2.75%	2.75%
3.00%	3.00%	3.00%	3.00%

**ORANGE COUNTY FIRE AUTHORITY**

**Extra Help Retirement Plan**  
**A Single-Employer Defined Benefit Pension Plan**  
**As of June 30, 2021**  
**For the Last Ten Fiscal Years (A)**

**Schedule of Contributions**

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Required employer contributions (contractually determined)	\$ 2,117	\$ 2,481	\$ 2,267	\$ 839
Actual employer contributions	2,117	2,481	2,267	839
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ -
Actual contributions as a % of required contributions	100.00%	100.00%	100.00%	100.00%
Covered payroll	\$ 205,340	\$ 205,340	\$ 108,526	\$ 108,526
Actual contributions as a % of covered payroll	1.03%	1.21%	2.09%	0.77%

Notes to Schedule:

(A) GASB Statements No. 67 and No. 68 were implemented during Fiscal Year 2013/14 and Fiscal Year 2014/15, respectively. Additional years will be added as they become available in the future.

(B) Changes in size or composition of plan members:

Inactive; currently receiving benefits	-	-	-	-
Inactive; entitled to but not yet receiving benefits	10	39	47	46
Active	59	41	17	31
Total plan members as of June 30	69	80	64	77

2018	2019	2020	2021
\$ 1,519	\$ 876	1,072	2,117
1,519	876	1,072	2,117
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
100.00%	100.00%	100.00%	100.00%
\$ 73,747	\$ 160,212	\$ 9,541	\$ 7,744
2.06%	0.55%	11.24%	27.34%
-	-	-	-
37	38	38	38
24	4	1	1
<u>61</u>	<u>42</u>	<u>39</u>	<u>39</u>

**ORANGE COUNTY FIRE AUTHORITY**

**Extra Help Retirement Plan**  
**A Single-Employer Defined Benefit Pension Plan**  
**As of June 30, 2021**  
**For the Last Ten Fiscal Years (A)**

**Schedule of Money Weighted Rate of Return**

Fiscal Year Ended June 30	Annual Money-Weighted Rate of Return, Net of
	Investment Expense
2014	0.97%
2015	1.24%
2016	1.66%
2017	3.43%
2018	1.90%
2019	2.93%
2020	2.30%
2021	0.55%

Notes to Schedule:

(A) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during Fiscal Year 2013/14. Additional years will be added as they become available in the future.

**ORANGE COUNTY FIRE AUTHORITY**

**Retiree Medical Plan**  
**A Single-Employer Defined Benefit Other Postemployment Benefit (OPEB) Plan**  
**As of June 30, 2021**  
**For the Last Ten Fiscal Years (A)**

**Schedule of Changes in Net OPEB Liability and Related Ratios**

	Fiscal Year Ended June 30			
	2018	2019	2020	2021
Total OPEB liability (TOPEBL):				
Service cost	\$ 7,712,349	\$ 7,989,994	\$ 6,034,031	\$ 8,510,680
Interest	10,007,111	10,432,082	10,878,843	9,632,097
Differences between expected and actual experience	-	(2,909,247)	(647,369)	1,145,322
Changes of assumptions	-	(35,431,920)	18,873,824	37,176,101
Benefit payments, including refunds of member contributions	(5,581,055)	(6,803,645)	(7,239,321)	(7,823,558)
Net change in total pension liability	12,138,405	(26,722,736)	27,900,008	48,640,642
Total OPEB liability - beginning	273,053,476	285,191,881	258,469,145	286,369,153
Total OPEB liability - ending	285,191,881	258,469,145	286,369,153	335,009,795
Plan fiduciary net position (FNP):				
Contributions - employer	1,603,537	4,002,323	2,221,564	2,284,326
Contributions - plan members	2,379,665	2,259,947	2,111,158	1,976,295
Net investment income (loss)	5,116,794	(728,045)	5,301,391	4,134,537
Benefit payments, including refunds of member contributions	(5,581,055)	(6,803,645)	(7,239,321)	(7,823,558)
Administrative expense	(27,068)	(30,304)	(21,240)	(22,440)
Net change in plan fiduciary net position	3,491,873	(1,299,724)	2,373,552	549,160
Total plan fiduciary net position - beginning	36,839,189	40,331,062	39,031,338	41,404,890
Total plan fiduciary net position - ending	40,331,062	39,031,338	41,404,890	41,954,050
Net OPEB liability (NOPEBL)	\$ 244,860,819	\$ 219,437,807	\$ 244,964,263	\$ 293,055,745
Plan FNP as a % of the TOPEBL	14.14%	15.10%	14.46%	12.52%
Covered employee payroll	\$ 68,808,979	\$ 66,697,012	\$ 63,351,188	\$ 58,610,629
NOPEBL as a % of covered employee payroll	355.86%	329.01%	386.68%	500.00%

Notes to Schedule:

(A) GASB Statements No. 74, No. 75, and No. 85 were implemented during Fiscal Year 2017/18. Additional years will be added as they become available in the future.

(B) Applicable measurement date	12/31/2017	12/31/2018	12/31/2019	12/31/2020
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(C) Change in actuarial assumptions:

Discount rate	3.60%	4.17%	3.31%	2.20%
Twenty-year bond rate	3.44%	4.11%	2.76% - 3.26%	1.93% - 2.12%
Crossover year	2028	2025	2025	2027
Mortality rate scale	MP-2015	MP-2018	MP-2019	MP-2020
Pre-retirement turnover	0.00% - 5.00%	0.20% - 11.00%	0.20% - 11.00%	0.20% - 11.00%



**ORANGE COUNTY FIRE AUTHORITY**

**Retiree Medical Plan**  
**A Single-Employer Defined Benefit Other Postemployment Benefit (OPEB) Plan**  
**As of June 30, 2021**  
**For the Last Ten Fiscal Years (A)**

**Schedule of Contributions**

	Fiscal Year Ended June 30			
	2018	2019	2020	2021
Required employer contributions (contractually determined) (B)	\$ 3,941,686	\$ 1,974,029	\$ 2,252,945	\$ 2,361,738
Actual employer contributions	3,941,686	1,974,029	2,252,945	2,361,738
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ -
Actual contributions as a % of contractually required contributions	100.00%	100.00%	100.00%	100.00%
Covered employee payroll	\$ 65,955,614	\$ 62,958,049	\$ 59,454,055	\$ 57,043,737
Actual contributions as a % of covered employee payroll	5.98%	3.14%	3.79%	4.14%

Notes to Schedule:

(A) GASB Statements No. 74, No. 75, and No. 85 were implemented during Fiscal Year 2017/18. Additional years will be added as they become available in the future.

(B) Required, contractually determined employer contributions include: (1) cash contributions per Section 5 of the Health Plan Agreement between OCFA and the Orange County Professional Firefighters Association; (2) cash contributions paid directly to retirees outside of the trust per the Retiree Medical Plan; and (3) the implicit subsidy in accordance with Memorandums of Understanding between OCFA and its labor groups requiring that OCFA contribute toward the payment of health care premiums on behalf of eligible retirees.

(C) Changes in size or composition of plan members:

	As of June 30			
	2018	2019	2020	2021
Retiree Medical Plan (Hired Prior to January 1, 2007):				
Inactive; currently receiving benefits	738	781	817	844
Inactive; entitled to but no yet receiving benefits	41	39	36	36
Active	511	457	419	384
Subtotal	1,290	1,277	1,272	1,264
PEMHCA Eligible Employees (Hired on or After January 1, 2007):				
Inactive; currently receiving benefits	1	1	4	4
Active	763	821	1,008	1,102
Subtotal	764	822	1,012	1,106
Total Plan Members as of June 30:				
Inactive; currently receiving benefits	739	782	821	848
Inactive; entitled to but no yet receiving benefits	41	39	36	36
Active	1,274	1,278	1,427	1,486
Total	2,054	2,099	2,284	2,370

**ORANGE COUNTY FIRE AUTHORITY**

**Retiree Medical Plan**  
**A Single-Employer Defined Benefit Other Postemployment Benefit (OPEB) Plan**  
**As of June 30, 2021**  
**For the Last Ten Fiscal Years (A)**

**Schedule of Money Weighted Rate of Return**

	As Related to Plan Year	Annual Money-Weighted Rate of Return, Net of Investment
<u>Fiscal Year Ended June 30</u>	<u>Ended December 31</u>	<u>Expense</u>
2018	2017	14.74%
2019	2018	-1.31%
2020	2019	14.81%
2021	2020	11.22%

Notes to Schedule:

(A) GASB Statement No. 74 was implemented during Fiscal Year 2017/18. Additional years will be added as they become available in the future.



## Orange County Fire Authority Safety Message

### Vegetation Management



*Vegetation Management is controlling plant material to prevent wildfire spread. It requires a constant commitment to follow the 4 R's of Vegetation Management to reduce the threat.*

- ✓ Removal:
  - Remove all dead and dying plants within 100 feet of your home
  - Identify and remove plants found on OCFA's Undesirable Plant List
  - Remove dry leaves, bark, and pine needles from the yard, roof, and rain gutters
- ✓ Reduction:
  - Prune and thin plants within 100 feet of your home, including plants within 100 feet of your neighbor's home
  - Provide 4 feet vertical separation between shrub tops and lower tree branches to reduce "ladder fuels"
  - Use Horizontal Separation Guidelines for plants over 2 feet in height (15 feet min. or 3 times the tallest plant)
  - Keep all shrubs within 10 feet of your home trimmed to 2 feet or lower
  - Prune or remove plants near windows
  - Remove all tree branches or plants within 10 feet of chimney outlets
  - Move wood piles at least 30 feet from your home, or to the property line
  - Keep annual grasses and weeds cut to 4 inches or less
- ✓ Replacement:
  - Replace fire-prone plants with fire-resistant and drought tolerant plants. See the OCFA Planting Guide for recommendations.
  - When putting in new plants, leave enough space for them to grow to mature size
- ✓ Resistant:
  - Use fire-resistant plants whenever possible
  - Keep in mind that even plants listed on the Planting Guide must be maintained using Spacing Guidelines for both vertical and horizontal separation. Plant separation is an important part reducing wildfire threat.

*Vegetation Management isn't a one-time fix. It's an ongoing commitment.*

# Supplementary Schedules



Academy 52 Graduation  
June 17, 2021

**Major Governmental Funds**

***Capital Projects Funds***

**Communications and Information Systems**

This fund is used to account for the significant acquisition, improvement, or replacement of specialized communications and information technology systems and/or equipment.

**Fire Apparatus**

This fund is used to account for the significant acquisition, improvement, or replacement of fire apparatus, including vehicles, trailers, and helicopters.

**Fire Stations and Facilities**

This fund is used to account for the significant acquisition, improvement, replacement, or construction of fire stations and facilities.

**ORANGE COUNTY FIRE AUTHORITY**  
**Communications and Information Systems**  
**Budgetary Comparison Schedule**  
**Year ended June 30, 2021**  
**(With Comparative Data for Prior Year)**

	2021			2020
	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	Actual Amounts
Budgetary fund balance, July 1	\$ 6,228,913	\$ 6,228,913	\$ 6,228,913	\$ -
Resources (inflows):				
Use of money and property	17,104	15,562	3,384	(12,178)
Total resources (inflows)	17,104	15,562	3,384	(12,178)
Amounts available for appropriations	6,246,017	6,244,475	6,232,297	(12,178)
Charges to appropriation (outflows):				
Services and supplies	524,234	2,386,779	242,213	2,144,566
Capital outlay	1,552,548	2,638,392	766,349	1,872,043
Total charges to appropriations	2,076,782	5,025,171	1,008,562	4,016,609
Budgetary fund balance, June 30	\$ 4,169,235	\$ 1,219,304	\$ 5,223,735	\$ 4,004,431

**ORANGE COUNTY FIRE AUTHORITY**  
**Fire Apparatus**  
**Budgetary Comparison Schedule**  
**Year ended June 30, 2021**  
**(With Comparative Data for Prior Year)**

	2021			2020
	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	Actual Amounts
Budgetary fund balance, July 1	\$ 18,990,529	\$ 18,990,529	\$ 18,990,529	\$ -
Resources (inflows):				
Charges for services	1,632,441	1,632,441	1,632,441	-
Use of money and property	78,537	54,938	33,178	(21,760)
Transfers in	11,059,336	11,059,336	11,059,336	-
Total resources (inflows)	12,770,314	12,746,715	12,724,955	(21,760)
Amounts available for appropriations	31,760,843	31,737,244	31,715,484	(21,760)
Charges to appropriation (outflows):				
Services and supplies	-	-	1,940	(1,940)
Capital outlay	28,028,241	30,512,771	5,681,632	24,831,139
Total charges to appropriations	28,028,241	30,512,771	5,683,572	24,829,199
Budgetary fund balance, June 30	\$ 3,732,602	\$ 1,224,473	\$ 26,031,912	\$ 24,807,439



**ORANGE COUNTY FIRE AUTHORITY**  
**Fire Stations and Facilities**  
**Budgetary Comparison Schedule**  
**Year ended June 30, 2021**  
**(With Comparative Data for Prior Year)**

	2021			2020
	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	Actual Amounts
Budgetary fund balance, July 1	\$ 17,627,926	\$ 17,627,926	\$ 17,627,926	\$ -
Resources (inflows):				
Intergovernmental	-	-	43,286	43,286
Use of money and property	60,212	140,613	10,499	(130,114)
Miscellaneous	540,000	-	-	-
Developer contributions	-	1,148,000	1,317,000	169,000
Total resources (inflows)	600,212	1,288,613	1,370,785	82,172
Amounts available for appropriations	18,228,138	18,916,539	18,998,711	82,172
Charges to appropriation (outflows):				
Services and supplies	34,805	34,805	228,875	(194,070)
Capital outlay	8,177,900	9,143,709	281,354	8,862,355
Transfers out	-	-	-	-
Total charges to appropriations	8,212,705	9,178,514	510,229	8,668,285
Budgetary fund balance, June 30	\$ 10,015,433	\$ 9,738,025	\$ 18,488,482	\$ 8,750,457

**Major Governmental Funds**

***“Sub-Fund” Components of General Fund***

The following “sub-funds” are have been combined and consolidated in order to report a single General Fund for financial statement presentation. Descriptions of each “sub-fund” component are identified below.

**General Operating Fund**

This sub-fund is used to account for all operating activities not accounted for in another sub-fund.

**General Fund Capital Improvement Program (CIP)**

This sub-fund is used to account for financial activity associated with maintenance and improvement projects that are considered “capital in nature” but do not meet the criteria to be included in a Capital Projects Fund.

**Structural Fire Entitlement**

This sub-fund is used to account for service enhancement funds of over-funded Structural Fire Fund members.

**Self Insurance**

This sub-fund is used to account the workers’ compensation self-insurance program.

**Settlement Agreement**

This sub-fund is used to account for the activities of a Settlement Agreement between OCFA and the City of Irvine to provide various provisions benefiting the citizens of Orange County and enhancing services provided throughout OCFA’s jurisdiction, including a Joint Police-Fire Training Facility, a Drone Program, Bi-Directional Amplifiers, training of Irvine Police Department Emergency Medical Technicians, a Public Safety Community Emergency Response Team Coordinator in the City of Irvine, and pension funding through a Section 115 Trust.

**ORANGE COUNTY FIRE AUTHORITY**  
**Components of General Fund**  
**Combining Balance Sheet**  
**June 30, 2021**  
**(With Comparative Data for Prior Year)**

	General Operating Fund	General Fund CIP	Structural Fire Entitlement	Self Insurance	Settlement Agreement	Eliminations	Total General Fund	
							2021	2020
<b>Assets:</b>								
Cash and investments	\$ 3,260,143	\$ 10,205,382	\$ 1,262,273	\$ 110,365,471	\$ 21,517,816	\$ -	\$ 146,611,085	\$ 144,154,508
Accounts receivable, net	2,105,913	-	-	-	-	-	2,105,913	2,566,137
Accrued interest receivable	-	-	95	53,371	2	-	53,468	237,707
Prepaid costs and other assets	41,645,330	80,199	-	-	-	-	41,725,529	42,717,727
Due from other governments, net	23,704,580	-	-	-	-	-	23,704,580	16,765,308
Restricted cash and investments	-	-	-	-	3,797,698	-	3,797,698	2,121,417
Lease receivables	873,249	-	-	-	-	-	873,249	-
<b>Total assets</b>	<b>\$ 71,589,215</b>	<b>\$ 10,285,581</b>	<b>\$ 1,262,368</b>	<b>\$ 110,418,842</b>	<b>\$ 25,315,516</b>	<b>\$ -</b>	<b>\$ 218,871,522</b>	<b>\$ 208,562,804</b>
<b>Liabilities:</b>								
Accounts payable	\$ 5,448,389	\$ 606,573	\$ 141,418	\$ 648,213	\$ 1,885	\$ -	\$ 6,846,478	\$ 5,291,818
Accrued liabilities	12,928,630	-	-	-	-	-	12,928,630	10,980,091
Unearned revenue	6,960,549	-	-	-	-	-	6,960,549	574,002
Due to other governments	92,230	-	-	-	-	-	92,230	106,037
<b>Total liabilities</b>	<b>25,429,798</b>	<b>606,573</b>	<b>141,418</b>	<b>648,213</b>	<b>1,885</b>	<b>-</b>	<b>26,827,887</b>	<b>16,951,948</b>
<b>Deferred inflows of resources:</b>								
Unavailable revenue	908,979	-	-	-	-	-	908,979	1,022,603
Related to leases	854,202	-	-	-	-	-	854,202	-
<b>Total deferred inflows of resources</b>	<b>1,763,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,763,181</b>	<b>1,022,603</b>
<b>Fund balances:</b>								
Nonspendable prepaid costs	41,626,946	80,199	-	-	-	-	41,707,145	42,700,572
Restricted:								
Various departments	3,584,469	-	-	-	-	-	3,584,469	4,148,316
Section 115 pension trust	-	-	-	-	3,795,815	-	3,795,815	2,120,383
Committed to SFF cities enhancements	-	-	1,120,950	-	-	-	1,120,950	1,288,272
Assigned:								
Capital improvement program	-	7,982,644	-	-	-	-	7,982,644	5,123,124
Workers' compensation	-	-	-	109,770,629	-	-	109,770,629	98,998,999
Various departments	254,661	117,641	-	-	-	-	372,302	739,400
Facilities projects	56,082	-	-	-	-	-	56,082	83,568
Communications/ IT projects	-	813,975	-	-	-	-	813,975	359,144
Construction projects	-	684,549	-	-	-	-	684,549	672,540
Unassigned	(1,125,922)	-	-	-	21,517,816	-	20,391,894	34,353,935
<b>Total fund balances</b>	<b>44,396,236</b>	<b>9,679,008</b>	<b>1,120,950</b>	<b>109,770,629</b>	<b>25,313,631</b>	<b>-</b>	<b>190,280,454</b>	<b>190,588,253</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 71,589,215</b>	<b>\$ 10,285,581</b>	<b>\$ 1,262,368</b>	<b>\$ 110,418,842</b>	<b>\$ 25,315,516</b>	<b>\$ -</b>	<b>\$ 218,871,522</b>	<b>\$ 208,562,804</b>

**ORANGE COUNTY FIRE AUTHORITY**  
**Components of General Fund**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Year ended June 30, 2021**  
**(With Comparative Data for Prior Year)**

	General Operating Fund	General Fund CIP	Structural Fire Entitlement	Self Insurance	Settlement Agreement	Eliminations	Total General Fund	
							2021	2020
Revenues:								
Taxes	\$ 290,310,882	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290,310,882	\$ 277,721,815
Intergovernmental	58,222,827	-	-	-	-	-	58,222,827	41,258,003
Charges for services	137,177,441	-	-	20,093,346	-	(20,093,346)	137,177,441	136,890,975
Use of money and property	331,031	-	644	76,565	212,885	(169,151)	451,974	2,883,542
Miscellaneous	3,978,404	-	-	-	-	-	3,978,404	6,184,387
Total revenues	<u>490,020,585</u>	<u>-</u>	<u>644</u>	<u>20,169,911</u>	<u>212,885</u>	<u>(20,262,497)</u>	<u>490,141,528</u>	<u>464,938,722</u>
Expenditures:								
Current - public safety:								
Salaries and benefits	427,028,538	-	-	-	-	(20,093,346)	406,935,192	375,032,147
Services and supplies	50,761,775	4,769,586	167,966	14,795,847	599,330	-	71,094,504	65,936,776
Capital outlay	2,208,975	814,880	-	-	-	-	3,023,855	3,242,740
Debt service:								
Interest and fiscal charges	205,397	-	-	-	-	(169,151)	36,246	325,640
Total expenditures	<u>480,204,685</u>	<u>5,584,466</u>	<u>167,966</u>	<u>14,795,847</u>	<u>599,330</u>	<u>(20,262,497)</u>	<u>481,089,797</u>	<u>444,537,303</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,815,900</u>	<u>(5,584,466)</u>	<u>(167,322)</u>	<u>5,374,064</u>	<u>(386,445)</u>	<u>-</u>	<u>9,051,731</u>	<u>20,401,419</u>
Other financing sources (uses):								
Transfers in	500,000	9,000,000	-	3,949,257	2,668,000	(16,117,257)	-	-
Transfers out	(26,676,593)	-	-	-	(500,000)	16,117,257	(11,059,336)	-
Sale of capital assets	147,194	-	-	-	-	-	147,194	142,044
Insurance recoveries	104,303	-	-	1,448,309	-	-	1,552,612	1,320,164
Total other financing sources (uses)	<u>(25,925,096)</u>	<u>9,000,000</u>	<u>-</u>	<u>5,397,566</u>	<u>2,168,000</u>	<u>-</u>	<u>(9,359,530)</u>	<u>1,462,208</u>
Net change in fund balances	<u>(16,109,196)</u>	<u>3,415,534</u>	<u>(167,322)</u>	<u>10,771,630</u>	<u>1,781,555</u>	<u>-</u>	<u>(307,799)</u>	<u>21,863,627</u>
Fund balances, beginning of year	<u>60,505,432</u>	<u>6,263,474</u>	<u>1,288,272</u>	<u>98,998,999</u>	<u>23,532,076</u>	<u>-</u>	<u>190,588,253</u>	<u>168,724,626</u>
Fund balances, end of year	<u>\$ 44,396,236</u>	<u>\$ 9,679,008</u>	<u>\$ 1,120,950</u>	<u>\$ 109,770,629</u>	<u>\$ 25,313,631</u>	<u>\$ -</u>	<u>\$ 190,280,454</u>	<u>\$ 190,588,253</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Components of General Fund**  
**Combining Original Budget**  
**Year ended June 30, 2021**

	General Operating Fund	General Fund CIP	Structural Fire Entitlement	Self Insurance	Settlement Agreement	Eliminations	Total General Fund 2021
Budgetary fund balance, July 1	\$ 60,505,432	\$ 6,263,474	\$ 1,288,272	\$ 98,998,999	\$ 23,532,076	\$ -	\$ 190,588,253
Resources (inflows):							
Taxes	285,647,942	-	-	-	-	-	285,647,942
Intergovernmental	24,986,249	-	-	-	-	-	24,986,249
Charges for services	137,821,137	-	-	20,093,346	-	(20,093,346)	137,821,137
Use of money and property	460,251	-	1,157	583,754	148,770	(28,823)	1,165,109
Miscellaneous	1,018,500	-	-	-	-	-	1,018,500
Transfers in	-	9,000,000	-	-	2,668,000	(11,668,000)	-
Sale of capital assets	75,000	-	-	-	-	-	75,000
Total resources (inflows)	<u>450,009,079</u>	<u>9,000,000</u>	<u>1,157</u>	<u>20,677,100</u>	<u>2,816,770</u>	<u>(31,790,169)</u>	<u>450,713,937</u>
Amounts available for appropriations	<u>510,514,511</u>	<u>15,263,474</u>	<u>1,289,429</u>	<u>119,676,099</u>	<u>26,348,846</u>	<u>(31,790,169)</u>	<u>641,302,190</u>
Charges to appropriation (outflows):							
Salaries and benefits	395,642,544	-	-	-	-	(20,093,346)	375,549,198
Services and supplies	32,843,773	8,255,513	60,238	20,057,235	668,000	-	61,884,759
Capital outlay	1,887,462	853,900	-	-	-	-	2,741,362
Interest and fiscal charges	35,000	-	-	-	-	(28,823)	6,177
Transfers out	22,727,336	-	-	-	-	(11,668,000)	11,059,336
Total charges to appropriations	<u>453,136,115</u>	<u>9,109,413</u>	<u>60,238</u>	<u>20,057,235</u>	<u>668,000</u>	<u>(31,790,169)</u>	<u>451,240,832</u>
Budgetary fund balance, June 30	<u>\$ 57,378,396</u>	<u>\$ 6,154,061</u>	<u>\$ 1,229,191</u>	<u>\$ 99,618,864</u>	<u>\$ 25,680,846</u>	<u>\$ -</u>	<u>\$ 190,061,358</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Components of General Fund**  
**Combining Final Budget**  
**Year ended June 30, 2021**

	General Operating Fund	General Fund CIP	Structural Fire Entitlement	Self Insurance	Settlement Agreement	Eliminations	Total General Fund 2021
Budgetary fund balance, July 1	\$ 60,505,432	\$ 6,263,474	\$ 1,288,272	\$ 98,998,999	\$ 23,532,076	\$ -	\$ 190,588,253
Resources (inflows):							
Taxes	287,967,482	-	-	-	-	-	287,967,482
Intergovernmental	66,489,858	-	-	-	-	-	66,489,858
Charges for services	135,497,444	-	-	20,093,346	-	(20,093,346)	135,497,444
Use of money and property	219,571	-	3,194	319,962	135,448	(164,706)	513,469
Miscellaneous	12,803,488	-	-	-	-	-	12,803,488
Transfers in	500,000	9,000,000	-	3,949,257	2,668,000	(16,117,257)	-
Sale of capital assets	95,000	-	-	-	-	-	95,000
Insurance recoveries	66,504	-	-	292,377	-	-	358,881
Total resources (inflows)	<u>503,639,347</u>	<u>9,000,000</u>	<u>3,194</u>	<u>24,654,942</u>	<u>2,803,448</u>	<u>(36,375,309)</u>	<u>503,725,622</u>
Amounts available for appropriations	<u>564,144,779</u>	<u>15,263,474</u>	<u>1,291,466</u>	<u>123,653,941</u>	<u>26,335,524</u>	<u>(36,375,309)</u>	<u>694,313,875</u>
Charges to appropriations (outflows):							
Salaries and benefits	427,395,216	-	-	-	-	(20,093,346)	407,301,870
Services and supplies	67,171,188	9,867,127	1,286,258	20,057,235	2,183,000	-	100,564,808
Capital outlay	4,256,429	3,480,908	-	-	-	-	7,737,337
Interest and fiscal charges	200,000	-	-	-	-	(164,706)	35,294
Transfers out	26,676,593	-	-	-	500,000	(16,117,257)	11,059,336
Total charges to appropriations	<u>525,699,426</u>	<u>13,348,035</u>	<u>1,286,258</u>	<u>20,057,235</u>	<u>2,683,000</u>	<u>(36,375,309)</u>	<u>526,698,645</u>
Budgetary fund balance, June 30	<u>\$ 38,445,353</u>	<u>\$ 1,915,439</u>	<u>\$ 5,208</u>	<u>\$ 103,596,706</u>	<u>\$ 23,652,524</u>	<u>\$ -</u>	<u>\$ 167,615,230</u>



## Orange County Fire Authority Safety Message

### Disaster Supply Kit



*A disaster supply kit should include enough food, water, and other important items to last everyone in your household at least three days. It should also be portable in case you need to evacuate. Be sure to consider individual and family needs, including pets, when building your disaster supply kit.*

- ✓ Water (1 gallon per person per day)
- ✓ Non-perishable food and manual can opener
- ✓ Battery powered radio and extra batteries
- ✓ Flashlights (one per person) and extra batteries
- ✓ First aid kit, including manual
- ✓ Prescription medications
- ✓ Spare eyeglasses
- ✓ Whistle to signal for help
- ✓ Dust mask to filter contaminated air
- ✓ Personal sanitation items (soap, shampoo, toothbrushes, etc.)
- ✓ Portable shelter (tent, sheet, or blankets with duct tape)
- ✓ Toilet paper and garbage bags for waste
- ✓ Tool kit, including wrench to turn off utilities
- ✓ Heavy gloves for clearing debris
- ✓ ABC fire extinguisher
- ✓ Cooking/eating necessities, including cups, plates, utensils, and paper towels
- ✓ Local maps
- ✓ Cash (small bills and change)
- ✓ Copies of important family documents
- ✓ Food, water and supplies for pets

*It's important to have disaster supply kits at your work, in your car, and in your home. Ready-made kits are available for purchase or you can choose to build your own.*



**Fiduciary Funds**

***Pension and Other Employee Benefit Trust Funds***

**Extra Help Retirement Plan**

OCFA administers a single-employer, defined benefit pension plan that provides retirement benefits for OCFA's less than half-time and extra help employees hired prior to July 1, 2018. Plan assets are accounted for in the Extra Help Retirement fiduciary fund.

**Retiree Medical Plan**

OCFA provides a single-employer, defined benefit plan for OCFA's full-time and part-time employees hired prior to January 1, 2007, which provides a monthly grant toward the cost of retirees' health insurance coverage. Plan assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by the Orange County Employees Retirement System (OCERS).

**ORANGE COUNTY FIRE AUTHORITY**  
**Fiduciary Funds**  
**Pension and Other Employee Benefit Trust Funds**  
**Combining Schedule of Fiduciary Net Position**  
**June 30, 2021**  
**(With Comparative Data for Prior Year)**

	Extra Help Retirement	Retiree Medical Plan	Total Pension and Other Employee Benefit Trust Funds	
			2021	2020
Assets:				
Cash and investments:				
Local Agency Investment Fund:				
Domestic fixed income	\$ 49,896	\$ -	\$ 49,896	\$ 46,934
Pooled amounts held in trust with OCERS	-	42,830,564	42,830,564	42,242,955
Total cash and investments	49,896	42,830,564	42,880,460	42,289,889
Receivables:				
Other receivables	-	9,679	9,679	12,302
Total assets	49,896	42,840,243	42,890,139	42,302,191
Liabilities:				
Accrued liabilities	-	886,193	886,193	850,367
Total liabilities	-	886,193	886,193	850,367
Net position restricted for:				
Pensions	49,896	-	49,896	46,934
Postemployment benefits other than pensions	-	41,954,050	41,954,050	41,404,890
Total net position	<u>\$ 49,896</u>	<u>\$ 41,954,050</u>	<u>\$ 42,003,946</u>	<u>\$ 41,451,824</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Fiduciary Funds**  
**Pension and Other Employee Benefit Trust Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**Year ended June 30, 2021**  
**(With Comparative Data for Prior Year)**

	Extra Help Retirement	Retiree Medical Plan	Total Pension and Other Employee Benefit Trust Funds	
			2021	2020
Additions:				
Contributions:				
Employer	\$ 2,117	\$ 2,284,326	\$ 2,286,443	\$ 2,222,636
Plan members	579	1,976,295	1,976,874	2,112,049
Total contributions	2,696	4,260,621	4,263,317	4,334,685
Net investment income:				
Total investment income (loss)	266	4,371,125	4,371,391	5,566,977
Investment fees and expenses	-	(236,588)	(236,588)	(264,395)
Total net investment income (loss)	266	4,134,537	4,134,803	5,302,582
Total additions	2,962	8,395,158	8,398,120	9,637,267
Deductions:				
Benefits and refunds paid to plan members and beneficiaries	-	7,823,558	7,823,558	7,253,089
Administrative expenses	-	22,440	22,440	21,240
Total deductions	-	7,845,998	7,845,998	7,274,329
Change in net position	2,962	549,160	552,122	2,362,938
Net position, beginning of year	46,934	41,404,890	41,451,824	39,088,886
Net position, end of year	<u>\$ 49,896</u>	<u>\$ 41,954,050</u>	<u>\$ 42,003,946</u>	<u>\$ 41,451,824</u>



## Orange County Fire Authority Safety Message

### Planning for Disasters



*Planning in advance helps families survive and recover from disasters. Take steps now to protect your family and your home before the next earthquake, wildfire, pandemic, or other disaster.*

- ✓ Make a family disaster plan:
  - Assign individual responsibilities and work together as a team.
  - Choose meeting places outside your home and outside your neighborhood. Discuss what to do in an evacuation and plan multiple exit routes in case of road closures.
  - Visit [www.alertoc.com](http://www.alertoc.com), Orange County's emergency notification system, to register and receive information during and after an emergency.
  - Enroll in safety classes like CERT, First Aid, and CPR.
  - Gather important documentation (insurance, medical documents, or legal documents) and store them in a safe or on a flash drive.
- ✓ Create emergency supply kits:
  - Your emergency supply kits should have enough necessities to last you and your family for a minimum of three days, although its recommended to be prepared for 7-10 days.
  - Make sure your family kit is portable and easily accessible.
  - Consider additional kits for your car and workplace.
- ✓ Prepare your home by identifying home hazards:
  - Bolt and brace major appliances, heavy furniture, electronics, and any overhead fixtures.
  - Use flexible connections where gas lines meet appliances.
  - Identify and have the proper tools available to shut off gas, water, and electricity, if necessary.

*41% of Americans say they are not prepared for a disaster.  
In 2018, insured losses due to natural disasters in the U.S. totaled \$52 billion.*



## Statistical Section

**ORANGE COUNTY FIRE AUTHORITY**

**Overview of the Statistical Section**

The Statistical Section provides a context for understanding information in the financial statements, note disclosures and required supplementary information and how that information relates to the OCFA's overall financial health. The detailed schedules presented in the Statistical Section are grouped into five sections pertaining to financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information.

**Financial Trends Information** – These schedules contain trend information to assist the reader in understanding how the OCFA's financial performance and well-being have changed over time.

**Revenue Capacity Information** – These schedules contain information to assist the reader in assessing property taxes, the OCFA's most significant local revenue source.

**Debt Capacity Information** – These schedules present information to assist the reader in assessing the affordability of the OCFA's current levels of outstanding debt and its ability to issue additional debt in the future.

**Demographic and Economic Information** – These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the OCFA's financial activities take place.

**Operating Information** – These schedules contain data to assist the reader in understanding how the information in the financial report relates to the services provided by and the activities performed by the OCFA.



## Orange County Fire Authority Safety Message

### Holiday Cooking Fire Safety



*More cooking fires are reported on Thanksgiving Day than any other day of the year, followed by Christmas and Christmas Eve. Help protect your family and your home by practicing cooking safety this holiday season.*

- ✓ Holiday cooking safety tips:
  - Stay in the kitchen when frying, grilling, or broiling food. Unattended cooking is the leading cause of home cooking fires.
  - Check food often while cooking. If you are entertaining guests, use a kitchen timer to remind you that the stove or oven is on.
  - Wear short, fitted, or tightly rolled sleeves when cooking.
  - Keep cooking areas clear. Potholders, paper towels, wooden utensils, and even cookbooks can be fire hazards if left too close to the stove, oven, or other kitchen appliances.
  - Clean cooking surfaces regularly to prevent grease buildup.
  - Make sure children and pets stay at least three feet from the oven or stove.
  - Test your smoke alarms and never disable them while cooking.
- ✓ What to do if there is a fire:
  - If the fire is on the stove, cover the pan with a lid and turn off the stove. Never try to move the pan to the sink and NEVER pour water on a grease fire.
  - If the fire is in the oven or microwave, keep the door closed and turn off the appliance.
  - A multipurpose ABC fire extinguisher can also be used on a small cooking fire. An extinguisher should only be used if the fire is not spreading, smoke and heat have not filled the area, and you have a clear escape path.

*There are more than 3x as many home cooking fires on Thanksgiving Day, a 250% increase over the daily average.*

**ORANGE COUNTY FIRE AUTHORITY**

**Financial Trends Information**

**Net Position by Component** – Presents net position of the OCFA's governmental activities by the three individual components of net position for each of the last ten fiscal years.

**Changes in Net Position** – Presents the changes in net position of governmental activities for each of the last ten fiscal years.

**Fund Balances of Governmental Funds** – Presents information on the fund balances of the General Fund and the aggregate of all other governmental funds for each of the last ten fiscal years.

**Changes in Fund Balances of Governmental Funds** – Presents information on the changes in fund balances for total governmental funds for each of the last ten fiscal years, including the ratio of debt service expenditures to noncapital expenditures.



**ORANGE COUNTY FIRE AUTHORITY**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year Ended June 30			
	2012	2013	2014	2015
Governmental activities:				
Net investment in capital assets	\$ 183,584,385	\$ 181,363,364	\$ 180,917,654	\$ 190,800,116
Restricted	3,252,969	1,690,858	1,810,134	1,840,561
Unrestricted	<u>81,450,846</u>	<u>74,510,482</u>	<u>61,026,827</u>	<u>(361,765,050)</u>
				(1)
Total governmental activities net position	<u>\$ 268,288,200</u>	<u>\$ 257,564,704</u>	<u>\$ 243,754,615</u>	<u>\$ (169,124,373)</u>

SOURCE: OCFA Comprehensive Annual Financial Reports

NOTES:

(1) GASB Statement No. 68 was implemented during Fiscal Year 2014/15, which required a \$362 million restatement to beginning net position in order to fully reflect net OCFA's net pension liabilities. This adjustment contributed to an overall negative balance in unrestricted net position as of June 30, 2015 and thereafter.

(2) GASB Statements No. 74, 75, and 85 were implemented during Fiscal Year 2017/18, which required a \$153 million restatement to beginning net position in order to fully reflect net OCFA's net OPEB liabilities. This adjustment contributed to the increased negative balance in unrestricted net position.

2016	2017	2018	2019	2020	2021
\$ 187,910,677	\$ 192,430,467	\$ 207,951,822	\$ 218,642,679	\$ 217,317,435	\$ 214,278,884
2,881,910	3,897,614	3,953,884	4,278,304	6,660,176	7,815,047
<u>(351,456,505)</u>	<u>(373,102,128)</u>	<u>(511,359,152)</u>	<u>(520,991,297)</u>	<u>(498,642,409)</u>	<u>(429,605,880)</u>
		(2)			
<u>\$ (160,663,918)</u>	<u>\$ (176,774,047)</u>	<u>\$ (299,453,446)</u>	<u>\$ (298,070,314)</u>	<u>\$ (274,664,798)</u>	<u>\$ (207,511,949)</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Governmental Activities	Fiscal Year Ended June 30			
	2012	2013	2014	2015
Expenses - public safety:				
Salaries and benefits	\$ 240,084,607	\$ 264,067,489	\$ 266,764,367	\$ 335,419,737
Services and supplies	37,069,099	45,879,501	47,912,808	46,073,201
Depreciation and amortization	9,300,853	9,793,491	9,612,453	9,050,195
Interest on long-term debt	494,014	367,701	311,327	582,565
Total program expenses	<u>286,948,573</u>	<u>320,108,182</u>	<u>324,600,955</u>	<u>391,125,698</u>
Program revenues - public safety:				
Charges for services	76,347,126	102,875,410	106,874,513	113,150,325
Operating grants and contributions	6,580,681	19,523,853	10,339,966	11,410,019
Capital grants and contributions	3,926,275	2,811,180	1,462,540	9,182,195
Total program revenues	<u>86,854,082</u>	<u>125,210,443</u>	<u>118,677,019</u>	<u>133,742,539</u>
Net program revenues (expenses)	<u>(200,094,491)</u>	<u>(194,897,739)</u>	<u>(205,923,936)</u>	<u>(257,383,159)</u>
General revenues:				
Property taxes	177,728,290	181,720,253	190,873,689	205,141,237
Investment income	524,602	(121,485)	982,541	946,282
Gain on disposal of capital assets	79,705	11,924	21,834	63,953
Miscellaneous	2,420,723	4,314,595	1,040,664	1,128,586
Total general revenues	<u>180,753,320</u>	<u>185,925,287</u>	<u>192,918,728</u>	<u>207,280,058</u>
Changes in net position	<u>\$ (19,341,171)</u>	<u>\$ (8,972,452)</u>	<u>\$ (13,005,208)</u>	<u>\$ (50,103,101)</u>
	(1)			(2)

SOURCE: OCFA Comprehensive Annual Financial Reports

**NOTES:**

(1) The City of Santa Ana became a member city of OCFA during Fiscal Year 2011/12 (April 2012).

(2) GASB Statement No. 68 was implemented during Fiscal Year 2014/15, which required that pension expense be adjusted annually to fully reflect the accrual-based cost incurred during the year. OCFA recognized an increase to its pension expense totaling \$39.9 million during the year ended June 30, 2015. That amount is included within salaries and benefits.

(3) GASB Statements No. 74, 75 and 85 were implemented during Fiscal Year 2017/18, which required that OPEB expense be adjusted annually to fully reflect the accrual-based cost incurred during the year. During the year ended June 30, 2018, OCFA recognized a decrease to its salary and benefits totaling \$7.2 million due to the implementation of these GASB statements.

(4) The City of Garden Grove became a member city of OCFA during Fiscal Year 2019/20 (August 2019).

(5) Beginning in Fiscal Year 2020/21, lease revenues from the RFOTC cell tower and Fullerton Airport hangar were reported as investment income rather than miscellaneous revenue. Amounts shown on this schedule for previous fiscal years have also been updated to reflect this change and may vary from the amounts originally reported in the financial statements.

2016	2017	2018	2019	2020	2021
\$ 316,292,785	\$ 327,515,166	\$ 323,845,042	\$ 339,249,853	\$ 352,573,221	\$ 331,869,650
35,127,573	52,819,125	57,275,465	62,877,930	84,600,263	82,748,977
9,267,982	9,512,777	10,084,196	10,531,098	12,137,499	12,961,222
917,320	133,239	70,751	11,444	-	-
361,605,660	389,980,307	391,275,454	412,670,325	449,310,983	427,579,849
117,263,679	121,875,157	132,634,280	128,320,646	156,740,363	169,343,205
12,165,015	11,992,438	13,920,686	15,454,060	29,275,482	31,323,104
3,331,088	1,040,129	16,875,139	454,200	3,850,481	1,332,000
132,759,782	134,907,724	163,430,105	144,228,906	189,866,326	201,998,309
(228,845,878)	(255,072,583)	(227,845,349)	(268,441,419)	(259,444,657)	(225,581,540)
219,840,417	232,832,758	250,326,172	264,267,387	277,721,815	290,310,882
1,848,365	1,236,818	2,439,702	4,494,924	3,374,813	462,789 (5)
6,000	657,944	719,372	-	12,641	174,666
2,629,203	4,234,934	4,838,512	1,062,240	1,740,904	1,786,052 (5)
224,323,985	238,962,454	258,323,758	269,824,551	282,850,173	292,734,389
\$ (4,521,893)	\$ (16,110,129)	\$ 30,478,409	\$ 1,383,132	\$ 23,405,516	\$ 67,152,849
		(3)		(4)	

**ORANGE COUNTY FIRE AUTHORITY**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year Ended June 30			
	2012	2013	2014	2015
General Fund:				
Nondisposable	\$ 22,756,709	\$ 26,727,849	\$ 30,560,638	\$ 31,127,148
Restricted	1,699,787	137,676	766,094	1,307,329
Committed	1,372,789	1,268,160	784,617	691,265
Assigned	34,715,397	53,668,608	61,236,092	69,282,830
Unassigned	25,751,128	25,782,851	22,156,848	17,864,685
Total General Fund	<u>\$ 86,295,810</u>	<u>\$ 107,585,144</u>	<u>\$ 115,504,289</u>	<u>\$ 120,273,257</u>
All other governmental funds:				
Nondisposable	\$ 405,815	\$ 352,318	\$ 284,349	\$ 32,946
Restricted	1,553,182	1,553,182	1,044,040	533,232
Assigned	74,037,637	67,317,090	64,340,833	56,050,351
Total all other governmental funds	<u>\$ 75,996,634</u>	<u>\$ 69,222,590</u>	<u>\$ 65,669,222</u>	<u>\$ 56,616,529</u>

SOURCE: OCFA Comprehensive Annual Financial Reports

2016	2017	2018	2019	2020	2021
\$ 36,779,845	\$ 33,750,548	\$ 34,800,682	\$ 36,732,385	\$ 42,700,572	\$ 41,707,145
2,348,678	3,364,382	3,420,652	3,886,827	6,268,699	7,380,284
584,464	549,651	1,496,954	1,338,850	1,288,272	1,120,950
78,922,725	78,346,099	83,030,746	94,085,894	105,976,775	119,680,181
34,421,993	31,346,672	35,352,256	32,680,670	34,353,935	20,391,894
<u>\$ 153,057,705</u>	<u>\$ 147,357,352</u>	<u>\$ 158,101,290</u>	<u>\$ 168,724,626</u>	<u>\$ 190,588,253</u>	<u>\$ 190,280,454</u>
\$ -	\$ 4,608	\$ 25,216	\$ 13,725	\$ 4,247	\$ 14,255
533,232	533,232	533,232	391,477	391,477	434,763
55,779,948	65,015,386	59,924,778	45,076,939	42,451,644	49,295,111
<u>\$ 56,313,180</u>	<u>\$ 65,553,226</u>	<u>\$ 60,483,226</u>	<u>\$ 45,482,141</u>	<u>\$ 42,847,368</u>	<u>\$ 49,744,129</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year Ended June 30			
	2012	2013	2014	2015
Revenues:				
Taxes	\$ 177,728,290	\$ 181,720,253	\$ 190,873,689	\$ 205,141,237
Intergovernmental	12,894,882	28,883,649	19,111,811	23,565,214
Charges for services	65,556,905	95,904,052	97,705,183	102,000,677
Use of money and property	660,621	(5,548)	1,091,815	947,940
Miscellaneous	2,800,466	5,140,751	1,537,556	1,595,318
Developer contributions	10,140	538,260	1,271,400	8,307,207
Total revenues	<u>259,651,304</u>	<u>312,181,417</u>	<u>311,591,454</u>	<u>341,557,593</u>
Expenditures:				
Current - public safety:				
Salaries and benefits	228,452,010	255,301,913	257,134,030	285,988,997
Services and supplies	30,737,551	32,613,137	40,187,878	40,490,370
Capital outlay	932,034	5,420,102	7,681,418	16,644,798
Debt service:				
Principal retirement	2,139,694	2,162,809	2,219,152	2,276,963
Interest and fiscal charges	635,351	484,851	421,845	585,501
Issuance costs	286,599	-	-	-
Total expenditures	<u>263,183,239</u>	<u>295,982,812</u>	<u>307,644,323</u>	<u>345,986,629</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,531,935)</u>	<u>16,198,605</u>	<u>3,947,131</u>	<u>(4,429,036)</u>
Other financing sources (uses):				
Transfers in	-	381,222	5,370,375	6,845,320
Transfers out	-	(381,222)	(5,370,375)	(6,845,320)
Issuance of long-term debt	16,756,078	-	-	-
Refinanced long-term debt	(16,377,093)	-	-	-
Sale of capital assets	99,272	14,200	57,843	112,363
Insurance recoveries	89,095	53,529	360,803	32,948
Total other financing sources (uses)	<u>567,352</u>	<u>67,729</u>	<u>418,646</u>	<u>145,311</u>
Net change in fund balances	<u>\$ (2,964,583)</u>	<u>\$ 16,266,334</u>	<u>\$ 4,365,777</u>	<u>\$ (4,283,725)</u>
Debt service as a percentage of noncapital expenditures	1.1%	0.9%	0.9%	0.9%

SOURCE: OCFA Comprehensive Annual Financial Reports

NOTES:

(1) Beginning in Fiscal Year 2018/19, proceeds from sale of certain non-capital assets were reported as miscellaneous revenue rather than sale of capital assets. Amounts shown on this schedule for previous fiscal years have also been updated to reflect this change and may vary from the amounts originally reported in the financial statements.

(2) Beginning in Fiscal Year 2020/21, lease revenues from the RFOTC cell tower and Fullerton Airport hangar were reported as use of money and property rather than miscellaneous revenue. Amounts shown on this schedule for previous fiscal years have also been updated to reflect this change and may vary from the amounts originally reported in the financial statements.

2016	2017	2018	2019	2020	2021	
\$ 219,840,417	\$ 232,832,758	\$ 250,326,172	\$ 264,267,387	\$ 277,721,815	\$ 290,310,882	
25,978,081	29,069,065	37,063,147	28,521,605	41,258,003	58,266,113	
103,830,436	106,061,060	108,750,420	113,719,047	138,641,512	138,809,882	
1,865,616	1,503,122	2,827,492	4,816,165	3,700,453	499,035	(2)
2,606,413	4,365,243	4,343,194	1,170,010	6,184,387	3,978,404	(1,2)
3,233,082	962,627	3,545,139	454,200	679,800	1,317,000	
357,354,045	374,793,875	406,855,564	412,948,414	468,185,970	493,181,316	
294,414,084	309,507,433	340,720,267	346,953,705	375,032,147	406,935,192	
36,303,618	48,087,618	49,871,973	49,488,301	67,271,454	71,567,532	
3,996,650	12,116,937	9,970,652	20,095,072	7,790,083	9,753,190	
2,336,279	2,397,140	2,459,589	1,253,718	-	-	
935,881	400,887	459,924	333,385	325,640	36,246	
-	-	-	-	-	-	
337,986,512	372,510,015	403,482,405	418,124,181	450,419,324	488,292,160	
19,367,533	2,283,860	3,373,159	(5,175,767)	17,766,646	4,889,156	
78,187	33,724,099	-	2,150,000	8,000,000	11,059,336	
(78,187)	(33,724,099)	-	(2,150,000)	(8,000,000)	(11,059,336)	
-	-	-	-	-	-	
-	-	-	-	-	-	
9,930	37,400	844,512	22,548	142,044	147,194	(1)
121,288	1,218,433	1,456,267	775,470	1,320,164	1,552,612	
131,218	1,255,833	2,300,779	798,018	1,462,208	1,699,806	
\$ 19,498,751	\$ 3,539,693	\$ 5,673,938	\$ (4,377,749)	\$ 19,228,854	\$ 6,588,962	
1.0%	0.8%	0.7%	0.4%	0.1%	0.0%	





## Orange County Fire Authority Safety Message

### Holiday Fire Safety



*The holidays should be enjoyable. To ensure your holiday celebrations are fire safe and injury free, follow these safety tips.*

- ✓ Candles:
  - Consider using flameless candles and flame-resistant candleholders to reduce fire risk.
  - Keep candles at least 12 inches from flammable materials and place them on heat-resistant surfaces.
  - Keep candles out of the reach of children and pets.
  - Extinguish all candles before leaving a room or going to sleep.
- ✓ Lighting and decorations:
  - Check lights for broken or cracked sockets, frayed or bare wires, or loose connections before using.
  - Replace burned-out bulbs promptly with the same wattage bulb.
  - Don't overload electrical outlets with too many lights or decorations and make sure all extension cords are marked for proper use.
  - Plug outdoor electric lights and decorations into circuits protected by ground fault circuit interrupters (GFCIs).
  - Turn off all indoor and outdoor holiday lighting before leaving the house or going to bed.
- ✓ Christmas trees:
  - Place your tree away from fireplaces, radiators, heater vents, air ducts, and other heat sources.
  - Make sure the tree is out of the way of day-to-day traffic and doesn't block doorways.
  - Ornaments and other holiday decorations should be non-combustible or flame-resistant.
  - Remove your tree promptly from your home after the holidays. An ignited tree can be totally consumed by fire in 3-5 seconds and generate over 2,000 degrees of radiant heat.

*Holiday decorations are responsible for more than  
\$11 million in home fire damages each year.*

**ORANGE COUNTY FIRE AUTHORITY**

**Revenue Capacity Information**

***Assessed Value and Estimated Actual Value of Taxable Property*** – Presents information on the assessed property values of each city and the unincorporated area within the OCFA’s jurisdiction for each of the last ten fiscal years.

***Property Tax Rates of Direct and Overlapping Governments*** – Presents the County of Orange’s direct property tax rate, as well as the rates of any overlapping governments that are applied to the same revenue base.

***Principal Property Tax Payers*** – Presents information about the OCFA’s ten largest property tax payers for the current fiscal year, as compared to nine fiscal years ago.

***Property Tax Levies and Collections*** – Presents information on the levy and subsequent collection of OCFA’s property taxes for each of the last ten fiscal years.

**ORANGE COUNTY FIRE AUTHORITY**  
**Assessed Value (1) and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

Jurisdiction	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
Buena Park	\$ 7,484,717	7,602,927	7,886,342	8,313,496
Garden Grove (4)	n/a	n/a	n/a	n/a
Placentia (5)	5,007,558	5,080,849	5,203,417	5,519,085
San Clemente	12,356,019	12,506,118	12,824,727	13,666,851
Santa Ana	20,100,864	20,339,779	21,119,683	22,075,383
Seal Beach	4,434,345	4,480,557	4,580,472	4,891,060
Stanton	2,063,293	2,073,752	2,144,270	2,297,508
Tustin	9,378,899	9,502,173	9,732,381	10,292,805
Westminster	6,935,762	7,023,383	7,176,141	7,628,669
Total cash contract cities (3)	67,761,457	68,609,538	70,667,433	74,684,857
Aliso Viejo	7,511,408	7,605,524	7,877,812	8,440,740
Cypress	5,560,190	5,666,354	5,854,809	6,104,218
Dana Point	8,735,352	8,844,364	9,126,750	9,787,132
Irvine	47,136,231	48,646,093	51,002,248	55,693,885
Laguna Hills	5,463,649	5,513,066	5,643,545	5,961,947
Laguna Niguel	11,991,939	12,116,601	12,402,919	13,270,851
Laguna Woods	2,186,990	2,193,624	2,237,288	2,424,736
Lake Forest	10,721,083	10,885,724	11,238,775	11,920,081
La Palma	1,698,169	1,718,007	1,744,907	1,829,353
Los Alamitos	1,603,255	1,638,193	1,674,933	1,778,110
Mission Viejo	13,226,115	13,320,574	13,639,460	14,533,544
Rancho Santa Margarita	6,623,819	6,679,191	6,759,144	7,231,597
San Juan Capistrano	5,799,444	5,833,269	6,039,344	6,443,224
Villa Park	1,372,687	1,398,666	1,466,599	1,527,255
Yorba Linda	11,262,427	11,484,958	11,857,840	12,668,130
Unincorporated	21,509,471	21,332,072	21,915,863	23,573,390
Total SFF jurisdictions (2)	162,402,229	164,876,280	170,482,236	183,188,193
Percentage change from prior year	0.76%	1.52%	3.40%	7.45%
Total assessed valuation	\$ 230,163,686	\$ 233,485,818	\$ 241,149,669	\$ 257,873,050
Total direct tax rate	0.11%	0.11%	0.11%	0.11%

SOURCE: County of Orange, Auditor-Controller, Assessed Valuations by Fiscal Year

[http://acweb1.ocgov.com/ac/txfdr\\_Civica/av/](http://acweb1.ocgov.com/ac/txfdr_Civica/av/)

**NOTES:**

- (1) Assessed value is stated at taxable full cash value. These values may include an increased value over the base year for that portion of the city or district which lies within a redevelopment agency.
- (2) Assessed value for these cities is part of the Structural Fire Fund (SFF).
- (3) Cities pay for services on a cash contract basis. Assessed value is shown for comparison only.
- (4) The City of Garden Grove joined OCFA on August 16, 2019.
- (5) The City of Placentia was no longer a member of the OCFA beginning in Fiscal Year 2020/21.

FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
8,769,022	9,229,491	9,771,180	10,534,143	11,010,946	11,489,594
n/a	n/a	n/a	n/a	17,647,291	18,531,828
5,878,473	6,133,423	6,445,280	6,778,269	7,057,342	n/a
14,447,434	15,269,878	16,078,965	16,904,336	17,783,910	18,559,898
23,013,226	23,886,126	25,232,515	26,520,241	27,943,961	29,080,200
5,081,691	5,167,629	5,428,187	5,625,920	5,981,331	6,200,421
2,433,266	2,569,937	2,679,870	2,836,469	3,015,953	3,303,024
11,004,027	11,577,792	12,399,614	13,043,122	13,658,894	14,373,207
8,279,644	8,410,335	8,907,507	9,391,194	9,801,405	10,290,576
<u>78,906,783</u>	<u>82,244,611</u>	<u>86,943,118</u>	<u>91,633,694</u>	<u>113,901,033</u>	<u>111,828,748</u>
8,765,964	9,262,105	9,757,603	10,320,678	10,706,653	11,057,982
6,463,650	6,751,019	7,049,085	7,492,895	7,865,560	8,175,217
10,513,667	11,209,516	12,184,560	12,716,978	13,330,883	13,901,090
60,912,694	65,754,243	71,898,708	78,439,756	85,045,012	90,058,179
6,256,109	6,506,374	6,744,152	7,169,367	7,360,865	7,648,234
14,015,647	14,571,803	15,341,994	15,925,158	16,566,379	17,211,775
2,620,217	2,772,774	2,949,710	3,141,574	3,308,199	3,655,931
12,672,969	13,710,657	14,701,561	15,968,847	17,239,225	17,826,418
1,904,950	1,998,105	2,042,167	2,137,829	2,218,935	2,294,417
1,887,771	1,961,259	2,068,339	2,165,016	2,279,998	2,430,512
15,262,434	15,835,376	16,538,595	17,362,619	18,087,505	18,749,279
7,572,862	7,810,951	8,247,183	8,640,697	8,947,481	9,238,425
6,828,239	7,190,143	7,600,135	7,959,762	8,336,034	8,820,714
1,596,806	1,674,085	1,755,259	1,836,352	1,912,173	1,993,610
13,488,124	14,098,053	14,862,265	15,623,191	16,292,118	16,933,257
24,999,336	26,380,370	28,230,720	29,526,544	31,132,442	32,498,066
<u>195,761,439</u>	<u>207,486,833</u>	<u>221,972,036</u>	<u>236,427,263</u>	<u>250,629,462</u>	<u>262,493,106</u>
6.86%	5.99%	6.98%	6.51%	6.01%	4.73%
<u>\$ 274,668,222</u>	<u>\$ 289,731,444</u>	<u>\$ 308,915,154</u>	<u>\$ 328,060,957</u>	<u>\$ 364,530,495</u>	<u>\$ 374,321,854</u>
0.11%	0.11%	0.11%	0.11%	0.11%	0.11%

(5) In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

**ORANGE COUNTY FIRE AUTHORITY**  
**Property Tax Rates of Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	County of Orange (B)			OCFA (B)
	Overlapping	Direct		Direct
	Basic Operating Levy	Debt Service	Total	Basic Operating Levy
2012	1.00000	0.00000	1.00000	0.0011
2013	1.00000	0.00000	1.00000	0.0011
2014	1.00000	0.00000	1.00000	0.0011
2015	1.00000	0.00000	1.00000	0.0011
2016	1.00000	0.00000	1.00000	0.0011
2017	1.00000	0.00000	1.00000	0.0011
2018	1.00000	0.00000	1.00000	0.0011
2019	1.00000	0.00000	1.00000	0.0011
2020	1.00000	0.00000	1.00000	0.0011
2021	1.00000	0.00000	1.00000	0.0011
	(A)	(A)		(C)

**SOURCE:**

- (A) County of Orange, Auditor-Controller, Tax Rate Books by Fiscal Year  
<http://acdcweb01.ocgov.com/about/central-accounting/property-tax-accounting/tax-rate-book>
- (B) Data for the entire County of Orange is not limited to the cities/unincorporated areas served by the Orange County Fire Authority. Data for OCFA is limited to its member cities that are part of the Structural Fire Fund (SFF).
- (C) Direct tax rate calculation per the "Assessed Value and Estimated Actual Value of Taxable Property" schedule included in this report.

**NOTE:** This schedule presents tax rates per \$100 of assessed/full cash value.

**ORANGE COUNTY FIRE AUTHORITY**  
**Principal Property Tax Payers**  
**Current and Nine Years Ago**  
**(Dollars in Thousands)**

Property Tax Payer	Fiscal Year 2011/12 (A)			Fiscal Year 2020/21 (B)		
	Actual Taxes		Percent of	Actual Taxes		Percent
	Levied	Rank	Total Taxes Levied	Levied	Rank	of Total Taxes Levied
Irvine Co.	\$ 60,233	1	1.24%			
The Irvine Company LLC	\$ 15,067	4	0.31%			
Irvine Company LLC	\$ 13,538	5	0.28%			
Irvine Company	\$ 88,838		1.83%	\$ 76,208	1	1.05%
Walt Disney World Co.	\$ 36,701	2	0.76%			
Walt Disney World	\$ 8,446	8	0.17%			
Walt Disney Parks & Resorts U.S. (Walt Disney World Co.)	\$ 45,147		0.93%	\$ 63,999	2	0.89%
Southern California Edison Company (Edison International)	\$ 28,050	3	0.58%	\$ 49,220	3	0.68%
Five Points Holdings, LLC (Lennar)				\$ 20,233	4	0.28%
Sempra Energy (SDG&E, Southern California Gas)				\$ 14,883	5	0.21%
United Laguna Hills Mutual (Laguna Woods)	\$ 7,282	9	0.15%	\$ 11,346	6	0.16%
BEX Portfolio, Inc.				\$ 8,680	7	0.12%
Anbang Insurance Group Company (Ritz-Carlton, Montage)				\$ 7,011	8	0.10%
AT&T (Pacific Bell Telephone Company)	\$ 9,001	7	0.19%	\$ 6,474	9	0.90%
Bella Terra Associates, LLC				\$ 6,431	10	0.90%
Irvine Apartment Communities	\$ 9,744	6	0.20%			
Heritage Fields El Toro LLC	\$ 7,012	10	0.14%			

**SOURCE:**

(A) OCFA Comprehensive Annual Financial Report for Fiscal Year 2011/12. The information presented here reflects certain corrections to the data, as previously reported, in order to match the County of Orange, Treasurer-Tax Collector's "Top 20 Secured Taxpayer List" for Fiscal Year 2011/12 and for better comparability to the current fiscal year's presentation.

(B) County of Orange, Treasurer-Tax Collector, Top 20 Secured Taxpayer List for Fiscal Year 2019/20 (http://www.ttc.ocgov.com/rptstats/stats). Updated Fiscal Year 2020/21 data is not available from the County of Orange at the time of this report's publication.

**NOTE:**

This schedule presents data for the entire County of Orange and is not limited to the cities/unincorporated areas served by the Orange County Fire Authority.

**ORANGE COUNTY FIRE AUTHORITY**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collection of Prior Year Levies		Collection of Penalties and Interest		Total Collection to Date		Collection of Property Tax Increment Pass-Through (1)	
		Amount	% of Levy	Teeter Plan	Delinquencies and Other	Delinquency Penalties	Interest	Total Amounts Collected	% of Levy	RDA	H&S
2012	\$179,564	\$173,169	96.4%	\$ 2,324	\$ 262	\$ 79	\$ 46	\$175,880	97.9%	\$ 3,468	\$ -
2013	\$184,029	\$178,299	96.9%	\$ 1,674	\$ 157	\$ 30	\$ 37	\$180,197	97.9%	\$ 6,248	\$ 10,269
2014	\$192,876	\$187,828	97.4%	\$ 1,371	\$ 49	\$ 32	\$ 37	\$189,317	98.2%	\$ 6,958	\$ 208
2015	\$207,775	\$202,356	97.4%	\$ 1,336	\$ 50	\$ 32	\$ 38	\$203,812	98.1%	\$ 8,110	\$ 605
2016	\$224,452	\$216,219	96.3%	\$ 1,368	\$ 157	\$ 38	\$ 73	\$217,855	97.1%	\$ 9,180	\$ 639
2017	\$237,082	\$229,934	97.0%	\$ 1,329	\$ 140	\$ 35	\$ 105	\$231,543	97.7%	\$ 9,237	\$ 662
2018	\$253,371	\$246,607	97.3%	\$ 1,461	\$ 156	\$ 36	\$ 189	\$248,449	98.1%	\$ 11,095	\$ 694
2019	\$267,727	\$262,561	98.1%	\$ 1,737	\$ 149	\$ 42	\$ 248	\$264,737	98.9%	\$ 9,627	\$ 732
2020	\$280,282	\$273,453	97.6%	\$ 2,202	\$ 165	\$ 47	\$ 342	\$276,209	98.5%	\$ 13,256	\$ 774
2021	\$292,841	\$286,140	97.7%	\$ 1,825	\$ 257	\$ 68	\$ 206	\$288,496	98.5%	\$ 15,265	\$ 812

## SOURCE:

County of Orange, Auditor-Controller, Tax Ledger Detail by Fiscal Year

Tax Ledger Selection C84 Orange County Fire Authority

[http://tax.ocgov.com/acledger/choice\\_eGov.asp](http://tax.ocgov.com/acledger/choice_eGov.asp)

## NOTES:

- (1) Upon dissolution of California redevelopment agencies during Fiscal Year 2011/12, property tax increment formerly remitted to OCFA by its member city redevelopment agencies was instead deposited into the newly formed Redevelopment Property Tax Trust Fund (RPTTF) from which the Auditor/Controller made disbursements on behalf of the successor agencies. There is no tax levy associated with these collections; thus, they have been excluded from the "% of levy collected" calculations.

**ORANGE COUNTY FIRE AUTHORITY**

**Debt Capacity Information**

***Ratios of Outstanding Debt by Type*** – Presents information on the OCFA’s total outstanding debt for each of the last ten fiscal years, including the ratio of outstanding debt to median family income and the calculation of outstanding debt per capita.

The following schedules are not included in OCFA’s Comprehensive Annual Financial Report:

***Computation of Legal Debt Margin*** – OCFA is not subject to a legal debt margin.

***Ratios of General Bonded Debt Outstanding*** – OCFA has not had any bonded debt outstanding for the last ten fiscal years.

***Pledged Revenue Coverage*** – Debt of OCFA is not secured by a pledged revenue stream.

***Computation of Direct and Overlapping Bonded Debt*** – OCFA is not obligated for any direct, bonded debt.



**ORANGE COUNTY FIRE AUTHORITY**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

	Governmental Activities (A)		(B)	(C)		
Fiscal Year Ended June 30	Capital Lease Purchase Agreements	Total Outstanding Debt	County of Orange Median Household Income	Debt as a Percentage of Household Income	Population (OCFA Jurisdiction Only)	Debt per Capita
2012	\$ 15,106	\$ 15,106	\$85	17771.8%	1,694	\$9
2013	\$ 12,943	\$ 12,943	\$84	15408.3%	1,712	\$8
2014	\$ 10,724	\$ 10,724	\$85	12616.5%	1,734	\$6
2015	\$ 8,447	\$ 8,447	\$86	9822.1%	1,755	\$5
2016	\$ 6,110	\$ 6,110	\$85	7188.2%	1,784	\$3
2017	\$ 3,713	\$ 3,713	\$88	4219.3%	1,793	\$2
2018	\$ 1,254	\$ 1,254	\$93	1348.4%	1,808	\$1
2019	\$ -	\$ -	\$98	0.0%	1,808	\$0
2020	\$ -	\$ -	\$103	0.0%	1,966	\$0 (1)
2021	\$ -	\$ -	\$107	0.0%	1,891	\$0 (2)

**SOURCES:**

- (A) Details regarding OCFA's outstanding debt can be found in the notes to the financial statements.
- (B) U.S. Department of Housing and Urban Development, Median Family Income Documentation System by Fiscal Year (estimate) <http://www.huduser.org/portal/datasets/il.html>
- (C) California Department of Finance, Population and Housing Estimates as of January 1 <http://www.dof.ca.gov/forecasting/demographics/estimates>

**NOTE:**

- (1) The population data presented in this schedule includes only the cities and unincorporated county areas served by the OCFA. Since the City of Garden Grove became a member of the OCFA in August 2019, its population data is included with population totals beginning in Fiscal Year 2019/20. The Fiscal Year 2019/20 population total includes 174,801 for the City of Garden Grove.
- (2) The population data presented in this schedule includes only the cities and unincorporated county areas served by the OCFA. Since the City of City of Placentia is no longer a member of the OCFA effective July 1, 2020, its population data is not included with population totals beginning in Fiscal Year 2020/21. The Fiscal Year 2020/21 population total excludes 51,173 for the City of Placentia.

**ORANGE COUNTY FIRE AUTHORITY**

**Demographic and Economic Information**

***Demographic and Economic Indicators*** – Presents information regarding population, personal income, per capita income and the unemployment rate for the County of Orange for each of the last ten fiscal years.

***Population and Housing Statistics*** – Presents information on population and housing units of each city and the unincorporated area within the OCFA's jurisdiction for the current fiscal year, as compared to nine fiscal years ago.

***Principal Employers*** – Presents information about the ten largest employers within the County of Orange's jurisdiction for the current fiscal year, as compared to nine fiscal years ago.

**ORANGE COUNTY FIRE AUTHORITY**  
**Demographic and Economic Indicators**  
**Last Ten Fiscal Years**  
**(amounts in thousands)**

	(A)	(B)		(C)	
Fiscal Year Ended June	Population (Orange	Total Personal Income	Per Capita Income	Unemployment Rate	
30	County)				
2012	3,056	\$ 169,584,000	\$ 55,492	8.3	
2013	3,082	\$ 166,370,000	\$ 53,981	6.9	
2014	3,114	\$ 179,141,000	\$ 57,528	5.6	
2015	3,147	\$ 193,081,000	\$ 61,354	4.6	
2016	3,183	\$ 200,783,000	\$ 63,080	4.3	
2017	3,194	\$ 209,642,000	\$ 65,636	3.7	
2018	3,221	\$ 218,878,000	\$ 67,953	3.3	
2019	3,222	\$ 227,732,000	\$ 70,680	2.9	
2020	3,194	\$ 242,361,000	\$ 75,880	13.7	
2021	3,154	\$ 258,933,000	\$ 82,097	6.4	

**SOURCES:**

- (A) California Department of Finance  
Population and Housing Estimates Table E-5, As of January 1  
<http://www.dof.ca.gov/forecasting/demographics/estimates>
- (B) Chapman University Economic & Business Review  
Annual History and Forecasts  
Years 2016 - 2020 have been updated as of June 30, 2021.  
The most recent year (2021) is a forecasted estimate.
- (C) Bureau of Labor Statistics (<https://www.bls.gov/data/>), Local Area Unemployment Statistics, Anaheim-Santa Ana-Irvine, CA Metropolitan Statistical Area. Figures reflect revised inputs, re-estimation, and new statewide control, if applicable. Unemployment rate is the monthly rate for June of the applicable fiscal year (i.e., June 2021 for FY 2020/21). The amount reported for the most recent fiscal year is based on preliminary BLS data.

**NOTE:**

Data presented on this schedule is for the County of Orange and is not limited to the cities/county unincorporated areas served by the OCFA.

**ORANGE COUNTY FIRE AUTHORITY**  
**Population and Housing Statistics**  
**Current and Nine Years Ago**

Jurisdiction	Population			Housing Units		
	2012	2021	% Change	2012	2021	% Change
Aliso Viejo	48,988	49,813	1.7%	19,161	20,192	5.4%
Buena Park	81,460	81,626	0.2%	24,691	25,140	1.8%
Cypress	48,273	48,531	0.5%	16,085	16,631	3.4%
Dana Point	33,667	33,189	-1.4%	15,949	16,212	1.6%
Garden Grove (1)	172,648	172,476	-0.1%	47,829	48,504	1.4%
Irvine	223,729	271,564	21.4%	83,792	110,884	32.3%
Laguna Hills	30,618	31,073	1.5%	11,049	11,302	2.3%
Laguna Niguel	63,691	65,168	2.3%	25,374	26,774	5.5%
Laguna Woods	16,334	16,036	-1.8%	13,016	13,079	0.5%
Lake Forest	78,036	84,538	8.3%	27,120	30,567	12.7%
La Palma	15,700	15,442	-1.6%	5,222	5,241	0.4%
Los Alamitos	11,557	11,538	-0.2%	4,358	4,437	1.8%
Mission Viejo	94,196	94,119	-0.1%	34,254	34,961	2.1%
Rancho Santa Margarita	48,278	48,183	-0.2%	17,260	17,346	0.5%
San Clemente	64,208	64,065	-0.2%	26,017	26,665	2.5%
San Juan Capistrano	35,022	35,801	2.2%	11,982	12,596	5.1%
Santa Ana	327,731	331,369	1.1%	76,944	80,285	4.3%
Seal Beach	24,354	24,443	0.4%	14,545	14,552	0.0%
Stanton	38,498	39,573	2.8%	11,276	11,699	3.8%
Tustin	76,567	80,009	4.5%	26,602	28,386	6.7%
Villa Park	5,867	5,759	-1.8%	2,017	2,031	0.7%
Westminster	90,677	91,466	0.9%	27,707	28,163	1.6%
Yorba Linda	65,777	67,846	3.1%	22,641	23,850	5.3%
Unincorporated	119,698	127,787	6.8%	39,319	42,891	9.1%
Total OCFA, adjusted (1)	1,815,574	1,891,414	4.2%	604,210	652,388	8.0%
Total non-OCFA (2)	1,240,218	1,262,350	1.8%	448,151	466,583	4.1%
Total Orange County	<u>3,055,792</u>	<u>3,153,764</u>	3.2%	<u>1,052,361</u>	<u>1,118,971</u>	6.3%
Total OCFA, adjusted	1,815,574			604,210		
Less: Garden Grove totals	(172,648)			(47,829)		
Plus: Placentia totals	51,084			16,907		
Total OCFA, actual as reported nine years ago	<u>1,694,010</u>	<u>1,891,414</u>	11.7%	<u>573,288</u>	<u>652,388</u>	13.8%

SOURCE: California Department of Finance, Population and Housing Estimates Table E-5

As of January 1, 2012 and 2021 <http://www.dof.ca.gov/forecasting/demographics/estimates>

**NOTE:**

- (1) Before Garden Grove became an OCFA member city in August 2019, the city's data was included in the "non-OCFA" total. However, Garden Grove's 2012 data has been identified separately for comparison purposes.
- (2) Prior to Fiscal Year 2020/21, data for the City of Placentia was presented separately as an OCFA member. Effective July 1, 2020, the city is no longer a member of OCFA and its data is combined in the "non-OCFA" total. Placentia's 2012 data has also been reported in the "non-OCFA" total for comparison purposes.

**ORANGE COUNTY FIRE AUTHORITY**  
**Principal Employers**  
**Current and Nine Years Ago**

Employer	Fiscal Year 2011/12			Fiscal Year 2020/21		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Walt Disney Co.	22,000	1	1.37%	32,000	1	2.04%
University of California, Irvine	21,291	2	1.33%	24,174	2	1.54%
County of Orange	17,257	3	1.08%	18,435	3	1.17%
St. Joseph Health System	12,048	4	0.75%	14,000	4	0.89%
Kaiser Permanente	5,968	8	0.37%	8,200	5	0.52%
Albertsons				7,535	6	0.48%
Boeing Co.	7,700	5	0.48%	6,500	7	0.41%
Hoag Memorial Hospital				6,500	8	0.41%
Walmart				6,200	9	0.39%
Target Corporation	5,527	9	0.34%	6,000	10	0.38%
Bank of America Corporation	6,300	6	0.39%			
Yum! Brands Inc.	6,300	7	0.39%			
Cedar Fair LP	5,200	10	0.32%			

**SOURCE:**

County of Orange Comprehensive Annual Financial Report for Fiscal Year 2019/20

For years ended June 30, 2020 and 2011

Amounts are reported one year in arrears due to availability of data at time of publication of this document.

<http://acdcweb01.ocgov.com/reports/cafrreports/>

**NOTE:**

Data presented on this schedule is for the County of Orange and is not limited to the cities/county unincorporated areas served by the OCFA.

**ORANGE COUNTY FIRE AUTHORITY**

**Operating Information**

**Authorized Positions by Unit** – Presents the number of authorized positions by unit for each of the last ten fiscal years.

**Frozen Positions by Unit** – Presents the number of frozen positions by unit as of June 30 for each of the last ten fiscal years.

**Jurisdiction Information** – Presents information on the OCFA's member agencies, square mile area served, population served, and number of fire stations for each of the last ten fiscal years.

**Incidents by Major Category Definitions** – Provides OCFA's definitions for categories of major incidents.

**Incidents by Type** – Presents the number of OCFA major incidents by category for each of the last ten fiscal years.

**Incidents by Member Agency** – Presents the number of OCFA major incidents by member agency for each of the last ten fiscal years.

**Capital Equipment by Category** – Presents the historical cost and quantity of capital equipment by category for each of the last ten fiscal years.

**Capital Vehicles by Category** – Presents the historical cost and quantity of capital vehicles by category for each of the last ten fiscal years.

**Map of Division/Battalion Boundaries and Station Locations** – This Orange county map identifies the areas included within OCFA's jurisdiction, the boundaries of its divisions/battalions, and the locations of all OCFA fire stations.

**List of Stations by Member Agency** – Presents a list of OCFA fire stations and street addresses by member agency.

**Description of the Organization, Programs and Service Delivery** – Provides an overview of the activities and responsibilities carried out by each of the OCFA's departments.

**ORANGE COUNTY FIRE AUTHORITY**  
**Authorized Positions by Unit**  
**Last Ten Fiscal Years**

Unit	As of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Firefighter	1,010	1,011	1,011	1,011	1,023	1,023	1,048	1,153	1,152	1,151
Fire Management	45	45	45	45	45	45	45	52	53	53
General	203	205	205	205	213	213	211	252	248	248
Supervisory Management	28	28	27	27	27	27	30	32	33	34
Supported Employment	4	4	4	4	4	4	4	4	4	4
Administrative Management	42	43	44	44	43	43	43	41	46	47
Executive Management	7	7	7	8	8	8	7	10	10	10
Subtotal	1,339	1,343	1,343	1,344	1,363	1,363	1,388	1,544	1,546	1,547
Board Director	-	-	-	-	-	-	25	25	25	25
Total authorized positions	<u>1,339</u>	<u>1,343</u>	<u>1,343</u>	<u>1,344</u>	<u>1,363</u>	<u>1,363</u>	<u>1,413</u>	<u>1,569</u>	<u>1,571</u>	<u>1,572</u>
Funded positions:										
General Operating Fund	1,245	1,238	1,240	1,244	1,274	1,284	1,400	1,566	1,541	1,540
Total funded positions	<u>1,245</u>	<u>1,238</u>	<u>1,240</u>	<u>1,244</u>	<u>1,274</u>	<u>1,284</u>	<u>1,400</u>	<u>1,566</u>	<u>1,541</u>	<u>1,540</u>
Unfunded positions:										
Unbudgeted positions	1	3	3	3	3	3	-	-	-	-
Frozen	93	102	100	97	86	76	13	3	30	32
Total unfunded positions	<u>94</u>	<u>105</u>	<u>103</u>	<u>100</u>	<u>89</u>	<u>79</u>	<u>13</u>	<u>3</u>	<u>30</u>	<u>32</u>
Total authorized positions	<u>1,339</u>	<u>1,343</u>	<u>1,343</u>	<u>1,344</u>	<u>1,363</u>	<u>1,363</u>	<u>1,413</u>	<u>1,569</u>	<u>1,571</u>	<u>1,572</u>
Increase (decrease) from prior fiscal year:										
Total funded positions	159	(7)	2	4	30	10	116	166	(25)	(1)
Total unfunded positions	<u>(1)</u>	<u>11</u>	<u>(2)</u>	<u>(3)</u>	<u>(11)</u>	<u>(10)</u>	<u>(66)</u>	<u>(10)</u>	<u>27</u>	<u>2</u>
Total authorized positions	<u>158</u>	<u>4</u>	<u>-</u>	<u>1</u>	<u>19</u>	<u>-</u>	<u>50</u>	<u>156</u>	<u>2</u>	<u>1</u>
	(1)						(2)	(3)		

SOURCE: OCFA Treasury Division, Budget Section

**NOTES:**

- (1) The net increase of total authorized positions during Fiscal Year 2011/12 included 163 authorized positions for employees transitioning from the City of Santa Ana (147 Firefighter Unit, 4 Fire Management Unit, 11 General Unit, and 1 Supervisory Management Unit).
- (2) During Fiscal Year 2017/18, Board Members were converted into employee positions and added to the authorized position control (25 positions).
- (3) The net increase of total authorized positions during Fiscal Year 2018/19 included 99 authorized positions for employees transitioning from the City of Garden Grove (74 Firefighter Unit, 3 Fire Management Unit, 22 General Unit).

**ORANGE COUNTY FIRE AUTHORITY**  
**Frozen Positions by Unit**  
**Last Ten Fiscal Years**

Unit / Position	As of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Firefighter Unit:</b>										
Fire Apparatus Engineer	18	24	24	24	21	20	-	-	6	6
Fire Captain	24	27	27	27	24	22	3	1	7	7
Fire Pilot	-	-	1	1	1	1	-	-	-	-
Firefighter	18	18	18	18	18	18	-	-	15	15
Heavy Fire Equipment Operator	1	1	1	1	1	1	-	-	-	-
Total Firefighter Unit	61	70	71	71	65	62	3	1	28	28
<b>Fire Management Unit:</b>										
Fire Battalion Chief	2	2	2	2	2	1	-	-	-	-
Total Fire Management Unit	2	2	2	2	2	1	-	-	-	-
<b>General Unit:</b>										
Accountant	1	1	1	1	1	-	-	-	-	-
Administrative Assistant	5	5	5	5	4	1	1	-	-	-
Assistant Purchasing Agent	1	1	-	-	-	-	-	-	-	-
Business Analyst	-	-	1	1	1	-	-	-	-	-
Communications Installer	-	-	-	-	-	-	-	-	-	1
Communications Installer (Part-Time)	-	-	-	-	-	-	-	-	-	1
Fire Equipment Technician	1	1	1	1	1	-	-	-	-	-
Fire Prevention Analyst	4	4	4	4	4	4	2	-	-	-
Fire Prevention Specialist	2	2	2	-	-	-	-	-	-	-
Human Resources Analyst	1	1	1	1	-	-	-	-	-	-
Management Assistant	1	1	-	-	-	-	-	-	-	-
Office Services Specialist	2	2	3	3	-	-	-	1	1	1
Senior Fire Equipment Technician	1	-	-	-	-	-	-	-	-	-
Senior Fire Prevention Specialist	3	3	2	2	2	2	2	-	-	-
WEFIT Coordinator	-	1	-	-	-	-	-	-	-	-
Total General Unit	22	22	20	18	13	7	5	1	1	3
<b>Supervisory Management Unit:</b>										
Assistant Fire Marshal	1	1	1	1	1	1	1	-	-	-
Information Technology Supervisor	1	1	1	1	-	-	-	-	-	-
Senior Fire Communications Supervisor	-	-	-	-	-	-	1	-	-	-
Total Supervisory Management Unit	2	2	2	2	1	1	2	-	-	-
<b>Administrative Management Unit:</b>										
Assistant IT Manager	-	-	-	-	1	1	1	-	-	-
Benefits Services Manager	1	1	-	-	-	1	-	-	-	-
Management Analyst	1	1	1	1	1	1	1	-	-	-
ODT Program Manager	1	1	1	-	-	-	-	1	1	1
Senior Accountant	2	2	2	2	2	2	1	-	-	-
Senior Human Resources Analyst	1	1	1	1	1	-	-	-	-	-
Total Administrative Management Unit	6	6	5	4	5	5	3	1	1	1
Total frozen positions	93	102	100	97	86	76	13	3	30	32

SOURCE: Orange County Fire Authority, Treasury Division, Budget Section



**ORANGE COUNTY FIRE AUTHORITY**  
**Jurisdiction Information**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	(A) Number of Member Agencies	(B) Square Mile Area Served	(C) Population Served	(A) Number of Stations	New and Closed Station(s)	
					+/-	Description
2012	24	576	1,694,010	71	10	New Stations 70 through 79 (Santa Ana)
2013	24	571	1,712,234	71	-	
2014	24	571	1,733,563	71	-	
2015	24	571	1,755,436	71	-	
2016	24	576	1,783,505	72	1	New Station 56 (County/Rancho Mission Viejo)
2017	24	576	1,793,040	72	-	
2018	24	576	1,807,862	72	-	
2019	24	576	1,807,560	72	-	
2020	25	593	1,966,019	79	7	New Stations 80 through 86 (Garden Grove)
2021	24	587	1,891,414	77	(2)	Removed Stations 34 and 35 (Placentia)

**SOURCES:**

- (A) Orange County Fire Authority, Clerk of the Authority
- (B) Orange County Fire Authority, Geographic Information Systems
- (C) California Department of Finance, Population and Housing Estimates as of January 1  
<http://www.dof.ca.gov/forecasting/demographics/estimates>

**NOTES:** The City of Santa Ana became an OCFA member city in Fiscal Year 2011/12.  
The City of Garden Grove became an OCFA member city in Fiscal Year 2019/20.  
The City of Placentia was no longer an OCFA member city effective Fiscal Year 2020/21.

**ORANGE COUNTY FIRE AUTHORITY**  
**Incidents by Major Category Definitions**

**Fire:** This category includes fire responses, even if the fire has been extinguished upon arrival. This category also includes combustion explosions with no resulting fire. Examples of this category include structure fires, rubbish fires, dumpster fires and vehicle fires.

**Rupture/Explosion:** This category includes vessels or containers that suffer failure or near failure due to extreme pressure from either an outside source, such as direct heating, or internally due to a cooling system failure or over-filling, such as a propane tank. Examples of this category also include explosions from bombs, dynamite or similar explosives.

**Rescue/EMS:** This category includes all medical aids, illness and heart attacks, as well as traffic accidents and missing persons.

**Hazardous Condition:** This category includes Hazardous Materials incidents; electrical wire arcing; suspected drug labs; or situations where there is a perceived problem that may prove to be a potential emergency.

**Service Call:** This category includes incidents for persons in distress, such as a lock-in or lock-out of a vehicle or dwelling creating an emergency situation or critical need, and smoke or odor problems. This category would also include moving units from one station to another to provide area coverage.

**Good Intent:** This category includes incidents that are cleared prior to arrival, such as a medical aid where the injured party has left the scene, or the initial information indicated that there were injuries and upon arrival no persons were injured. This category may also include calls where the informant has mistaken steam for smoke.

**False Alarm:** Some examples of the incidents in this category are malicious mischief calls, system malfunctions and the accidental tripping of an interior alarm sensor or device.

**Natural Disaster:** This category includes incidents that are not normal occurrences, such as earthquakes, lightning strikes, hurricanes and other weather or natural events.

SOURCE: Orange County Fire Authority, Command & Emergency Planning Division

**ORANGE COUNTY FIRE AUTHORITY**  
**Incidents by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30 (1)	Fire	Rupture/ Explosion	Rescue/ EMS	Hazardous Condition	Service Call	Good Intent	False Alarm	Natural Disaster	Other	Total	
2012	1,635	157	66,383	965	6,457	12,802	4,065	4	192	92,660	(2)
2013	2,004	219	80,167	1,100	7,753	14,786	5,710	1	149	111,889	(2)
2014	1,936	220	83,762	1,254	6,978	12,411	6,238	6	220	113,025	
2015	1,898	229	94,740	1,220	6,996	12,046	6,515	5	345	123,994	
2016	2,338	197	102,994	1,314	7,921	13,261	6,575	6	9	134,615	
2017	2,372	192	106,679	1,466	7,819	14,207	6,644	37	67	139,483	
2018	2,651	147	110,327	1,163	7,955	14,010	6,060	3	68	142,384	
2019	2,161	154	111,044	1,322	6,948	14,353	7,016	13	589	143,600	
2020	2,313	226	114,758	1,348	7,978	18,532	7,482	12	137	152,786	(3)
2021	2,688	221	113,735	1,317	8,777	18,737	6,616	27	171	152,289	(3,4)

**SOURCE:**

Orange County Fire Authority, Command & Emergency Planning Division

**NOTES:**

(1) Response statistics are normally reported on a calendar year basis in other reports. These statistics have been reported on the fiscal year basis, July through June.

(2) The City of Santa Ana joined the OCFA effective April 20, 2012. Fiscal Year 2011/12 data includes the portion of the fiscal year during which the city was a member of OCFA. Fiscal Year 2012/13 data includes the first full year of Santa Ana activity.

(3) The City of Garden Grove joined the OCFA effective August 16, 2019. Fiscal Year 2019/20 data is reported only for the portion of the fiscal year during which the city was a member of OCFA. Fiscal Year 2020/21 data includes the first full year of Garden Grove activity.

(4) Effective July 1, 2020, the City of Placentia was no longer a member of the OCFA.

**ORANGE COUNTY FIRE AUTHORITY**  
**Incidents by Member Agency**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30 (1)

Member	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Aliso Viejo	2,071	2,226	2,194	2,420	2,511	2,654	2,810	2,871	3,022	3,172
Buena Park	5,836	5,849	6,057	6,569	7,016	7,053	7,193	7,242	7,175	7,363
Cypress	2,556	2,699	2,633	2,833	3,013	3,145	3,238	3,292	3,215	3,162
Dana Point	2,772	2,950	2,925	3,297	3,291	3,663	3,717	3,399	3,343	3,334
Garden Grove (3)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	11,288	13,557
Irvine	11,969	12,485	12,896	13,875	14,688	15,967	16,325	16,797	16,481	15,704
La Palma	750	808	925	1,036	1,059	1,212	1,303	1,282	1,224	1,210
Laguna Hills	2,542	2,579	2,584	2,675	2,887	3,078	3,303	3,303	3,122	3,263
Laguna Niguel	3,358	3,476	3,685	3,584	3,861	4,054	3,947	4,192	4,421	4,268
Laguna Woods	4,717	4,748	4,306	4,847	5,319	5,636	5,281	5,342	4,967	5,353
Lake Forest	4,230	4,459	4,297	4,651	4,995	5,474	5,333	5,335	5,378	5,629
Los Alamitos	1,101	1,199	1,123	1,254	1,380	1,360	1,477	1,468	1,405	1,363
Mission Viejo	6,355	6,760	6,791	7,072	7,508	7,777	8,041	7,989	7,718	7,512
Placentia (4)	2,714	2,846	2,806	2,981	3,132	3,325	3,609	3,564	3,616	n/a
Rancho Santa Margarita	2,105	1,983	2,111	2,254	2,415	2,447	2,542	2,366	2,521	2,518
San Clemente	3,999	4,187	4,334	4,668	5,080	5,311	5,239	5,069	4,999	5,168
San Juan Capistrano	2,617	2,701	2,934	3,164	3,629	3,899	3,931	3,786	3,571	3,552
Santa Ana (2)	3,654	18,915	19,303	21,465	23,455	25,074	26,707	27,518	27,335	27,493
Seal Beach	3,617	3,571	3,343	3,783	4,882	4,753	4,591	4,216	4,300	4,276
Stanton	2,660	2,878	2,879	3,113	3,413	3,396	3,284	3,343	3,645	3,701
Tustin	4,196	4,582	4,614	5,205	5,406	5,419	5,470	5,748	5,623	5,780
Villa Park	363	392	338	378	452	475	448	480	469	448
Westminster	6,012	6,486	6,201	6,880	7,442	7,560	7,702	7,772	7,945	8,357
Yorba Linda	3,125	3,277	3,185	3,547	3,716	3,747	4,059	4,146	4,023	4,168
Unincorporated	5,991	6,312	6,073	6,496	6,719	7,390	7,437	7,573	7,788	8,065
	89,310	108,368	108,537	118,047	127,269	133,869	136,987	138,093	148,594	148,416
Auto/Mutual										
Aid Given	3,350	3,521	4,488	5,947	7,346	5,614	5,397	5,507	4,192	3,873
Total	92,660	111,889	113,025	123,994	134,615	139,483	142,384	143,600	152,786	152,289

Orange County Fire Authority, Command & Emergency Planning Division

**NOTES:**

(1) Response statistics are normally reported on a calendar year basis in other reports. These statistics have been reported on the fiscal year basis, July through June.

(2) The City of Santa Ana joined the OCFA effective April 20, 2012. Fiscal Year 2011/12 data is reported only for the portion of the fiscal year during which the city was a member of OCFA. Fiscal Year 2012/13 data includes the first full year of Santa Ana activity.

(3) The City of Garden Grove joined the OCFA effective August 16, 2019. Fiscal Year 2019/20 data is reported only for the portion of the fiscal year during which the city was a member of OCFA. Fiscal Year 2020/21 data includes the first full year of Garden Grove activity.

(4) Effective July 1, 2020, the City of Placentia was no longer a member of the OCFA.

**ORANGE COUNTY FIRE AUTHORITY**  
**Capital Equipment by Category**  
**Last Ten Fiscal Years**

Category	June 30, 2012		June 30, 2013	
	Historical Cost	Quantity	Historical Cost	Quantity
Air fill station	\$ 53,179	2	\$ 53,179	2
Aboveground storage tank	678,014	8	678,014	8
Audio visual equipment	716,800	18	716,800	18
Boat	31,515	4	31,515	4
Breathing Apparatus	-	-	-	-
Camera, thermal imaging	1,251,757	104	1,117,422	97
Camera, other	11,171	1	11,171	1
Communications equipment	1,512,740	42	1,533,009	44
Computer	82,126	5	82,126	5
Defibrillator	1,528,398	105	1,528,398	105
Exercise equipment	35,622	5	35,622	5
Fleet equipment	172,042	16	172,042	16
Forklift	93,177	3	93,177	3
Generator	504,562	22	504,562	22
GPS equipment (AVL regional interoperability projects)	1,391,000	2	1,391,000	2
Hazmat equipment	337,453	24	336,275	23
Helicopters and improvements:				
Helicopter	28,854,977	4	28,854,977	4
Helicopter, rotor blades	319,149	4	319,149	4
Helicopter, fast fin kits	-	-	-	-
Helicopter, flight director	-	-	-	-
Helicopter, multi-band radio upgrade	-	-	-	-
Helicopter equipment	778,885	42	787,062	43
Hydraulic tool	368,216	55	377,287	56
Kitchen equipment	33,403	4	33,403	4
Laptop	44,108	7	29,058	5
Manikin	67,452	11	67,452	11
Miscellaneous equipment	597,167	40	643,040	46
Mobile radio project (FY 2003/04 - FY 2004/05)	2,424,594	1	2,424,594	1
Mobile radio	107,671	17	107,671	17
Mobile radio, mobile data computer (MDC)	-	-	-	-
Network equipment	804,981	27	952,374	30
Office equipment	648,440	8	638,472	7
Portable building	226,348	13	236,843	14
Portable radio	25,640	5	79,452	15
Printer	72,039	7	72,039	6
Projector	10,372	2	10,372	2
Router	37,405	4	37,405	4
Scanner	-	-	-	-
Search equipment	163,944	11	163,944	11
Server	1,027,950	81	1,022,818	81
Software	7,074,050	55	7,117,506	56
Switch	282,393	16	282,393	16
Tablet	-	-	-	-
Tent	122,237	12	122,237	12
Trailer	437,742	16	527,629	18
Workstation	1,641,243	25	1,641,243	25
	<u>\$ 54,569,962</u>	<u>828</u>	<u>\$ 54,832,732</u>	<u>843</u>

SOURCE: Orange County Fire Authority, Finance Division, General Accounting Unit

June 30, 2014		June 30, 2015		June 30, 2016	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
53,179	2	\$ 53,179	2	53,179	2
678,014	8	678,014	8	678,014	8
716,800	18	734,581	20	734,581	20
31,515	4	31,515	4	31,515	4
-	-	-	-	-	-
1,214,725	113	1,167,318	107	1,115,772	102
11,171	1	33,713	4	44,264	5
1,458,744	39	1,458,744	39	1,523,812	51
82,126	5	90,386	6	90,386	6
1,526,069	105	1,526,069	105	1,526,069	105
35,622	5	35,622	5	35,622	5
172,042	16	189,888	17	252,867	24
93,177	3	93,177	3	93,177	3
504,562	22	504,562	22	504,562	22
1,391,000	2	1,391,000	2	1,391,000	2
432,282	23	479,786	26	479,786	26
28,854,977	4	28,854,977	4	28,854,977	4
319,149	4	319,149	4	319,149	4
148,104	2	148,104	2	148,104	2
-	-	-	-	-	-
-	-	-	-	-	-
780,245	42	942,245	43	942,245	43
401,133	60	468,400	67	490,913	69
33,403	4	33,403	4	33,403	4
29,058	5	29,058	5	23,832	4
67,452	11	67,452	11	67,452	11
660,496	49	702,500	52	735,503	55
2,424,594	1	2,424,594	1	2,424,594	1
107,671	17	82,659	14	88,700	16
-	-	-	-	-	-
1,321,172	31	1,288,223	29	1,294,452	30
632,865	6	632,865	6	632,865	6
274,656	14	352,872	17	352,872	17
79,452	15	143,605	27	138,477	26
72,039	6	72,039	6	72,039	6
10,372	2	10,372	2	10,372	2
37,405	4	37,405	4	72,745	8
-	-	5,489	1	5,489	1
196,302	13	210,657	14	236,657	16
997,288	79	1,000,858	69	1,211,242	72
7,117,506	56	9,176,979	50	10,502,153	53
312,760	17	312,760	17	349,909	20
-	-	5,455	1	24,882	4
122,237	12	122,237	12	122,237	12
512,761	18	523,455	18	523,455	18
1,641,243	25	1,641,243	25	1,641,243	25
<u>\$ 55,555,368</u>	<u>863</u>	<u>\$ 58,076,609</u>	<u>875</u>	<u>\$ 59,874,567</u>	<u>914</u>

*(Continued on next page)*

**ORANGE COUNTY FIRE AUTHORITY**  
**Capital Equipment by Category**  
**(Continued)**

Category	June 30, 2017		June 30, 2018	
	Historical Cost	Quantity	Historical Cost	Quantity
Air fill station	53,179	2	53,179	2
Aboveground storage tank	678,014	8	678,014	8
Audio visual equipment	734,581	20	734,581	20
Boat	64,986	6	80,606	7
Breathing Apparatus	-	-	-	-
Camera, thermal imaging	1,107,655	101	1,198,258	111
Camera, other	44,264	5	44,264	5
Communications equipment	1,702,712	83	1,689,198	81
Computer	25,900	4	25,900	4
Defibrillator	5,312,042	229	3,802,620	121
Exercise equipment	40,790	6	40,790	6
Fleet equipment	284,885	27	261,714	28
Forklift	134,138	4	134,138	4
Generator	504,562	22	504,562	22
GPS equipment (AVL regional interoperability projects)	1,391,000	2	1,391,000	2
Hazmat equipment	479,786	26	479,786	26
Helicopters and improvements:				
Helicopter	28,854,977	4	28,854,977	4
Helicopter, rotor blades	319,149	4	319,149	4
Helicopter, fast fin kits	148,104	2	148,104	2
Helicopter, flight director	-	-	168,804	2
Helicopter, multi-band radio upgrade	-	-	-	-
Helicopter equipment	995,953	46	1,003,199	47
Hydraulic tool	535,309	72	1,108,303	148
Kitchen equipment	26,394	3	26,394	3
Laptop	17,957	3	17,957	3
Manikin	67,452	11	75,129	12
Miscellaneous equipment	798,762	59	891,816	67
Mobile radio project (FY 2003/04 - FY 2004/05)	2,424,594	1	2,424,594	1
Mobile radio	88,700	16	88,700	16
Mobile radio, mobile data computer (MDC)	196,398	30	196,398	30
Network equipment	1,294,452	30	1,294,452	30
Office equipment	632,865	6	642,985	7
Portable building	352,872	17	352,872	17
Portable radio	138,477	26	138,477	26
Printer	68,552	6	68,552	6
Projector	10,372	2	5,153	1
Router	72,745	8	72,745	8
Scanner	5,489	1	5,489	1
Search equipment	258,921	18	258,921	18
Server	936,541	57	1,150,118	72
Software	10,491,277	52	10,491,277	52
Switch	349,909	20	356,521	21
Tablet	24,882	4	24,882	4
Tent	154,551	13	180,849	15
Trailer	465,143	18	572,659	21
Workstation	1,641,243	25	1,641,243	25
	<u>\$ 63,930,534</u>	<u>1,099</u>	<u>\$ 63,699,329</u>	<u>1,110</u>

June 30, 2019		June 30, 2020		June 30, 2021	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
53,179	2	53,179	2	79,266	4
678,014	8	678,014	8	678,014	8
734,581	20	734,581	20	240,142	12
80,606	7	80,606	7	80,606	7
20,394	4	20,394	4	20,394	4
1,251,200	117	1,360,096	131	1,360,096	131
44,264	5	44,264	5	44,264	5
1,696,094	82	3,919,452	83	3,919,452	83
25,900	4	34,261	5	28,490	4
4,089,086	130	4,334,152	138	4,334,152	138
40,790	6	40,790	6	40,790	6
294,849	29	292,914	29	292,914	29
134,138	4	134,138	4	222,642	5
504,562	22	504,562	22	463,592	20
1,391,000	2	1,391,000	2	1,391,000	2
500,242	30	801,854	32	828,743	36
28,854,977	4	28,854,977	4	28,854,977	4
319,149	4	319,149	4	319,149	4
213,749	3	213,749	3	213,749	3
168,804	2	168,804	2	168,804	2
183,096	2	366,193	4	366,193	4
1,003,199	47	1,003,199	47	1,020,261	48
905,931	119	882,673	113	849,580	108
20,395	2	20,395	2	20,395	2
17,957	3	12,081	2	12,081	2
32,371	5	109,410	13	109,410	13
978,892	74	2,580,791	197	2,715,740	210
2,424,594	1	2,424,594	1	2,424,594	1
99,592	18	136,527	23	136,527	23
385,726	60	385,726	60	512,370	80
1,294,452	30	1,294,452	23	1,294,452	23
685,053	9	685,053	9	685,053	9
687,025	20	980,837	28	974,765	27
400,892	71	400,892	71	907,709	161
77,501	7	66,101	6	82,274	7
5,153	1	5,153	1	5,153	1
72,745	8	58,132	7	58,132	7
5,489	1	5,489	1	5,489	1
258,921	18	258,921	18	302,246	21
944,725	48	870,201	41	887,375	42
10,538,302	56	10,666,466	50	10,751,591	45
514,813	58	522,347	59	574,594	61
24,882	4	24,882	4	24,882	4
194,207	16	226,055	18	226,055	18
656,551	22	836,564	25	1,024,838	30
1,647,704	26	1,698,204	27	1,687,318	28
<u>\$ 65,155,746</u>	<u>1,211</u>	<u>\$ 70,502,274</u>	<u>1,361</u>	<u>\$ 71,240,313</u>	<u>1,483</u>



**ORANGE COUNTY FIRE AUTHORITY**  
**Capital Vehicles by Category**  
**Last Ten Fiscal Years**

Category	June 30, 2012		June 30, 2013	
	Historical Cost	Quantity	Historical Cost	Quantity
Air Utility	\$ 820,733	4	820,733	4
Ambulance	776,283	6	674,739	5
Battalion Chief Vehicle	1,518,914	29	1,518,914	29
Brush Chipper	34,289	2	34,289	2
Crew Cab	69,009	2	69,009	2
Crew-Carrying Vehicle	452,373	4	452,373	4
Dump Truck	66,366	1	66,366	1
Fire Command	402,755	2	402,755	2
Fire Dozer	723,403	4	723,403	4
Foam Tender	152,245	1	152,245	1
Fuel Tender	376,164	3	376,164	3
Hazmat Unit	1,077,646	3	1,077,646	3
Heavy Equipment Vehicle	102,396	1	102,396	1
Heavy Rescue Unit	658,107	1	658,107	1
Hose Tender	103,189	1	103,189	1
Lift Truck	71,780	1	71,780	1
Paramedic Van	1,860,604	22	1,860,604	22
Parade Engine	-	-	-	-
Patrol	1,539,901	19	1,539,901	19
Patrol, Compressed Air Foam System (CAFS)	858,456	12	858,456	12
Pickup Truck	1,796,208	49	1,943,905	51
Sedan	61,256	3	61,256	3
Squad	578,998	7	578,998	7
Stakeside	34,289	1	34,289	1
Sport Utility Vehicle (SUV)	2,658,508	98	2,637,875	97
Telesquirt	2,344,077	7	1,995,305	6
Transport Tractor	506,673	5	506,673	5
Truck, 90', 100' and 110' Tractor Drawn Aerials	4,943,110	8	4,938,110	7
Truck, 75' Quint	3,124,257	6	3,124,257	6
Truck, 90' Quint	3,562,035	7	3,562,035	7
Truck, 100' Quint	2,354,146	2	2,354,146	2
Truck, Other	427,538	5	427,538	5
Truck, Compressed Air Foam System (CAFS)	21,649	1	44,058	2
Type 1 Engine	26,638,285	90	26,638,285	90
Type 1 Wildland Urban Interface Engine	2,127,949	5	3,451,627	8
Type 2 Engine	152,610	1	152,610	1
Type 3 Engine	4,105,746	13	3,871,874	11
Utility	145,169	3	145,169	3
Van	623,608	24	623,608	24
Water Tender	753,535	5	753,535	5
	<u>\$ 68,624,259</u>	<u>458</u>	<u>69,408,222</u>	<u>458</u>

SOURCE: Orange County Fire Authority, Finance Division, General Accounting Unit

NOTE: Beginning in Fiscal Year 2020/21, vehicles categorized as "Loader" and "Road Grader" were combined into a single category called "Heavy Equipment Vehicle." Amounts and quantities shown on this schedule for previous fiscal years have also been updated to reflect this change and may vary from the information originally reported in previous reports.

June 30, 2014		June 30, 2015		June 30, 2016	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
\$ 820,733	4	\$ 820,733	4	820,733	4
674,739	5	573,194	4	573,194	4
1,518,914	29	1,518,914	29	2,098,087	42
34,289	2	34,289	2	103,545	3
-	-	-	-	-	-
452,373	4	452,373	4	452,373	4
66,366	1	66,366	1	66,366	1
820,829	4	674,655	3	674,655	3
723,403	4	550,978	2	550,978	2
152,245	1	152,245	1	152,245	1
376,164	3	376,164	3	376,164	3
1,077,646	3	1,077,646	3	1,077,646	3
102,396	1	184,392	2	184,392	2
658,107	1	658,107	1	679,608	1
103,189	1	103,189	1	103,189	1
71,780	1	71,780	1	71,780	1
1,860,604	22	1,860,604	22	1,860,604	22
-	-	-	-	-	-
1,539,901	19	1,539,901	19	1,539,901	19
858,456	12	858,456	12	858,456	12
2,081,006	53	2,081,006	53	2,327,501	63
44,994	2	44,994	2	-	-
578,998	7	578,998	7	578,998	7
34,289	1	34,289	1	34,289	1
2,560,913	94	2,505,905	92	2,621,995	93
1,736,407	5	1,736,407	5	1,736,407	5
506,673	5	506,673	5	506,673	5
4,938,110	7	4,938,110	7	4,948,930	8
3,124,257	6	3,124,257	6	3,124,257	6
3,562,035	7	3,062,553	6	3,062,553	6
2,354,146	2	2,354,146	2	2,354,146	2
592,188	7	768,076	11	768,076	11
44,058	2	44,058	2	44,058	2
28,363,285	92	28,442,065	90	30,580,415	94
3,451,627	8	3,451,627	8	3,451,627	8
152,610	1	152,610	1	152,610	1
4,653,221	13	4,653,221	13	4,653,221	13
145,169	3	145,169	3	145,169	3
623,608	24	451,395	19	451,395	19
753,535	5	753,535	5	753,535	5
<u>\$ 72,213,263</u>	<u>461</u>	<u>\$ 71,403,080</u>	<u>452</u>	<u>\$ 74,539,771</u>	<u>480</u>

*(Continued on next page)*

**ORANGE COUNTY FIRE AUTHORITY**  
**Capital Vehicles by Category**  
**(Continued)**

Category	June 30, 2017		June 30, 2018	
	Historical Cost	Quantity	Historical Cost	Quantity
Air Utility	820,733	4	820,733	4
Ambulance	573,194	4	573,194	4
Battalion Chief Vehicle	2,161,593	42	2,224,326	42
Brush Chipper	84,438	2	84,438	2
Crew Cab	-	-	-	-
Crew-Carrying Vehicle	452,373	4	447,373	3
Dump Truck	66,366	1	66,366	1
Fire Command	674,655	3	674,655	3
Fire Dozer	550,978	2	550,978	2
Foam Tender	152,245	1	152,245	1
Fuel Tender	376,164	3	376,164	3
Hazmat Unit	939,162	2	939,162	2
Heavy Equipment Vehicle	184,392	2	252,434	3
Heavy Rescue Unit	679,608	1	679,608	1
Hose Tender	103,189	1	-	-
Lift Truck	71,780	1	71,780	1
Paramedic Van	1,860,604	22	1,566,150	19
Parade Engine	-	-	-	-
Patrol	1,539,901	19	1,791,780	20
Patrol, Compressed Air Foam System (CAFS)	858,456	12	858,456	12
Pickup Truck	3,213,233	85	3,275,670	86
Sedan	-	-	-	-
Squad	496,839	6	1,074,089	9
Stakeside	34,289	1	34,289	1
Sport Utility Vehicle (SUV)	2,602,271	92	2,224,726	79
Telesquirt	1,736,407	5	1,387,635	4
Transport Tractor	506,673	5	506,673	5
Truck, 90', 100' and 110' Tractor Drawn Aerials	6,641,223	9	9,236,148	11
Truck, 75' Quint	3,124,257	6	3,124,257	6
Truck, 90' Quint	3,062,553	6	3,062,553	6
Truck, 100' Quint	2,354,146	2	2,354,146	2
Truck, Other	804,028	11	790,798	10
Truck, Compressed Air Foam System (CAFS)	44,058	2	44,058	2
Type 1 Engine	32,151,624	94	32,151,624	94
Type 1 Wildland Urban Interface Engine	3,451,627	8	3,451,627	8
Type 2 Engine	152,610	1	152,610	1
Type 3 Engine	4,653,221	13	4,653,221	13
Utility	145,169	3	145,169	3
Van	435,224	18	435,224	18
Water Tender	753,535	5	753,535	5
	<u>\$ 78,512,818</u>	<u>498</u>	<u>\$ 80,987,894</u>	<u>486</u>

June 30, 2019		June 30, 2020		June 30, 2021	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
820,733	4	1,216,732	5	1,216,732	5
573,194	4	-	-	-	-
2,468,254	46	2,603,667	47	2,566,931	46
84,438	2	160,272	3	160,272	3
-	-	-	-	-	-
447,373	3	447,373	3	1,668,656	7
66,366	1	66,366	1	66,366	1
674,655	3	674,655	3	674,655	3
550,978	2	1,112,241	3	1,112,241	3
152,245	1	152,245	1	152,245	1
376,164	3	376,164	3	376,164	3
939,162	2	939,162	2	939,162	2
252,434	3	418,917	5	598,591	6
679,608	1	679,608	1	739,608	2
-	-	-	-	-	-
71,780	1	71,780	1	71,780	1
1,566,150	19	1,468,553	18	1,302,899	16
-	-	-	-	-	-
1,791,780	20	1,791,780	20	1,631,773	18
858,456	12	858,456	12	858,456	12
3,726,138	98	5,190,357	130	5,593,216	143
-	-	-	-	45,800	2
1,465,052	11	1,465,052	11	1,465,052	11
34,289	1	34,289	1	131,961	2
2,186,521	77	1,889,421	59	1,819,287	58
1,038,862	3	-	-	-	-
506,673	5	1,093,171	8	1,093,171	8
17,609,131	17	18,802,835	18	18,734,735	17
3,124,257	6	2,694,556	5	2,694,556	5
3,062,553	6	3,062,553	6	3,062,553	6
2,354,146	2	2,354,146	2	2,354,146	2
790,798	10	1,138,258	12	1,072,345	11
44,058	2	44,058	2	44,058	2
37,752,647	103	43,198,345	113	42,220,704	108
3,451,627	8	3,451,627	8	3,451,627	8
152,610	1	-	-	-	-
4,653,221	13	4,653,221	13	6,238,675	16
145,169	3	145,169	3	944,947	10
649,798	26	557,619	22	785,038	27
753,535	5	753,535	5	1,639,178	7
<u>\$ 95,874,855</u>	<u>524</u>	<u>\$ 103,566,183</u>	<u>546</u>	<u>\$ 107,527,580</u>	<u>572</u>



## Orange County Fire Authority Safety Message

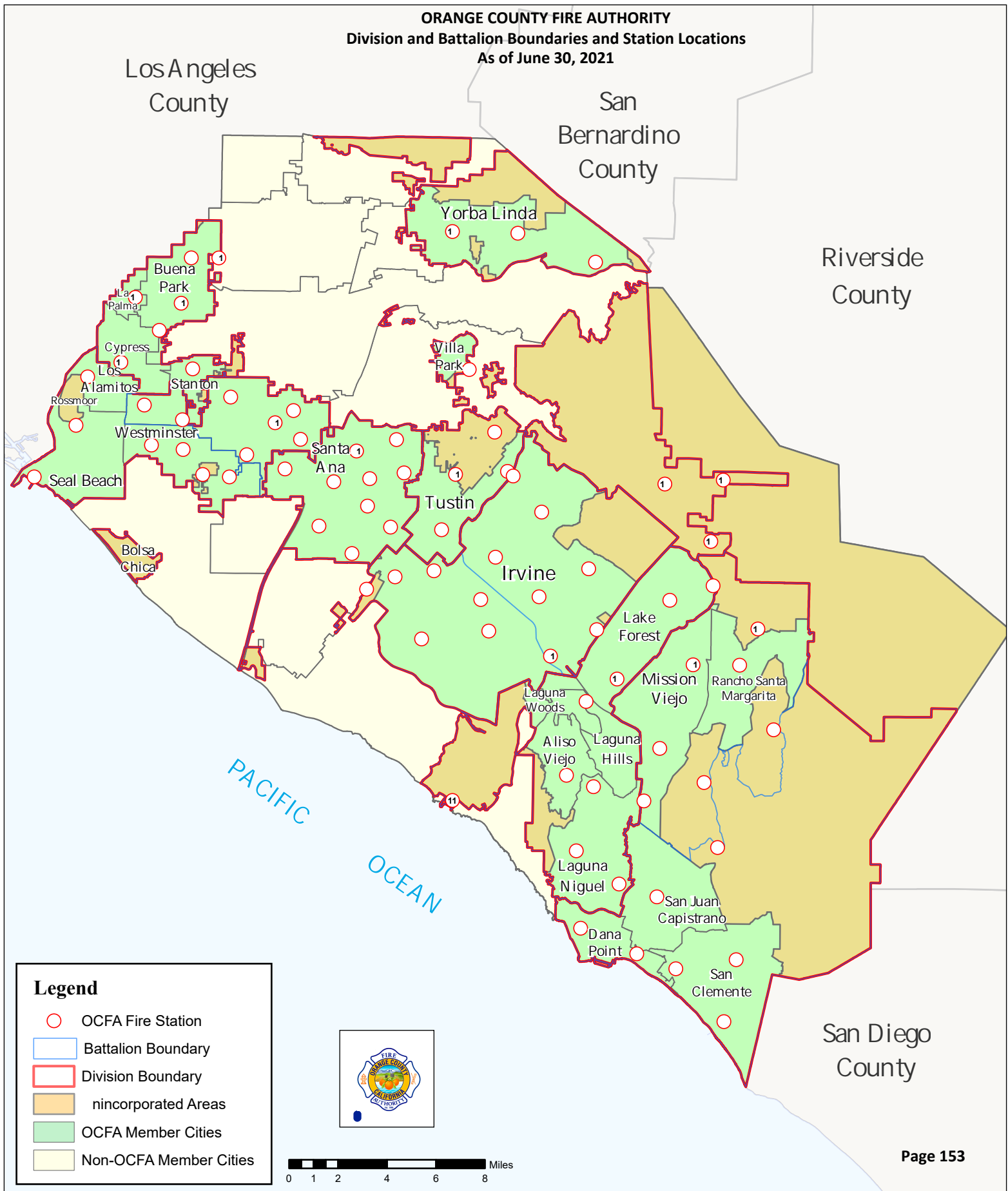
### Fireworks



*Every year thousands of burns and eye injuries are caused by fireworks. Following these simple tips can help you enjoy fireworks safely.*

- ✓ Recommended safety tips:
  - Obey local laws. Safe and Sane fireworks are only legal in the cities of **Anaheim, Buena Park, Costa Mesa, Fullerton, Garden Grove, Huntington Beach, Santa Ana, Stanton, Villa Park, and Westminster.**
  - Buy only Safe and Sane fireworks that are State Fire Marshal approved.
  - Light fireworks outdoors in a clear area and at a safe distance away from people, homes, vehicles, or flammable materials.
  - Light one firework at a time and never relight a dud.
  - Have a bucket of water and a hose nearby to soak fireworks before throwing them in a trash can.
  - Never point or throw fireworks at another person.
- ✓ Fireworks and child safety:
  - Fireworks should only be handled by adults.
  - Sparklers can exceed temperatures up to 1,200 degrees Fahrenheit, which is hot enough to melt gold.
  - Never let children pick up pieces of fireworks after a show as some may still be active.
  - Parents are liable for any damages or injuries caused by their children using fireworks.
- ✓ In case of an accident:
  - Call 9-1-1 and run cool water over any burn.
  - In case of an eye injury, do not rub, touch, or rinse the eye as this can cause more damage to the injury.
- ✓ A city-sponsored fireworks display is a great alternative to lighting your own fireworks. To find a fireworks display near you, please visit our website at **[www.ocfa.org](http://www.ocfa.org)**.

*To report illegal fireworks,  
please call your local law enforcement non-emergency line.*



**ORANGE COUNTY FIRE AUTHORITY**  
**List of Stations by Member Agency**  
**As of June 30, 2021**



**City of Aliso Viejo**  
#57, 57 Journey, 92656



**City of Buena Park**  
#61, 7440 La Palma Ave. 90620  
#62, 7780 Artesia Blvd. 90621  
#63, 9120 Holder St. 90620



**City of Cypress**  
#17, 4991 Cerritos Ave. 90630



**City of Dana Point**  
#29, 26111 Victoria Blvd. 92624  
#30, 23831 Stonehill Dr. 92629



**City of Garden Grove**  
#80, 14162 Forsyth Ln. 92844  
#81, 112611 Acacia Pkwy. 92840  
#82, 11805 Gilbert St. 92841  
#83, 12132 Trask Ave. 92843  
#84, 12191 Valley View St. 92845  
#85, 12751 Western Ave. 92841  
#86, 12232 West St. 92840



**City of Irvine**  
#4, 2 California Ave. 92612  
#6, 3180 Barranca Pkwy. 92606  
#20, 7050 Corsair, 92618  
#26, 4691 Walnut Ave. 92604  
#27, 12400 Portola Springs 92618  
#28, 17862 Gillette Ave. 92614  
#36, 301 E. Yale Loop 92604  
#38, 26 Parker 92618  
#47, 47 Fossil 92603  
#51, 18 Cushing 92618  
#55, 4955 Portola Pkwy. 92620



**City of La Palma**  
#13, 7822 Walker St. 90623



**Cities of Laguna Hills and Laguna Woods**  
#22, 24001 Paseo de Valencia, Laguna Hills 92653



**City of Laguna Niguel**  
#5, 23600 Pacific Island Dr. 92677  
#39, 24241 Avila Rd. 92677  
#49, 31461 Golden Lantern St. 92677



**City of Lake Forest**  
#19, 23022 El Toro Rd. 92630  
#42, 19150 Ridgeline Rd., 92679  
#54, 19811 Pauling Ave., 92610



**City of Los Alamitos**  
#2, 3642 Green Ave. 90720



**City of Mission Viejo**  
#9, #9 Shops at Mission Viejo 92691  
#24, 25862 Marguerite Pkwy. 92692  
#31, 22426 Olympiad Rd. 92692



**City of Rancho Santa Margarita**  
#45, 30131 Aventura 92688



**City of San Clemente**  
#50, 670 Camino de Los Mares 92672  
#59, 48 Avenida La Pata 92673  
#60, 100 Avenida Victoria 92672

**ORANGE COUNTY FIRE AUTHORITY**  
**List of Stations by Member Agency**  
**As of June 30, 2021, (Continued)**



**City of San Juan Capistrano**  
#7, 31865 Del Obispo 92675



**City of Santa Ana**  
#70, 2301 Old Grand 92701  
#71, 1029 West 17th St. 92706  
#72, 1688 East 4th St. 92701  
#73, 419 Franklin 92703  
#74, 1427 South Broadway 92707  
#75, 120 West Walnut 92701  
#76, 950 West MacArthur 92707  
#77, 2317 South Greenville 92704  
#78, 501 North Newhope 92703  
#79, 1320 East Warner 92705



**City of Seal Beach**  
#44, 718 Central Ave. 90740  
#48, 3131 N. Gate Rd. 90740



**City of Stanton**  
#46, 7871 Pacific St. 90680



**City of Tustin**  
#37, 15011 Kensington Park Dr. 92780  
#43, 11490 Pioneer Way 92782



**City of Villa Park**  
#23, 5020 Santiago Canyon Rd. 92869



**City of Westminster**  
#64, 7351 Westminster Blvd. 92683  
#65, 6061 Hefley St. 92683  
#66, 15061 Moran St. 92683



**City of Yorba Linda**  
#10, 18422 E. Lemon Dr. 92886  
#32, 20990 Yorba Linda Blvd. 92887  
#53, 25415 La Palma Ave. 92887



**County of Orange, Unincorporated**  
#8, 10631 Skyline Dr.,  
Santa Ana 92705  
  
#11, 259 Emerald Bay,  
Laguna Beach 92651

#14, P.O. Box 12,  
Silverado 92676

#15, 27172 Silverado Canyon Rd.,  
Silverado 92676

#16, 28891 Modjeska Canyon Rd.,  
Silverado 92676

#18, 30942 Trabuco Canyon Rd.,  
Trabuco Canyon 92679

#21, 1241 Irvine Blvd.,  
Tustin 92780

#25, 8171 Bolsa Ave.,  
Midway City 92655

#40, 25082 Vista del Verde,  
Coto de Caza 92679

#56, 56 Sendero Way,  
Rancho Mission Viejo 92694

#58, 58 Station Way,  
Ladera Ranch 92694

**Specialty Stations**



***Airport Rescue & Firefighting***

#33, 374 Paularino,  
Costa Mesa 92626



***Helicopter Operations***

#41, 3900 W. Artesia Ave.,  
Fullerton 92633



**ORANGE COUNTY FIRE AUTHORITY**  
**Description of the Organization, Programs and Service Delivery**  
**As of June 30, 2021**

Orange County Fire Authority (OCFA) is managed by an Executive Management team consisting of an appointed Fire Chief, two Deputy Chiefs, six Assistant Chiefs, and one Director. Assistant Chiefs oversee service activities that are organized into six primary departments – Operations, Emergency Medical Services (EMS) and Training, Business Services, Community Risk Reduction, Human Resources, and Logistics – which are further organized into divisions, battalions, sections, and/or programs to effectively carry out the mission of the OCFA. OCFA's overall structure is organized and managed as follows:

OCFA .....	Fire Chief
Bureau.....	Deputy Chief
Department .....	Assistant Chief
Division .....	Assistant Chief, Director, Division Chief, or Division Manager
Battalion / Section / Program .....	Battalion Chief or Section Manager

**EXECUTIVE MANAGEMENT**

Executive Management provides direction to areas of the organization and ensures that the types and levels of services provided are consistent with Board policy and the adopted budget. OCFA contracts with the firm of Woodruff, Spradlin, & Smart located in Costa Mesa, California for its legal services. General Counsel reports directly to the Board of Directors.

**CORPORATE COMMUNICATIONS**

**Corporate Communications**, which is overseen by a Director reporting directly to the Fire Chief, facilitates public information and media relations, and provides support to Executive Management staff on special projects designed to keep the public and other agencies informed about OCFA.

- The **Public Information Officer (PIO)** serves as the spokesperson for OCFA during major incidents and ensures that the public is kept informed through the release of accurate and timely information, news releases, and board advisories.
- **Multimedia** is responsible for meeting all OCFA audio, video, and photographic needs.
- **Community Education** facilitates public safety education and awareness through large-scale educational campaigns and community outreach events.

**EMERGENCY OPERATIONS BUREAU**

**COMMAND & EMERGENCY PLANNING DIVISION**

The **Command & Emergency Planning Division**, which is overseen by a Division Chief reporting directly to the Deputy Chief of the Emergency Operations Bureau, provides the following services:

- The **Emergency Command Center (ECC)** serves as a secondary 9-1-1 Public Safety Answering Point (PSAP) and dispatch center for fire and medical emergencies by answering emergency calls, identifying the nature and location of the emergency, and dispatching resources. The ECC also serves as the Operational Area Coordinator for fire and rescue mutual aid for all Orange County fire service agencies.
- **Emergency Planning and Coordination (EPAC)** is primarily responsible for emergency management planning, serving as the OCFA's representative to the Operational Area Emergency Operations Center (Loma Ridge) and the Operational Area Fire Mutual Aid Representative to the California Office of Emergency Services Region I Office.

### **SPECIAL OPERATIONS DIVISION**

The **Special Operations Division**, which is overseen by a Division Chief reporting directly to the Deputy Chief of the Emergency Operations Bureau, coordinates and facilitates all operational agreements that OCFA maintains with outside entities, including the California Governor's Office of Emergency Services (Cal OES), the California Department of Forestry and Fire Protection (CAL FIRE), and the United States Forest Service (USFS). The division also provides the following services and programs:

- The **Urban Search and Rescue (USAR) Program** provides specialized emergency response capabilities and equipment for the federal USAR task force, the Swift Water Rescue program, and the Mass Casualty Unit.
- The **Hazardous Materials Program** provides administration, oversight, and training for the Hazardous Materials Response Team (HMRT) and the Fire and Law Enforcement Joint Hazard Assessment Team (JHAT).
- **Air Operations** is responsible for coordination and maintenance of OCFA's firefighting helicopters, which are used for emergency responses for wildland and wildland urban interface fires and special rescues such as swift and still water rescues, medical rescue support, and disaster mitigation.
- **Wildland Operations** oversees the coordination of firefighting hand crews and heavy fire equipment.

### **OPERATIONS DEPARTMENT**

The **Operations Department** provides command and control direction regarding daily operations and all fire suppression activities, as well as specialized training programs for safety personnel and overall OCFA-wide staff development. There are seven operational field divisions, each under the command of a Division Chief. Divisions are divided into field battalions, which are under the command of Battalion Chiefs. Within these field battalions are 76 fire stations that provide for regional emergency response to structure fires, medical aids, rescues, hazardous materials incidents, and wildland fires. Activities and additional responsibilities of each Division include the following:

- **Division 1 – Battalion 1** primarily serves the cities of Los Alamitos, Seal Beach, and Westminster, as well as the unincorporated communities of Midway City and Rossmore. **Battalion 11** primarily serves the city of Garden Grove. Division 1 also assists with the provision of emergency services to Seal Beach Naval Weapons Station and the Joint Forces Training Base in Los Alamitos.
- **Division 2 – Battalion 5 and Battalion 10** primarily serve the city of Irvine, as well as the unincorporated community of Santa Ana Heights. Division 2 provides emergency services to the University of California, Irvine (UCI), John Wayne Airport (JWA), and the Orange County Great Park. The division also provides oversight for Airport Rescue Fire Fighting (ARFF) services. The division is also responsible for coordinating all grants received from the Office of Homeland Security.
- **Division 3 – Battalion 6** primarily serves the cities of Dana Point, San Clemente, and San Juan Capistrano, as well as the unincorporated community of Rancho Mission Viejo and areas along Ortega Highway in southern Orange County. **Battalion 7** primarily serves the cities of Mission Viejo and Rancho Santa Margarita, as well as the unincorporated communities of Coto de Caza, Ladera Ranch, Las Flores, and Trabuco Canyon. Division 3 provides oversight for the OCFA Apparatus Committee.
- **Division 4 – Battalion 2** primarily serves the city of Yorba Linda, as well as the unincorporated communities of Carbon Canyon, Chino Hills State Park, and Tonner Canyon. **Battalion 3** primarily serves the cities Tustin and Villa Park, as well as the unincorporated communities of Cowan Heights, El Modena, Lemon Heights, Orange Park Acres, Modjeska Canyon, Santiago Canyon, and Silverado Canyon. **Community Volunteer Services (CVS)** coordinates the Reserve Firefighters (RFF) program, the OCFA Chaplain Program, and the Fire Cadet Program.
- **Division 5 – Battalion 4** primarily serves the cities of Aliso Viejo, Laguna Hills, Laguna Niguel, Laguna Woods, and Lake Forest, as well as the unincorporated community of Emerald Bay. Division 5 oversees the Staffing Program, which ensures 24/7 staffing levels at all stations; the Staffing Committee; the employee transfer process within the Operations Department; and the OCFA Equipment Committee.
- **Division 6 – Battalion 9** primarily serves the city of Santa Ana.

- **Division 7 – Battalion 8** primarily serves the cities of Buena Park, Cypress, La Palma, and Stanton.

#### EMS AND TRAINING DEPARTMENT

The **EMS and Training Department** provides emergency medical and specialized training programs for safety personnel. Specific activities and responsibilities of the department include the following:

- The **Emergency Medical Services (EMS) Division** manages the delivery of medical services by OCFA's emergency medical technicians (EMT) and paramedics. EMS serves as a liaison to county and state regulatory agencies, hospitals, ambulance providers, and other EMS groups. EMS also oversees the Wellness and Fitness (WEFIT) program, which includes medical and fitness evaluations, behavioral health, cancer awareness and prevention, peer fitness trainers, employee health and fitness education, and physical training for firefighter academy recruits.
- The **Operations Training and Promotions Division** facilitates and coordinates the Fire Apparatus Engineer, Fire Captain, and Fire Battalion Chief academies and assessment centers. The division works collaboratively with the Operations Training & Safety Division on rank-specific, operations-based training. Lastly, the division coordinates with Santa Ana College and the California Joint Apprenticeship Committee (CFFJAC) on various training activities and programs.
- The **Operations Training & Safety Division (Training)** delivers and facilitates all operations personnel training activities and serves in a lead capacity on issues of employee and incident safety. Training Officers double as incident safety officers.

#### ADMINISTRATION & SUPPORT BUREAU

#### BUSINESS SERVICES DEPARTMENT

The **Business Services Department** provides the following services:

- The **Clerk Division** administers democratic processes, such as access to OCFA records and all legislative actions ensuring transparency to the public.
- The **Finance Division** oversees the processing, accounting, reporting, and auditing of all OCFA financial records. It is responsible for developing policies and procedures designed to protect and safeguard OCFA's assets. Specific functions include accounts receivable, general accounting, cost accounting, accounts payable, payroll, and timekeeping.
- The **Legislative Division** identifies and tracks local, state, and federal legislation that could impact OCFA; submits legislative analysis to the Board of Directors; sends letters on behalf of the Board of Directors when a position is taken on an item of legislation; and manages the grant application process for all OCFA grants.
- The **Purchasing Division** administers the centralized procurement of all supplies, services, equipment, and construction services through competitive solicitations. The Purchasing Division is also responsible for administering the procurement card program and surplus disposition.
- The **Treasury Division** provides cash management, budgetary, and financial support services. Treasury services include monitoring cash balances; making investments in compliance with OCFA's Investment Policy; issuing and administering long and short-term debt; and providing oversight of the deferred compensation, pension, and retiree medical programs. Financial planning services include preparation of the budget; annual reviews of OCFA's fiscal health; financial forecasting; and special financial studies.

### COMMUNITY RISK REDUCTION DEPARTMENT

The **Community Risk Reduction Department** contributes to community safety and prosperity through the systematic mitigation of risk. Specific programs and services include the following:

- **Investigations** conducts fire investigations and evaluations and initiates early intervention strategies. Other responsibilities include administration of the Fire F.R.I.E.N.D.S. diversion program for juvenile-related fires; OCFIRS quality assurance; state and national reporting; and oversight of the Orange County Intelligence and Assessment Center (OCIAC).
- The **Planning and Development Division** interacts with developers, architects, and engineers to meet the fire protection requirements for buildings and developments. This division reviews all architectural development plans and proposals submitted within OCFA's jurisdiction, including tract and parcel maps, permits for conditional use, site development, coastal development, and other items related to the developmental process.
- The **Prevention Field Services Division** assists stakeholders in maintaining and enhancing safe communities by conducting fire safety inspections; enforcing applicable fire codes and ordinances; and assuring that public safety issues are researched and addressed as appropriate.
- **Wildland Pre-Fire Management** takes a proactive approach to wildland fire prevention through the systematic evaluation of risk, fuels mitigation, road maintenance, vegetation management, and home hardening education through ongoing collaboration with partner organizations, land owners, and communities.

### HUMAN RESOURCES DEPARTMENT

The **Human Resources Department** provides the following programs and services:

- The **Benefits Division** administers employee benefit programs, including health, accidental death and dismemberment, dental, vision, life, disability, and optional benefit plans; has oversight for human resources information systems; and oversees classification and compensation studies.
- The **Employee Relations Division** oversees performance management; meet and confer, appeal, and grievance processes; and Memorandum of Understanding (MOU) administration. In addition, Employee Relations includes the OCFA accommodation program, which involves scheduling and facilitating interactive process meetings and the identification of reasonable accommodations.
- The **Recruitment Division** oversees recruitment and selection processes.
- The **Risk Management Division** administers OCFA's general liability insurance, self-insured workers' compensation, and environmental health and safety programs.

### LOGISTICS DEPARTMENT

The **Logistics Department** provides essential support to all departments of the OCFA in the following areas:

- The **Fleet Services Division** ensures the effective and timely repair, servicing, and maintenance of all vehicles, apparatus, and equipment. Responsibilities include coordinating new vehicle specifications and purchases, maintenance schedules, and replacement prioritization.
- The **Information Technology Division** is responsible for development, operation, maintenance, and security of OCFA's computers, network, and overall technical infrastructure; the development and support of information systems applications and databases; maintenance of centralized enterprise Geographic Information System (GIS) and mapping capabilities; and the acquisition and maintenance of emergency communications equipment.
- The **Property Management Division** builds, maintains, and repairs all OCFA real property and durable infrastructure.

Responsibilities include construction of new fire stations and the maintenance and operations of all fire stations and facilities, including the air operations hangar, the Urban Search and Rescue and Training facility, and the Regional Fire Operations and Training Center (RFOTC).

- The **Service Center Division** provides OCFA's organization-wide logistical support. Responsibilities include shipping, receiving, and warehousing services for a wide variety of organizational supplies; mail processing and delivery; testing and repair of firefighting equipment; providing and maintaining personal protective equipment (PPE) for firefighters; outfitting new fire apparatus with equipment; and providing specialized emergency support on incidents.



# COMPREHENSIVE ANNUAL FINANCIAL REPORT 2021

FISCAL YEAR ENDED JUNE 30



ORANGE COUNTY FIRE AUTHORITY

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Orange County Fire Authority  
Irvine, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Orange County Fire Authority (the Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 7, 2021.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Board of Directors  
Orange County Fire Authority  
Irvine, California

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Soll & Lingham, LLP*

Brea, California  
October 7, 2021





# ORANGE COUNTY FIRE AUTHORITY

JUNE 30, 2021

SINGLE AUDIT REPORT

Focused  
on YOU



ORANGE COUNTY FIRE AUTHORITY

SINGLE AUDIT REPORT

JUNE 30, 2021

ORANGE COUNTY FIRE AUTHORITY

SINGLE AUDIT REPORT

JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance .....	3
Schedule of Expenditures of Federal Awards for the Fiscal Year Ended June 30, 2021.....	6
Notes to the Schedule of Expenditures of Federal Awards .....	7
Schedule of Findings and Questioned Costs for the Fiscal Year Ended June 30, 2021.....	8
Summary Schedule of Prior Year Findings and Questioned Costs for the Fiscal Year Ended June 30, 2020.....	10



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Orange County Fire Authority  
Irvine, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Orange County Fire Authority (the Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 7, 2021.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Board of Directors  
Orange County Fire Authority  
Irvine, California

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lance, Soll &amp; Lingham, LLP". The signature is written in a cursive, flowing style.

Brea, California  
October 7, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
Orange County Fire Authority  
Irvine, California

**Report on Compliance for Each Major Federal Program**

We have audited the Orange County Fire Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.



To the Board of Directors  
Orange County Fire Authority  
Irvine, California

## **Report on Internal Control over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Authority, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated October 7, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



To the Board of Directors  
Orange County Fire Authority  
Irvine, California

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Lance, Solt & Loughard, LLP*

Brea, California  
October 7, 2021



ORANGE COUNTY FIRE AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Program / Project Identification Number	Pass-Through Entity Identifying Number	Expenditures
<b>U.S. Department of Homeland Security:</b>				
<b>Direct assistance via Federal Emergency Management Agency:</b>				
National Urban Search and Rescue (US&R) Response System:				
2018 Cooperative Agreement	97.025	EMW-2018-CA-00006	N/A	\$ 262,464
2019 Cooperative Agreement	97.025	EMW-2019-CA-00064	N/A	247,148
2020 Cooperative Agreement	97.025	EMW-2020-CA-00025	N/A	801,201
<b>Subtotal - CFDA 97.025 *</b>				<b>1,310,813</b>
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00565	N/A	400,335
<b>Subtotal - CFDA 97.083</b>				<b>400,335</b>
2018 Assistance to Firefighters Grant (AFG) - Fire Ground Survival Training	97.044	EMW-2018-FO-04863	N/A	247,660
<b>Subtotal - CFDA 97.044</b>				<b>247,660</b>
<b>Homeland Security Grant Program:</b>				
Passed through the Orange County Sheriff's Department:				
2019 Orange County Intelligence Assessment Center	97.067	DHS 2019-SS-00035	11-195-0784	175,696
<b>Subtotal - Passed through the Orange County Sheriff's Department</b>				<b>175,696</b>
Passed through the City of Anaheim:				
2018 Urban Areas Security Initiative (UASI) Conference	97.067	DHS 2018-SS-0054	04-432-9993	12,944
<b>Subtotal - Passed through the City of Anaheim</b>				<b>12,944</b>
Passed through the City of Santa Ana:				
2019 Urban Areas Security Initiative (UASI) Conference	97.067	DHS 2019-SS-0035	08-315-3247	9,829
<b>Subtotal - Passed through the City of Santa Ana</b>				<b>9,829</b>
<b>Subtotal - CFDA 97.067</b>				<b>198,469</b>
<b>Total U.S. Department of Homeland Security</b>				<b>2,157,277</b>
<b>Total Federal Expenditures</b>				<b>\$ 2,157,277</b>

\* Major Program

Note a: Refer to Note 1 to the Schedule of Expenditures of Federal Awards for a description of significant accounting policies used in preparing this schedule.

Note b: There were no federal awards expended in the form of noncash assistance and insurance in effect during the year.

Note c: Total amount provided to subrecipients during the year was \$0.

**ORANGE COUNTY FIRE AUTHORITY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards**

**a. Scope of Presentation**

The accompanying schedule presents only the expenditures incurred by the Orange County Fire Authority (the Authority), that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the Authority from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

**b. Basis of Accounting**

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the Authority becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

ORANGE COUNTY FIRE AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? ☐ yes ☒ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

97.025

National Urban Search and Rescue (US&R) Response System

Dollar threshold used to distinguish between type A and type B program \$750,000

Auditee qualified as low risk auditee? ☐ yes ☒ no

**ORANGE COUNTY FIRE AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported



# ORANGE COUNTY FIRE AUTHORITY

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Brian Fennessy, Fire Chief

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## Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2020

Finding: 2020-001

Status: Corrected



October 7, 2021

To the Board of Directors  
Orange County Fire Authority  
Irvine, California

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Orange County Fire Authority (the Authority) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 15, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in the notes to the financial statements. As described in Note 3 to the financial statements, the Authority changed accounting policies related to its accounting for leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, *Leases*, in fiscal year 2020-2021. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the statement of activities. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

Management's estimates of its claims and judgments liability, net pension liability, and net other post-employment benefits liability are based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the claims and judgments liability, net pension liability, and net other post-employment benefits liability to determine that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of Commitments and Contingencies in Note 16 to the financial statements identifies the results of a settlement agreement entered into by the Authority and the City of Irvine which resulted in one-time costs and ongoing annual costs through June 30, 2030, incurred by the Authority. Note 16 also discloses commitments related to outstanding encumbrances, and contingent liabilities related to pending litigation.



To the Board of Directors  
Orange County Fire Authority  
Irvine, California

The financial statement disclosures are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. These differences are described below. In addition, none of the misstatements detected as a result of our audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.

Unadjusted Audit Differences	Current Year Over (Under) Revenues and Expenditures/Expenses and Changes in Fund Balance/Equity
Payments made after 6/30/2021 for expenditures incurred prior to 6/30/2021 were not accrued.	\$ 32,257
Cash receipts received after 6/30/2021 for revenues earned prior to 6/30/2021 were not accrued.	(97)
<i>(All items were identified by management, and a decision was made to pass on adjustment due to the immateriality of the items, rather than reopening the books at 6/30/2021 to record)</i>	
Cumulative effect (before effect of prior year differences)	32,160
Effect of unadjusted audit difference - prior year	(295,409)
Cumulative effect (after effect of prior year differences)	\$ (263,249)

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated October 7, 2021.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.



To the Board of Directors  
Orange County Fire Authority  
Irvine, California

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### **Review Procedures for Emergency Purchases**

We followed up on the comment made in the prior year's communication letter in the current audit year, and noted that during the year under audit, no changes had been approved by the Board to clarify the language of the emergency purchases policy as it relates to long-duration incidents such as the COVID-19 pandemic in the Roles/Responsibilities/Authorities Matrix. However, management did revise the Procurement Policy Manual for Fiscal Year 2020/21 in May of 2021 to include clarifying language. On July 22, 2021, the Board of Directors approved language stating that for long-duration incidents, review of emergency purchases exceeding management authority will occur on a quarterly basis. This language was incorporated into the Roles/Responsibilities/Authorities Matrix. We believe this resolves the issue and will allow the Board to exercise better oversight over emergency purchases for long-duration incidents.

#### **Other Matters**

We applied certain limited procedures to management's discussion and analysis, the schedule of OCFA's proportionate share of the net pension liability, the schedule of changes in net pension liability and related ratios, the schedule of changes in net OPEB liability and related ratios, the schedules of contributions, and the schedules of money weighted rate of return which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.





To the Board of Directors  
Orange County Fire Authority  
Irvine, California

#### New Accounting Standards

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2020-2021 audit:

GASB Statement No. 84, *Fiduciary Activities*.

GASB Statement No. 87, *Leases*.

GASB Statement No. 90, *Majority Equity Interests - an Amendment of GASB Statement Nos. 14 and 61*.

The following GASB pronouncements are effective in the following fiscal years' audits and should be reviewed for proper implementation by management:

#### Fiscal year 2022

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

#### Fiscal year 2023

GASB Statement No. 91, *Conduit Debt Obligations*.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangement*.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

#### Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Orange County Fire Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lance, Soll &amp; Loughard, LLP". The signature is written in a cursive, flowing style.

Brea, California

**ORANGE COUNTY FIRE AUTHORITY**  
**Fund Balance Assigned for Capital Improvement Program (CIP)**  
**Final Calculation**  
**As of June 30, 2021**

**Attachment 5A**

Description	Source	General Fund CIP Fund 12110	Communications and Information Systems Fund 124	Fire Apparatus Fund 133	Fire Stations and Facilities Fund 123	Total
<b>Actual Fund Balance Available for CIP Assignment</b>						
Total actual fund balance at 6/30/2021	FYE 6/30/2021 CAFR, pages 28, 104	9,679,008	5,223,735	26,031,912	18,488,482	59,423,137
Less nonspendable fund balance - prepaid items	FYE 6/30/2021 CAFR, pages 28, 104	(80,199)	(10,791)	-	(3,464)	(94,454)
Less restricted fund balance	FYE 6/30/2021 CAFR, pages 28, 104				(434,763)	(434,763)
Less outstanding encumbrances:						
Pertaining to restricted resources	FYE 6/30/2021 CAFR, pages 28, 104	-	-	-	-	-
Pertaining to committed resources	FYE 6/30/2021 CAFR, pages 28, 104	-	-	-	-	-
Pertaining to assigned resources	FYE 6/30/2021 CAFR, pages 28, 104	(1,616,165)	(123,750)	(13,545,517)	(804,115)	(16,089,547)
<b>Actual fund balance available for CIP assignment at 6/30/2021 (A)</b>		<b>7,982,644</b>	<b>5,089,194</b>	<b>12,486,395</b>	<b>17,246,140</b>	<b>42,804,373</b>
<b>Possible CIP Expenditures, Net of Offsetting Revenues and Funding Sources</b>						
<b><u>Appropriations Re-Budgeted to Next Fiscal Year, Net</u></b>						
Carryover expenditures	Board of Directors approval 9/23/2021, Item #2C	6,025,736	3,741,515	10,414,456	6,818,795	27,000,502
Less: Carryover revenues	Board of Directors approval 9/23/2021, Item #2C	-	-	-	-	-
Net		6,025,736	3,741,515	10,414,456	6,818,795	27,000,502
<b><u>Five-Year CIP Plan - Budgeted CIP Projects, Net</u></b>						
Five-year CIP plan expenditures	FY 2021/22 Adopted Budget	36,087,000	9,725,000	50,146,030	48,512,231	144,470,261
Less: Offsetting cash contract/developer/grant/CALFIRE funding:						
Vehicle replacement charges (5 years)	Cash contract annual vehicle charge, as prepared by Finance Division / General Accounting Unit	-	-	(8,435,287)	-	(8,435,287)
Developer-funded projects (cost-reimbursable budgeted costs)	FY 2021/22 Adopted Budget	-	-	(1,000,080)	-	(1,000,080)
Net		36,087,000	9,725,000	40,710,663	48,512,231	135,034,894
<b>Possible CIP expenditures, net of offsetting revenues and funding sources (B)</b>		<b>42,112,736</b>	<b>13,466,515</b>	<b>51,125,119</b>	<b>55,331,026</b>	<b>162,035,396</b>
<b>Over (under) funded as of 6/30/2021 (A-B)</b>		<b>(34,130,092)</b>	<b>(8,377,321)</b>	<b>(38,638,724)</b>	<b>(38,084,886)</b>	<b>(119,231,023)</b>
<b><u>Final Fund Balance Assignment</u></b>						
Actual fund balance available for CIP assignment at 6/30/2021		7,982,644	5,089,194	12,486,395	17,246,140	42,804,373
Less: Over funded amount to be transferred back to the General Fund		-	-	-	-	-
<b>Final fund balance assignment at 6/30/2021</b>	<b>FYE 6/30/2021 CAFR, page 28</b>	<b>7,982,644</b>	<b>5,089,194</b>	<b>12,486,395</b>	<b>17,246,140</b>	<b>42,804,373</b>

**ORANGE COUNTY FIRE AUTHORITY**  
**Fund Balance Assigned for Workers Compensation**  
**Final Calculation**  
**As of June 30, 2021**

**Attachment 5B**

		Self Insurance Fund		
Description	Source	Final Budget	Positive (Negative) Variance	Actual
<b>Revenues:</b>				
Interest	FYE 6/30/2021 CAFR, pages 105, 107	\$ 319,962	(243,397)	\$ 76,565
Workers' compensation charges	FYE 6/30/2021 CAFR, pages 105, 107	20,093,346	-	20,093,346
Insurance recoveries	FYE 6/30/2021 CAFR, pages 105, 107	292,377	1,155,932	1,448,309
Subtotal - revenues		20,705,685	912,535	21,618,220
<b>Expenditures:</b>				
Workers' compensation claims paid	FYE 6/30/2020 CAFR, pages 103, 105	(20,057,235)	5,261,388	(14,795,847)
Subtotal - expenditures		(20,057,235)	5,261,388	(14,795,847)
<b>Transfers In:</b>				
Transfers in from General Fund 121	FYE 6/30/2021 CAFR, pages 105, 107	3,949,257	-	3,949,257
Subtotal - transfers in		3,949,257	-	3,949,257
<b>Total change in fund balance</b>		<b>\$ 4,597,707</b>	<b>\$ 6,173,923</b>	<b>\$ 10,771,630</b>
		(A)	(B)	
<b>Assignment for Workers' Compensation:</b>				
Actual assignment at 6/30/2020	FYE 6/30/2020 CAFR, page 28		\$ 98,998,999	
Budgeted change in fund balance	(A)		4,597,707	
Budgeted assignment at 6/30/2021			103,596,706	
Variance between final budget and actual amounts	(B)		6,173,923	
Actual assignment at 6/30/2021	FYE 6/30/2021 CAFR, page 28		<b>\$ 109,770,629</b>	

**Orange County Fire Authority**  
**Calculation of Unencumbered Fund Balance**  
**General Operating Fund (121-12150)\***  
**Fiscal Year 2020/21**

		Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Property tax revenue (Structural Fire Fund - SFF)		\$ 287,967,482	\$ 290,310,882	\$ 2,343,400
Other revenues		215,171,865	199,961,200	(15,210,665)
Transfers in		500,000	500,000	-
<b>Subtotal revenues and transfers in</b>	<b>(A)</b>	<b>503,639,347</b>	<b>490,772,082</b>	<b>(12,867,265)</b>
Expenditures		499,022,833	480,204,685	18,818,148
Transfers out		26,676,593	26,676,593	-
Subtotal expenditures and transfers out		525,699,426	506,881,278	18,818,148
Less: Prior year encumbrances		(2,644,493)	(2,365,381)	(279,112)
Plus: Current year encumbrances		-	596,517	(596,517)
<b>Subtotal budgetary expenditures</b>	<b>(B)</b>	<b>523,054,933</b>	<b>505,112,414</b>	<b>17,942,519</b>
<b>Total unencumbered fund balance before adjustments</b>	<b>(A+B)</b>	<b>(19,415,586)</b>	<b>(14,340,332)</b>	<b>5,075,254</b>
Reconciling Items:				
Rebudget of FY 2020/21 uncompleted projects:				
Carryover budgeted FY 2020/21 revenues				16,637,547
Carryover budgeted FY 2020/21 appropriations				(17,174,678)
Subtotal				(537,131)
GASB 31 interest adjustment (investment market value)				52,812
Subtotal				52,812
<b>Total reconciling items</b>	<b>(C)</b>			<b>(484,319)</b>
<b>Total unencumbered fund balance with adjustments</b>	<b>(A+B+C)</b>			<b>\$ 4,590,935</b>

FY 2021/22 General Operating Fund budget (expenditures, other uses, and transfers out) \$ 466,099,050

Unencumbered fund balance as a percentage of next year's General Operating Fund budget 0.98%

\* In the 2020/21 Financial Statements, the Combined General Fund includes four "sub-funds" as follows: General Fund CIP (12110), Structural Fire Entitlement (171), Workers' Compensation (190), and Settlement Agreement (139) which should not be included in the calculations of unencumbered fund balance. Therefore, activities in these four sub-funds have been eliminated from this calculation. The "General Operating Fund" includes only the General Fund (121) and the Property Management sub-fund (12150), which is identified separately only for internal accounting purposes.



**Orange County Fire Authority**  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**November 10, 2021**

**Agenda Item No. 3B**  
**Discussion Calendar**

**Organizational Service Level Assessment Update**

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**Contact(s) for Further Information**

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**Summary**

This agenda item is submitted to provide a progress update on the Service Level Assessments (SLAs) for Field Deployment, Emergency Medical Services, Emergency Command Center, Fleet Services, and Executive Management/Human Resources which were completed by Citygate as part of the first phase of assessments in 2020. In addition, this agenda item provides the results of the SLAs for the Business Services and the Community Risk Reduction Departments completed as part of the second and final phase of the Citygate assessment project.

**Prior Board/Committee Action(s)**

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

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

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

At its regular meeting on September 24, 2020, the Board of Directors approved the recommended actions to receive and file the results and final reports for Field Deployment, Emergency Medical Services, Emergency Command Center, Fleet Services and Executive Leadership/Human Resources. Furthermore, the Board of Directors also approved the issuing of Purchase Orders to Citygate Associates, LLC to conduct SLAs for the Business Services Department and the Community Risk Reduction Department and corresponding budget adjustments.

**RECOMMENDED ACTION(S)**

Review the proposed agenda items and direct staff to place the items on the agenda for the Board of Directors meeting of November 18, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Receive and file the Citygate Organizational Service Level Assessment (SLA) update for Field Deployment, Emergency Medical Services, Emergency Command Center, Fleet Services, and Executive Leadership/Human Resources.
2. Receive and file the Citygate Organizational Service Level Assessment (SLA) results presentation and final reports for the Business Services Department and the Community Risk Reduction Department.

### **Impact to Cities/County**

Not Applicable.

### **Fiscal Impact**

None.

### **Background**

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

Five organizational SLA areas, also known as cost centers, were identified as part of the first phase of the Citygate SLA project and approved for review by the Budget & Finance Committee and the Board of Directors in 2019. The first phase of the SLAs included: Emergency Command Center (ECC), Emergency Medical Services (EMS), Fleet Services, Field Deployment (Standards of Cover), and Executive Leadership Team/Human Resources. These assessments were intended to accomplish the same objectives as a strategic plan, but in smaller pieces, and allow for progress to be made on identified objectives, while other portions of the organization are still being assessed. Each SLA evaluates, at a forensics data-driven level, the operational performance of the cost centers, not just compared to national and Citygate team best practices, but to the needs of the OCFA, its employees and its agency customers. Each SLA is a stand-alone assessment report, that will cover elements assessed, the operational metrics, and describe strengths and areas of opportunity.

The results of the first phase of the SLA reviews were approved by the Budget & Finance Committee and the Board of Directors at their respective meetings in September of 2020. Since then, staff has been working towards implementing Citygate's recommendations that do not require an increase in costs to the organization. A listing of Citygate SLA recommendations and status updates is provided in Attachment 1.

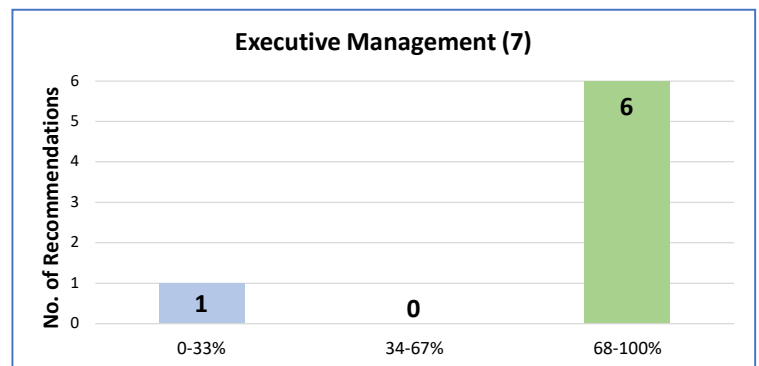
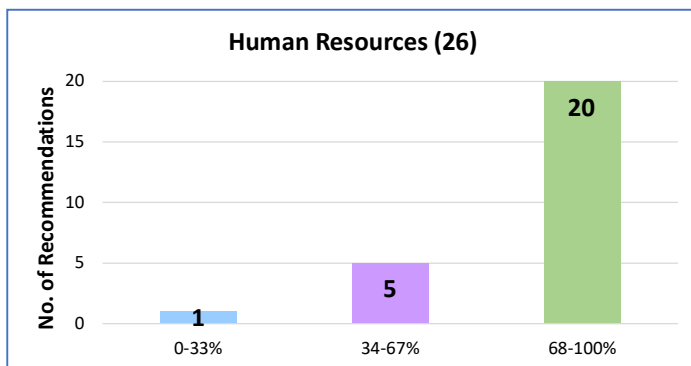
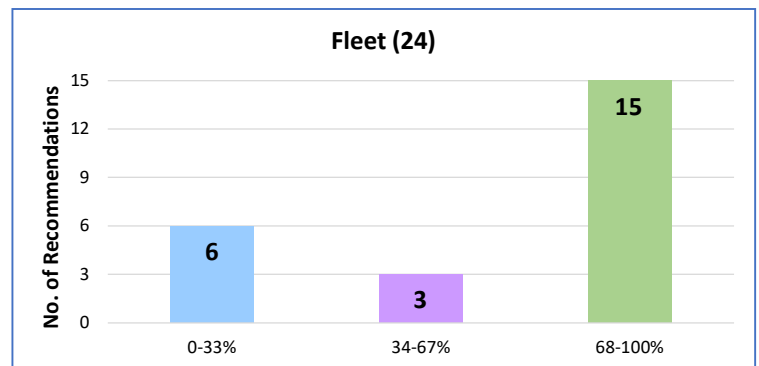
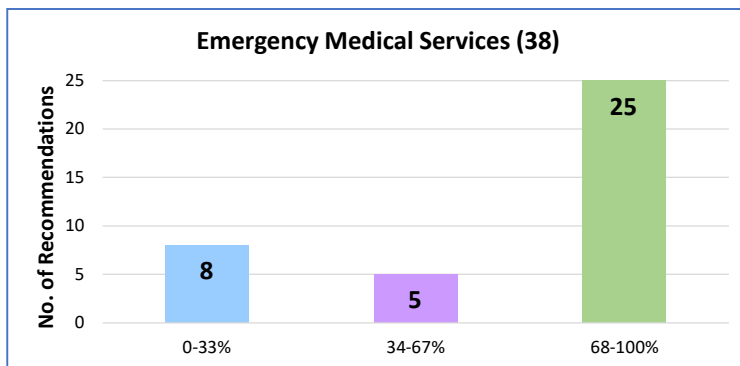
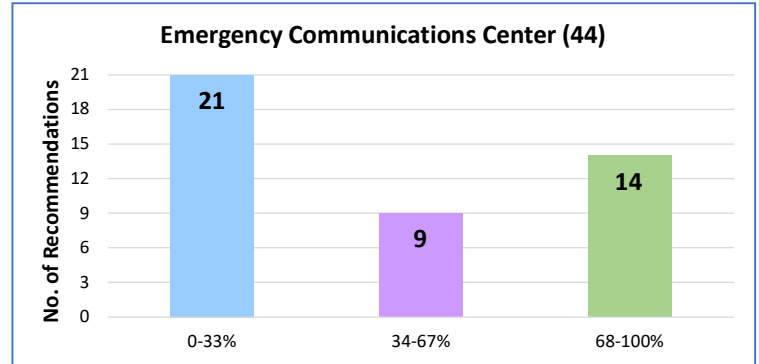
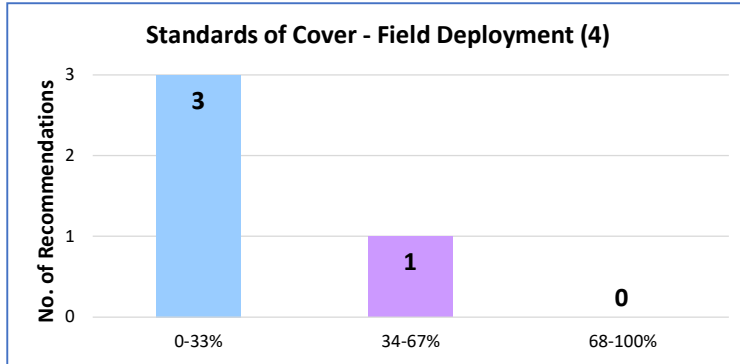
In following with the Chief's recommendation to perform reviews of other areas of the organization, the Fire Chief and Executive Management Team identified the second and final phase of SLAs to be performed by Citygate. The second and final phase includes SLAs for the Business Services Department and the Community Risk Reduction Department which the Board of Directors authorized at its September 24, 2020 meeting. As of October 21, 2021, Citygate has completed the SLA reviews for both the Business Services and Community Risk Reduction Departments. These final reports are included as Attachments 2 and 3.

### **Attachment(s)**




1. Citygate SLA Recommendations and Status Update
2. Business Services Department Final SLA
3. Community Risk Reduction Department Final SLA

**Orange County Fire Authority  
Service Level Assessment  
Recommendations Status Summary – November 2021**

This summary overview provides the status of recommendations within each Service Level Assessment (SLA). Additional details are included in the attached SLA Recommendations Status Report.



**Percentage Completed Color Key:**

-  0-33% Steps to carry out the recommendation are in early development.
-  34-67% The recommendation is currently being implemented.
-  68-100% Significant progress has been made towards the completion of the recommendation or recommendation has been fully implemented.



**ORANGE COUNTY FIRE AUTHORITY**  
**Citygate Service Level Assessments**  
**Recommendations Status Report - November 2021**

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
Standards of Cover – Field Deployment Service Level Assessment							
1.1	Adopt updated Board of Directors deployment measures. (pg. 9)	No	No	Emergency Ops Bureau	While not yet adopted, staff is using the updated deployment measures to evaluate performance.		20%
1.2	Reduce turnout times to 2:00 minutes or less, 90 percent of the time. (pg. 10)	No	No	Field Operations	In progress.		50%
1.3	As soon as finances allow, OCFA should add: • A ladder truck to Station 56 (moving the ladder to Station 32 is a given).	12	Yes	Field Operations	• Completed the improvement of ladder truck coverage for Station 32 July 2020 (non-cost item).		15%
	• Five float engines (or four engines and one ladder truck) 24/7/365 to support peak-hour, high-activity areas, training backfill, and immediate third alarm strike force or special event staffing. (pg. 10)	60	Yes		• Balance of the recommendation is pending future financial feasibility and prioritization.		0%
Additional Field Deployment Service Level Assessment Options							
1.4	Options to Improve Deployment • Relocate Station 10. (pg. 5)				• Station 10, In progress.		10%
	• Add Station 12 to improve capacity and coverage west of Station 22. (pg. 5)	12	Yes		• Station 12, In progress.		10%
	• Add Station 52 to add coverage. (pg. 5)	12	Yes		• Station 52, In-progress.		
	• Improved ladder truck coverage for Stations 19, 24, 48, 56, and 32. (pg. 5)	36	Yes		• Completed the improvement of ladder truck coverage for Station 32 (see 1.3). Other Stations are pending future financial feasibility and prioritization.		5%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report.



No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	<ul style="list-style-type: none"> <li>Call processing times to 90 percent of the fire and EMS incidents at 1:19 minutes are faster than Citygate's and the National Fire Protection Association's recommendation of 1:30 minutes where no language or location identification barriers exist. (pg.8)</li> </ul>	No	No		<ul style="list-style-type: none"> <li>Completed, call processing times included with monthly compliance reports. efforts will be ongoing.</li> </ul>	7/2019	100%
<b>Emergency Communications Center (ECC) Service Level Assessment</b>							
2.1	Add 10 new dispatch positions to the ECC. (pg.1) Increased authorized FTE FCD count from 32 to 42 FCDs. Overall, the increase in staff may address: <ul style="list-style-type: none"> <li>The ongoing need to backfill shifts and assign overtime.</li> <li>Decrease overtime to allow the 12-hour shift schedule to be fully realized by staff so that this shift configuration can be fully evaluated as to effectiveness, retention, and performance. (pg. 53)</li> </ul>	10	Yes	ECC	Pending future financial feasibility and prioritization.		0%
2.2	Increase supervisor positions from six to seven by eliminating an existing Senior Fire Communication Supervisor classification. (pg. 1)	No	No	ECC	Completed. Reallocation of position is on a temporary basis.	10/2020	100%
2.3	Reconfigure shift days off in the shift rotation in order to provide the opportunity for all ECC to have some weekend time off. (pg. 2, 57)	No	No	ECC	Negotiation of modified MOU terms with OCEA are currently underway.		0%
2.4	Add a management analyst to the ECC structure to effectively develop and facilitate change-management processes. (pg. 2)	1	Yes	ECC	Pending future financial feasibility and prioritization.		0%
2.5	Reconfigure existing personnel, or modify/rotate assignments, to create a more formal CQI Unit. (pg. 3)	No	No	ECC	Completed. However, efforts will be ongoing. ECC Administrative Supervisor assigned to CQI Unit with Nurse Educator and Medical Director.	10/2020	100%

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
2.6	OCFA should source and establish a backup location and equip it with ECC equipment that will facilitate continuity of operations and remote connectivity options. (pg. 4)	No	No	IT	This project had already been approved in the 5-year CIP prior to the Citygate recommendation and is in process for build-out of a back-up dispatch location at the OCFA's US&R Warehouse. ECC is currently working with the vendor Kitchell that has been retained to complete a feasibility study for layout and equipment needed. Once feasibility study is complete, Executive Management will review the project for approval to move forward.		50%
2.7	Evaluate the organization and reporting structure for the EPAC unit to identify the need for additional personnel to work under the assigned division chief. (pg. 40)	1	Yes	ECC	Pending future financial feasibility and prioritization. The EPAC position requires significant time commitment. The EPAC position will require (1) Full Time Battalion Chief or higher dedicated to this position.		5%
2.8	Establish a role of each position assigned to the division, as well as their reporting relationship(s) and responsibilities. Ensure that collateral duties assigned-such as CTO, incident dispatcher, and acting supervisor-are included. (pg. 40)	No	No	ECC	Classification specs have been established.		10%
2.9	Develop an ECC orientation program and mentoring guidelines to administer when the Battalion Chiefs rotate. (pg. 40)	No	No	ECC	Duty Officer Handbook and (3) 8-hour observation shifts have been implemented for new duty officers.	4/2021	100%
2.10	Develop a succession plan for future transitions. Include an analysis of retirement thresholds of existing staff and newly created positions or assignments. (pg. 41)	No	No	ECC	Will be evaluated for future direction.		0%
2.11	Develop career paths for the ECC manager and supervisory staff by creating career-development plans for each and research industry-related (e.g., APCO, NENA, and POST <sup>15</sup> ) training courses pursuant to each position. (pg. 41)	No	Yes	ECC	Will be evaluated for future direction.		0%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report.

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
2.12	Develop a data-tracking mechanism, whether it be CAD incidents or other data sources, to capture radio workload per 24x7 console, to determine the increase/decrease of workload over time as jurisdictions are integrated or omitted from the system. Additionally, set workload thresholds for each workstation to assist in the re-balancing of workload, should agencies be added or subtracted for ECC operations. (pg. 43)	No	No	ECC	Will be evaluated for future direction.		0%
2.13	Consider MCP used a mid-point number for attrition, measure if using the mid-point number achieved the needed level of staffing, and operational effectiveness and efficiency. (pg. 53)	No	No	ECC	Will be evaluated for future direction.		0%
2.14	During each shift, ensure that the ECC staff rotates positions so that staff members are not working singular positions for extended periods of time. This wellness provision keeps staff fresh at each position. (pg. 57)	No	No	ECC	This was started but paused for COVID protocols. Staff is rotated on a daily basis.		10%
2.15	Examine vacation time taken so that backfill is minimized and staffing is increased to enable this time to be absorbed in shift numbers. As the ECC staff become more tenured, the amount of vacation time they take will increase. (pg. 57)	No	No	ECC	Will be evaluated for future direction.		0%

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
2.16	<p>Develop and institute a Critical Staffing Contingency Plan that is invoked if staffing levels reach critical minimums. This threshold can be identified by the OCFA, but generally, elements include the agency's inability to staff to a minimum level without assigning excessive amounts of overtime (forced or voluntary). Excessive overtime is also agency defined. When manageable staffing levels are reached, which decreases mandatory overtime and backfill, the plan will be discontinued. This plan should include the following, but is not limited to:</p> <ul style="list-style-type: none"> <li>Consider eliminating the overlap shifts and reassign personnel to strictly the 7:00 a.m. or 7:00 p.m. shifts to establish predictable hours of backfill and a predictable pool of people to allocate time to, easing schedule complexity.</li> <li>Assign administrative supervisors to a minimum number of hours on predetermined days to provide meal and break relief.</li> <li>Identify average low-call-volume periods and decrease staffing levels to reduce forced and voluntary overtime (determine if radio positions can be combined or whether a call-taker is needed during certain time of day).</li> </ul>	No	No	ECC	Preliminary evaluation of this contingency plan has been completed and efforts are ongoing to fully develop this plan. Currently ECC does evaluate vacancies in the center that can be managed in manner that do not result in excessive overtime for ECC staff.		60%
					<ul style="list-style-type: none"> <li>Considered and not conducive to peak call volumes. Will be evaluated for further direction.</li> </ul>		0%
					<ul style="list-style-type: none"> <li>Completed. Modified from proposal.</li> </ul>	6/2021	100%
					<ul style="list-style-type: none"> <li>Completed. Modified from proposal.</li> </ul>	6/2021	100%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
2.17	Initiate discussions with regional ECC leaders to gauge interest and feasibility in developing regional training opportunities. (pg. 67)	No	No	ECC	Region 1 ECC's have reestablished quarterly meetings. Training sessions are currently being discussed.		50%
2.18	Ensure that CTO core competencies are being met through the selection process and offer continuing education to CTOs when available. (pg. 67)	No	No	ECC	Completed. However, efforts will be ongoing. CTO program established with certification class.	1/2020	100%
2.19	Implement formal CTO program oversight and ensure that best practices are being applied in comparison to industry standards. (pg. 67)	No	No	ECC	Completed. However, efforts will be ongoing.	1/2020	100%
2.20	Review CBD or EMD academy time frames and extend them to maximize role-play and scenario-based testing. Continue to use a building-block approach to ensure student retention and understanding of medical terminology and add new content as a QA program and testing. (pg. 67)	No	No	ECC	Completed. However, efforts will be ongoing and re-evaluated after every academy.	7/2019	100%
2.21	Revisit broadcast delivery sequencing to ensure that all information has been received in the field and to measure policy compliance. (pg. 75)	No	No	ECC	Will be evaluated for further direction.		0%
2.22	Ensure SOP development is well vetted, approved, trained upon, formally acknowledged (i.e., employee sign-off) and uniformly enforced, so that compliance can be measured. (pg. 75)	No	No	ECC	Multiple SOP's in ECC have been updated/revised. Training advisories are distributed anytime there has been a change in any operational change in the ECC.	8/2019	100%
2.23	Engage field operations and regional partners to review existing regional and/or countywide response plans (e.g., CAD-to-CAD rules) and develop new plans to further cooperation with allied agencies. (pg. 75)	No	No	ECC/Field Operations	Will be evaluated for further direction.		0%
2.24	Complete review of the Metro Net Fire EMD Plus program in 2020 and choose to start forward with implementation for the OCFA or go out to the national marketplace to review and procure a different solution for CBD that can be integrated into the CAD software for prompt workflow function as well as meeting patient care needs. (pg. 75)	No	Yes	IT/EMS	In progress. Pre-March 2020, OCFA regularly met with MetroNet to receive updates and feedback on their EMD Plus program. OCFA is currently with IT to develop an electronic EMD program tailored to OCFA's operational, IT, and CAD software environment.		50%

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2.25	<p>Review the NHTSA model for EMD programs and construct an in-house program that involves all OCFA stakeholders:</p> <ul style="list-style-type: none"> <li>• Ensure that best practices regarding program administration, duties and responsibilities are detailed and upheld to prevent bad habits from being formed from the start.</li> <li>• Reinforce program administration details with SOPs.</li> <li>• To the best of the OCFA’s ability, ensure countywide alignment to achieve consistent and uniform pre-response patient care. (pg. 75)</li> <li>• When considering a product for EMD delivery, ensure that proper product support for both manual and automated systems is maintained so that the OCFA continually receives updates, enhancements and protocol changes; such e-PCR or other records management systems (RMS). (pg. 75)</li> </ul>	No	No	EMS	<ul style="list-style-type: none"> <li>• Completed. From recruitment of dispatch candidates, during their entire training, while on probation, and during their entire career, dispatchers are given clear duties, expectations, appropriate quality assessment and quality improvement interventions consistent with nationally accepted standards.</li> <li>• Completed. Program details and expectations are delineated in the ECC Handbook on which each dispatcher is trained and tested as part of their academy and continuing education and certification.</li> <li>• OCFA routinely meets with MetroNet dispatching agency to align dispatching procedures, protocols, and pre-arrival instructions. Due to reduced frequency of meetings due to COVID-19, both agencies are working to re-establish previous ongoing collaborative relationships.</li> <li>• Completed. OCFA’s EMD product is continually updated, and protocols are evaluated in order to comply with OCEMSA, state, and national standards. The EMD interfaces with extant record management systems within the organization.</li> </ul>		<p>100%</p> <p>100%</p> <p>90%</p> <p>100%</p>
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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
2.26	MCP recommends two QA/QI specialists, with an evaluation at the six-month mark to determine whether a third person is needed. Ideally, these specialists will provide QZ analysis and feedback to ECC staff on low medical acuity calls and fire dispatch operations. By adding the fire QA processes, low acuity analysis and feedback, and high acuity analysis and feedback from the Nurse Education, these combinations result in the creation of a QA Unit. (pg. 81)	2	Yes	ECC	Pending future financial feasibility and prioritization.		0%
2.27	MCP recommends the newly formed QA Unit include quality performance measurements via a customer satisfaction instrument. (pg. 81)	No	No	ECC	Will be evaluated for further direction.		0%
2.28	Ensure that performance indicators are distinguished from measurements and that adjustments are made in alignment with national and local standards. Include the following at a minimum: <ul style="list-style-type: none"> <li>• Measurement of all fire and medical life-safety call types to indicate PSAP performance. In doing so, develop mechanisms to correlate medical life-safety call types with field-outcome data to identify patient survivability.</li> <li>• Analyze how structure-fire call-processing times are being measured and adjust as needed.</li> <li>• Analyze “call received” benchmarking to determine relevance to total call-processing statistics.</li> <li>• Determine the value of developing qualitative measures for ECC’s PSAP. (pg. 81)</li> </ul>	No	No	ECC	Completed. However, efforts will be ongoing. ECC prepares monthly reports for ECC compliance with national and state standards.	1/2020	100%
2.29	Develop annual master in-service training calendars and publish them well in advance of the start date(s). Establish SOPs related to expectations regarding	No	No	ECC	In progress. Monthly training in place. Working on annual calendar for in service training.	1/2020	75%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	attendance, conduct and effectiveness measurement. (pg. 85)						
2.30	Reestablish the incident communications program. (pg. 85)	No	No	ECC	Completed. However, efforts will be ongoing. ECC achieved completing qualifications for multiple ECC staff members, and many more are in a trainee status. Multiple ECC staff members have been deployed to assist with Incident Communications.	1/2021	100%
2.31	Refine and maintain an ongoing regular program of positive feedback to the telecommunicators, outside of national Telecommunicators week. (pg. 85)	No	No	ECC	In progress.		50%
2.32	Offer customer-service training three hours each year, at a minimum. (pg. 86)	No	No	ECC	In progress. This is included with updates to CQI program.		50%
2.33	Consider a customer-satisfaction survey or another mechanism for customer input. Collaboratively, develop mechanisms to foster relationships between field personnel and the ECC staff. Extend that effort to ensure that the public can provide input about ECC services. (pg. 86)	No	No	ECC	Completed. However, efforts will be ongoing. Program is managed by Clerk of the Authority.	9/2021	100%

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
2.34	Design, collaborate, develop, and implement a strategic technology master plan for: <ul style="list-style-type: none"> <li>Optimizing current ECC equipment, to include the CAD and notification systems, etc.</li> <li>Evaluating current ECC technology for its necessity, applicability and utility.</li> <li>Conducting research and development for emerging fire service and communications technology and include it in the technology master plan.</li> <li>Assessing lifecycles of all technologies used by the OCFA ECC and include a replacement plan for all technologies that impact ECC operations.</li> <li>Include a CAD SME that could be a lateral FCD assignment who reports to a systems supervisor or an external contractor. (pg. 93)</li> </ul>	No	Yes	IT	ECC and IT staff closely collaborate in weekly status meetings on any technology and proposed changes or upgrades are reviewed for applicability and utility. Dedicated IT staff develop technology upgrades and monitor industry changes and advances. A formal strategic technology master plan for ECC will be developed.		0%
2.35	Assess CAD system optimization, maintenance, server capacity and storage, disaster recovery and failover: <ul style="list-style-type: none"> <li>Hire a third-party that is vendor agnostic to assess what is good and working well, and what needs improvement and enhancement. Once completed, determine the level of training the ECC staff will need and identify the ECC SMEs to be trained in a “train-the-trainer” format so that they can be individually train staff and/or conduct training in a group setting. (pg. 93)</li> </ul>	No	No	IT	In progress. 3 <sup>rd</sup> party not hired for hardware assessment. Internal reviews and upgrades are an on-going best practice. ECC trains and uses internal SMES’s for train-the-trainer. Disaster Recovery sites identified and site improvements in-process to establish DR capability at FS43 and US&R warehouse.		50%
2.36	To maximize funding to the ECC from the state, do not replace the 911 telephony system unless a catastrophic failure is imminent or occurs between now and the implementation of the NG911 network. (pg. 93)	No	No	ECC	In progress. Waiting on Next Generation 911 and loud based CPE approval. OCFA agrees to await NG911 implementation before acquiring NG911 telephony system. NG911 Network hardware and data lines installation by LUMEN (authorized CALOES vendor) in process.		50%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
2.37	Collaborate with relevant stakeholders for the development of governance of the CAD-to-CAD solution. (pg. 93)	No	No	IT	Completed. The CAD2CAD Cost Sharing Agreement was revised Feb 21, 2021 between OCFA, Metronet, Costa Mesa, Laguna Beach for the ongoing licensing and cost sharing.	2/2021	100%
2.38	Consult with CentralSquare regarding creation of a relation table that allows a unit field to accommodate a sub-addressing convention and a feature to enable multiple address points for a single structure. (pg. 97)	No	Yes	IT	Scope of system modifications and project timeline will be developed.		0%
2.39	Discuss with CentralSquare increasing mapping updated to address the inconsistency with local applications. (pg. 97)	No	No	IT	Scope of system modifications and project timeline will be developed.		0%
2.40	Consider a succession plan for the ECC GIS specialist. (pg. 97)	No	No	IT/ECC	Currently ECC has 1 FT dispatch position partnering with GIS staff for address maintenance, new addresses, etc.		0%
2.41	Monitor the utilization of each commercial IT link to identify if there is a sufficient capacity to handle traffic if one link fails. This evaluation will determine if enough bandwidth is available to carry the load without degradation of service. (pg. 101)	No	No	IT	Completed. The OCFA uses COGENT which includes 2 circuits (ATT, COX) rated at 500MB each for aggregate 1GB. Either circuit could support OCFA's needs temporarily if the other fails.	6/2019	100%
2.42	Evaluate specifications and conditions of the existing generator to NFPA 1221, section 4.7.4 and NFPA 70. (pg. 101)	No	Yes	ECC/Property Management	Included in 5 – year capital budget to upgrade generator and add 2 <sup>nd</sup> / backup generator.		0%
2.43	Conduct a cost/benefit analysis for installing a diverse path for AT&T's network into the ECC when the State IP infrastructure is extended to the Orange County area. (pg. 101)	No	No	IT	CALOES is currently installing Next Generation 911 equipment data lines and equipment in OCFA data center.		20%
2.44	Source and equip a backup location for the ECC to facilitate continuity of operations and remote connectivity options. (pg. 101)	No	No	IT	Alternative Dispatch locations have been established at Fire Station 43 for short term emergency dispatching and US&R warehouse for long-term emergency dispatching. This includes an AT&T connection to transfer 9-1-1 calls.		50%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
<b>Emergency Medical Services (EMS) Service Level Assessment</b>							
3.1	Build a robust quality management program, consistently applied by all CQI reviewers, around three themed: <ul style="list-style-type: none"> <li>• System evaluation</li> <li>• Quality improvement</li> <li>• Patient safety / sentinel events (pg. 22)</li> </ul>	No	No	EMS	Completed. The EMS Department has revised the CQI plan and has developed a standard template for patient care report reviews.	6/2021	100%
3.2	The Department needs to develop core, tertiary, and ad hoc performance indicators to effectively measure performance. These <b>indicators need to be the foundation of OCFA's quality management program.</b> (pg. 22)	No	No	EMS	In progress. The EMS department is identifying measures to assure CQI is being done consistently among staff members.		80%
3.3	Design a quality management program and CQI plan that will drive performance evaluation and use evidence-based empirical data to drive decisions in the department. (pg. 22)	No	No	EMS	Completed. The CQI plan has been revised and updated. It has been approved by OCEMS.	6/2021	100%
3.4	Build a CQI plan based on state model guidelines, recognizing that the ability to do so is dependent on increasing the personnel resources available to the Department: <ul style="list-style-type: none"> <li>• CQI team</li> <li>• Technical Advisory Group</li> <li>• Quality Task Force (pg. 22)</li> </ul>	No	No	EMS	Completed. The CQI plan has been updated to reflect OCEMS and State guidance.	6/2021	100%
3.5	Create a Quality Task Force to design evidence-based quality indicators to: <ul style="list-style-type: none"> <li>• Meet state and local guidelines</li> <li>• Meet best practices using evidence-based indicators</li> <li>• Measure performance (pg. 22)</li> </ul>	No	No	EMS	Completed. The EMS Department has been restructured and a Quality Management Division has been established.	6/2021	100%
3.6	Develop evidence-based indicators that measure the quantity and quality of feedback provided to paramedics. This ensures both positive and	No	No	EMS	In progress.		80%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	constructive feedback is provided consistently. (pg. 22)						
3.7	<p>Dedicate a data analyst or bio statistician to the quality management program to help build quality indicators and assist in developing presentations of data. This position will assist with root-cause analysis and decision-making models.</p> <ul style="list-style-type: none"> <li>• The quality management program needs to have a full-time data specialist with knowledge and experience with data structure and how to collect and interpret data.</li> <li>• The Department needs to develop a system/flow where performance issues can be addressed in a systematic, objective manner. (pg. 22)</li> </ul>	1	Yes	EMS	Pending future financial feasibility and prioritization.		0%
3.8	The EMS Department, organized labor, and the Human Resources Department need to work together to develop and implement “just culture” policies and doctrine within OCFA, especially for the high-volume EMS incidents. <sup>11</sup> (pg. 23)	No	No	EMS/HR	In progress. The program has been designed and initial meetings with labor have taken place.		50%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
3.9	<p>The CQI team needs a robust CQI electronic data system.</p> <ul style="list-style-type: none"> <li>• OCFA needs to make information technology a priority as it relates to EMS delivery.</li> <li>• The Department needs to bolster its information technology role given its involvement in data-driven decisions.</li> <li>• The Department needs to utilize its ImageTrend electronic patient care report (ePCR) software to maximize its use.</li> <li>• OCFA needs its CQI team to have a full understanding of its ePCR system so it can maximize its use. Include automated functions that audit ePCRs for accuracy and completeness. (pg. 23)</li> </ul>	No	No	EMS	In progress. The EMS Department continues to evaluate IT software which can be utilized to enhance the CQI process.		80%
3.10	The Department needs to revise its standards for documentation. These standards should be based on standards of care, best practices, and County policy where applicable. (pg. 23)	No	No	EMS	In progress. A revision to the Documentation SOP has been submitted into the review process in 9/2021		80%
3.11	The Department needs to develop sound quality indicators to measure patient care documentation to OCFA requirements. Department-wide training and regular publishing the performance data will help personnel comprehend the impacts of their work. (pg. 23)	No	No	EMS	In progress. A revision to the Documentation SOP has been submitted into the review process in 9/2021. This is the first step in developing an accurate measure.		50%

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
3.12	<p>The EMS Department quality management program should include:</p> <ul style="list-style-type: none"> <li>• A Quality Manager from suppression with no less than Captain rank, allowing them to communicate and garner trust with the rank-and-file personnel.</li> <li>• The Department should reconfigure the EMS committee to more closely follow state EMS guidelines by utilizing the Quality Task Force Model. The EMS committee should be renamed the EMS Equipment Committee and its role be clearly defined as to its function and its place in the hierarchy.</li> <li>• When input is needed to solve identified issues, the Department needs to utilize the Quality Task Force to make recommendations back to the Technical Advisory Committee.</li> <li>• The Department needs to incorporate field personnel in the CQI process. This can be done through peer review. (pg. 24)</li> </ul>	No	No	EMS	Completed. The EMS Department has been restructured to reflect these changes. A Captain now heads the Quality Management Division within EMS and a CQI team has been established. The team will be complete with the arrival of a newly hired EMS Coordinator in 10/2021.	10/2021	100%
3.13	<p>The Department needs to develop a role for the field providers to play in the implementation of education and training.</p> <ul style="list-style-type: none"> <li>• The use of field personnel will integrate them into the process and allow them to feel more like a provider of EMS that a recipient.</li> <li>• The use of field personnel will reduce the burden on the Nurse Educators and will allow them to focus more on training and education development, as well as any roles they are required to conduct in CQI. (pg. 26)</li> </ul>	No	No	EMS	Completed. An EMS Training Cadre of Paramedics has been established and the cadre is routinely used to support training activities and as evaluators for PM accreditations.	10/2020	100%
3.14	The delivery of training needs to be scheduled in a centralized manner. Schedule training needs to be conducted on a common calendar so both EMS and	No	No	EMS/Field Operations	Completed. Operations training and EMS now reside under one Assistant Chief of EMS and Operations Training. This transition has increased	7/2020	100%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	Operations can view upcoming and scheduled training. (pg. 26)				the coordination of training between the Departments.		
3.15	The decision to alter the training schedule needs to be priority-based. The priority should be established by the Department, not the individuals conducting the training. (pg. 26)	No	No	EMS	Completed.	7/2020	100%
3.16	The Department quality management program should drive training and education. (pg. 27)	No	No	EMS	Completed. The restructure of the EMS Department has established this as a normal practice.	10/2020	100%
3.17	EMS supply and logistics needs to be an integral part of the EMS strategic plan. It should be identified as its own division in the Department organization plan, and it must be adequately funded. (pg. 28)	No	No	EMS	No additional staffing has been put in place to achieve this recommendation		20%
3.18	OCFA should consider two EMS supply provision options: <ul style="list-style-type: none"> <li>• Complete outsourcing of EMS supply and logistics. The Department should consider utilizing a supplier to manage supply inventory, costs, and caches to provide for just-in-time inventory restocking.</li> <li>• Or, staff EMS logistics with civilian personnel who specialize in logistics delivery and maintenance to ensure that supply best practices are applied and consistently conducted. (pg. 29)</li> </ul>	No	Yes	EMS/Business Services/Service Center	EMS recommends to staff EMS Logistics with civilian personnel. Pending future financial feasibility and prioritization.		20%
3.19	The Department needs to review its current controlled drugs policy and re-design practices to meet current regulations and best practices and to take full advantage of current technology. (pg. 29)	No	No	EMS	The Department continues to seek IT solutions for better narcotic tracking. The current SOP meets or exceeds all requirements.		50%
3.20	Through the EMS reorganization, appropriate staff must be solely dedicated to licensure and certification. (pg. 31)	TBD	Yes	EMS	Pending future financial feasibility and prioritization.		0%
3.21	Department budget/fiscal activities such as billing and expenditures need to be conducted by support staff who have expertise in these areas. (pg. 31)	No	No	EMS	Will be evaluated for further direction.		50%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
3.22	The Department needs an information technology plan that identifies data collection needs and emphasizes the ability to easily extract reports. (pg. 31)	No	No	EMS/IT	A contractor has been hired to conduct a needs assessment of the IT within EMS. The contract was approved by the board 9/2021 and started 10/2021.		20%
3.23	The EMS data system needs to assign each patient a unique identifier. It is critical the Department collect data regarding its patients. (pg. 31)	No	No	EMS	Will be evaluated for further direction.		50%
3.24	Through the OCFA reorganization, an infection control program needs to be created which should be managed by a person who is also responsible for implementing infection control. (pg. 33)	No	No	EMS	Completed. Through the pandemic, infection control program has been enhanced and the infection control policy has been revised.	8/2021	100%
3.25	The Department should consider outsourcing the vaccination of its personnel. Vaccinations could be conducted by an outside vendor that would focus solely on managing, tracking, and administering vaccinations per the scope designed by OCFA. The process would be managed by the designated infection control officer. (pg. 33)	No	No	EMS	An assessment is being conducted for outsourcing all vaccinations.		80%
3.26	OCFA needs to reaffirm a culture emphasizing the importance of the EMS business line. (pg. 38)	No	No	EMS/Executive Management	Ongoing efforts are being made and the pandemic has elevated the importance of EMS within the organization.		80%
3.27	OCFA needs to develop a clear EMS mission and level of service, supported by a strong quality management program that promotes performance. (pg. 55)	No	No	EMS/Executive Management	Completed. A mission statement for the EMS Department has been developed through an inclusive process with the EMS staff.	10/2020	100%
3.28	OCFA needs to promote the culture of EMS being an important business line in new recruits to begin building legacy. Initial hiring and recruit training need to emphasize EMS and its role and importance to the community and OCFA. (pg. 38)	No	No	EMS/Executive Management	Completed. There are ongoing efforts to increase the value of EMS within the organization. A Paramedic Accreditation Academy has been developed which provides more training for PMs.	2/2019	100%
3.29	The Department needs an internal strategic plan. The plan needs to be a living, breathing document designed to drive decision-making. Once completed,	No	No	EMS/Executive Management	Completed. This assessment continues to provide strategic guidance. A new plan will be developed. Efforts will be ongoing.		100%

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	the plan needs to be distributed and regularly identified as the driving force behind decision-making. (pg. 38)						
3.30	In conjunction with labor, OCFA needs to develop stronger incentives to retain staff officers in EMS positions, ideally longer than for the current two-year minimum. (pg. 38)	No	No	EMS/Executive Management	Will be evaluated for further direction.		20%
3.31	When a Battalion Chief or Captain assigned to EMS promotes, OCFA should discuss with the bargaining units if there is any acceptable way to keep that promoted person in EMS until their time commitment is up (without negatively impacting the promotional line). (pg. 38)	No	No	EMS/Executive Management/HR	Completed. Agreements have been established to consider this before a move is made.	1/2021	100%
3.32	The Department needs to implement a revised organizational framework (chart). The Department needs to consist of branches and divisions. Supervisors should be given clear work expectations and should be able to interpret those expectations to the people who report them. The organization structure needs to be program-based so work roles and responsibilities are clearly defined. Clear roles and responsibilities will make it easier for supervisors to monitor the performance of their subordinates. (pg. 39)	No	No	EMS/Executive Management/HR	Completed. The EMS Department has been restructured into three divisions. The divisions are Training, Quality Management and Logistics. Workflow has been established.	10/2020	100%
3.33	The Department should have the existing, capable management analyst work with the team to develop work metrics that will measure where and how work is being performed in the Department. This data will identify gaps in staff hours and can be used to assist in budget preparation for the Department. (pg. 39)	No	No	EMS	Efforts will be ongoing. Will expand the role of the Management Analyst.		70%
3.34	The Department needs to ensure the Nurse Educators are properly placed, understand where they fit in the Department organizational chain of	No	No	EMS	Completed. The EMS Department has been restructured into three divisions. The divisions are	10/2020	100%

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	command, and understand how they function within that structure. (pg. 39)				Training, Quality Management and Logistics. Workflow has been established.		
3.35	The nurses need to be as centralized as possible (even for a portion of the workweek) at a common facility with their leadership and support team. Currently, the nurses decide where their offices are and spend very little time at headquarters. Centralizing the nurses will provide daily interaction with Department personnel, which will help facilitate and create positive relationships and create the sense of being on a team. (pg. 39)	No	No	EMS	Will be evaluated for further direction. The nurses do, however, meet more regularly with their supervisors due to the reorganization. The decentralized offices for the nurse educators have significant value to the organization as a whole.		0%
3.36	OCFA needs to develop a staffing plan based on operational need for hiring paramedics. The plan should project vacancies and the time lag from the hiring process to time on the job. (pg. 39)	No	No	EMS/Executive Management/HR	The OCFA continues to evaluate options for the recruitment and development of paramedics. Efforts will be ongoing.		80%
3.37	OCFA needs to evaluate all aspects of acquiring new paramedics. This includes hiring already licensed and/or accredited paramedics who, once they have completed the hiring process, fore academy, and probation, can be assessed by the Department and placed into a designated paramedic position. (pg. 39)	No	No	EMS/Executive Management/HR	The OCFA continues to evaluate options for the recruitment and development of paramedics. Efforts will be ongoing.	On Going	80%
3.38	The Department should be re-organized as shown in the following figure. An additional 12 FTEs are also recommended. (pg. 42)	12	Yes	EMS	Pending future financial feasibility and prioritization. The reorganization is mostly complete without the necessary additional staffing.		30%
<b>Fleet Service Level Assessment</b>							
4.1	OCFA should research smaller, more fuel efficient or hybrid/electric light-duty sedans, SUVs, and pickup vehicles and implementing using them where feasible. (pg. 66)	No	Yes	Logistics	Complete. As part of the annual CIP budget development for Fleet, Staff will continue to research alternative fuel technologies and vehicle types. Efforts will be ongoing.	6/2020	100%
4.2	OCFA should consider broader use of motor pool vehicles where operationally reasonable by re-assessing individual vehicle assignments pursuant to current agency policy. (pg. 66)	No	No	Logistics	Complete. As part of the 2020/2021 budget development process, staff assessed individual vehicle assignments and will transition these	6/2020	100%

Note: The page number referenced in the recommendation description refers to the location of the recommendation within the respective SLA report.

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
					individuals into pool vehicles. Efforts will be ongoing.		
4.3	OCFA should consider the use of smaller, more-fuel efficient or electric/hybrid vehicles in the motor pool to the extent practical. (pg. 66)	No	No	Logistics	Complete. See 4.1 above	6/2020	100%
4.4	OCFA should annually evaluate the continued use of vehicles beyond their expected useful service life, particularly those vehicles more than 10 percent beyond expected useful service life. (pg. 67)	No	No	Logistics	Completed. As part of the annual CIP process, all vehicles are reviewed to determine their remaining useful life and when they should be removed from frontline to reserve status. Vehicles 10% beyond their useful life are evaluated to determine if they should be surplus or used by Training or the cadet program. Efforts will be ongoing.	6/2019	100%
4.5	OCFA should budget annual CIP funding sufficient to maintain all frontline response apparatus within expected useful service life and reserve and support apparatus/vehicles to no more than 10 percent past expected useful service life. (pg. 67)	No	No	Logistics	Completed. As part of the annual CIP process, all frontline apparatus (along with reserve / support apparatus) is reviewed to ensure that there is sufficient funding available to replace them based on their useful life.	6/2019	100%
4.6	OCFA should develop a more strategic approach to vehicle procurement to: (1) ensure procurement of budgeted vehicles within the fiscal year cycle and (2) provide sufficient procurement capacity to maintain the frontline/surge capacity response fleet within expected useful service life and as much of the reserve and support fleet to no more than 10 percent past expected useful service life as possible. (pg. 67)	No	No	Logistics	Complete. Fleet staff has worked collaboratively with the Purchasing Department to streamline the fleet procurement process including the purchasing vehicles “off the lot”, purchasing off Cooperative agreements with other agencies, and has initiated use of requests for bids with lease-purchase options. Efforts will be ongoing.		100%
4.7	OCFA should provide 3.0 FTE additional Technician capacity as soon as possible to eliminate the current VRR backlog, maintain preventive service intervals, <i>and</i> provide a modest level of surge capacity; Citygate further suggests that any additional shop staffing be considered in context with suggested alternative service model recommendations. (pg. 67)	3	Yes	Logistics	Pending future financial feasibility and prioritization. Staff is researching alternative options of increasing productivity such as performing more remote work, moving light duty mechanics to the heavy side and extending work hours.		0%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
4.8	The Division should consider a reorganization or redistribution of responsibilities to provide a more equitable span of control among supervisory personnel. (pg. 67)	No	No	Logistics	In progress. With the retirement of the Fleet Coordinator, staff will request that the position be reclassified as a Fleet Supervisor which will create a redistribution of responsibilities and greater depth of supervision. Efforts will remain ongoing.		80%
4.9	The Division should evaluate other potential flexible work schedule alternatives, including swing/night/weekend work shift options, to accommodate employee needs while maintaining or improving shop output. (pg. 67)	No	No	Logistics	Will be evaluated for further direction. Requires additional staff (Equipment Technicians) to accomplish.		50%
4.10	The Division should modify its current fire apparatus inspection interval to ensure a safety inspection at least every 90 days <i>and</i> inspection of all apparatus systems and components at least annually in conformance with industry best practices and recommendations. (pg. 68)	No	No	Logistics	Will be evaluation for further direction. Recommendation would require additional staff (Equipment Technicians) to accomplish.		10%
4.11	The Division should review, validate, and prioritize or cancel all outstanding VRRs and notify the applicable vehicle operator/station of any cancelled VRRs. (pg. 68)	No	No	Logistics	60% Outstanding Vehicle Repair Requests have been completed		65%
4.12	OCFA should provide additional staffing as determined appropriate to improve overall parts room capacity and efficiency to minimize shop workflow interruptions to the degree possible. (pg. 68)	TBD	Yes	Logistics	See 4.8 above		0%
4.13	The Division should accept a vehicle safety inspection by Santa Ana shop personnel, or an OCFA mobile Field Technician, upon completion of any preventive maintenance or repairs performed by the Santa Ana shop in lieu of inspection at the OCFA shop prior to the vehicle being returned to service. (pg. 68)	No	No	Logistics	Completed.	7/1/2020	100%

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
4.14	The OCFA Fire Chief and Deputy Chief of Administration & Support Services Bureau should direct the Assistant Chief of Logistics and Fleet Division management to prioritize the recommendations contained in this report, develop a detailed action plan to address each recommendation as part of the upcoming OCFA Strategic Plan, and then report to the Budget and Finance Committee (Audit Committee) on action plan completion. (pg. 68)	No	No	EM/Logistics	Completed.	6/2020	100%
4.15	The Executive Management Team and Fleet Division management should continue to engage with shop staff as a strategic partner in addressing the issues identified in this report though a labor-management task force to facilitate restoration of trust and to enable the Division to move forward as a cohesive business unit. (pg. 68)	No	No	EM/Logistics	Completed. This will be an ongoing effort and has already produced very positive results	7/2020	100%
4.16	The Division should review and update all existing shop policy and procedure documents to conform with appropriate OCFA format and content. (pg. 69)	No	No	Logistics	In progress. Existing Fleet policy and procedures are in the process of being updated to conform to the OCFA format.		50%
4.17	All OCFA policies and procedures, and guidelines should be accessible electronically to all employees via intranet/internet. (pg. 69)	No	No	Logistics	Completed. All OCFA Policies and Procedures are available to employees via the HIVE.	6/2020	100%
4.18	OCFA should provide enhanced technical training and certification of its fleet Technician personnel to include relevant ASE training/certification and CFMA training/certification. (pg. 69)	No	Yes	Logistics	Completed. Additional training courses have been scheduled. A one-week CFMA training course was held the week of November 1, 2021 with five OCFA mechanics attending. Efforts will be ongoing.	7/2020	100%
4.19	OCFA should consider establishing a career path for Assistant Technicians and Technicians desiring to advance to Senior Technician. (pg. 69)	No	No	Logistics	Completed. OCFA competed a Classification and Compensation study of Fleet Services. Included in the study was the restructuring of the current career path to allow Assistant Technicians progress to Senior Technicians without a loss of salary	6/2021	100%

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
4.20	The Division should seek additional vendor training to more effectively utilize the available capabilities of AssetWorks. (pg. 69)	No	Yes	Logistics	In progress. AssetWorks training resources being evaluated by Fleet Business Analyst and Management Analyst Aug – Dec 2021. Implementation of additional application functions planned for Jan. 2022 – June 2022, including data extraction for improved fleet CIP status reporting.		30%
4.21	The Division should coordinate with Information Technology to determine the availability and suitability of a car code reader interface for AssetWorks. (pg. 69)	No	No	Logistics	In progress. Funding will be requested as part of the FY 2022/23 CIP Budget		20%
4.22	The Division should coordinate with Information Technology and shop staff to determine whether tablets/iPads are the most suitable technology solution for Technician needs. (pg. 69)	No	No	Logistics	Complete; Tablets issued to shop staff.	9/2021	100%
4.23	OCFA should convert its facility fuel dispensing and management to an automated electronic system with appropriate security features. (pg. 69)	No	Yes	Logistics	In progress. Staff is researching various vendors and technologies. Funding will be requested as part of the FY 2022/23 CIP.		20%
4.24	OCFA should consider upgrading the current Administrative Assistant position to a Business Analyst or other classification appropriate to provide analyst-level administrative support capacity. (pg. 69)	No	No	Logistics	Complete. An analysis of current and future Fleet administrative job duties submitted to Human Resources determined that functions previously performed by the Fleet Services Administrative Assistant position evolved to the job classification of Business Analyst.	6/2021	100%
<b>Human Resources Service Level Assessment</b>							
5.1	Develop a comprehensive HR Policies and Procedures Manual to act as a centralized source for reference. <ul style="list-style-type: none"> <li>The HR Department needs to implement a project that gathers all its information resources, both internal and external, and reviews and assesses them for the purpose of creating a single resource. The use of an outside vendor to complete this task</li> </ul>	No	Yes	HR	70% of Human Resources Department Standard Operating Procedures have been reviewed and updated. The Personnel & Salary Resolution and the Merit and Selection Rules are currently undergoing a thorough review with an expected completion date of October 2021.		70%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	is highly recommended. The goal should be to complete this project within six months. (pg. 16)						
5.2	Develop an Operations Manual that outlines specific steps to complete a task or program. <ul style="list-style-type: none"> <li>Use the manual as a training tool and resource for HR employees. The Operations Manual will correspond to the HR Policies and Procedures Manual cited in the Recommendation #1. An Operations Manual can be created within 18 months. (pg. 16)</li> </ul>	No	No	HR	Following the update of the Personnel & Salary Resolution and the Merit and Selection Rules, staff may begin the process developing an Operations Manual for each division.		50%
5.3	Independently review each examination process and components to measure potential adverse impact. In those cases where review finds that adverse impact exists, evaluate the exam process to ensure it is valid and job-related. (pg. 17)	No	No	HR	Completed. A process is in place. The Promotional and Recruitment Work Group (JLM) continues to evaluate and restructure all safety promotional/recruitment examination/selection processes accordingly. For non-safety recruitments, all examination/selection processes are reviewed and edited with the hiring manager prior to the opening of recruitment.	9/2021	100%
5.4	Abandon the 80 percent passing score requirement for all examination processes. Independently evaluate each exam process and determine a reasonable cutoff score that minimizes adverse impact. (pg. 17)	No	No	HR	Completed. This has been discussed with the JLM and 80% is the preferred scoring for all safety recruitments. Non-safety score requirements are discussed during the recruitment development phase of each recruitment and the OCFA has remained with the 80% pass point. Exceptions do occur when the examination is pass/fail (Biddle, Dispatcher Select advantage exam, tools assessment exams, etc.) or when a minimum requirement is required (typing speed, memorization, listening skills exam, etc.).	9/2021	100%
5.5	Review performance standards and practices for probationary employees, especially for the Fire Recruit academy. (pg. 17)	No	No	HR	Completed. Probationary Firefighter performance is evaluated based on standardized job-related criteria. Information is in the Probationary Firefighter Task Book which include manipulative	9/2021	100%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
					skill evaluation sheets and company evolution sheets, appraisal forms and videos for training.		
5.6	<p>Create a concise mission statement with a vision, core values, and guiding principles, as well as specific and measurable performance objectives that will deliver quality service to OCFA and the public.</p> <ul style="list-style-type: none"> <li>Employee probationary periods are often referred to as the last examination process. Much effort and resources are expended to create an eligible list for Fire Recruits, which annually, established to hire 100 new Fire Recruits. It is critical that <i>as soon as possible</i>, all new sworn and non-sworn probationary employees be evaluated on valid job-related standards. (pg. 20)</li> </ul>	No	No	HR	Will be evaluated for further direction.		30%
5.7	Develop a systematic method of identifying, evaluating, and addressing HR Department issues to minimize disruption in the Department when a crisis does arise. (pg. 20)	No	No	HR	Completed. Bi-weekly meetings take place with all HR Managers and the Assistant Chief/HR Director to discuss projects, issues, goals and objectives that may affect one or more of the divisions. This meeting includes resource identification and management, identifying project leads, and mapping out timelines and goals. These meetings ensure collaboration and minimizes redundant efforts. It also ensures consistent communication to the rest of the department.	9/2021	100%
5.8	Determine the staffing necessary to meet HR service demands by assessing the level of service delivery desired and OCFA priorities. (pg. 20)	No	No	HR	A staffing model was developed that will address service delivery for the Department. This includes hiring the D&I Coordinate, one (1) Senior HR Analyst, and reclassification of two (2) HR Analyst. The first two objectives were accomplished, and the reclassification is expected to be completed by 12/2021. Currently the Department is fully staffed.		80%

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
5.9	Build trust and respect with employee associations through collaborative working relationships while ensuring transparency, Recommended actions include: <ul style="list-style-type: none"> <li>• The ER Division should take the lead in re-establishing relationships with the employee associations after receiving staffing necessary to support this effort.</li> <li>• The Benefits Division should take the lead in developing an agency-wide philosophy and strategy for implementing a comprehensive classification and compensation plan. (pg. 20)</li> </ul>	No	No	HR	The ER Division is fully staffed. The Assistant Chief/HR Director and the ER Manager have spent the better part of the last year strengthening the working relationship with all the bargaining units. Communication is high and many issues are discussed with mutual agreement on how to resolve them. The Benefits Division will begin the process of developing a classification and compensation plan in Winter 2021.		80%
5.10	Re-initiate the study of the classification in the RM Division to create a professional career path. (pg. 20)	No	No	HR	Completed. The RM Division positions were evaluated. Recommendations to reclassify some positions and retitle others was adopted by the Board of Directors. The new organizational structure of the Divisions provides pathways to promotion for staff.	7/2021	100%
5.11	Hire a Behavioral Health professional to relieve the Risk Manager of directly administering the program with safety personnel, under the direction of the Risk Manager. (pg. 20)	1	Yes	HR	The RM Division is working closely with the OCPFA Local 3631 to evaluate the Behavioral Health and Wellness service model to determine was support is needed to properly staff the program. It is expected that any recommendations will be presented as part of the FY 2022/2023 Budget Process.		70%
5.12	Obtain security expertise for protecting facilities and provide the resources necessary to effectively perform the agency's security-related work. Transfer security responsibilities outside of HR. (pg. 21)	No	Yes	HR/Logistics	In progress. Based on the Threat and Vulnerability Assessment of the RFOTC campus prepared by Security Strategies International, and a Physical Security Assessment completed by the Orange County Intelligence Assessment Center (OCIAAC), Logistics has engaged a security systems consultant (Triad), resulting the issuance of an RFB for upgrade/replacement of the RFOTC access control system; bids are due on 11/30/21. Additionally,		90%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
					Logistics has issued an RFP for Physical Security Services, to include security guards and security management services, allowing the transfer of security responsibilities outside of HR. Recommendations for award of a replacement Physical Security Services contract are scheduled for Budget & Finance Committee consideration on 11/10/21.		
5.13	Develop specific and measurable performance objectives for employee performance standards. Prepare an annual HR Department performance report that highlights the Department's accomplishments for the year. (pg. 20)	No	No	HR	<p>A Performance Evaluation Committee was formed with representatives from management and labor to review the employee performance evaluation tool. The focus is to ensure that the standards are measurable, specific, and reflective of the day-to-day duties of each position.</p> <p>Regarding hiring standards, FPSI has reviewed and validated the assessment criteria for recruits in the academy. Furthermore, the OCFA has started the process to have its FFT academy accredited by American Local Academies (ALA)</p>		70%
5.14	Develop an employee recognition program for the HR Department employees, which can be variable as to frequency and type rather than just one annual award. Recognize and celebrate smaller, significant accomplishment, anniversaries, etc. (pg. 20)	No	No	HR	Completed. The HR Teams holds quarterly all-hands staff meetings which highlight positive news in the department including accomplishments, work anniversaries and other celebratory news. In addition, the department holds small get-togethers to celebrate things like birthdays, births, and other life milestones of individual staff members.	9/2021	100%

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
5.15	Create and implement a strategy for employing a workforce that reflects the community by: <ul style="list-style-type: none"> <li>Assessing the workforce and labor market to establish a geographic marketing area for recruiting.</li> <li>Designing an aggressive outreach plan that can realistically attract quality and diverse job applicants. This work should be performed in collaboration with management and the employee associations.</li> <li>Creating an outreach recruitment team dedicated to marketing the OCFA as an employer of choice. Funds will be needed to support the recruitment efforts, and employee volunteers will be needed to attend recruitment events. (pg. 22)</li> </ul>	No	No	HR	A Diversity and Inclusion Coordinator was on-boarded in May 2021. Part of his responsibilities is to work in collaboration with Recruitment Division, Corporate Communications and Executive Staff to develop a recruitment strategy that reflects the goal of becoming a more inclusive workplace.		70%
5.16	Develop a strategy and process to increase the completion rate of employee performance evaluations. (pg. 23)	No	No	HR	A HR staff member is responsible for running a regular query of outstanding performance evaluations monthly. For staff that are evaluated using NEOGOV, automatic emails are generated to remind supervisors and managers that evaluations are due. As of September 2021, 77% of all evaluations are up to date. While we strive for 100% completion, the current completion rate is positive for an agency our size.		80%
5.17	Research and develop a plan to expand the use of NEOGOV Perform for all OCFA employees, including new performance evaluation forms, and commit resources for additional staff, if required. (pg. 23)	No	No	HR	The next phase will see the roll-out of the NEOGOV perform module to Chief Officers Associations following the completions of the updates to the COA Performance Appraisal Form		70%
5.18	Develop a required employee performance evaluation training course for supervisors and managers, teaching supervisors and managers how to properly complete the performance evaluation	No	No	HR	A Performance Management module is part of each Academy Curriculum. For non-safety supervisors and managers, a Performance Management Training is currently being developed by the Assistant Chief/Human Resources Director,		65%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
	and effectively communicate the ratings in the performance evaluation. (pg. 23)				Employee Relations Manager and the Diversity and Inclusion Coordinator.		
5.19	Develop accountability for completion of performance evaluations through the creation of a job performance standard for supervisors. Include the completion of performance evaluations as a factor in determining merit salary increases for supervisors. (pg. 24)	No	No	HR	In progress.		50%
5.20	Demonstrate strong commitment to the mission and vision of the HR Department by: <ul style="list-style-type: none"> <li>• Strengthening the HR Department's inclusion in major OCFA decisions.</li> <li>• Planning new OCFA programs or assignments in collaboration with the HR Department to minimize the time the HR Department spends operating in a reactionary mode.</li> <li>• Allowing the HR Department to operate within agency policies and values without interference outside of the chain of command and labor relations discussions.</li> <li>• Relying on the HR Department to provide sound and credible advice. (pg. 26)</li> </ul>	No	No	HR	Completed. HR Department staff are key stakeholders in committees engaged in evaluated OCFA operations including the Training and Promotions JLM, Personnel Evaluations Committee,	9/2021	100%
5.21	Consider studying the transfer of major and sensitive alleged employee misconduct investigations from the Employee Relations Division to a new and separate unit that is accountable to and reports directly to the Fire Chief or a Deputy Chief. (pg. 26)	No	No	HR	Completed. Under the direction of the Assistant Chief/Human Resources Director, major or sensitive alleged employee misconduct investigations may be conducted by an independent 3 <sup>rd</sup> -party investigator to mitigate any conflicts and ensure a fair and unbiased investigation. The Assistant Chief/Human Resources Director reports to the Deputy Chief/Administration and Support Bureau	9/2021	100%

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
5.22	Reinstitute the Organization Development Division and place it under the HR Department. Allow the Division to: <ul style="list-style-type: none"> <li>• Perform a thorough study of the OCFA's professional training needs and desires. (pg. 27)</li> <li>• Develop a comprehensive training program that supports employee professional development, leadership development, and succession planning. (pg. 27)</li> </ul>	No	No	HR	The Training Division under the direction of the Assistant Chief/EMS oversees training and preparation for safety promotions. For non-safety personnel, funds have been set aside for the development of a leadership development program for managers, supervisors and front-line employees. A training and needs assessment it expected to be completed in Spring 2022.		40%
5.23	Work with the IT Division within the Logistics Department to develop enhanced protection of employee personnel files so that data can be shared with Risk Management and third-party secure sites to complete required reports in a timely manner. (pg. 28)	No	No	HR/Logistics	Discussions have started to evaluate the use of LaserFiche Document Management System as a secure method for storing personnel files. This would allow for secure access by all HR divisions. IT will be prepared to support HR/Risk Management with implementation.		40%
5.24	Research and implement an automated signature program that will electronically send documents under a secure system to internal parties required to sign any document. (pg. 28)	No	No	HR/Logistics/Business Services	In progress.		70%
5.25	Support the July 2019 implementation of electronic employee time sheets for non-safety personnel. (pg. 28)	No	No	HR/Business Services	Business Services is piloting a program that would allow for digital entry of time and electronic approval. It is expected to be implemented for non-safety personnel in Spring 2022.		70%
5.26	Study the feasibility of providing exam raters with tablet computers (e.g., iPads) to record exam performance, leading directly to more effectively tabulating scores and retaining examinations records. (pg. 28)	No	No	HR	Completed. iPads are used on a case-by-case basis. We have utilized "iPads" for use during oral interviews and the reviews are mixed. For large scale recruitment (FF), raters prefer the paper copy method as during these interviews candidates are asked to submit additional information and paper score sheets and additional candidate material is easier for multiple interview panels to maintain. Since allowing for Zoom interviews, raters who are participating in Zoom interviews while off site have	9/2021	100%

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No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
					utilized electronic material with some success. Issues are typically with the rater's ability to utilize electronic technology and in some cases inability to access documents (applications and rating sheets). We have found some success in utilizing electronic testing for candidates and we will continue to utilize when appropriate as the electronic testing has become more prevalent		
5.27	Revise the office configuration to house the HR Director within the HR Department. (pg. 29)	No	No	HR	Completed. It was determined that the HR Director would continue to be housed in the Executive Offices to facilitate necessary collaboration and communication with the other Executive Managers.	9/2021	N/A
<b>Executive Management Service Level Assessment</b>							
6.1	Executive-level coaching by experienced members of an outside consultant with executive-level experience is needed. Team-building exercises and off-site workshops are very valuable in filling the gaps and building trust between Executive Management Team members. (pg. 11)	No	No	EM	Completed. At the time of this review, the Executive Team had been experiencing turnover among team members and was in the process of rebuilding. Bob Roper (former Fire Chief with executive level experience) was retained for development and coaching services. The team has now established stable processes with (1) recurring weekly meetings among the Deputy Chiefs and Fire Chief; (2) weekly meetings of the full Executive Management Team; (3) monthly offsite lunches for the Executive Team; and (4) monthly expanded meetings to include all Executive Management and the Division Chiefs.	1/2021	100%
6.2	Continue to work on team-building practices and strengthen communication avenues through Executive Management Team members. Consider building a Team interaction agreement to maintain a culture of unified communication and decision-making processes. (pg. 12)	No	No	EM	Completed. See 6.1 above	1/2021	100%

No.	Recommendation	# New Positions	New Cost Increase?	Responsible Dept/Bureau	Status / Results	Date Completed	% of Completion
6.3	Continue to recruit, train, and hire qualified Public Information Officers (PIOs) who will handle routine and emergency communications for OCFA. Ensure there is a qualified pool of PIOs to spread the commitment and reduce burnout. (pg. 12)	No	No	EM/Corporate Communications	Completed. Effective January 2020, PIO staffing was materially modified and enhanced to transition from a single 40-hour workweek PIO, to three shift PIOs for coverage 24-hours per day, 7 days per week. In addition, a pool of relief PIOs are available to provide relief for the three shift PIOs when needed.	1/2020	100%
6.4	Where appropriate, include the Fire Marshal and other non-field operations managers in executive-level policy change discussions and encourage the Field Operations Assistant Chief and Fire Marshal / Assistant Chief to regularly meet. (pg. 12)	No	No	EM/Community Risk	Completed. The Fire Marshal participates in weekly Executive Team meetings, which are also attended by the Operations Assistant Chief for mutual vetting of potential policy or process changes impacting both departments.	1/2020	100%
6.5	Consider holding the Executive Leadership Team meeting every two weeks. (pg. 13)	No	No	EM	Completed. See 6.1 above	1/2021	100%
6.6	Develop a process by which non-time-sensitive executive-level issues are vetted through affected Executive Management Team members (pg. 13)	No	No	EM	Completed. See 6.1 above	1/2021	100%
6.7	Create a Strategic Planning team/process/unit to provide planning expertise and establish sound planning practices throughout the organization. (pg. 13)	No	Yes	EM	Pending future financial feasibility and prioritization.		20%





# BUSINESS SERVICES DEPARTMENT SERVICE LEVEL ASSESSMENT

## ORANGE COUNTY FIRE AUTHORITY

AUGUST 20, 2021

 CITYGATE ASSOCIATES, LLC  
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## **TABLE OF CONTENTS**

<u><b>Section</b></u>	<u><b>Page</b></u>
<b>Executive Summary.....</b>	<b>1</b>
<b>Section 1—Introduction and Background.....</b>	<b>3</b>
1.1 Purpose of the Assessment .....	3
1.2 Scope of Work and Project Approach .....	3
1.2.1 Theme #1 .....	4
1.2.2 Theme #2 .....	5
1.2.3 Theme #3 .....	5
1.2.4 Theme #4 .....	5
1.2.5 Theme #5 .....	6
1.3 Report Organization .....	6
<b>Section 2—Overview of Applicable Divisions .....</b>	<b>9</b>
2.1 Business Services Division Overview .....	9
2.1.1 Finance Division .....	9
2.1.2 Purchasing Division .....	10
2.1.3 Treasury and Financial Planning Division .....	10
2.2 Budget and FTE Summary for Applicable Divisions .....	11
<b>Section 3—Review of Structure, Operations, and Management Practices.....</b>	<b>13</b>
3.1 Structure .....	13
3.2 Operations and Management Practices .....	13
3.3 Findings .....	16
3.4 Recommendations .....	16
<b>Section 4—Review of Formal and Informal Policies and Procedures.....</b>	<b>19</b>
4.1 Policies and Procedures Review .....	19
4.1.1 Policy and/or Procedure Areas That Are Already Strong .....	20
4.1.2 Policy and/or Procedure Areas That Need Strengthening .....	20
4.2 Findings .....	21
4.3 Recommendations .....	22
<b>Section 5—Identification of Manual or Redundant Processes and Workflow Challenges .....</b>	<b>23</b>
5.1 Workflow Process Review .....	23
5.1.1 Accounts Receivable .....	23
5.1.2 Payroll .....	23
5.1.3 Purchasing and Accounts Payable .....	24
5.1.4 Budget .....	25
5.2 Findings .....	25
5.3 Recommendations .....	26
<b>Section 6—Examination of Current Use of Technology and Systems.....</b>	<b>27</b>
6.1 Department Software Systems Review .....	27
6.2 Findings .....	28
6.3 Recommendations .....	29

**Orange County Fire Authority**  
*Business Services Department Service Level Assessment*

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<b>Section 7—Examination of Professional Development and Training Practices .....</b>	<b>31</b>
7.1 Department Employee Professional Development and Training .....	31
7.2 Findings .....	32
7.3 Recommendations .....	32
<b>Section 8—Summary of Findings and Recommendations and Recommendation Priority Plan .....</b>	<b>33</b>
8.1 Findings and Recommendations .....	33
8.1.1 Findings .....	33
8.1.2 Recommendations .....	35
8.2 Recommendations Priority Plan .....	38

**Table of Tables**

Table 1—OCFA Business Services Department SLA Budget Summary .....	11
Table 2—OCFA Business Services Department SLA FTE Summary .....	12
Table 3—Recommendation Priority Plan .....	38

**Table of Figures**

Figure 1—OCFA Business Services Department Organization Chart (as of July 2021) .....	9
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## **EXECUTIVE SUMMARY**

Citygate Associates, LLC (Citygate) is pleased to present the next Service Level Assessment (SLA) conducted as part of a larger organizational strategic plan for the Orange County Fire Authority (OCFA). This SLA reviews the Business Services Department (Department), which consists of five individual divisions. Per OCFA, the scope of this SLA only included three of the five: Finance, Purchasing, and Treasury and Financial Planning. These are the divisions associated with the financial component of OCFA operations within the Department. These divisions have a Fiscal Year (FY) 20–21 combined net operating budget of approximately \$7.8 million supported by 37 authorized employees after exclusion of approximately \$14.4 million for agency-wide retirement liability pay-down (\$12.4 million) and property tax administrative fees paid to the County (\$2 million), which are budgeted in the Finance and Treasury and Financial Planning divisions.

Essential to any well-functioning financial operation are comprehensive and well-written financial policies and procedures. Citygate found that the Department has well-written policies and procedures that conform to best practice. Equally important as having comprehensive and written policies and procedures is employee compliance with those policies and procedures. Due to the current COVID-19 pandemic, Citygate was unable to conduct on-site observations and interviews, but was provided with policy and procedures audits conducted in prior years. Although these audits were dated, based on review of these audits, combined with virtual interviews with relevant Department staff and review of the large volume of documents provided by the Department staff, Citygate believes that the policies and procedures are generally followed by Department staff.

In completing the scope of this review Citygate reviewed the following areas relating to the Department:

- ◆ Structure and operational and management practices
- ◆ Formal and informal policies and procedures
- ◆ Manual or redundant processes and workflow challenges
- ◆ Current use of technology and systems
- ◆ Professional development and training practices.

Also reviewed were other areas of interest identified by the Department Assistant Chief.

Based on the review, Citygate identified five common themes that resonated throughout the various divisions being reviewed. These themes are summarized as follows:

1. The Department is staffed with talented, experienced, and knowledgeable employees.

2. Department staff are supported by thoroughly written financial and administrative policies and procedures.
3. Staff talent, time, accuracy, and adherence to policy and procedures appear to be undermined by significant manual processes, data system workarounds, and use of supplemental data systems required to adapt financial software to current reporting and transparency needs. This contributes to staff inefficiencies and increased workloads.
4. Lack of a formal process for adopting more specific Department goals and objectives has created confusion in defining Department priorities.
5. Communication, although provided, appears to be ineffective in some areas, which has caused some Department staff to be unaware and unprepared for additional workload impacts tied to unanticipated or special projects.

These themes are discussed in more detail in **Section 1** of this report.

Citygate also identified 21 findings and developed 21 recommendations to enhance or improve overall operations of the three applicable divisions of the Department. The findings and recommendations are reported throughout this report in the applicable sections. A summary of findings and recommendations, as well as a priority listing of the recommendations, is included in **Section 8** of this report.

## **SECTION 1—INTRODUCTION AND BACKGROUND**

### **1.1 PURPOSE OF THE ASSESSMENT**

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As part of the development of an overall strategic plan for the Orange County Fire Authority (OCFA), it was decided that conducting individual Service Level Assessments (SLAs) of the various operational areas of OCFA would be the best methodology to ensure that the overall strategic plan provided a comprehensive and accurate strategy going forward. The SLA for the Business Services Department (Department) is the next area to be reviewed.

### **1.2 SCOPE OF WORK AND PROJECT APPROACH**

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Although the Department consists of five individual divisions, per OCFA, the scope of this SLA only included three of the five: Finance, Purchasing, and Treasury and Financial Planning. These three divisions have a FY 20–21 combined net operating budget of approximately \$7.8 million with 37 authorized positions, as previously discussed. The primary scope of this assessment included:

- ◆ Assessment of structure and operational and management practices
- ◆ Review of formal and informal policies and procedures
- ◆ Identification of manual or redundant processes and workflow challenges
- ◆ Examination of current use of technology and systems
- ◆ Examination of professional development and training practices.

Additional areas of interest to the Department Assistant Chief included:

- ◆ Assessment of the current Enterprise Resource Planning functionality and use by key stakeholders (Business Services, Human Resources, Logistics, Community Risk Reduction, etc.)
- ◆ Review of payroll systems, processes, and workflow
- ◆ Identification of areas with a single point of failure (systems and staff)
- ◆ Review of budget development processes
- ◆ Evaluation of CAL-Card and accounts payable processes and identification of areas of improvement or concern
- ◆ Assessment of investment reconciliation, reporting, and separation of duties



- ◆ Review of procurement processes related to large-scale fleet, equipment, and public works projects
- ◆ Identification of procurement opportunities (efficiencies) not already identified or implemented
- ◆ Automation of the delivery and communication of financial information (i.e., dashboards, self-serve, reporting, etc.)
- ◆ Development of performance metrics specific to the Department
- ◆ Assessment of business continuity of the Department
- ◆ Review of organizational structure, succession planning, and job classification.

The project scope, as validated by OCFA management, does not include a detailed analysis of the financial activity related to the Department. Consequently, financial activity detail and trend analysis was not conducted by Citygate for this SLA. To complete the review, the following steps were completed by Citygate.

- ◆ Staff interviews – Citygate completed 14 interviews with OCFA staff via Zoom videoconference. One Zoom videoconference included pertinent OCFA management staff, including the Department Assistant Chief. The additional 13 individual Department staff Zoom videoconferences were based on mutual agreement between the Department Assistant Chief and Citygate. Citygate also completed several follow-up/clarification calls with various Department staff.
- ◆ Documentation review – Citygate reviewed extensive documentation initially requested by Citygate and provided by Department staff, as well as subsequent follow-up clarification documentation required by Citygate.
- ◆ External review and analysis – Citygate reviewed various information provided on the OCFA website and other websites pertinent to the review. Examples of these include other fire authorities and agencies; financial operational best practice agencies, such as the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers; and information resulting from Citygate’s internal expertise and experience.

Based on the review process outlined earlier, Citygate identified five overall reoccurring themes.

### **1.2.1 Theme #1**

The Department is staffed with talented, experienced, and knowledgeable staff, exhibiting a strong work ethic and dedication to “getting the job done” in support of the critical fire and emergency mission of OCFA.



### **1.2.2 Theme #2**

Department staff are supported by thoroughly written financial and administrative policies and procedures, which clarify and define complex processes the Department must follow to ensure the integrity of financial expenditures for OCFA.

### **1.2.3 Theme #3**

Staff talent, time, accuracy, and ability to adhere to policy and procedures adopted by OCFA appear to be undermined by:

- ◆ Significant manual processes, data system workarounds, and use of supplemental data systems required to adapt financial software to current report and transparency needs.
- ◆ Increased workloads associated with the additional manual processes and data system workarounds for existing and new service areas and personnel.

### **1.2.4 Theme #4**

Changes in staff and the lack of a formal Department process for adopting more specific Department goals and objectives have created confusion and inefficiencies as to how to best provide the Department's services. For example, per the FY 20–21 information provided by Department staff, out of the three OCFA strategic goals and objectives, the Department has lead responsibility for two objectives of one goal.

These objectives include:

- ◆ Continue policy efforts and Board action to recognize and respond to changing budgetary conditions, and to reduce unfunded liabilities, thereby improving sustainability of services.
- ◆ Continue to pursue OCFA priorities through the implementation of the Board-adopted legislative platform and through pursuit of grant funding opportunities.

The general performance measures listed to monitor achievement of these objectives are:

- ◆ OCFA's pension plan achieves an 85 percent funding level, accelerated funds redirect to Retiree Medical, and OCFA's financial forecast is balanced with Capital Improvement Program funds.
- ◆ Grant and legislative opportunities are pursued in alignment with OCFA priorities, and the Board is kept apprised of activity and outcomes.

Separate goals and objectives and specific performance measures for each of the applicable Department divisions that support these overall OCFA objectives would help each applicable

Department division to better understand its role in achieving these objectives and the performance measures that will be used for each applicable division.

### **1.2.5 Theme #5**

Communication taking place within the Department pertaining to actions outside of the Department appears to be ineffective and has caused some Department staff to be unaware of and unprepared for the workload impacts accompanying new OCFA initiatives or special projects, such as impacts related to the addition of new service areas. Per Department management, communication for projects outside of the Department include intranet (nicknamed the “HIVE”) updates, communication during staff report development, and normal staff update meetings. However, per Citygate’s interviews, there remains a general staff feeling of being hurried.

## **1.3 REPORT ORGANIZATION**

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The remainder of this report consists of seven additional sections, beginning with **Section 2**. Each of the sections will also discuss and examine the applicable Department Assistant Chief’s additional areas of interest identified earlier in this report. Citygate’s review has identified 21 findings and developed 21 recommendations relating to this SLA. These findings and recommendations are detailed throughout the pertinent sections of this report and are summarized in **Section 8**. **Section 8** also includes a recommendation priority action plan. Following is a description of each section.

**Section 2—Overview of Applicable Divisions** – provides an overview of the divisions of Finance, Purchasing, and Treasury and Financial Planning, including personnel, budget, and general responsibilities.

**Section 3—Review of Structure, Operations, and Management Practices** – reviews the structure of the three divisions reviewed and the operations and management practices currently used.

**Section 4—Review of Formal and Informal Policies and Procedures** – reviews the Department’s current policies and procedures.

**Section 5—Identification of Manual or Redundant Processes and Workflow Challenges** – reviews the Department’s current processes that are manual and/or redundant, leading to general workflow challenges.

**Section 6—Examination of Current Use of Technology and Systems** – reviews the Department’s current technology and other automation used by the Department to accomplish the responsibilities assigned to the three divisions reviewed.

**Section 7—Examination of Professional Development and Training Practices** – reviews the Department’s current practices used to professionally develop staff and provide necessary staff training to help ensure staff effectiveness and efficiency.

**Section 8—Summary of Findings and Recommendations and Recommendation Priority Plan** – provides a summary of the report’s findings and recommendations and a suggested prioritization of the recommendations identified.

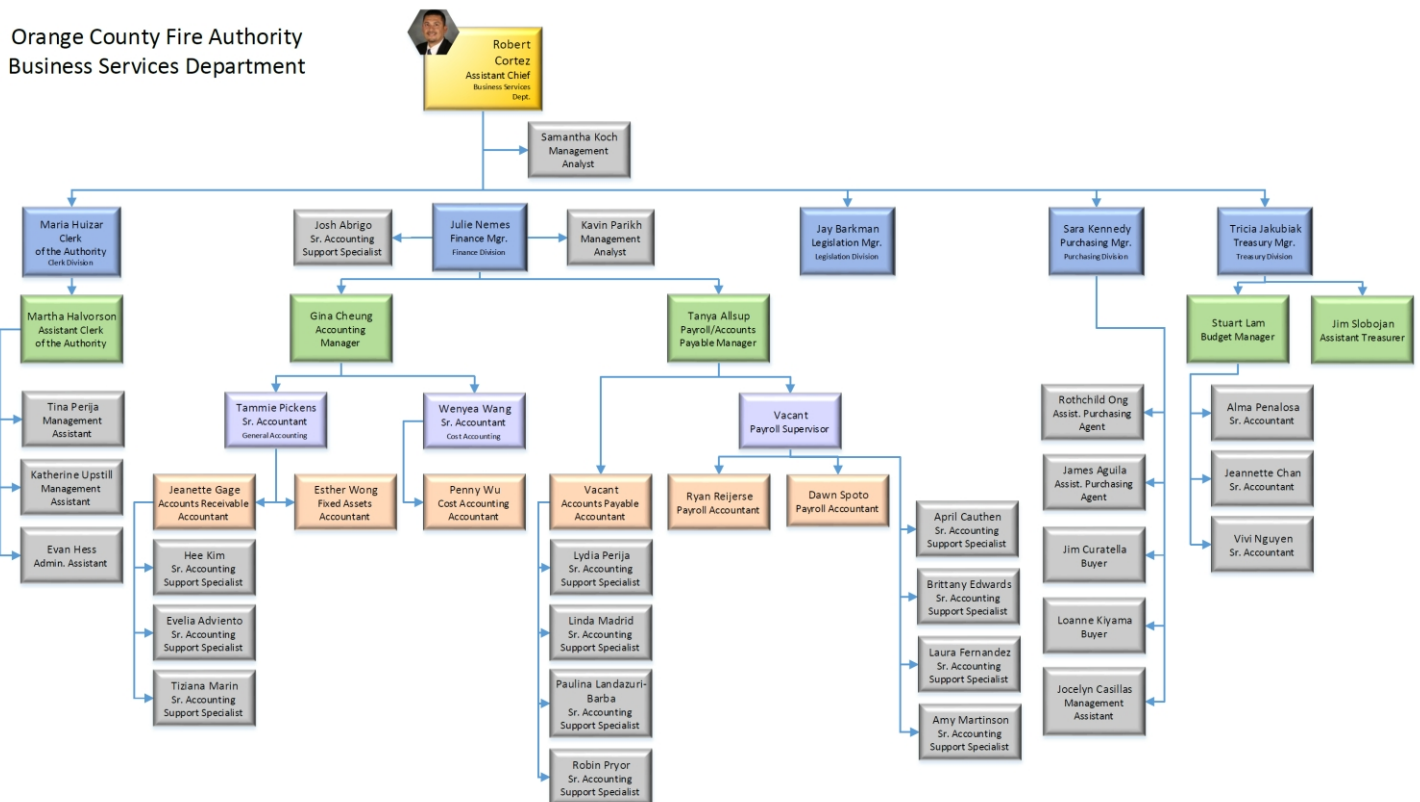
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## SECTION 2—OVERVIEW OF APPLICABLE DIVISIONS

### 2.1 BUSINESS SERVICES DIVISION OVERVIEW

The Business Services Department, under the direction of the Department Assistant Chief, consists of five divisions: Clerk of the Authority; Finance; Purchasing; Legislative Affairs; and Treasury and Financial Planning. The following is an organizational chart of the Department as of July 2021.

**Figure 1—OCFA Business Services Department Organization Chart (as of July 2021)**



The scope of this SLA, however, only required a review of the Finance, Purchasing, and Treasury and Financial Planning Divisions, as discussed in the following subsections. All these divisions have staff administration and reporting responsibilities to the OCFA Board and its applicable sub-committees, such as the Budget and Finance Committee.

The following division-specific discussion excludes the positions of Department Assistant Chief and Management Analyst, which provide Department-wide management and support.

#### 2.1.1 Finance Division

The Finance Division consists of 25 full-time equivalents (FTEs), including the Finance Manager, with a FY 20–21 budget of approximately \$7 million. Approximately \$2 million of this amount

represents property tax administration fee payments paid to the County as authorized by state law. The Finance Division has the most diverse set of responsibilities and the most assigned positions. Consequently, the Finance Division has two FTEs reporting to the Finance Division Manager who perform non-section-specific duties throughout Finance, in addition to two Section Managers who also each report to the Finance Division Manager. The support sections include Accounting as well as Payroll and Accounts Payable.

### ***Accounting Section (9 FTEs)***

The Accounting Section handles all general accounting areas, including maintaining accurate records of all financial transactions of OCFA in the general ledger for preparation of the various reports provided to the various OCFA departments and the public. The Accounting Section also has specific responsibility for accounts receivable billing and collection in conjunction with other OCFA departments; grant report administration post award; preparation of the OCFA Comprehensive Annual Financial Report; preparation of cost reimbursement claims for fire-related incidents and other audit and cost accounting reports required by the County, state, and federal agencies; and fixed asset and inventory administration.

### ***Payroll and Accounts Payable Section (13 FTEs)***

The Payroll and Accounts Payable Section handles all payroll-related activity for the OCFA's 1,571 FTEs, including biweekly payroll processing; quarterly and annual payroll reports required by local, state, and federal agencies; and all accounts payable payments related to other operational activities, including weekly processing (verification and payments) of approximately 10,400 checks annually. The Payroll and Accounts Payable Section processes over 2,400 CAL-Card statements, 600–800 travel requests, and approximately 20,600 invoices per year.

## **2.1.2 Purchasing Division**

The Purchasing Division consists of six FTEs, including the Purchasing and Materials Manager, with a FY 20–21 budget of approximately \$1.1 million. This Division handles procurement for all OCFA departments as outlined in the OCFA procurement resolution and policy manual. Procurements are accomplished through a centralized process administered by the Purchasing Division. This includes maintenance of a vendor base of approximately 4,000 vendors with some level of interaction with OCFA; issuance and monitoring of the OCFA purchasing card (CAL-Card Program) to increase procurement efficiency; and creation of reports required by OCFA and other local, state, and federal agencies.

## **2.1.3 Treasury and Financial Planning Division**

The Treasury and Financial Planning Division consists of six FTEs, including the Treasurer, with a FY 20–21 budget of approximately \$14.1 million. Approximately \$12.4 million of this amount represents the planned pay-down of the OCFA unfunded pension liability with the Orange County

Employees Retirement System. Adjusting for this, the Treasury and Financial Planning operating budget would be approximately \$1.7 million. The primary responsibilities of the Treasury and Financial Planning Division include cash portfolio management and investing, debt management, budget administration, and the creation of reports required by OCFA and other local, state, and federal agencies.

## **2.2 BUDGET AND FTE SUMMARY FOR APPLICABLE DIVISIONS**

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The following tables summarize the financial information previously discussed relating to the applicable divisions of this SLA and the position titles currently authorized for the applicable SLA divisions.<sup>1</sup>

**Table 1—OCFA Business Services Department SLA Budget Summary**

<b>Division</b>	<b>FTEs</b>	<b>FY 20–21 Budget</b>	<b>FY 19–20 Budget</b>
Finance	25	\$7,040,924	\$6,998,478
Purchasing	6	\$1,078,811	\$976,562
Treasury and Financial Planning	6	\$14,093,027	\$11,186,480
<b>Gross Total</b>	<b>37</b>	<b>\$22,212,762</b>	<b>\$19,161,520</b>
Unfunded Pension Liability Pay-Down (Estimated)	N/A	\$12,368,959	\$9,648,658
Property Tax Admin Fee	N/A	\$2,000,000	\$2,000,000
<b>Adjusted Net Operating Total</b>	<b>37</b>	<b>\$7,843,803</b>	<b>\$7,512,862</b>

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<sup>1</sup> This financial information in Table 1 is per adopted OCFA budget documents.

**Orange County Fire Authority**  
*Business Services Department Service Level Assessment*

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**Table 2—OCFA Business Services Department SLA FTE Summary**

<b>Position</b>	<b>Total Authorized FTEs</b>
Accountant	4
Accounting Manager	1
Accounts Payable Accountant	1
Assistant Treasurer	1
Assistant Purchasing Agent	2
Budget Manager	1
Buyer	2
Finance Manager	1
Fixed Asset Accountant	1
Information Technology Support Management Analyst	1
Management Assistant	1
Payroll Supervisor	1
Payroll/Accounts Payable Manager	1
Purchasing and Materials Manager (Purchasing Manager)	1
Senior Accountant	5
Senior Accounting Support Specialist	12
Treasurer	1
<b>Total</b>	<b>37</b>



## **SECTION 3—REVIEW OF STRUCTURE, OPERATIONS, AND MANAGEMENT PRACTICES**

### **3.1    STRUCTURE**

---

The operational structure of the divisions reviewed as a part of this SLA is generally typical of finance department-related operations found in similar agencies. Given the unique nature of OCFA in relation to its size and other operational coverage activities, identifying an equally comparable model to the Department and its functions is difficult. Under the Department’s current structure, each of the division managers are direct reports to the Department Assistant Chief, who serves as the Department Head. Each division manager is supported by various subordinate positions to accomplish the responsibilities assigned to that specific division, which is a typical structure for finance-related municipal operations. This structure seems appropriate given the current level of manual and workaround processes being used. For example, due to the operational process within the OCFA which constantly changes, extensive and ongoing customization is necessary. These workaround processes are discussed in **Section 5** of this report. Citygate was informed by Department staff that OCFA is currently having a job classification study conducted by an outside consultant which includes reviews of the management classification in the Orange County Fire Authority Management Association labor group. The completion of the study is anticipated later this calendar year.

### **3.2    OPERATIONS AND MANAGEMENT PRACTICES**

---

Based on the interviews conducted by Citygate, Department staff are experienced with and knowledgeable of municipal finance operations and, more specifically, the operations and requirements laid out in the various well-documented policies and procedures which currently exist in the Department. The staff exhibit a strong work ethic and dedication to getting the job done to support the critical fire and emergency mission of OCFA. The financial policies and procedures are well-written and, based on Citygate interviews and review of external procedures audits prepared in prior years, seem to be generally understood and followed in the Department. Citygate did note, however, that in some cases, the external procedures audits were conducted over a decade ago.

Management strives to meet regularly with support staff to share information to improve overall Department operations. Per Department management, these meetings include:

- ◆ Bi-weekly one-on-ones with division managers
- ◆ Bi-weekly Department Manager Team meetings
- ◆ Quarterly “all hands” meetings with each division.

This process of meetings has been affected by the COVID-19 pandemic which has resulted in more one-on-one socially distanced meetings, as opposed to general open staff meetings. Management also utilizes SharePoint software (nicknamed the “HIVE”) to help disseminate relevant information to Department staff. Department staff also provide training to other departments related to various operational policies and procedures as needed. Although the stated communication methods are good measures, more general meetings including entire teams, such as all division management staff or all Department staff, do not happen frequently. The low frequency of meetings has been deepened by COVID-19. A group setting allows information to be heard by all and provides an opportunity to comment and interact by all concerned. A lack of group work could result in a communication gap that could impact the effectiveness of the team.

Citygate also noticed that the Department has not, at least in the last 15 or 20 years, conducted an externally facilitated team building exercise to identify staff concerns and share information to develop a strategic goals and objectives action plan for the Department. Conducting an external professionally facilitated team building exercise will allow the Assistant Chief as well as all other Department staff to fully participate in the sharing of information and the development of strategic goals and objectives to help increase the operational effectiveness and efficiency of the Department. This process will also help in the development of more useful performance measures for each of the various divisions of the Department.

Citygate noted that the current performance measures identified in the FY 20–21 budget document did not contain specifically identified performance measures for all the divisions and sections of the Department. Department staff did provide performance measures for the accounting and accounts payable sections, but not the other Department sections. Consequently, not all divisions and sections of the Department have clearly articulated performance measures which would help gauge achievement of goals and objectives that align with Department and OCFA overall goals and objectives. This can lead to uncertainty regarding performance and goal/objective alignment. The Government Finance Officers Association (GFOA) identifies creation of performance measures as a best practice. Nine criteria are outlined by the GFOA for identifying effective performance measures which include relevancy, reliability, adequateness, consistency, collectability, usefulness, environment-related impacts, responsibility, and system-leveraging. Some examples of typical finance department-related performance measures are:

- ◆ Accounts payable/purchasing:
  - Number of employees with open procurement cards
  - Average procurement card purchase amount
  - Total dollar value of purchasing conducted with procurement cards
  - Total number of invoices processed for payment

- Average number of invoices processed for payment
- Average calendar days from approved requisition to purchase order issued
- Number of vendors
- ◆ Budget:
  - Ratio of General Fund Finance Department budget to total General Fund budget
  - Ratio of General Fund budget to the overall agency budget
  - Number of residents per authorized salaried positions
  - Percent accuracy in budget revenue to actual revenue in General Fund (annually)
- ◆ Internal audit:
  - Audits completed
  - Audit comment issues close-out rate
  - Average number of open audit issues
- ◆ Payroll:
  - Payroll checks processed annually
  - Average number of retro-pay or other adjustments required per pay period
- ◆ Accounts receivable:
  - Average age of miscellaneous accounts receivable
  - Average amount of monthly miscellaneous accounts receivable.

Citygate found, in addition to the well-written financial policies and procedures previously discussed, several operational best practices during the review. These include:

- ◆ Regularly updated five-year financial forecasts for not just the General Fund but for all funds of OCFA.
- ◆ Department written policies require a clear separation of duties, which is a best practice and is stressed by the Department staff.
- ◆ Cash handling and bank reconciliations were also stressed as important. Citygate reviewed the latest summary bank reconciliation, which was produced in a standard format and was current.

The following findings and recommendations were identified relating to the Department structure, operations, and management practices per Citygate's review.

### **3.3 FINDINGS**

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**Finding #1:** The Department has experienced and knowledgeable staff and well-documented policies/procedures.

**Finding #2:** The Department performance measures are only generally worded.

**Finding #3:** Although Department management uses several methods to communicate OCFA initiatives to staff, and noting that it is important in the efficient operations of any agency for staff to be somewhat flexible to address the everchanging fire service environment, a general staff feeling remains that communication timeliness relating to actions impacting staff workloads causes some staff to feel hurried to implement.

**Finding #4:** The Department has not conducted an externally facilitated team building exercise to identify staff concerns and develop a goals and objectives action plan.

### **3.4 RECOMMENDATIONS**

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**Recommendation #1:** Conduct an externally facilitated team building and goals and objectives development session to improve Department cohesiveness, communication, and morale.

**Recommendation #2:** Implement team-wide meeting schedules throughout the Department, involving division management and team members to maximize communication effectiveness. This would include establishing set times during the week or month so employees can plan around existing work schedules.

**Recommendation #3:** A Department second-in-command should be identified to ensure business continuity if the Assistant Chief cannot be reached to provide direction (while out of the office, on vacation, sick, etc.). This recommendation relates to the assignment of an existing management staff member to this responsibility. This responsibility could also be rotated between the applicable management staff to assist in succession development.

**Recommendation #4:** Expand performance measures to include measures specific to all sections of the Department.

- Recommendation #5:** Build a more supportive, integrated, recognized, and valued business unit by:
1. Acknowledging staff concerns and issues when they are raised.
  2. Using scheduled Department meetings and one-on-ones to engage staff in problem solving, including concerns and issues raised as well as on OCFA-wide issues to which the Department can be of service internally.
  3. Combining listening and problem-solving components into team building efforts, allowing Department members to be engaged in solutions for business operations issues including those that may touch on improving services to other OCFA departments and services.

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## **SECTION 4—REVIEW OF FORMAL AND INFORMAL POLICIES AND PROCEDURES**

### **4.1 POLICIES AND PROCEDURES REVIEW**

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Citygate found that the Department has extensive and generally well-written financial operational policies and procedures. Per information provided by Department staff, there are approximately 25 written policies and procedures which outline the various Department and OCFA financial-related operations. Formal written financial policies and procedures are considered a best practice by the GFOA to provide a strategic, long-term approach to financial management. Some examples of the benefits of formal financial policies include:

- ◆ Clarification of strategic intent for financial management
- ◆ Definition of financial boundaries
- ◆ Management of risks to financial condition
- ◆ Compliance with established public management best practices.

Per the policy and procedure documentation provided by Department staff and reviewed by Citygate, the Department addresses most of the applicable financial policies recommended by the GFOA, which is very commendable.

A key component of effective financial policies is systematic monitoring, reviewing, and updating. Financial policies and procedures should be monitored to ensure compliance; reviewed to ensure the policies are still relevant and meet the goals, objectives, and legal requirements of the agency; and updated, when necessary. Per interviews with Department staff, financial policies are understood and followed.

It should be noted, however, that the SLA scope did not include a detailed review of policy compliance. Citygate was provided information relating to external audits conducted of financial policy compliance, but these audits are dated; the latest was conducted in 2014. The process used by the auditors in previous and current reviews included independent, random sample selection and testing, which is an auditing industry standard based on Citygate's experience. The Department should update these external detailed procedural audits when possible. In the interim, Citygate recommends that the Department establish an internal process to randomly test selected financial policies and procedures compliance. This process could be as simple as having someone not associated with the areas being addressed by the policy review a sampling of transactions through the process to ensure all policies and procedures were followed.

#### **4.1.1 Policy and/or Procedure Areas That Are Already Strong**

Review of the capital procurement procedures developed by OCFA reveals the procedures are comprehensive and well documented through the OCFA's purchasing ordinance and fine-tuned by the OCFA's procurement policy manual, all of which conforms with best practice. The documentation establishes procedures, processes, and thresholds for standard procurement and public works-related procurement consistent with the local, state, and federal laws, in addition to requirements set forth in the OCFA purchasing ordinance.

The process used by OCFA to determine when large-scale procurements—such as fleet or public works projects—are needed consists of a collaborative, multi-department evaluation to ensure the procurement need is valid. This collaborative process minimizes the unnecessary purchase of large-scale items and helps maintain fiscal accountability and stability. In some instances, such as the procurement of large fire vehicles, available vendors are limited, which can limit the benefits normally gained through a competitive process. However, Citygate believes the Purchasing Division is taking advantage of any procurement opportunities and efficiencies currently available.

#### **4.1.2 Policy and/or Procedure Areas That Need Strengthening**

Some financial policy and/or procedural areas which could be strengthened per Citygate's review include:

- ◆ **Late fee assessment and fee waiver policy** – allows unilateral authority for the Fire Marshal to waive or reduce fees and the Accounts Receivable Supervisor under certain conditions to waive late fees. This policy should contain some requirement to document the reason for all fee adjustments and periodic independent review of waivers should occur to minimize inappropriate adjustments.
- ◆ **CAL-Card policy/procedure** – currently purchasing cards are provided to specific positions and ranks such as Fire Captain and Division Manager even though certain personnel may not utilize their CAL-Card often. Although purchasing cards have several operational benefits which include convenience, efficiency, rebates, and lower transaction costs, there are several risks which include misuse caused by user error or fraud, negative press associated with misuse or fraud, potential of duplicate payments, and reconciliation delays due to high number of cards or card transactions compared to monitoring staff. Per information provided by Department staff, OCFA currently has approximately 517 CAL-Cards open. This is compared to approximately 132 CAL-Cards opened in 2010, with no change in the CAL-Card program monitoring staff in the Department. The current CAL-Card policy is very comprehensive and well-written but should be revised to strengthen and clarify consequences for repeat violators of the policy.



Additionally, although Department staff indicate that the necessary CAL-Card transactional reviews are being addressed, the current card issuance procedures without increasing monitoring staff in the Department could cause issues in the future. Review of CAL-Card activity for policy compliance should remain in the accounts payable section to ensure separation of duties from the Purchasing Division, which is responsible for CAL-Card issuance. The current procedure of issuing CAL-Cards based on position or rank should be reviewed and the use activity for the existing CAL-Cards should be reviewed to determine if the current card numbers are necessary. It should be noted this was also a recommendation which resulted from an external audit conducted on the CAL-Card program in 2013. Citygate was informed by Department management that the issuance policy is in the process of being reviewed.

- ◆ **Audits of ambulance company reimbursements** – currently consists of a review of the form documentation supplied by the ambulance companies with their reimbursement payment submissions. The documentation is reviewed by the Emergency Medical Services (EMS) Department staff against the formal agreements for accuracy to incident records. This level of review is deemed sufficient by the EMS Department given the complexities of ambulance billing to third party payors. Therefore, Department staff do not periodically audit the ambulance company payments.
- ◆ **Improved timeliness of fraud prevention process reporting** – In 2011, OCFA implemented a fraud hotline process, administered by a third party vendor (Ethics Point), which requires an annual report of the reported items and their respective disposition to be provided to the Human Resources Committee. The latest report found by Citygate, using a key word search of the OCFA website, was for the 2017 calendar year. OCFA should ensure the fraud review and disposition process is timely to ensure effectiveness of the process.

The following findings and recommendations were identified relating to the Department's formal and informal policies and procedures, per Citygate's review.

## **4.2 FINDINGS**

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- Finding #5:** The Department has thoroughly written financial administrative policies and procedures.
- Finding #6:** Over 500 CAL-Cards are currently open.
- Finding #7:** The Fire Marshal has unilateral authority to adjust or waive fees and the Accounts Receivable Supervisor can waive late fees under certain conditions.

**Finding #8:** Written policies and procedures seem to be largely followed by Department and OCFA staff.

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#### **4.3 RECOMMENDATIONS**

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- Recommendation #6:** The fee waiver/revision policy should be amended to set parameters for oversight when it is within policy to waive or revise the collection of fees.
- Recommendation #7:** Update the CAL-Card policy to ensure effective allocation procedures and more specifically identified disciplinary consequences of CAL-Card misuse.
- Recommendation #8:** Complete the current review of CAL-Cards use history and necessity for current cardholders to determine if all cards distributed are necessary.
- Recommendation #9:** Consolidate the various fund balance policies into a single policy to minimize confusion.
- Recommendation #10:** Establish a process to randomly test the adherence to policies within the Department.
- Recommendation #11:** Ensure timely reporting of fraud items and disposition to the appropriate body as required by the fraud hotline program.

## **SECTION 5—IDENTIFICATION OF MANUAL OR REDUNDANT PROCESSES AND WORKFLOW CHALLENGES**

### **5.1 WORKFLOW PROCESS REVIEW**

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In Citygate’s review of the various Department financial processes several manual and redundant processes were identified. In most cases, this is due to inadequate or ineffective software technology. The following examples were identified.

#### **5.1.1 Accounts Receivable**

There is no standardized input format for information such as addresses in the Integrated Fire Prevention system, which results in extra staff effort when researching billing information. Varying research iterations are sometimes needed to find account information related to a specific invoice. This is not a technology issue, but a process issue which could be addressed through the creation of a standardized information format input procedure, which would dictate format for billing information to be input into this system and other applicable systems.

#### **5.1.2 Payroll**

Not all staff have access to the automated timesheet process. Currently only safety field staff have automated timesheets. Although the payroll system is on an exception basis, which means that only exceptions to a normal work pay period are entered into the system, it still requires that Department staff enter these exceptions manually from a hard-copy timesheet for non-safety staff. This increases the risk of human error and the need to spend extra staff time to correct these errors. It must be stressed that OCFA is not alone in the way it currently handles payroll. Many agencies use a similar system. However, fully automating timesheet entry will increase overall productivity and reduce human error. Citygate was informed by staff that OCFA is currently in the process of implementing automated timesheets for all professional staff and will be completed by 2022, which represents the remaining approximately 20 percent of the workforce.

Some responsibilities typical to human resources are administered by Department staff. For example, in typical agencies, employee setup information which includes employee information, salary rates, titles, pertinent dates, deductions, existing employee revision, new and separating employees, and related information is created and revised in human resources. Then, once information is received from human resources, payroll administers the pay-related activity that generates a paycheck (hours, special pay, deductions as directed by human resources or legally required, etc.). Per staff interviews, some of these areas are duplicated by Business Services Department payroll staff and Human Resources Department staff. Citygate encourages the Business Services Department to continue discussing these issues between the two departments to determine how best to address them.

### **5.1.3 Purchasing and Accounts Payable**

The purchasing and accounts payable functions are supervised by two different division managers. The following is a discussion of each section.

The processes used for both purchasing and accounts payable are, largely, manual processes. Although the purchasing module with Banner does have the capability to produce automated requisitions, the additional applications required to upload supporting documentation for the requisitions have not been purchased. As the system is currently configured, any supporting documentation would not be automated and would need to be manually submitted to the Department. This negates some of the benefits of having automated requisitions since submitting the full requisition package to complete a purchase order or contract would require a department to submit a hard-copy package that is routed to the Department through the regular inter-office mail. Doing so would increase the risk of lost or incomplete documentation, resulting in processing delays and overall inefficiency.

The accounts payable process is completely manual, resulting in multiple touch points for documents prior to payment being processed, which again increases risk of lost or incomplete documents, human error, and general processing inefficiencies. Citygate was informed that the Department is currently working on an automation solution for these processes through Laserfiche workflow process software. This is a good step, but unfortunately the Department experienced several implementation delays. Given the implementation delays, the Department should review the Laserfiche workflow process solution to ensure it still meets the Department's needs. Additionally, a review will allow the new Department management staff to provide input as to the solution's potential effectiveness, given their respective experience with other jurisdictions.

Another accounts payable process issue identified was the amount of time allowed for the Department accounts payable staff to receive, review, and process payment requests. Per current policy, check request information must be received in the Department by Wednesday at noon to make the weekly check run which is Thursday of the same week. This seems to be a short period for Department accounts payable staff to provide the necessary review of the information received. Per staff, they are making the process work and if they do not have time to perform the appropriate review, the payment is delayed until the following week. This can result in uncertainty of requesting departments as to when a request will be processed, and places added pressure on the Department accounts payable staff which could result in missed review steps. Citygate recommends the check request deadline be pushed back one or two days to provide an increased level of certainty to the departments and provide extra time for Department accounts payable staff to complete an accurate review of all check request documentation. Department management has indicated to Citygate that this timeline process is currently being reviewed.

#### **5.1.4 Budget**

The budget for OCFA is produced entirely in Microsoft Excel. Although the financial system (Banner) currently used by OCFA has a budget module, it is not being used. Staff was unsure what the Banner budget module entailed or why it did not meet the needs of the Department. This current process seems to be working at this point due to the Department's existing Excel power users. Even with these power users, the budget information is not automatically downloaded but must be manually input into the Banner system, increasing the risk of human error. Additionally, budget analytical reports are not produced in the Banner system. The current process is to download the actual activity from the Banner system into an Access database, which is then used by Excel to complete required analytical reports. These workarounds and manual processes cause productivity inefficiencies resulting in additional staff time that could be used to address other issues caused by staff unavailability. Citygate was informed by staff that the Banner budget model was previously researched and was found to have limited functionality and was cumbersome. Although the current workarounds seem to be meeting the needs of OCFA because of the expertise of the current staff, a more consistent and less vulnerable option should be developed.

Workflow processes of the other sections of the Department seemed to be working relatively well and, although impacted by the software limitations previously discussed, the impact seems to be less than the sections specifically discussed.

The following findings and recommendations were identified relating to the Department manual and redundant processes and workflow challenges, per Citygate's review.

#### **5.2 FINDINGS**

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**Finding #9:** The budget system is produced entirely in Microsoft Excel, which is working due to expertise of current personnel; the budget information developed in Excel is manually input into the Banner system.

**Finding #10:** Accounts payable processing time seems inadequate to allow for thorough review of payment requests.

**Finding #11:** Procurement and accounts payable processes are mostly manual, resulting in increased use of staff resources due to increased potential of misplaced or lost documents, manual delivery of documents, and manual hard-copy document research. An Accounts Payable Laserfiche workflow project is currently being implemented.

**Finding #12:** No procedure exists for identifying a standardized information input format for invoice billing or other applicable systems.

### **5.3 RECOMMENDATIONS**

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- Recommendation #12:** Explore expanding the processing time for payroll after the end of the pay period to reduce need for staff duplication of effort to correct errors.
- Recommendation #13:** Complete the current review for expansion of the processing time for accounts payable to three days prior to the processing of accounts payable checks.
- Recommendation #14:** Continue to work with the Human Resources Department to formalize roles and responsibilities between the two departments and eliminate duplication of effort related to payroll and Human Resources employee service.
- Recommendation #15:** Develop a procedure to standardize billing information input.

## **SECTION 6—EXAMINATION OF CURRENT USE OF TECHNOLOGY AND SYSTEMS**

### **6.1 DEPARTMENT SOFTWARE SYSTEMS REVIEW**

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Staff interviews revealed to Citygate that there are several issues surrounding the current technology and the use of that technology in the Department. The primary focus and technology tool of any finance department is its financial system. A good financial system increases overall efficiency and reduces the need to add staff as an organization grows. The need for staff is not eliminated, but a good financial system coupled with effective policies and procedures allow an organization to do more with fewer staff. A good financial system also helps to minimize financial information creation and dissemination frustration. On the other hand, a bad or ineffective financial system can adversely impact staff morale, efficiency, customer confidence, and overall effectiveness of the organization.

The current financial system used by the Department is the Banner system by Ellucian, which was founded in 1968. The system caters to higher education organizations and provides, per its website, a fully integrated set of financial modules. This has been the only financial system used by the Department since the inception of OCFA in 1996. Department staff, for the most part, have issues with the capabilities and functionality of the current Banner system. Citygate was informed that the current system used by the Department is the latest available version. However, even the Department staff most familiar with the system have developed workarounds to address the shortcomings of the Banner system.

Given the current COVID-19 restrictions, Citygate did not conduct an on-site review of the current Banner system and its use by the Department staff. However, most of the staff interviewed would like to see the Banner system replaced with a system with increased functionality. Although it is possible that other issues could contribute to employees disliking the Banner system (e.g., preference for a system used in another jurisdiction or an inability to comprehend and use the capabilities of the system), both legacy and new employees, experienced with various financial systems interviewed by Citygate, would like to see the system replaced due to its lack of functionality. Because of the current financial system's shortcomings, numerous workarounds and manual processes are currently being conducted by Department staff. Specific examples of shortcomings include:

- ◆ The inability to produce useful information queries without significant extra steps
- ◆ The inability to produce comprehensive financial reports and merge them into a single document



- ◆ Automated payroll, procurement, and accounts payable process capabilities are insufficient.

To address the report-writing issues, Department staff uses three different report-writing software products (Access, Argos, and Crystal Reports) to develop the financial reports needed. Although the use of report-writing products as a supplement to a financial system is not unusual, it is typically supplemental and not primary, which is the case with the Department.

The custom systems created to handle payroll (timekeeping and staffing) and billing (Integrated Fire Prevention, or IFP) were also revealed as issues to Citygate. The timekeeping and staffing systems seem to have limited levels of support, although Citygate was informed that the Information Technology (IT) Department has been provided with the source code of the two payroll-related systems. It is uncertain as to the level of expertise and understanding the IT Department has regarding these systems. There is one external creator of both timekeeping and staffing systems. Consequently, if something happens to the sole creator and the IT Department does not understand the source code, other outside expertise will have to be utilized. This could take an extended amount of time and cause a single point of failure relating to paying OCFA staff. Even absent a total system shut down, payroll systems require annual updating for local, state, and federal payroll-related adjustments, which also impact pay to OCFA staff. Citygate's understanding is that there is not a plan to allow for the potential of a disruption in the current updating process. The billing system (IFP) issue is not nearly as large as the payroll system's issue, but as with the payroll system, there is only one creator of the software and limited backup plan to address potential necessary changes in the system. Citygate was informed by staff that a replacement for the billing system is currently being developed.

The other eight financial technology software products used by the Department are typical of other municipal agencies.

The following findings and recommendations were identified relating to the Department's current use of technology and systems, per Citygate's review.

## **6.2 FINDINGS**

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**Finding #13:** Key payroll systems (staffing and timekeeping) were developed and are currently maintained by one person (resulting in a single point of failure).

**Finding #14:** Banner reports seem to be limited and difficult to obtain, requiring Department staff to use several report-writing software systems to develop needed reports.

**Finding #15:** The Banner system is the latest available version.



**Finding #16:** Information Technology Department support for the Banner system could be enhanced.

**Finding #17:** Several custom systems have limited support, including staffing and timekeeping (payroll) and the Integrated Fire Prevention system (inspection fee billing).

### **6.3 RECOMMENDATIONS**

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**Recommendation #16:** Determination should be made as to the Information Technology Department staff's understanding of the source code relating to the current staffing and timekeeping systems. Training should be conducted, as necessary, to ensure the systems have multiple levels of support to ensure that, in the case of a major system failure, payroll operations can continue.

**Recommendation #17:** Automate the procurement and accounts payable processes within the two separate purchasing and accounts payable functions. The current project relating to the use of the Laserfiche program in the accounts payable function should be revisited to ensure it meets the needs of OCFA.

**Recommendation #18:** Repeat training on the Banner system for all applicable staff. This training should include instruction on the modules available on the most recent upgrade of the Banner system.

**Recommendation #19:** Explore options for implementation of a fully integrated Enterprise Resource Planning system that meets the needs of the Department and OCFA. This would provide the best solution to not only address workload issues caused by the numerous workarounds currently used but would also increase staff efficiency while providing other positives to benefit the organization such as strengthening internal controls, improving policies and procedures, providing comprehensive training programs for staff, increasing staff morale, and reducing overtime to minimize staff burnout.

**Recommendation #20:** Review the Department system's support capabilities in the Information Technology Department to ensure they are adequate.

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## **SECTION 7—EXAMINATION OF PROFESSIONAL DEVELOPMENT AND TRAINING PRACTICES**

### **7.1 DEPARTMENT EMPLOYEE PROFESSIONAL DEVELOPMENT AND TRAINING**

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The Department has had several new hires in recent years, and professional development and training areas are currently being reviewed. Ensuring that the professional development and training path is documented and understood by staff is a critical factor in maintaining good staff morale. Establishing effective professional development and training practices requires strong understanding of the Department and OCFA strategic goals and objectives. This, in turn, requires that staff understand how they are performing relative to department goals and objectives applicable to them; where they are doing well, what is needed for them to move to the next level, which areas need improvement, how they can improve, and acknowledgement of when improvement has been accomplished. Key to this is the staff evaluation process. Evaluations should be clear, understandable, and reflective of the individual staff member's role regarding the overall goals and objectives of the department. Citygate was informed by Department staff that, although emphasis has been placed on timely completion of evaluations, some evaluations remain outstanding.

Adequate staffing to accomplish the required tasks is also important to provide opportunities for professional development and to complete appropriate training, as necessary. There is a delicate balance in having too few staff, which can cause low morale and burnout issues, and too many staff, which can lead to inefficiency, low productivity, and complacency. The Department currently has two vacancies, but as discussed earlier in this report, the Department also has several manual and redundant finance practices that result in staff inefficiencies which, if addressed, could provide an opportunity to reassess the number and/or level of positions needed into the future.

The Department has recently established an informal professional development and training program allowing staff to voluntarily participate (which is highly encouraged), as opposed to an approach necessitating that staff are proactively selected. Citygate was also informed by Department management of plans to include funding in the FY 21–22 budget for a leadership development program which would be specific to professional staff (non-sworn safety personnel). Professional development and training are important to provide opportunities for internal succession planning, which can help boost morale and provide encouragement to staff. The Department should evaluate the staff inefficiencies caused by the manual and redundant processes, caused in large part by the current finance system functionality issues.

Cross-training is another important component of effective professional development and training practices. Although it can be difficult to accomplish, cross-training will allow the Department to address unexpected staff absences and other emergencies without significant decreases in service

levels. Citygate was informed during the interviews with Department staff that training and cross-training is being implemented and encouraged. Examples include:

- ◆ Accountants are provided membership into either California Society of Municipal Finance Officers or Government Finance Officers Association (GFOA) annually and are enrolled into at least one conference per year (pre-COVID).
- ◆ Finance managers register all staff for relevant online trainings annually, such as customer service training, Excel classes, American Payroll Association classes, and GFOA Accounting courses.

As part of both cross-training and succession planning efforts, the Treasury and Financial Planning Division rotates key duties among the budget analysts every two years. This reinforces an understanding of the subject matter which prepares the individuals for future promotional opportunities and also readies the division in the event of a leave of absence (temporary or permanent). The cross-training includes serving as a backup to some of the Assistant Treasurer duties as well. However, the interviews also reflected some uncertainty concerning what is required for professional development, what training is necessary, and how interested staff can take advantage of what is available.

The following findings and recommendations were identified relating to the Department professional development and training practices, per Citygate's review.

## **7.2 FINDINGS**

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**Finding #18:** The professional development process is mostly based on voluntary participation or word-of-mouth referrals from staff. General coordination occurs with the Human Resources Department, but no formal procedure exists.

**Finding #19:** Cross-training is encouraged and implemented in some areas per previous examples, but no formal written Department-wide process or procedure exists.

**Finding #20:** There is uncertainty among staff regarding how to develop their careers.

**Finding #21:** There have been several new hires and promotions within the Department, which has caused some uncertainty regarding the process for professional advancement.

## **7.3 RECOMMENDATIONS**

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**Recommendation #21:** Department management should continue to work with the Human Resources Department to develop formal professional development and training programs. Once developed, the programs should be presented to Department staff for feedback and revised as appropriate.

## SECTION 8—SUMMARY OF FINDINGS AND RECOMMENDATIONS AND RECOMMENDATION PRIORITY PLAN

### 8.1 FINDINGS AND RECOMMENDATIONS

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The following is a summary of the findings and recommendations discussed throughout this report.

#### 8.1.1 Findings

##### *Structure, Operations, and Management Practices*

**Finding #1:** The Department has experienced and knowledgeable staff and well-documented policies/procedures.

**Finding #2:** The Department performance measures are only generally worded.

**Finding #3:** Although Department management uses several methods to communicate OCFA initiatives to staff, and noting that it is important in the efficient operations of any agency for staff to be somewhat flexible to address the everchanging fire service environment, a general staff feeling remains that communication timeliness relating to actions impacting staff workloads causes some staff to feel hurried to implement.

**Finding #4:** The Department has not conducted an externally facilitated team building exercise to identify staff concerns and develop a goals and objectives action plan.

##### *Formal and Informal Policies and Procedures*

**Finding #5:** The Department has thoroughly written financial administrative policies and procedures.

**Finding #6:** Over 500 CAL-Cards are currently open.

**Finding #7:** The Fire Marshal has unilateral authority to adjust or waive fees and the Accounts Receivable Supervisor can waive late fees under certain conditions.

**Finding #8:** Written policies and procedures seem to be largely followed by Department and OCFA staff.

##### *Manual or Redundant Processes and Workflow Challenges*

**Finding #9:** The budget system is produced entirely in Microsoft Excel, which is working due to expertise of current personnel; the budget information developed in Excel is manually input into the Banner system.

**Finding #10:** Accounts payable processing time seems inadequate to allow for thorough review of payment requests.

**Finding #11:** Procurement and accounts payable processes are mostly manual, resulting in increased use of staff resources due to increased potential of misplaced or lost documents, manual delivery of documents, and manual hard-copy document research. An Accounts Payable Laserfiche workflow project is currently being implemented.

**Finding #12:** No procedure exists for identifying a standardized information input format for invoice billing or other applicable systems.

### ***Current Use of Technology and Systems***

**Finding #13:** Key payroll systems (staffing and timekeeping) were developed and are currently maintained by one person (resulting in a single point of failure).

**Finding #14:** Banner reports seem to be limited and difficult to obtain, requiring Department staff to use several report-writing software systems to develop needed reports.

**Finding #15:** The Banner system is the latest available version.

**Finding #16:** Information Technology Department support for the Banner system could be enhanced.

**Finding #17:** Several custom systems have limited support, including staffing and timekeeping (payroll) and the Integrated Fire Prevention system (inspection fee billing).

### ***Professional Development and Training Practices***

**Finding #18:** The professional development process is mostly based on voluntary participation or word-of-mouth referrals from staff. General coordination occurs with the Human Resources Department, but no formal procedure exists.

**Finding #19:** Cross-training is encouraged and implemented in some areas per previous examples, but no formal written Department-wide process or procedure exists.

**Finding #20:** There is uncertainty among staff regarding how to develop their careers.

**Finding #21:** There have been several new hires and promotions within the Department, which has caused some uncertainty regarding the process for professional advancement.

## **8.1.2 Recommendations**

### ***Structure, Operations, and Management Practices***

- Recommendation #1:** Conduct an externally facilitated team building and goals and objectives development session to improve Department cohesiveness, communication, and morale.
- Recommendation #2:** Implement team-wide meeting schedules throughout the Department, involving division management and team members to maximize communication effectiveness. This would include establishing set times during the week or month so employees can plan around existing work schedules.
- Recommendation #3:** A Department second-in-command should be identified to ensure business continuity if the Assistant Chief cannot be reached to provide direction (while out of the office, on vacation, sick, etc.). This recommendation relates to the assignment of an existing management staff member to this responsibility. This responsibility could also be rotated between the applicable management staff to assist in succession development.
- Recommendation #4:** Expand performance measures to include measures specific to all sections of the Department.
- Recommendation #5:** Build a more supportive, integrated, recognized, and valued business unit by:
1. Acknowledging staff concerns and issues when they are raised.
  2. Using scheduled Department meetings and one-on-ones to engage staff in problem solving, including concerns and issues raised as well as on OCFA-wide issues to which the Department can be of service internally.
  3. Combining listening and problem-solving components into team building efforts, allowing Department members to be engaged in solutions for business operations issues including those that may touch on improving services to other OCFA departments and services.

***Formal and Informal Policies and Procedures***

- Recommendation #6:** The fee waiver/revision policy should be amended to set parameters for oversight when it is within policy to waive or revise the collection of fees.
- Recommendation #7:** Update the CAL-Card policy to ensure effective allocation procedures and more specifically identified disciplinary consequences of CAL-Card misuse.
- Recommendation #8:** Complete the current review of CAL-Cards use history and necessity for current cardholders to determine if all cards distributed are necessary.
- Recommendation #9:** Consolidate the various fund balance policies into a single policy to minimize confusion.
- Recommendation #10:** Establish a process to randomly test the adherence to policies within the Department.
- Recommendation #11:** Ensure timely reporting of fraud items and disposition to the appropriate body as required by the fraud hotline program.

***Manual or Redundant Processes and Workflow Challenges***

- Recommendation #12:** Explore expanding the processing time for payroll after the end of the pay period to reduce need for staff duplication of effort to correct errors.
- Recommendation #13:** Complete the current review for expansion of the processing time for accounts payable to three days prior to the processing of accounts payable checks.
- Recommendation #14:** Continue to work with the Human Resources Department to formalize roles and responsibilities between the two departments and eliminate duplication of effort related to payroll and Human Resources employee service.
- Recommendation #15:** Develop a procedure to standardize billing information input.



### ***Current Use of Technology and Systems***

- Recommendation #16:** Determination should be made as to the Information Technology Department staff's understanding of the source code relating to the current staffing and timekeeping systems. Training should be conducted, as necessary, to ensure the systems have multiple levels of support to ensure that, in the case of a major system failure, payroll operations can continue.
- Recommendation #17:** Automate the procurement and accounts payable processes within the two separate purchasing and accounts payable functions. The current project relating to the use of the Laserfiche program in the accounts payable function should be revisited to ensure it meets the needs of OCFA.
- Recommendation #18:** Repeat training on the Banner system for all applicable staff. This training should include instruction on the modules available on the most recent upgrade of the Banner system.
- Recommendation #19:** Explore options for implementation of a fully integrated Enterprise Resource Planning system that meets the needs of the Department and OCFA. This would provide the best solution to not only address workload issues caused by the numerous workarounds currently used but would also increase staff efficiency while providing other positives to benefit the organization such as strengthening internal controls, improving policies and procedures, providing comprehensive training programs for staff, increasing staff morale, and reducing overtime to minimize staff burnout.
- Recommendation #20:** Review the Department system's support capabilities in the Information Technology Department to ensure they are adequate.

### ***Professional Development and Training Practices***

- Recommendation #21:** Department management should continue to work with the Human Resources Department to develop formal professional development and training programs. Once developed, the programs should be presented to Department staff for feedback and revised as appropriate.

## 8.2 RECOMMENDATIONS PRIORITY PLAN

The following is a priority table of Citygate's recommendations contained in this report. The priorities indicated are (A) to indicate urgent items which should be initiated or completed as soon as possible; (B) to indicate those items which are not urgent, but Citygate would strongly recommend that they be accomplished within the next six months to one year; and (C) to indicate items which are not critical but recommended over the next couple years.

**Table 3—Recommendation Priority Plan**

**Priority Legend: A – Urgent | B – Strongly recommended | C – Non-critical but would improve operations**

Recommendation	Responsible Party	Priority	Benefits
<b>Recommendation #1:</b> Conduct an externally facilitated team building and goals and objectives development session to improve Department cohesiveness, communication, and morale.	Department Assistant Chief	B	Implementation of this recommendation will provide the Assistant Chief and Department staff with valuable information to identify issues and solutions in the Department to help maintain good morale and communication among the staff.
<b>Recommendation #2:</b> Implement team-wide meeting schedules throughout the Department, involving division management and team members to maximize communication effectiveness. This would include establishing set times during the week or month so employees can plan around existing work schedules.	Department Assistant Chief / All Division Managers	C	This will help with overall information sharing throughout the Department and assist with staff calendar scheduling. This may not be an issue when the team building exercise is accomplished.
<b>Recommendation #3:</b> A Department second-in-command should be identified to ensure business continuity if the Assistant Chief cannot be reached to provide direction (while out of the office, on vacation, sick, etc.). This recommendation relates to the assignment of an existing management staff member to this responsibility. This responsibility could also be rotated between the applicable management staff to assist in succession development.	Department Assistant Chief	C	This will assist in succession development.
<b>Recommendation #4:</b> Expand performance measures to include measures specific to all sections of the Department.	Department Assistant Chief / All Division Managers	B	This will help bring focus to what is expected of staff to meet the goals and objectives of the Department.

**Orange County Fire Authority**  
*Business Services Department Service Level Assessment*

**Priority Legend: A – Urgent | B – Strongly recommended | C – Non-critical but would improve operations**

Recommendation	Responsible Party	Priority	Benefits
<b>Recommendation #5:</b> Build a more supportive, integrated, recognized, and valued business unit by: <ol style="list-style-type: none"> <li>1. Acknowledging staff concerns and issues when they are raised.</li> <li>2. Using scheduled Department meetings and one-on-ones to engage staff in problem solving, including concerns and issues raised as well as on OCFA-wide issues to which the Department can be of service internally.</li> <li>3. Combining listening and problem-solving components into team building efforts, allowing Department members to be engaged in solutions for business operations issues including those that may touch on improving services to other OCFA departments and services.</li> </ol>	Department Assistant Chief / All Division Managers	B	This will improve engagement and ultimately “buy-in” on various Department initiatives. This could also help to improve Department overall morale.
<b>Recommendation #6:</b> The fee waiver/revision policy should be amended to set parameters for oversight when it is within policy to waive or revise the collection of fees.	Finance Manager	B	This will tighten the open-ended authority to adjust fees and improve internal control.
<b>Recommendation #7:</b> Update the CAL-Card policy to ensure effective allocation procedures and more specifically identified disciplinary consequences of CAL-Card misuse.	Purchasing Manager	C	This will strengthen the internal control of the program.
<b>Recommendation #8:</b> Complete the current review of CAL-Cards use history and necessity for current cardholders to determine if all cards distributed are necessary.	Purchasing Manager	C	This will strengthen the internal control of program.
<b>Recommendation #9:</b> Consolidate the various fund balance policies into a single policy to minimize confusion.	Finance Manager	C	Although minor, this will simplify the policy documentation relating to fund balance.
<b>Recommendation #10:</b> Establish a process to randomly test the adherence to policies within the Department.	Department Assistant Chief / All Division Managers	B	This will strengthen financial internal control.
<b>Recommendation #11:</b> Ensure timely reporting of fraud items and disposition to the appropriate body as required by the fraud hotline program.	Department Assistant Chief / Finance Manager / Treasury Manager	B	This will strengthen financial internal control.

**Orange County Fire Authority**  
*Business Services Department Service Level Assessment*

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**Priority Legend: A – Urgent | B – Strongly recommended | C – Non-critical but would improve operations**

Recommendation	Responsible Party	Priority	Benefits
<b>Recommendation #12:</b> Explore expanding the processing time for payroll after the end of the pay period to reduce need for staff duplication of effort to correct errors.	Department Assistant Chief / Finance Manager / Payroll and Accounts Payable Manager	C	This will help minimize errors to be corrected in the future.
<b>Recommendation #13:</b> Complete the current review for expansion of the processing time for accounts payable to three days prior to the processing of accounts payable checks.	Payroll and Accounts Payable Manager	B	This will strengthen internal control by increasing the ability to review documentation prior to check production.
<b>Recommendation #14:</b> Continue to work with the Human Resources Department to formalize roles and responsibilities between the two departments and eliminate duplication of effort related to payroll and Human Resources employee service.	Finance Manager / Payroll and Accounts Payable Manager	C	This will help minimize errors to be corrected in the future.
<b>Recommendation #15:</b> Develop a procedure to standardize billing information input.	Finance Manager	C	This will help minimize errors to be corrected in the future.
<b>Recommendation #16:</b> Determination should be made as to the Information Technology Department staff's understanding of the source code relating to the current staffing and timekeeping systems. Training should be conducted, as necessary, to ensure the systems have multiple levels of support to ensure that, in the case of a major system failure, payroll operations can continue.	Finance Manager / Payroll and Accounts Payable Manager	A	This is needed to prevent a major issue that would impact payroll processing to almost 1,600 OCFA staff.
<b>Recommendation #17:</b> Automate the procurement and accounts payable processes within the two separate purchasing and accounts payable functions. The current project relating to the use of the Laserfiche program in the accounts payable function should be revisited to ensure it meets the needs of OCFA.	Purchasing Manager / Finance Manager / Payroll and Accounts Payable Manager	B	This will improve operational efficiency and provide a review of the delayed solution to ensure it still addresses the needs of the Department.
<b>Recommendation #18:</b> Repeat training on the Banner system for all applicable staff. This training should include instruction on the modules available on the most recent upgrade of the Banner system.	Department Assistant Chief / All Division Managers	A	This will help identify system issues which are causing several manual processes, as opposed to lack of understanding by applicable staff of the system capabilities.

**Orange County Fire Authority**  
*Business Services Department Service Level Assessment*

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**Priority Legend: A – Urgent | B – Strongly recommended | C – Non-critical but would improve operations**

Recommendation	Responsible Party	Priority	Benefits
<b>Recommendation #19:</b> Explore options for implementation of a fully integrated Enterprise Resource Planning system that meets the needs of the Department and OCFA. This would provide the best solution to not only address workload issues caused by the numerous workarounds currently used but would also increase staff efficiency while providing other positives to benefit the organization such as strengthening internal controls, improving policies and procedures, providing comprehensive training programs for staff, increasing staff morale, and reducing overtime to minimize staff burnout.	Department Assistant Chief / All Division Managers	C	Although difficult, costly, and time-consuming, implementation of this recommendation should be considered as a strategic priority to improve the Department and OCFA.
<b>Recommendation #20:</b> Review the Department system's support capabilities in the Information Technology Department to ensure they are adequate.	Department Assistant Chief / All Division Managers	A	This will help identify system issues which are causing several manual processes, as opposed to lack of understanding by applicable staff of the system capabilities.
<b>Recommendation #21:</b> Department management should continue to work with the Human Resources Department to develop formal professional development and training programs. Once developed, the programs should be presented to Department staff for feedback and revised as appropriate.	Department Assistant Chief / All Division Managers	B	This will help provide Department staff with a clearer understanding of what is needed to advance professionally and access any needed training.





# COMMUNITY RISK REDUCTION SERVICE LEVEL ASSESSMENT

## ORANGE COUNTY FIRE AUTHORITY

OCTOBER 21, 2021



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## **TABLE OF CONTENTS**

<u><b>Section</b></u>	<u><b>Page</b></u>
<b>Executive Summary.....</b>	<b>1</b>
<b>Section 1—Introduction and Background.....</b>	<b>3</b>
1.1 Purpose of the Assessment .....	3
1.2 Scope of Assessment .....	3
1.3 Project Approach and Methodology .....	3
1.3.1 Project Approach.....	3
1.3.2 Methodology .....	3
1.3.3 Best Practice References .....	4
1.4 Overall Themes .....	4
1.4.1 Well Organized .....	4
1.4.2 Strong Leadership .....	4
1.4.3 Highly Committed Staff.....	5
1.4.4 Strong Cultural Focus .....	5
1.4.5 Meeting Best Practices.....	5
1.4.6 Minimal Single Points of Failure .....	5
1.4.7 Some Staffing Capacity Gaps .....	6
1.5 Report Organization .....	7
<b>Section 2—Community Risk Reduction Department Overview .....</b>	<b>9</b>
2.1 Community Risk Reduction Department.....	9
2.1.1 Planning and Development Division.....	10
2.1.2 Prevention Field Services Division .....	14
2.1.3 Wildland Pre-Fire Management Division .....	16
2.2 Department Budget and FTE Summary.....	19
<b>Section 3—Service Level Review .....</b>	<b>20</b>
3.1 Internal Structure, Operational and Management Practices, and Controls .....	20
3.2 External Partner Interactions and Workflow Challenges.....	21
3.3 Use of Professional Resources and Technology .....	23
3.3.1 Use of Professional Resources .....	23
3.3.2 Use of Technology .....	24
3.4 Professional Development and Training.....	27
3.5 Staffing and Deployment Levels .....	29
3.6 Cost Recovery Strategies .....	31
3.7 Risk-Based Program Approach for Volume and Priority of Workload .....	33
<b>Section 4—Findings and Recommendations .....</b>	<b>35</b>
4.1 Findings .....	35
4.2 Recommendations .....	37
4.3 Recommendations Priority Plan .....	38
<b>Appendix A—CRR Department SWOT Survey Summary Results.....</b>	<b>39</b>
SWOT Survey Results – Assistant Chief / Fire Marshal.....	39
SWOT Survey Results – Planning & Development Division .....	40



**Orange County Fire Authority**  
*Community Risk Reduction Service Level Assessment*

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SWOT Survey Results – Prevention Field Services Division .....	41
SWOT Survey Results – Wildland Pre-Fire Management Division .....	42
<b>Appendix B—External Partner Agency Feedback Survey and Summary Results.....</b>	<b>43</b>
2021 OCFA CRR Feedback Survey.....	43
2021 OCFA CRR Feedback Survey – Summary Results (Planning and Development).....	45
2021 OCFA CRR Feedback Survey – Summary Results (Prevention Field Services) .....	46
2021 OCFA CRR Feedback Survey – Summary Results (Wildland Pre-Fire Management).....	47

**Table of Tables**

Table 1—CRR Staffing Capacity Gap / Single Points of Failure Analysis (From Table 11) .....	2
Table 2—CRR Staffing Capacity Gap / Single Points of Failure Analysis (From Table 11).....	6
Table 3—Front Counter Section Performance Summary .....	10
Table 4—Plan Review Section Workload Summary.....	11
Table 5—Plan Review Section Performance Summary .....	12
Table 6—New Construction Section Performance Summary .....	13
Table 7—Prevention Field Services Section Performance Summary .....	15
Table 8—Community Wildfire Mitigation Section Performance Summary .....	18
Table 9—OCFA Community Risk Reduction Department Budget Summary .....	19
Table 10—OCFA Community Risk Reduction Department FTE Summary.....	19
Table 11—CRR Staffing Capacity Gap / Single Points of Failure Analysis Summary.....	31
Table 12—Recommendation Priority Plan .....	38

**Table of Figures**

Figure 1—OCFA CRR Department Organization Chart.....	9
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## **C T I S M M R**

Citygate Associates, LLC (Citygate) is pleased to present this final Service Level Assessment (SLA) as part of a larger organizational strategic plan initiative for the Orange County Fire Authority (OCFA). This SLA reviews the Community Risk Reduction (CRR) Department (Department), which consists of three divisions and 11 sections with a Fiscal Year (FY) 20/21 operating budget of \$15.8 million supported by 73 personnel.

Essential to any effective fire agency is a focus on reducing or eliminating the incidence and impacts of hazard occurrences within the community or jurisdiction, including fires, medical emergencies, hazardous materials releases, and other related hazards. Historically referred to as fire prevention, a more appropriate emerging contemporary term for this function is community risk reduction.

Citygate's review of the OCFA CRR Department included extensive review of Department data and documentation, including budget, performance, policies, procedures, operating guidelines, and position descriptions. Citygate also administered an internal Strengths, Weaknesses, Opportunities, and Threats (SWOT) survey in all CRR divisions and sections, as well as a feedback survey questionnaire of external OCFA partner agency building and planning officials. Citygate also administered a workload analysis survey and conducted one-on-one and focus group interviews of Department management and staff to identify any current or near future workload capacity gaps and single points of failure in critical business functions, processes, or services.

As requested by OCFA executive management, this assessment focused on review and evaluation of the following seven specific Departmental functions and practices.

1. Internal structure, operational and management practices, and controls
2. External partner interactions and workflow challenges
3. Use of professional resources and technology
4. Professional development and training practices
5. Staffing and deployment levels
6. Cost recovery strategies
7. Risk-based program approach for volume and priority of workload.

From this comprehensive review, Citygate identified the following five recurring themes across all three divisions and 11 sections:

1. The Department is very well organized with strong, effective leadership and a staff committed to "getting the job done."

**Orange County Fire Authority**  
*Community Risk Reduction Service Level Assessment*

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2. There is a strong cultural focus on customer service, teamwork, and continuous improvement.
3. Department staff are supported with good written policies and procedures.
4. The Department is meeting all but one recognized industry best practice.
5. There are minimal single points of failure and some staffing capacity gaps.

This assessment identified 25 findings and 9 actionable recommendations to enhance or improve overall CRR Department operations. One key recommendation is to provide 6.6 to 13.25 additional FTE staffing capacity as funding permits to resolve identified staffing capacity gaps and single points of failure, as summarized in the following table.

**Table 1—CRR Staffing Capacity Gap / Single Points of Failure Analysis (From Table 11)**

Staffing Capacity Gap / Single Point of Failure	Estimated Capacity Needed	
	Annual Hours	Equivalent FTE <sup>1</sup>
Early Development Project Coordination	490–980	0.25–0.5
Wildland Pre-Fire Planning	980–1,960	0.5–1.0
Community Wildfire Mitigation	7,840–15,680	4.0–8.0
Business/Management Analyst	1,960–3,920	1.0–2.0
Dedicated IT/GIS Support	980–1,960	0.5–1.0
Internal Training Coordination	653–1,470	0.33–0.75
<b>Total</b>	<b>12,903 25,970</b>	<b>6.6 13.25</b>

<sup>1</sup> FTE = full-time equivalent capacity assuming 1 FTE = 1,960 annual hours.

A summary of all findings and recommendations, as well as a priority list of the recommendations, is included in **Section 4**.

## **Section 1—Introduction and Background**

### **1.1 PURPOSE OF THE ASSESSMENT**

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Preparatory to development of a strategic plan, the Orange County Fire Authority (OCFA) tasked Citygate Associates, LLC (Citygate) to conduct a Service Level Assessment (SLA) of each business unit to ensure the overall strategic plan provided a comprehensive and accurate strategy going forward. This Community Risk Reduction (CRR) Department (Department) SLA is the final of eight SLAs conducted.

### **1.2 SCOPE OF ASSESSMENT**

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As requested by OCFA executive management, the scope of this SLA included review and evaluation of the following seven specific areas:

1. Internal structure, operational and management practices, and controls
2. External partner interactions and workflow challenges
3. Use of professional resources and technology
4. Professional development and training practices
5. Staffing and deployment levels
6. Cost recovery strategies
7. Risk-based program approach for volume and priority of workload.

### **1.3 PROJECT APPROACH AND METHODOLOGY**

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#### **1.3.1 Project Approach**

Citygate utilized multiple sources to gather and understand information about the CRR Department, including requesting and reviewing relevant data and documentation related to organizational structure, budgets, staffing levels, services provided, policies and procedures, performance measures, management practices, and prior studies to better understand how the Department currently operates relative to the specific areas of focus.

#### **1.3.2 Methodology**

For this assessment, Citygate reviewed the Department organizational chart; position descriptions; policies, procedures, and operating guidelines; budget; and performance measures. Citygate subsequently interviewed the Department management team and Assistant Fire Marshals and conducted individual interviews with representative personnel from each division and section.

Citygate also administered a Strengths, Weaknesses, Opportunities, and Threats (SWOT) assessment to each division and section, as well as a stakeholder feedback survey questionnaire of external partner agency building and planning officials. Citygate also administered a workload analysis survey of selected representative personnel and conducted follow-up interviews as needed to identify any current or near future workload capacity gaps and single points of failure in critical business functions, processes, or services.

### **1.3.3 Best Practice References**

Citygate utilized the following best practice references for this assessment:

- ◆ **NFPA 1031** Standard for Professional Qualifications for Fire Inspector and Plan Examiner (2014 Edition)
- ◆ **NFPA 1037** Standard on Fire Marshal Professional Qualifications (2016 Edition)
- ◆ **NFPA 1300** Standard on Community Risk Assessment and Community Risk Reduction Plan Development (2020 Edition)
- ◆ **NFPA 1730** Standard on Organization and Deployment of Fire Prevention Inspection and Code Enforcement, Plan Review, Investigation, and Public Education Operations (2019 Edition)

## **1.4 OVERALL THEMES**

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From this comprehensive assessment, Citygate identified the following seven recurring themes across all three divisions.

### **1.4.1 Well Organized**

The Department is very well organized into three appropriate functional divisions and 11 subsections, with appropriate supervisory span of control in all sections except New Construction, as identified in **Section 3.1**.

### **1.4.2 Strong Leadership**

The Department has excellent leadership at all levels, as evidenced by SWOT survey results and individual and focus group interviews. Citygate consistently heard high job satisfaction expressed, which is ultimately a reflection of leadership. Citygate also found very minimal staff turnover, other than retirements or relocation out of the area, which is also a reflection of good leadership. In addition, all Department supervisors and managers meet best practice minimum qualifications.<sup>1</sup>

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<sup>1</sup> NFPA 1031 and NFPA 1037.

### **1.4.3 Highly Committed Staff**

From the Assistant Chief / Fire Marshal down through all levels of management and supervision, Citygate consistently heard of staff's strong work ethic and dedication to "getting the job done." In Citygate's experience, this reflects very good recruitment, leadership, support, training, delegation, accountability, and employee appreciation.

### **1.4.4 Strong Cultural Focus**

This review of the CRR Department revealed a very strong cultural focus on customer service through teamwork and continuous improvement. In Citygate's experience and opinion, this is a reflection not only of excellent leadership but also one of continuous team-building and individual employee and team appreciation of each other's contributions.

### **1.4.5 Meeting Best Practices**

With the exception of not having a Community Risk Reduction Plan, the CRR Department is meeting the following recognized industry best practices:

- ◆ **NFPA 1031** Standard for Professional Qualifications for Fire Inspector and Plan Examiner (2014 Edition)
- ◆ **NFPA 1037** Standard on Fire Marshal Professional Qualifications (2016 Edition)
- ◆ **NFPA 1300** Standard on Community Risk Assessment and Community Risk Reduction Plan Development (2020 Edition)
- ◆ **NFPA 1730** Standard on Organization and Deployment of Fire Prevention Inspection and Code Enforcement, Plan Review, Investigation, and Public Education Operations (2019 Edition)

### **1.4.6 Minimal Single Points of Failure**

Only three potential single points of failure were identified from this assessment:

1. A single person is performing all wildland pre-fire planning functions, with no redundant capacity, cross-training, or succession plan.
2. There is no analyst-level capacity to provide critical support of all divisions and sections, including grant coordination, contract administration, systems integration support, data analytics, and special projects and studies.
3. There is no dedicated internal management/oversight of the final development, testing, implementation, and ongoing management of the Department's new Orion Record Management System.

### 1.4.7 Some Staffing Capacity Gaps

In addition to the three single points of failure, this assessment identified the following staffing capacity gaps:

- ◆ Insufficient Wildland Pre-Fire Management Community Wildfire Prevention capacity to meet annual state wildland safety inspection demand
- ◆ Lack of dedicated CRR Information Technology (IT) / Geographic Information System (GIS) support
- ◆ Lack of dedicated early development planning project coordination with OCFA member jurisdictions
- ◆ Lack of dedicated internal CRR training coordination.

The following table summarizes Citygate’s estimate of annual hours and equivalent full-time equivalents (FTEs) needed to eliminate the identified staffing capacity gaps and single points of failure.

**Table 2—CRR Staffing Capacity Gap / Single Points of Failure Analysis (From Table 11)**

Staffing Capacity Gap / Single Point of Failure	Estimated Capacity Needed	
	Annual Hours	Equivalent FTE <sup>1</sup>
Early Development Project Coordination	490–980	0.25–0.5
Wildland Pre-Fire Planning	980–1,960	0.5–1.0
Community Wildfire Mitigation	7,840–15,680	4.0–8.0
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<b>Total</b>	<b>12,903 25,970</b>	<b>6.6 13.25</b>

<sup>1</sup> FTE = full-time equivalent capacity assuming 1 FTE = 1,960 annual hours.

## **1.5 REPORT ORGANIZATION**

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This report is organized into the following sections.

- Executive Summary**—Summarizes the scope of work, key recurring project themes, staffing capacity needs, and recommended staffing increases.
- Section 1 Introduction and Background**—Summarizes assessment purpose and scope, project approach and methodology, best-practice references, and overall themes of the assessment.
- Section 2 Community Risk Reduction Department Overview**—Provides an overview of the CRR Department and its three divisions and summarizes budget and personnel allocation.
- Section 3 Service Level Review**—Provides Citygate’s detailed review and assessment of the seven specific focus areas, including findings and recommendations.
- Section 4 Findings and Recommendations**—Provides a sequential list of all of the findings and recommendations contained in **Section 3**, including a suggested prioritization of recommendations.
- Appendix A CRR Department SWOT Survey Summary Results**—Summary tables of SWOT surveys from each CRR division.
- Appendix B External Partner Agency Feedback Survey and Summary Results**—OCFA member agency CRR feedback questionnaire and summary results tables.

Overall, this assessment provides 25 findings and 9 actionable recommendations.



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Orange County Fire Authority  
Community Risk Reduction Service Level Assessment

SECTION — COMMUNITY RISK REDUCTION DEPARTMENT

2.1 COMMUNITY RISK REDUCTION DEPARTMENT

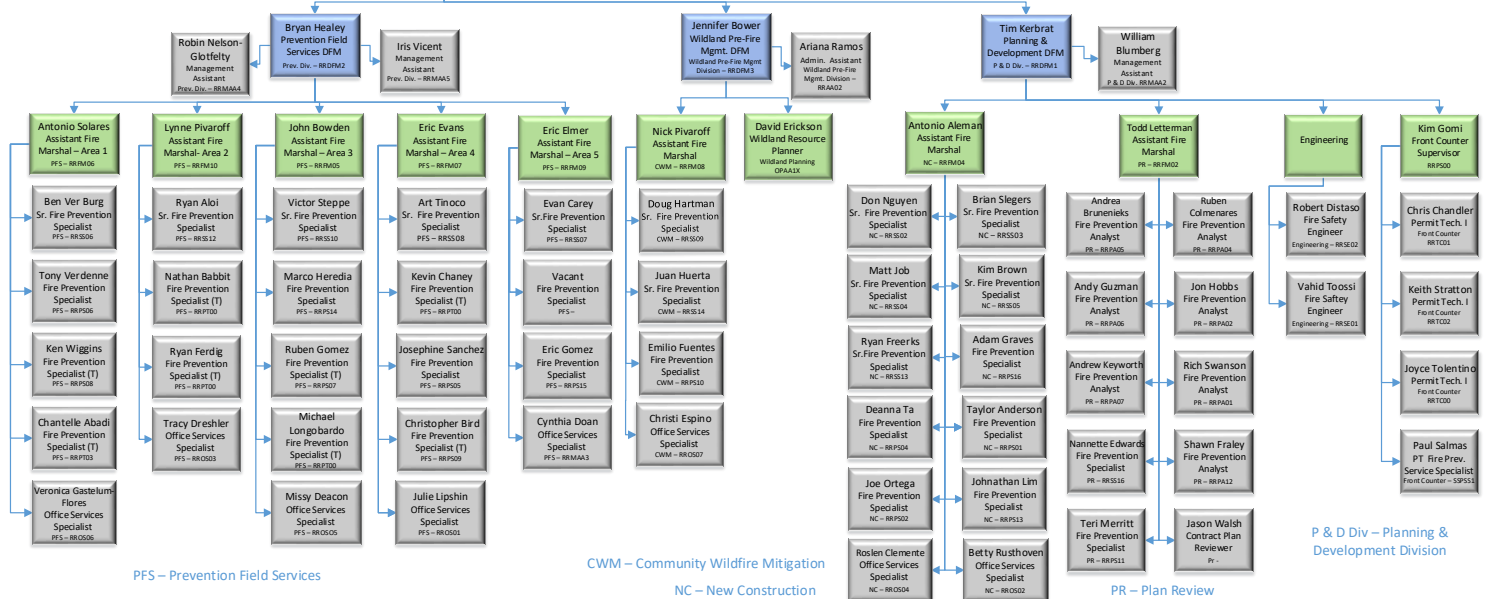
The CRR Department works with the development community and partner agencies to build safer communities through the systematic mitigation of risk; with community stakeholders and residents to maintain and enhance safety at the neighborhood level; and with other agencies and stakeholders to evaluate loss and improve mitigation through education, engineering, and enforcement. Under the direction of an Assistant Chief / Fire Marshal, the Department consists of 72 personnel and one contract plan reviewer organized into three divisions, each headed by a Deputy Fire Marshal, as follows:

- ◆ Planning and Development
- ◆ Prevention Field Services
- ◆ Wildland Pre-Fire Management

The following is an organizational chart of the Department as of the time of this assessment.

Figure 1—OCFA CRR Department Organization Chart

Orange County Fire Authority  
Community Risk Reduction  
Department



Note: All trainees—indicated by “(T)” in position title—were all promoted before completion of this report.

### 2.1.1 Planning and Development Division

The Planning and Development Division consists of 31 full-time personnel, one part-time employee, and one contract employee, all led by a Deputy Fire Marshal. The Division's Fiscal Year (FY) 20/21 budget is \$5.97 million, 96 percent of which is for salaries and benefits with the remaining \$216,000 for services and supplies.

The Planning and Development Division interacts with developers, architects, engineers, the public, and other stakeholders to ensure new buildings and developments conform with applicable fire protection and public safety requirements. The Division is organized into four sections as follows.

#### ***Front Counter Section (4.5 FTE)***

The Front Counter Section interacts with developers, contractors, partner agencies, and the public to receive plan submittals, coordinate plan processing, and provide general CRR customer assistance with three full-time Permit Technicians and one part-time Fire Prevention Services Specialist under the supervision of a Permit Supervisor.

Front Counter Section performance goals include:

- ◆ Customer wait time less than five minutes 90 percent of the time
- ◆ Fire plan same-day pickup notification 90 percent of the time
- ◆ Partner agency next-day plan pickup/delivery 90 percent of the time.

Although all OCFA offices have been closed to the public since approximately March 13, 2020, due to COVID-19, the Front Counter Section has continued to provide “drive-through” services and limited office access. The following table summarizes Front Counter Section performance from FY 19/20.

**Table 3—Front Counter Section Performance Summary**

Performance Measure	FY 19/20		
	Total Number	Number Meeting Goal	Performance Goal Percent
Customer Wait Time Less Than Five Minutes	7,067	6,007	85.0%
Same-Day Fire Plan Pickup Notification	8,667	8,637	99.7%
Partner Agency Next-Day Plan Pickup/Delivery	542	540	99.6%

Front Counter Section performance standards established in FY 19/20.

**Finding #1:** Except for COVID-19 impacts in FY 19/20, Planning and Development Front Counter Section performance exceeds established goals.

***Plan Review Section (10 FTE Plus 1 Contractor)***

The Plan Review Section reviews all development and building permit applications for conformance with applicable fire protection and life safety codes, ordinances, and regulations with seven Fire Prevention Analysts, two Fire Prevention Specialists, and one contract Plan Reviewer under an Assistant Fire Marshal.

Over the previous three years, the Plan Review Section has reviewed 20 to 25 Environmental Impact Reports and conducted an average of approximately 8,100 plan reviews annually, as summarized in the following table.

**Table 4—Plan Review Section Workload Summary**

Service	Year			Total
	2018	2019	2020	
Plan Review	7,684	9,021	7,910	24,615
EIR Review	20	25	25	70
Total	7,704	9,046	7,935	24,685

Plan Review performance goals include:

- ◆ Completion of less complex plan reviews within five days at 90 percent or better reliability
- ◆ Completion of more complex plan reviews within 10 days at 90 percent or better reliability.

The following table summarizes Plan Review Section performance over the three previous fiscal years.

**Table 5—Plan Review Section Performance Summary**

Performance Measure	FY 18/19			FY 19/20			FY 20/21		
	Total Number	Number Meeting Goal	Performance Goal Percent	Total Number	Number Meeting Goal	Performance Goal Percent	Total Number	Number Meeting Goal	Performance Goal Percent
5-Day Plan Review	1,626	1,484	91.3%	1,531	1,351	88.2%	1,530	1,439	94.6%
10-Day Plan Review	4,230	3,211	75.9%	4,462	2,999	67.2%	4,274	3,682	86.1%

As the previous table shows, except for five-day plan reviews in FY18/19 and FY 20/21, Planning and Development Plan Review Section performance is not meeting established goals. Staff interviews suggest this was due to plan reviews not being assigned to individual plan reviewers and plan reviewers randomly selecting plans from a list based on due date. This resulted in many plans not being reviewed until the 9<sup>th</sup> day. Ten-day plan review performance was further impacted in FY 19/20 with elimination of “over-the-counter” plan reviews, priority given to five-day plan reviews, and closure of CRR offices to the public due to COVID-19. This procedure was changed in FY 19/20, and plan reviews are now assigned to each plan reviewer with a goal of developing better performance accountability and broader plan review proficiency. Citygate’s subsequent review of more recent performance in FY 20/21 shows significant improvement nearly meeting the 90 percent performance goal. Citygate finds this to be a noteworthy improvement in process, accountability, and resultant performance.

**Finding #2:** Except for five-day plan reviews in FY 18/19 and FY 20/21, Planning and Development Plan Review Section performance did not meet established goals over the three-year study.

**Finding #3:** Subsequent to implementation of revised plan review procedures in FY 19/20, plan review performance has improved significantly, with five-day plan reviews meeting or exceeding performance goals since July 2020 and 10-day reviews improving to 80<sup>th</sup> percentile or better performance since August 2020.

### ***New Construction Section (13 FTE)***

The New Construction Section inspects all new construction and developments for appropriate installation and operation of all required fire and life safety systems and devices with five Senior Fire Prevention Specialists, five Fire Prevention Specialists, and two Office Services Specialists under an Assistant Fire Marshal.

New Construction performance goals include:

- ◆ NFPA 13D residential fire sprinkler system inspections completed by next day 90 percent of the time
- ◆ Fire and life safety inspections completed within three days 90 percent of the time.

The following table summarizes New Construction Section performance over the three previous fiscal years.

**Table 6—New Construction Section Performance Summary**

Performance Measure	FY 18/19			FY 19/20			FY 20/21		
	Total Number	Number Meeting Goal	Performance Goal Percent	Total Number	Number Meeting Goal	Performance Goal Percent	Total Number	Number Meeting Goal	Performance Goal Percent
NFPA 13D Inspections	5,866	5,866	100.0%	3,887	3,862	99.4%	3,699	3,657	98.9%
Fire/Life Safety Inspections	17,106	17,012	99.5%	15,185	15,071	99.2%	11,477	11,461	99.9%

As the previous table shows, the New Construction Section met established performance goals for both NFPA 13D inspections and fire and life safety inspections over the three-year study period.

**Finding #4:** Planning and Development New Construction Section performance exceeded established performance goals for both NFPA 13D inspections and fire and life safety inspections over the three-year study period.

### ***Engineering Section (2 FTE)***

The Engineering Section supports the entire Division as needed and in particular reviews and approves any proposed Alternate Means or Methods to achieve fire and life safety code conformance with two Fire Safety Engineers working directly under the Planning and Development Deputy Fire Marshal.

Through November 2020, the Engineering Section provided an estimated \$103,800 of direct service value to CRR customers and an estimated \$1.65 million in indirect cost savings. The Section is also expected to exert 70 percent of its work effort on direct customer-related workload and the remaining 30 percent on administrative work, including research, code development, collaboration with cities, and related activities. Through November of FY 20/21, the Section met or exceeded this goal, except for the first three months where direct customer-related workload fell into the 60<sup>th</sup> percentile.

## **2.1.2 Prevention Field Services Division**

The Prevention Field Services (PFS) Division includes 31 full-time personnel and is led by a Deputy Fire Marshal. The Division's FY 20/21 budget is \$5.01 million, 99 percent of which is for salaries and benefits, with the remaining \$45,000 for services and supplies.

The PFS Division provides the following services:

- ◆ Annual inspection of mandated and high-risk occupancies<sup>2</sup>
- ◆ Annual inspection of business occupancies including those with a dust collection, spray booth, or high-piled storage permit
- ◆ Inspection of state-licensed care facilities
- ◆ Inspection of other facilities as identified by the PFS Assistant Fire Marshals
- ◆ Inspection of special events
- ◆ Referrals to/from other agencies
- ◆ Referrals and complaints from operations personnel.

The PFS Division also coordinates with the Operations Department for fire station crews to conduct the following inspections:

- ◆ Annual inspection of other Assembly, Education, Hotel/Motel, and Business occupancies with a hood/duct system
- ◆ Inspection of Mercantile, Business, Utility, some Factory, and some Storage occupancies
- ◆ Inspection of designated Low Frequency / Low Consequence occupancies as assigned.

PFS performance metrics include:

- ◆ Completion of mandated annual inspections
- ◆ Completion of 90 percent of targeted non-mandated higher risk occupancy inspections
- ◆ Completion of state-licensed care facility inspections
- ◆ Completion of special event inspections

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<sup>2</sup> Multi-family residential, schools, jails, and high-rise occupancies.

**Orange County Fire Authority**  
Community Risk Reduction Service Level Assessment

◆ Completion of referral inspections.

PFS workload is prioritized with the highest life safety risk occupancies inspected first, followed by occupancy classifications with lower life safety risk. The following table summarizes PFS performance from FY 17/18 through FY 19/20.

**Table 7—Prevention Field Services Section Performance Summary**

Inspection Type	FY 17/18			FY 18/19			FY 19/20		
	Total Number	Number Completed	Percent Completed	Total Number	Number Completed	Percent Completed	Total Number	Number Completed	Percent Completed
<b>Mandated Annual</b>	<b>6,526</b>	<b>6,526</b>	<b>100.00%</b>	<b>6,773</b>	<b>6,773</b>	<b>100.00%</b>	<b>7,085</b>	<b>7,085</b>	<b>100.00%</b>
High-Rise	212	212	100.00%	218	218	100.00%	232	232	100.00%
Incarceration (Ops)	14	14	100.00%	19	19	100.00%	20	20	100.00%
School (Ops)	873	873	100.00%	1,097	1,097	100.00%	1,213	1,213	100.00%
Multi-Family Residential (Ops)	5,427	5,427	100.00%	5,439	5,439	100.00%	5,620	5,620	100.00%
<b>Non-Mandated Annual</b>	<b>7,943</b>	<b>7,238</b>	<b>91.12%</b>	<b>8,241</b>	<b>7,811</b>	<b>94.78%</b>	<b>10,229</b>	<b>1,271</b>	<b>12.43%</b>
State-Licensed Care Facility	366	366	100.00%	340	340	100.00%	394	394	100.00%
Business/Other Occupancy <sup>1</sup>	6,475	5,770	89.11%	6,733	6,303	93.61%	8,958	0	0.00%
Special Event	831	831	100.00%	780	780	100.00%	510	510	100.00%
Complaint	212	212	100.00%	338	338	100.00%	307	307	100.00%
Referral	59	59	100.00%	50	50	100.00%	60	60	100.00%
<b>Total</b>	<b>14,469</b>	<b>13,764</b>	<b>95.13%</b>	<b>15,014</b>	<b>14,584</b>	<b>97.14%</b>	<b>17,314</b>	<b>8,356</b>	<b>48.26%</b>

<sup>1</sup> No inspections performed in FY 19/20 due to COVID-19.

**Finding #5:** With exception of non-mandatory business and other lower-risk occupancy inspections in FY 19/20 due to COVID-19, Prevention Field Services Section performance meets or exceeds established goals.

The PFS Division is organized into five field offices as follows.

***Area 1 Field Office (6 FTE) – West and North Orange County***

The Area 1 field office serves Buena Park, Cypress, La Palma, Seal Beach, Stanton, Westminster, and Yorba with one Senior Fire Prevention Specialist, three Fire Prevention Specialists, and one Office Services Specialist under the supervision of an Assistant Fire Marshal.



***Area 2 Field Office (5 FTE) – Central Orange County***

The Area 2 field office serves Irvine, Tustin, and Villa Park with one Senior Fire Prevention Specialist, two Fire Prevention Specialists, and one Office Services Specialist under the supervision of an Assistant Fire Marshal.

***Area 3 Field Office (6 FTE) – South Orange County***

The Area 3 field office serves Aliso Viejo, Dana Point, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Clemente, and San Juan Capistrano with one Senior Fire Prevention Specialist, three Fire Prevention Specialists, and one Office Services Specialist under the supervision of an Assistant Fire Marshal.

***Area 4 Field Office (6 FTE) – Santa Ana***

The Area 4 field office serves the City of Santa Ana with one Senior Fire Prevention Specialist, three Fire Prevention Specialists, and one Office Services Specialist under the supervision of an Assistant Fire Marshal.

***Area 5 Field Office (5 FTE) – Garden Grove***

The Area 5 field office serves the City of Garden Grove with one Senior Fire Prevention Specialist, two Fire Prevention Specialists, and one Office Services Specialist under the supervision of an Assistant Fire Marshal.

### **2.1.3 Wildland Pre-Fire Management Division**

The Wildland Pre-Fire Management (WPFM) Division consists of eight full-time personnel and is led by a Deputy Fire Marshal. The Division's FY 20/21 budget is \$1.43 million, 89 percent of which is for salaries and benefits, with the remaining \$152,000 for services and supplies.

The WPFM Division interacts with communities and stakeholders to reduce the occurrence and impacts of wildfire by:

- ◆ Encouraging the planting and maintenance of drought-tolerant and fire-resistive landscaping
- ◆ Ensuring maintenance of defensible space
- ◆ Creating and maintaining fuel breaks and fire access roads
- ◆ Effectively managing the County's State Responsibility Areas (SRAs) and open space lands.

The Division is organized into two sections as follows.

### ***Community Wildfire Mitigation Section (5 FTE)***

The Community Wildfire Mitigation (CWM) Section reviews and inspects wildland development and fuel modification projects, conducts wildland fire inspections,<sup>3</sup> conducts training of operations personnel for performing wildland residential fire inspections, provides Firewise community coaching, conducts outreach and provides coordination for the Orange County Community Wildfire Protection Plan, coordinates and communicates with Homeowner Associations and other stakeholders on wildland fire safety-related issues, and conducts wildland fire damage inspections as assigned with two Senior Fire Prevention Specialists, one Fire Prevention Specialist, and one Office Services Specialist under the supervision of an Assistant Fire Marshal. The Section also employs two extra-help Inspectors during the wildland fire season.

Performance measures for the CWM Section include:

- ◆ Completion of less complex wildland development landscape/fuel modification plan reviews within five days at 90 percent or better reliability
- ◆ Completion of more complex wildland development landscape/fuel modification plan reviews within 10 days at 90 percent or better reliability
- ◆ Inspection of every SRA parcel at least once every three years for compliance with California Public Resources Code clearance requirements
- ◆ Inspection of all perimeter Local Responsibility Area (LRA) Wildland Urban Interface parcels each year for compliance with Assembly Bill 38 wildland fire protection standards
- ◆ Inspection of interior LRA Wildland Urban Interface parcels as requested for compliance with Assembly Bill 38 wildland fire protection standards
- ◆ Completion of all wildland fire hazard complaint inspections
- ◆ Referral of other hazard complaints to appropriate local agency for follow-up.

In addition, CAL FIRE is in the process of updating the LRA Fire Hazard Severity Zone (FHSZ) maps for Orange County, which is expected to reclassify up to 100,000 parcels from a HIGH FHSZ rating to a VERY HIGH FHSZ rating, triggering an inspection requirement at least every three years. If implemented as anticipated, this will add *significant* annual CWM inspection workload. The additional FTE needed for this is discussed in more detail in **Section 3.5**.

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<sup>3</sup> California Public Resources Code Section 4291 defensible space, and Assembly Bill 38 inspections.

**Finding #6:** CAL FIRE's pending update of Orange County Fire Hazard Severity Zone maps is anticipated to add *significant* additional annual Community Wildfire Mitigation Section inspection workload.

The following table summarizes Community Wildfire Mitigation Section performance over the previous three calendar years.

**Table 8—Community Wildfire Mitigation Section Performance Summary**

Performance Measure	2018			2019			2020		
	Total Number	Number Completed	Percent Completed	Total Number	Number Completed	Percent Completed	Total Number	Number Completed	Percent Completed
10-Day Plan Review	411	411	100.00%	479	479	100.00%	460	460	100.00%
Annual SRA Parcel Inspections	8,870	8,870	100.00%	10,924	10,924	100.00%	10,982	10,982	100.00%
SRA Parcel Inspections (Operations Dept.)	1,200	1,200	100.00%	1,200	1,200	100.00%	1,200	1,200	100.00%
Annual LRA VERY HIGH FHSZ Inspections (Perimeter Parcels Only)	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>	8,387	8,387	100.00%	11,878	11,878	100.00%
Power Pole Inspections	584	584	100.00%	584	584	100.00%	584	584	100.00%
Complaint Inspections <sup>2</sup>	65	65	100.00%	65	65	100.00%	67	67	100.00%
Complaint Referrals <sup>2</sup>	40	40	100.00%	40	40	100.00%	40	40	100.00%
<b>Total</b>	<b>11,170</b>	<b>11,170</b>	<b>100.00%</b>	<b>21,679</b>	<b>21,679</b>	<b>100.00%</b>	<b>25,211</b>	<b>25,211</b>	<b>100.00%</b>

<sup>1</sup> LRA inspection program data not available for 2018.

<sup>2</sup> Quantities estimated for 2018 and 2019.

**Finding #7:** Community Wildfire Mitigation Section performance meets or exceeds established goals.

### ***Wildland Planning Section (1 FTE)***

The Wildland Planning Section reviews and approves all wildland land use applications, fuels mitigation plans, and prescribed burns; updates the annual CAL FIRE Orange County Strategic Wildfire Plan; installs and maintains weather stations and wildland fire detection cameras; applies for and administers wildland fire mitigation grants; performs meteorological and wildland fuels testing; and provides OCFA wildland fire coordination with state and County parks and Southern California Edison with one Wildland Resource Planner under the supervision of the WPFM Deputy Fire Marshal. There are no defined performance measures for this Section.

**Orange County Fire Authority**  
*Community Risk Reduction Service Level Assessment*

## **2.2 DEPARTMENT BUDGET AND FTE SUMMARY**

The following table summarizes the current and previous fiscal year CRR Department budget by division.

**Table 9—OCFA Community Risk Reduction Department Budget Summary**

Division	FY 19/20		FY 20/21		FY 20/21 Change	
	Authorized FTE	Budget	Authorized FTE	Budget	Authorized FTE	Budget
Planning and Development	33	\$5,629,986	32.5 <sup>1</sup>	\$5,965,822	-.5	5.97%
Prevention Field Services	37	\$5,882,063	31	\$5,008,034	-6	-14.86%
Wildland Pre-Fire Management	N/A <sup>1</sup>	N/A <sup>1</sup>	8	\$1,434,475	+8	N/A <sup>2</sup>
<b>Total</b>	<b>70</b>	<b>\$11,512,049</b>	<b>71.5</b>	<b>\$12,408,331</b>	<b>+1.5</b>	<b>7.79%</b>

<sup>1</sup>This staffing of 32.5 FTE includes one contractor.

<sup>2</sup>The Wildland Pre-Fire Management Division was re-established in CRR in FY 20/21 following a two-year term in Special Operations.

**Table 10—OCFA Community Risk Reduction Department FTE Summary**

Position Classification	Authorized FTE
Deputy Fire Marshal	3
Assistant Fire Marshal	8
Management Assistant	3
Administrative Assistant	1
Fire Safety Engineer	2
Fire Prevention Analyst	7
Senior Fire Prevention Specialist	12
Fire Prevention Specialist	21
Contract Plan Reviewer	1
Permit Supervisor	1
Permit Technician I	3
Office Services Specialist	8
Fire Prevention Services Specialist	0.5
Wildland Resource Planner	1
<b>Total</b>	<b>71.5</b>

## S ECTION —S ECTION R I

### 3.1 INTERNAL STRUCTURE, OPERATIONAL AND MANAGEMENT PRACTICES, AND CONTROLS

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From review of Department documentation, individual and focus group interviews, and SWOT surveys conducted for this assessment, Citygate finds that the CRR Department is appropriately organized under an Assistant Chief / Fire Marshal into three functional divisions, each managed by a Deputy Fire Marshal as shown in Figure 1 in **Section 2.1**. Each division is further organized into sections to provide an adequate level of supervisory control, with only the Planning and Development New Construction Section exceeding a recommended maximum 1:8 ratio of supervisors to subordinates.

**Finding #8:** The CRR Department is appropriately organized into three functional divisions, each managed by a Deputy Fire Marshal.

**Finding #9:** Each division is appropriately organized into functional or geographic sections.

**Finding #10:** Each division and section is organized to provide an appropriate level of supervisory control, *except* the Planning and Development New Construction Section, which has one Assistant Fire Marshal supervising 12 personnel.

**Recommendation #1:** Consider reorganization of the Planning and Development New Construction Section to provide a better ratio of supervisors to subordinates.

The Department also has appropriate operational and management practices in place to facilitate internal communications and coordination, continuity of effort and process, product/service quality, cost recovery, and performance monitoring. Management practices to share information, monitor performance, troubleshoot, and improve systems and processes include:

- ◆ Daily Fire Marshal visits of each division and section
- ◆ Weekly Fire Marshal one-on-one meetings with each Deputy Fire Marshal
- ◆ Biweekly Fire Marshal meeting with all three Deputy Fire Marshals

- ◆ Weekly one-on-one meetings between Deputy Fire Marshals and Assistant Fire Marshals
- ◆ Monthly Prevention Field Services Division “all hands” staff meetings
- ◆ Monthly Fire Marshal meeting with all Deputy and Assistant Fire Marshals
- ◆ Annual Department “all hands” meeting
- ◆ Frequent Department-wide email communication updates.

The Department also has well-written policies, procedures, guidelines, and informational bulletins in place that are reviewed and updated every three years concurrent with the Building and Fire Code adoption cycle. Based on Citygate’s interviews and internal assessment, they appear to be understood and well followed by Department staff.

The Department also has clear performance goals for each division and section, except the Wildland Pre-Fire Management Division Planning Section. Performance metrics are reviewed by the Fire Marshal at least monthly for each division and section, with each respective Deputy Fire Marshal. Citygate’s review of these performance measures found them to be relevant and appropriate for each division and section.

Operational controls in place include regular supervisory review of plan reviews, inspections, complex projects, special events, complaints, referrals, and cost recovery. Citygate found this to be an appropriate control to ensure continuity of effort, product/service quality, and conformance with procedural guidelines.

**Finding #11:** The CRR Department has appropriate operational and management systems and controls in place to ensure effective internal communications and coordination, continuity of effort and processes, product/service quality, cost recovery, and performance monitoring.

**Recommendation #2:** Develop clear performance goals for the Wildland Pre-Fire Management Division Planning Section.

### **3.2 EXTERNAL PARTNER INTERACTIONS AND WORKFLOW CHALLENGES**

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To evaluate external partner interactions, in collaboration with the CRR Department senior management team Citygate developed and distributed a stakeholder feedback survey questionnaire

to 47 partner city and County Planning and Building Department officials in March 2021. Although only 10 responses were received by the close of the survey on April 30, only one survey included two “not well” responses to the 11 performance-related questions, while the remainder were mostly “very well” or “acceptable,” with some “not sure” or no question response provided, as summarized at the end of **Appendix B**. In addition, no negative comments were received in the answers to open-ended questions. Comparable results were also obtained from a similar prior Department-initiated feedback survey in 2017. From these results, it is reasonable to infer that the OCFA partner cities and County Building and Planning staff are satisfied with CRR communications, coordination, and field services.

**Finding #12:** OCFA partner member agency building and planning staff appear satisfied with CRR communications, coordination, and field services.

From the CRR individual and group interviews, Citygate identified the following external partner workflow challenges:

- ◆ There are differing technology platforms across OCFA member jurisdictions
- ◆ Not all OCFA member cities have a formal Development Review Committee, and even in those with such a committee, CRR staff is not always involved in early development discussions
- ◆ No single CRR position is dedicated to reviewing Environmental Impact Reports (EIRs).

While the differing technology platforms are unavoidable, CRR staff is able to work within those constraints, although not as efficiently or effectively as possible if those platforms were integrated with those used by the CRR Department. Further, since some cities do not have a formal Development Review Committee, and even those that do have one do not always include CRR staff in early development discussions, it would be beneficial to ensure that CRR Planning and Development Section staff are involved in all early development discussions, regardless of jurisdiction, to provide early awareness of any CRR concerns or prospective conditions. In addition, no CRR Planning and Development Section staff currently review EIRs as received and assigned; they are currently reviewed by a different OCFA department. In Citygate’s opinion, it would be more effective and beneficial overall to have one or two staff positions assigned to review all EIRs to ensure consistency of response and conditioning while preventing creation of a potential single point of failure.

**Recommendation #3:** Collaborate with all OCFA member jurisdictions to ensure early CRR involvement in all development discussions to provide early awareness of any CRR concerns or prospective conditions.

**Recommendation #4:** Consider assigning all Environmental Impact Report reviews to a single Planning and Development Section position, with appropriate redundant capacity and skill to ensure consistency of review and response.

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### **3.3 USE OF PROFESSIONAL RESOURCES AND TECHNOLOGY**

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From interviews and review of Department documentation, including policies, procedures, guidelines, and informational bulletins, Citygate found that the Department extensively uses professional and technology resources, but it would benefit greatly from some improvements.

#### **3.3.1 Use of Professional Resources**

The Department has two very experienced multiple-license professional Engineers on staff in the Planning and Development Division who review all large, complex, and special projects and review and approve all Alternate Means and Methods proposals, in addition to providing education and technical assistance to all CRR staff as needed or requested. The Wildland Pre-Fire Management Section also has a registered professional forester on staff who, in addition to other responsibilities, maintains the geographic information system (GIS) fire database, manages all CAL FIRE wildland pre-fire management grants, and ensures California Environmental Quality Act compliance for all Wildland Pre-Fire Management projects.

In addition, the Department has an extensive technical reference library that includes current and prior Building, Fire, and Life Safety codes, regulations, and local ordinances; all NFPA standards; and other best practice references, with most available in digital and hard-copy versions. As a CAL FIRE contract county, the Department also has access to and utilizes CAL FIRE resources and expertise as needed, particularly in the Wildland Pre-Fire Management Section. The Department further utilizes local, regional, and state-level peers and professional technical group peer resources, as needed.



**Finding #13:** The CRR Department makes extensive use of available professional resources to carry out its responsibilities, including having two multiple-license professional engineers and a registered professional forester on staff, an extensive reference library, access to CAL FIRE resources and technical expertise, and access to other local, regional, and state-level peers and professional technical groups/members as needed.

### **3.3.2 Use of Technology**

Staff interviews revealed extensive use of technology, with several issues surrounding much of that technology. The Department's current records management system (RMS), Integrated Fire Prevention (IFP), is a series of custom SQL databases created by the OCFA Information Technology (IT) Division in the mid-1990s to create planning and development service requests, maintain a master inspection schedule, track project time, create reports, and other then-related CRR functions. While state-of-the-art at the time, it lacked flexibility and expansion capability to accommodate new or revised CRR programs, practices, and processes. While data is still entered into this system, it cannot be queried for many current data needs. IFP has many other shortcomings, including the inability to track Prevention Field Services projects and the database not including many current business occupancies.

Development of a successor RMS began in 2006 as part of a single proposal to update many OCFA systems, including IFP, computer-aided dispatch, and emergency incident reporting (OCFIRS). Due to scale, the project was subsequently divided into three separate efforts, with the computer-aided dispatch and OCFIRS updates receiving priority. In FY 18/19, the OCFA Board of Directors Executive Committee authorized the IT Division to develop the new CRR RMS (Orion), with supplemental consultant assistance from Computer Aid, Inc. as needed. The project is currently underway, with the Planning and Development components scheduled for implementation in 2021 and the full system by 2022. Interviews with CRR senior staff reveal concerns surrounding implementation, de-bugging, user manual creation/maintenance, staff training, and ongoing system integration and maintenance coordination with IT support staff. In Citygate's experience and opinion, these concerns would be best addressed with appropriate internal CRR analyst-level capacity to manage the implementation, training, and ongoing coordination of the new Orion RMS.

The Department also lacks appropriate analyst-level capacity to provide needed data analytics for all divisions and sections. In Citygate's experience, failure to utilize appropriate data analytics to evaluate program efficacy is a critical gap.

In addition to IFP, the CRR Department utilizes many other software and technology applications as follows. The Department also uses multiple approved mobile applications to support field operations and integration with other CRR software systems.

- ◆ **ArcGIS Collector App** – A product from Esri used by Wildland Pre-Fire Management for state-mandated data collection and reporting and completion of utility pole inspections; also used by Prevention Field Services for collecting information on structures (building inventory).
- ◆ **Bluebeam** – Industry standard software by Revu used to review fire and life safety plans.
- ◆ **Microsoft SharePoint (theHIVE)** – Used for building list to track annual inspections and a variety of special inspections (i.e., complaints, special activities, etc.); also used by project teams to share documents, for the online plan submittal process, and as a central location for projects and Department-wide briefings.
- ◆ **MSB Payments Solution** – A full-service payment processing and reporting system.
- ◆ **Banner** – An administrative suite of application for human resource and financial information; financial data from both IFP and MSB Payments Solution integrate with Banner.
- ◆ **My Finance Query** – Dashboard creation software by Banner Finance Self Service for tracking and reporting on financial data.
- ◆ **Microsoft OneDrive** – Used for storing and sharing documents.
- ◆ **Microsoft Office Suite** – Used for work productivity.
- ◆ **Crystal Reports** – A business intelligence reporting tool.
- ◆ **Home Assessment** – An online tool providing information for homeowners regarding things they can do to improve their homes survivability in a wildland fire.
- ◆ **Wildland App** – A proprietary app built to maintain GIS layers needed for the WPFM and Wildland Operations as needed.
- ◆ **Avenza Maps** – Utilized for “all trails” and visual tracking of location. Also provides topographical maps of the County.
- ◆ **Paper Maps** – Another way to share different map types (Operations/Wildland Planner).
- ◆ **QuickCapture** – An ArcGIS-based tool that loads individual tracks into ArcGIS for replication in maps.
- ◆ **RealQuest** – Parcel/property owner information.
- ◆ **IRIS** – An incident reporting system.

- ◆ **Google Earth** – Used to show/track change in property over time, find locations, reference rooftop information during progression of fires, etc.
- ◆ **Zoom / Microsoft Teams / GoToWebinar** – Used for education, interviews, networking, meetings, etc.
- ◆ **Google Search** – An internet search engine.
- ◆ **Sentera FieldAgent** – Flights for the Normalized Difference Vegetation Index (NDVI) Drone; analysis and mosaic of model.
- ◆ **FireFamilyPlus** – A fire behavior software.
- ◆ **BEHAVE** – A fire behavior software.
- ◆ **GPSBabel** – Converts different kinds of GIS data for use or conversion from differing programs, software, etc.
- ◆ **ESRI ArcGIS** – Used by the Wildland Planning Section.
- ◆ **DJI Pilot** – Used with wildland drones.
- ◆ **DJI GO** – Used with wildland drones.
- ◆ **NDVI** – A drone camera.
- ◆ **B4UFly** – Used with drones to provide Federal Aviation Administration (FAA) situational awareness.
- ◆ **Google Docs** – Used for Incident Command Post and incident support documents.
- ◆ **FlightRadar24** – Global flight tracking service used when flying drones to coordinate with the FAA.

Hardware technology utilized includes cellular telephones, portable radios (field staff), desktop computers, laptop computer/tablet (some personnel), Global Positioning System (GPS) receivers, and Unmanned Aerial Vehicles (UAVs/drones).

CRR staff interviews yielded a consistent criticism of lack of use of available technology, particularly to support field services, including having the ability to view building/fire protection system plans digitally and to complete and integrate all field work electronically without any manual or duplicate work required in the office. It is Citygate's understanding that the Orion RMS project will resolve these concerns.

Staff interviews and SWOT surveys further yielded that the CRR Department previously had a full-time GIS Analyst and current IT Division capacity is only able to provide very limited support to the CRR Department. This has resulted in significant challenges throughout the Department,

particularly for the Wildland Pre-Fire Management Division, and also relative to integrating data into the new GIS-based Orion RMS. Citygate finds this to be a critical capacity gap and recommends that OCFA consider providing additional CRR IT support capacity.

**Finding #14:** The CRR Department makes extensive use of technology, although some technologies are outdated and other technologies are available that could improve Department efficiency.

**Finding #15:** The new Orion Record Management System is being developed with input from CRR staff and is being designed to provide desired and needed capacity, flexibility, and features.

**Finding #16:** The CRR Department lacks critical technical capacity needed to manage implementation, training, and ongoing overall Department coordination of the Orion RMS program.

**Finding #17:** The CRR Department receives limited support from the Information Technology Division for day-to-day process needs.

**Finding #18:** The CRR Department lacks critical analyst-level capacity to provide needed data analytics for all divisions and sections.

**Recommendation #5:** Consider adding appropriate internal analyst-level capacity to manage implementation, training, and ongoing overall Orion program coordination and Department-wide data analysis.

**Recommendation #6:** Consider providing additional critical IT/GIS support capacity for the CRR Department.

### **3.4 PROFESSIONAL DEVELOPMENT AND TRAINING**

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With 40 percent of the CRR Department staff having less than five years of service, and approximately 15 percent with more than 20 years of service and approaching retirement, the Department has made a considerable investment in and a very intentional focus on staff training and professional career development. Except for front counter and wildland resource planning, newly hired Fire Prevention Specialist Trainees are assigned to one of the five Prevention Field Services offices. During their one-year probationary period, Fire Prevention Specialist Trainees

complete a new employee training academy consisting of one to two half-day in-house classes per week, for a total of 20 classes. New employees are also coached and mentored by their assigned Senior Fire Prevention Specialist and Assistant Fire Marshal throughout their first year to ensure successful completion of their probationary requirements.

Upon successful completion of probation, Fire Prevention Specialist Trainees are promoted to Fire Prevention Specialist and continue to work in one of the three CRR divisions under the supervision and mentoring of a Senior Fire Prevention Specialist and Assistant Fire Marshal. During the first five years, Fire Prevention Specialists are required to work in at least two of the three divisions; complete an Inspector Staff Development Workbook; and obtain professional certification(s), work in special duty assignment(s), complete specialized training, and/or perform approved community service to qualify for promotion to Senior Fire Prevention Specialist.

OCFA supports ongoing training and professional development of CRR staff with an appropriate annual training budget, allowing the Department to support external training opportunities and professional conference participation. The Department also has developed and implemented formal written task books for all Planning and Development, Prevention Field Services, and Wildland Pre-Fire Management technical positions, as well as a CRR Career Development Guide, a CRR Staff Development Workbook, an optional apprenticeship program pathway for Fire Prevention Specialists to advance to Senior Fire Prevention Specialist, and training programs specific to front counter and Fire Prevention Analyst positions. In addition, Fire Prevention Specialists assigned as inspectors are regularly rotated to new assignments, and Assistant Fire Marshal assignments are rotated every two years to facilitate cross-training and program and career development.

While staff interviews and SWOT surveys revealed very high morale throughout the Department, they also identified that discretionary training is left to each employee with no overall coordination. In Citygate's experience, dedicated training coordination is an important tool to facilitate effective utilization of available training resources to maximize benefit to both the Department and its employees. Citygate finds this to be a significant capacity gap and recommends that OCFA provide appropriate internal CRR capacity to provide overall planning and coordination of all Department training.

**Finding #19:** The CRR Department has made a considerable investment in and a very intentional focus on staff training and professional career development.

**Finding #20:** The CRR Department has developed and implemented multiple formal training and development tools to ensure successful performance and facilitate cross-training and career development.

**Finding #21:** The CRR Department lacks coordination and monitoring for completion of available training and professional technical development opportunities.

**Finding #22:** Dedicated internal CRR training coordination capacity is highly desirable to ensure effective use of the Department training budget to develop enhanced technical knowledge and skills and facilitate professional career development.

**Recommendation #7:** Provide appropriate internal CRR capacity to provide overall planning and coordination of all Department training.

### **3.5 STAFFING AND DEPLOYMENT LEVELS**

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Citygate’s comprehensive review of CRR Department workflow processes, policies, procedures, guidelines, and bulletins, as well as staff interviews and SWOT survey results, all indicate that the Department is appropriately staffed and deployed to meet current and anticipated near-future workload demands, with the following exceptions:

1. **Early Development Project Coordination** – The Planning and Development Division lacks sufficient capacity to participate in early development project discussions in all member jurisdictions. This capacity is highly desirable to ensure early CRR awareness of prospective significant development projects, as well as early CRR input into project approval conditions. Citygate estimates an additional 0.25 to 0.50 FTE capacity is needed to mitigate this capacity gap.
2. **Wildland Pre-Fire Management Wildland Planning** – This function is currently the responsibility of a single person with registered professional forester credentials who is working 50 to 60 hours per week to meet workload demands as identified in **Section 2.1.3**. Because he is the only person on staff with the requisite education, skills, and knowledge of the Wildland Planning Section’s programs, Citygate also considers this a single point of failure in the event of a significant absence or position vacancy. Citygate recommends 0.5 to 1.0 additional FTE capacity to resolve this capacity gap and eliminate the single point of failure.
3. **Community Wildfire Mitigation** – While the Wildland Pre-Fire Mitigation Community Wildfire Mitigation Section currently inspects *perimeter* parcels in Local Responsibility Area (LRA) residential developments, it lacks sufficient

staffing capacity to inspect the estimated nearly 12,000 *interior* development parcels. This capacity is highly desirable to ensure that individual residential parcels and open space/greenbelt areas meet current wildland fire safety standards and fire-resistant landscaping guidelines pursuant to Assembly Bill 38 adopted by the state legislature in 2019 to address community wildfire resiliency subsequent to numerous large destructive fires.<sup>4</sup> Citygate estimates an additional 3.0 to 5.0 FTE inspection capacity would be needed to resolve this gap.

In addition, the Community Wildfire Mitigation Section currently inspects approximately 11,000 State Responsibility Area (SRA) parcels and 600 power poles annually for compliance with state wildland fire safety clearance requirements. This annual workload is anticipated to increase by up to approximately 25 percent as CAL FIRE reclassifies formerly HIGH SRA Fire Hazard Severity Zones as VERY HIGH Fire Hazard Severity Zones requiring annual inspection. Citygate estimates an additional 1.0 to 3.0 FTE inspection capacity would be needed to address this prospective additional mandated annual workload. Due to potential liability associated with failure to conduct mandated inspections, Citygate also considers this a single point of failure.

4. **Business/Management Analyst Capacity** – As discussed in **Section 3.3.2**, the Department lacks appropriate analyst-level capacity to provide needed data analytics for all divisions and sections. This level of capacity is also highly desirable to provide internal CRR management and oversight of implementation, training, and ongoing coordination of the new Orion RMS. Citygate estimates an additional 1.0 to 2.0 FTE capacity is needed to close these two gaps.
5. **IT/GIS Support** – As also discussed in **Section 3.3.2**, current Information Technology Division capacity provides very limited CRR Department support, resulting in significant challenges, particularly in the Wildland Pre-Fire Management Division and also relative to anticipated data integration needs for the new GIS-based Orion RMS. Citygate finds this to be a critical capacity gap and recommends OCFA consider restoring previously CRR-dedicated IT/GIS capacity of 0.5 to 1.0 FTE.
6. **Training Coordination** – As discussed in **Section 3.4**, the Department lacks coordination of available training and professional technical development opportunities. In Citygate’s experience and opinion, this is an important and highly

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<sup>4</sup> Adds language to Section 1102.6f and 1102.19 of the California Civil Code, adds to Article 16.5 of Chapter 7 of Division 1 of Title 2 of the California Government Code, and adds Section 4123.7 to the California Public Resources Code relating to fire safety.



desired need and would require an estimated additional 0.33 to 0.75 FTE capacity to resolve.

The Department also has one contract plan reviewer and three consultants on retainer for surge capacity or special technical assistance as needed. The following table summarizes Citygate's estimate of annual hours and equivalent FTE needed to resolve identified staffing capacity gaps and single points of failure.

**Table 11—CRR Staffing Capacity Gap / Single Points of Failure Analysis Summary**

Staffing Capacity Gap / Single Point of Failure	Estimated Capacity Needed	
	Annual Hours	Equivalent FTE <sup>1</sup>
Early Development Project Coordination	490–980	0.25–0.5
Wildland Pre-Fire Planning	980–1,960	0.5–1.0
Community Wildfire Mitigation	7,840–15,680	4.0–8.0
Business/Management Analyst	1,960–3,920	1.0–2.0
Dedicated IT/GIS Support	980–1,960	0.5–1.0
Internal Training Coordination	653–1,470	0.33–0.75
<b>Total</b>	<b>12,903 25,970</b>	<b>6.6 13.25</b>

<sup>1</sup> FTE = full-time equivalent capacity assuming 1 FTE = 1,960 annual hours.

**Recommendation #8:** Provide 6.6 to 13.25 additional estimated FTE staffing capacity as funding permits to resolve identified staffing capacity gaps and single points of failure.

### **3.6 COST RECOVERY STRATEGIES**

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OCFA has charged fees for Community Risk Reduction services since 1991. Fees for government services are authorized by the California Government Code but cannot exceed the estimated reasonable cost of providing the service for which the fee is charged. The initial CRR fee schedule was adopted by the County Board of Supervisors in July 1991 and updated in 1997. Pursuant to direction from the OCFA Board of Directors in 1996 to pursue action to establish new cost recovery methods, a more comprehensive fee study was conducted by staff in 2002, and the Board subsequently adopted a policy of full cost recovery, with certain exceptions, for all fee-funded CRR services as follows:

- ◆ Plan reviews and inspections associated with initial construction or improvement of facilities



- ◆ Issuance of operating or special event permits as required by the California Fire Code.

The fee schedule was updated by the Board again in 2007, 2012, 2014, and 2015. The most recent fee study was conducted in 2017 by Revenue and Cost Specialists, a fee consulting firm. Public agency fiscal best practices recommend that fee studies be updated every five years, which means the OCFA should consider an updated fee study in 2022.

Citygate's review of the 2017 fee study showed that 92.66 percent of the Planning and Development Division's total costs were fee-funded activity, 1.3 percent of which was fee exempt. For Prevention Field Services, 44.5 percent of total costs were fee-funded activity, with 5.87 percent fee exempt.

Review of the OCFA FY 18/19 adopted budget estimated \$5,004,412 in fee revenue for the Planning and Development Division, or 97.4 percent of its \$5,135,835 total adopted operating budget. For Prevention Field Services, estimated fee revenue was \$1,742,323, or 38.8 percent of its \$4,488,375 total adopted operating budget. These fee revenue estimates closely align with the Board of Directors fee recovery policy and 2017 fee study targets.

However, review of the OCFA FY 20/21 adopted budget shows \$4,200,000 in fee revenue for the Planning and Development Division, or 70.4 percent of its \$5,965,822 authorized operating budget. For Prevention Field Services, estimated FY 20/21 fee revenue was \$1,742,323, or 34.8 percent of its \$5,008,034 authorized operating budget. For Planning and Development, estimated FY 20/21 fee revenue was *22.3 percent less* than the 91.36 percent authorized in the 2017 fee study, and for Prevention Field Services, estimated fee revenue was 3.8 percent less than the 38.63 percent authorized in the 2017 fee study. From interviews with the CRR executive management team, the significant reduction in FY 20/21 Planning and Development fee revenue was due to COVID-19 impacts on the building and development industry in Orange County, while Prevention Field Services fee revenues were not impacted.

From this review, Citygate finds that CRR cost recovery strategies conform with OCFA Board of Directors policy, with 2020 and 2021 anomaly years due to the economic impacts of COVID-19. Citygate recommends the Department conduct a fee update study in 2022.

**Finding #23:** CRR cost recovery strategies conform with OCFA Board policy to recover costs for all fee-funded activities.

**Finding #24:** Fiscal Year 20/21 fee revenue was approximately 21 percent less than estimated in the adopted budget due to COVID-19 economic impacts on the building and development industries.

**Recommendation #9:** Conduct an updated fee study in 2022.

### **3.7 RISK-BASED PROGRAM APPROACH FOR VOLUME AND PRIORITY OF WORKLOAD**

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Citygate's evaluation of Department workload priority revealed that while there is a very strong corporate culture of customer service, teamwork, and continuous improvement, even a highly motivated staff such as that found at the Department cannot always get all the required or requested work accomplished. To address this, the Department has established the following risk-based workload priorities:

1. Firefighter and community safety
2. Economic stability
3. Regulatory requirements
4. Business practice equality

From Citygate interviews with Department staff and review of recent performance measures, it is evident Department managers and supervisors are aware of and employ these priorities. As an example, because the Wildland Pre-Fire Management Section lacks sufficient staffing capacity to inspect all buildings each year within the VERY HIGH Fire Hazard Severity Zone of the SRAs of the County for conformance with required wildland fire clearances, the inspections start in the most severe wildland fire risk areas to improve firefighter safety, facilitate safe evacuations, and give firefighters the best chance to save property should a wildfire occur in those areas (priority #1). In Citygate's experience and opinion, these are very appropriate risk-based workload priorities that appear from this review to be employed in all divisions and sections.

**Finding #25:** The CRR Department has established very appropriate workload priorities emphasizing firefighter and community safety over economic stability, regulatory requirements, and business practice equality, a priority that appears to be employed in all divisions and sections.

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## S E C T I O N — I D I G S D E R C O M M U N I T I O N S

### 4.1 FINDINGS

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- Finding #1:** Except for COVID-19 impacts in FY 19/20, Planning and Development Front Counter Section performance exceeds established goals.
- Finding #2:** Except for five-day plan reviews in FY 18/19 and FY 20/21, Planning and Development Plan Review Section performance did not meet established goals over the three-year study.
- Finding #3:** Subsequent to implementation of revised plan review procedures in FY 19/20, plan review performance has improved significantly, with five-day plan reviews meeting or exceeding performance goals since July 2020 and 10-day reviews improving to 80<sup>th</sup> percentile or better performance since August 2020.
- Finding #4:** Planning and Development New Construction Section performance exceeded established performance goals for both NFPA 13D inspections and fire and life safety inspections over the three-year study period.
- Finding #5:** With exception of non-mandatory business and other lower-risk occupancy inspections in FY 19/20 due to COVID-19, Prevention Field Services Section performance meets or exceeds established goals.
- Finding #6:** CAL FIRE's pending update of Orange County Fire Hazard Severity Zone maps is anticipated to add *significant* additional annual Community Wildfire Mitigation Section inspection workload.
- Finding #7:** Community Wildfire Mitigation Section performance meets or exceeds established goals.
- Finding #8:** The CRR Department is appropriately organized into three functional divisions, each managed by a Deputy Fire Marshal.
- Finding #9:** Each division is appropriately organized into functional or geographic sections.
- Finding #10:** Each division and section is organized to provide an appropriate level of supervisory control, *except* the Planning and Development New Construction Section, which has one Assistant Fire Marshal supervising 12 personnel.
- Finding #11:** The CRR Department has appropriate operational and management systems and controls in place to ensure effective internal communications and coordination, continuity of effort and processes, product/service quality, cost recovery, and performance monitoring.

- Finding #12:** OCFA partner member agency building and planning staff appear satisfied with CRR communications, coordination, and field services.
- Finding #13:** The CRR Department makes extensive use of available professional resources to carry out its responsibilities, including having two multiple-license professional engineers and a registered professional forester on staff, an extensive reference library, access to CAL FIRE resources and technical expertise, and access to other local, regional, and state-level peers and professional technical groups/members as needed.
- Finding #14:** The CRR Department makes extensive use of technology, although some technologies are outdated and other technologies are available that could improve Department efficiency.
- Finding #15:** The new Orion Record Management System is being developed with input from CRR staff and is being designed to provide desired and needed capacity, flexibility, and features.
- Finding #16:** The CRR Department lacks critical technical capacity needed to manage implementation, training, and ongoing overall Department coordination of the Orion RMS program.
- Finding #17:** The CRR Department receives limited support from the Information Technology Division for day-to-day process needs.
- Finding #18:** The CRR Department lacks critical analyst-level capacity to provide needed data analytics for all divisions and sections.
- Finding #19:** The CRR Department has made a considerable investment in and a very intentional focus on staff training and professional career development.
- Finding #20:** The CRR Department has developed and implemented multiple formal training and development tools to ensure successful performance and facilitate cross-training and career development.
- Finding #21:** The CRR Department lacks coordination and monitoring for completion of available training and professional technical development opportunities.
- Finding #22:** Dedicated internal CRR training coordination capacity is highly desirable to ensure effective use of the Department training budget to develop enhanced technical knowledge and skills and facilitate professional career development.
- Finding #23:** CRR cost recovery strategies conform with OCFA Board policy to recover costs for all fee-funded activities.

- Finding #24:** Fiscal Year 20/21 fee revenue was approximately 21 percent less than estimated in the adopted budget due to COVID-19 economic impacts on the building and development industries.
- Finding #25:** The CRR Department has established very appropriate workload priorities emphasizing firefighter and community safety over economic stability, regulatory requirements, and business practice equality, a priority that appears to be employed in all divisions and sections.

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## **4.2 RECOMMENDATIONS**

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- Recommendation #1:** Consider reorganization of the Planning and Development New Construction Section to provide a better ratio of supervisors to subordinates.
- Recommendation #2:** Develop clear performance goals for the Wildland Pre-Fire Management Division Planning Section.
- Recommendation #3:** Collaborate with all OCFA member jurisdictions to ensure early CRR involvement in all development discussions to provide early awareness of any CRR concerns or prospective conditions.
- Recommendation #4:** Consider assigning all Environmental Impact Report reviews to a single Planning and Development Section position, with appropriate redundant capacity and skill to ensure consistency of review and response.
- Recommendation #5:** Consider adding appropriate internal analyst-level capacity to manage implementation, training, and ongoing overall Orion program coordination and Department-wide data analysis.
- Recommendation #6:** Consider providing additional critical IT/GIS support capacity for the CRR Department.
- Recommendation #7:** Provide appropriate internal CRR capacity to provide overall planning and coordination of all Department training.
- Recommendation #8:** Provide 6.6 to 13.25 additional estimated FTE staffing capacity as funding permits to resolve identified staffing capacity gaps and single points of failure.
- Recommendation #9:** Conduct an updated fee study in 2022.

### 4.3 RECOMMENDATIONS PRIORITY PLAN

The following is a priority table of Citygate's recommendations contained in this report. The priorities indicated are (A) to indicate urgent items that should be initiated or completed as soon as possible, and (B) to indicate those items that are not urgent but Citygate would strongly recommend they be accomplished within the next six months to one year.

**Table 12—Recommendation Priority Plan**

**Priority Legend: A Urgent | B Strongly recommended**

<b>Recommendation</b>	<b>Priority</b>	<b>Responsible Party</b>
<b>Recommendation #5:</b> Consider adding appropriate internal analyst-level capacity to manage implementation, training, and ongoing overall Orion program coordination and Department-wide data analysis.	<b>A</b>	Fire Chief
<b>Recommendation #6:</b> Consider providing additional critical IT/GIS support capacity for the CRR Department.	<b>A</b>	Fire Chief / Logistics Assistant Chief
<b>Recommendation #8:</b> Provide 6.6 to 13.25 additional estimated FTE staffing capacity as funding permits to resolve identified staffing capacity gaps and single points of failure.	<b>A/B</b>	Fire Chief
<b>Recommendation #1:</b> Consider reorganization of the Planning and Development New Construction Section to provide a better ratio of supervisors to subordinates.	<b>B</b>	P&D Deputy Fire Marshal
<b>Recommendation #2:</b> Develop clear performance goals for the Wildland Pre-Fire Management Division Planning Section.	<b>B</b>	WPFM Deputy Fire Marshal
<b>Recommendation #3:</b> Collaborate with all OCFA member jurisdictions to ensure early CRR involvement in all development discussions to provide early awareness of any CRR concerns or prospective conditions.	<b>B</b>	P&D Deputy Fire Marshal
<b>Recommendation #4:</b> Consider assigning all Environmental Impact Report reviews to a single Planning and Development Section position, with appropriate redundant capacity and skill to ensure consistency of review and response.	<b>B</b>	P&D Deputy Fire Marshal
<b>Recommendation #7:</b> Provide appropriate internal CRR capacity to provide overall planning and coordination of all Department training.	<b>B</b>	Fire Chief / Fire Marshal
<b>Recommendation #9:</b> Conduct an updated fee study in 2022.	<b>B</b>	Fire Marshal

**DI —CRR D RTM T S OT S R S MM R R S TS**

### SWOT Survey Results Assistant Chief / Fire Marshal

Strengths	Weaknesses (Gaps)
<ul style="list-style-type: none"> <li>• Good organizational structure by function</li> <li>• Positive/productive culture</li> <li>• Adequate cross-training/succession planning</li> <li>• Career development/succession plan in place for technical positions</li> <li>• Centralized planning and development services</li> <li>• Establishment of Wildland Pre-Fire Management Division with permanent FTE</li> <li>• Well-defined programs for each section driven by policies, procedures, guidelines, and legal mandates</li> <li>• Good fiscal support</li> <li>• Codes and other reference materials kept current</li> <li>• Guidelines and Information Bulletins updated every three years</li> <li>• Code amendments updated and adopted on time for all 24 jurisdictions</li> <li>• Operational procedures regularly maintained and updated</li> <li>• Established goals and objectives for each section</li> <li>• Discussed at weekly one-on-one meetings</li> <li>• Engineering team focused on big-picture issues, projects, code challenges, and development</li> <li>• Internal controls</li> <li>• Fee studies conducted approximately every five years</li> <li>• Quality control measures</li> <li>• Good training budget</li> <li>• Good internal communications/coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Communications with PFS area offices</li> <li>• Lack of dedicated IT support</li> <li>• Predominantly younger workforce</li> <li>• Future retirements/succession</li> <li>• Wildland Pre-Fire Management staffing capacity for workload</li> <li>• Current RMS</li> <li>• Lack of dedicated IT and GIS support</li> <li>• Lack of Management-Analyst-level capacity</li> <li>• Informal goals/objectives</li> <li>• Fire-station-level CRR data entry and record keeping</li> <li>• CRR HIVE team site needs major overhaul</li> <li>• Lack of a dedicated internal training coordinator</li> <li>• Prevention Field Offices communications are challenged</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Permit Technician apprenticeship program</li> <li>• Assistant Fire Marshal training/development program</li> <li>• Testing of private fire hydrants</li> <li>• Communicating hazardous material data to emergency responders</li> <li>• New RMS</li> <li>• Better organization of code library</li> <li>• More streamlined goals/objectives</li> <li>• Complete assimilation of Garden Grove</li> <li>• Conduct updated fee study</li> <li>• Improve training program/opportunities</li> <li>• Internal Department training coordinator</li> </ul>	<ul style="list-style-type: none"> <li>• Continued growth/expansion of OCFA</li> <li>• Failure to meet state requirements for wildland inspections</li> <li>• Legal liability if unable to retrieve/find records</li> <li>• Younger, inexperienced workforce</li> </ul>



## SWOT Survey Results Planning & Development Division

Strengths	Weaknesses (Gaps)
<ul style="list-style-type: none"> <li>• High customer service standards</li> <li>• Goals, objectives, and performance tracked monthly</li> <li>• Positive/productive culture</li> <li>• Staff teamwork/flexibility</li> <li>• Good internal communication/coordination</li> <li>• Daily peer mentoring</li> <li>• Effective collaboration with Operations staff</li> <li>• Effective collaboration with building officials, planning directors, and building industry</li> <li>• Staff participation in regional professional organizations</li> <li>• Position task books</li> <li>• Cross-training</li> <li>• Performance measures tracked daily and evaluated monthly</li> <li>• Internal quality assurance controls</li> <li>• Weekly staff meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Potential goal/objective conflict with other CRR divisions/sections</li> <li>• Meeting frequency with building/development officials in smaller cities</li> <li>• CRR library availability to all staff</li> <li>• Communication/coordination with partner jurisdictions' planning departments</li> <li>• Insufficient IT support</li> <li>• Current RMS</li> <li>• Lack of Management-Analyst-level capacity</li> <li>• Lack of internal Department training coordinator</li> <li>• Advance planning tracking of larger development projects</li> <li>• Plan submittal process</li> <li>• Smaller teams impacted by absences</li> <li>• Lack of clear career path</li> <li>• Knowledge gaps – internal processes/systems</li> <li>• Alternate Means and Methods not easily tracked</li> <li>• Relatively younger, less-experienced staff</li> <li>• Lack of use of available technology tools for field work</li> <li>• Outdated technology tools and systems</li> <li>• Office closed every other Friday</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Improve partner agency communications and coordination</li> <li>• Permit Technician Apprentice program</li> <li>• Assistant Fire Marshal career development plan</li> <li>• Improved plan submittal process</li> <li>• Automated inspection scheduling</li> <li>• More streamlined goals and objectives tracking and reporting tool</li> <li>• New RMS</li> <li>• Central repository for approved Alternate Means and Methods tracking</li> <li>• Enhanced staff training</li> <li>• Improved quality assurance / quality control</li> <li>• Improved internal communications</li> </ul>	<ul style="list-style-type: none"> <li>• Complex developments in multiple jurisdictions without OCFA input</li> <li>• Predominantly younger, inexperienced CRR staff</li> <li>• Economic disruption impacting housing and commercial real estate markets</li> <li>• Insufficient IT support</li> <li>• Staffing shortage</li> <li>• Any internal systems failure</li> <li>• Concurrence/validation of Alternate Means and Methods with other agencies</li> <li>• Significant change to local, regional, or state-level economic condition</li> <li>• Rising construction and land costs impacting new development and building activity</li> <li>• Change in section leadership</li> </ul>

**Orange County Fire Authority**  
*Community Risk Reduction Service Level Assessment*

**SWOT Survey Results    Prevention Field Services Division**

Strengths	Weaknesses (Gaps)
<ul style="list-style-type: none"> <li>• Staff</li> <li>• Adaptability and flexibility / team dynamics</li> <li>• Customer service</li> <li>• Communication (internal and external)</li> <li>• High morale</li> <li>• Accountability tools</li> <li>• Secondary staff skills</li> <li>• Succession planning</li> <li>• Cross-training</li> <li>• Onboarding trainee academy</li> <li>• Technical knowledge/skills</li> <li>• All annual inspections completed (Area 3)</li> <li>• Area office rotations</li> </ul>	<ul style="list-style-type: none"> <li>• Predominantly newer, less experienced staff</li> <li>• Antiquated RMS</li> <li>• Thousands of new State-mandated and permitted occupancy inspections add to workload</li> <li>• Challenges managing, exchanging information, and monitoring processes in area offices</li> <li>• Inefficient tools and processes</li> <li>• Lack of administrative training</li> <li>• Outdated technology systems/tools</li> <li>• Effort does not always yield a product or result</li> <li>• COVID-related challenges</li> <li>• Inconsistent CRR work capacity due to COVID-related project impacts</li> <li>• New Assistant Fire Marshal</li> <li>• Organizational workflow</li> <li>• Lack of succession planning/opportunities hinders internal promotions</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Improved communication with internal and external stakeholders</li> <li>• Cross-training; particularly wildland-related</li> <li>• Trainee academy</li> <li>• Collector data use in future projects</li> <li>• Improved training and education opportunities</li> <li>• Assistant Fire Marshal leadership development</li> <li>• Continued mentoring</li> <li>• New RMS</li> <li>• New cities joining OCFA</li> <li>• More collaboration with partner cities</li> <li>• Better collaboration with Operations staff</li> <li>• Improved staff familiarity with all CRR assets and capabilities</li> <li>• Clean-up files</li> <li>• Longer period between area office rotations</li> <li>• Improved use of available technology and tools</li> </ul>	<ul style="list-style-type: none"> <li>• Billing of businesses impacted by COVID-19</li> <li>• Near-term CRR retirements</li> <li>• New RMS if not properly supported</li> <li>• Staff attrition</li> <li>• Job security</li> <li>• Cities leaving OCFA</li> <li>• Recurrent or new pandemic</li> <li>• Non-mandated occupancies not inspected</li> <li>• Lack of communication with Operations</li> <li>• Staff rotations between area offices</li> <li>• Pending Office Services Specialist retirement</li> <li>• High frequency / high consequence occupancy inspections</li> <li>• Failure to follow-up on non-compliant inspections</li> <li>• Some occupancies not inspected since 2018 (Area 6)</li> <li>• Past expectations/relationships (Area 6)</li> <li>• Lack of access to / use of remote work tools</li> <li>• Insufficient IT support</li> </ul>

**SWOT Survey Results    Wildland Pre-Fire Management Division**

<b>Strengths</b>	<b>Weaknesses (Gaps)</b>
<ul style="list-style-type: none"><li>• Staff</li><li>• Customer service</li><li>• Developing accountability</li><li>• Stakeholder relationships</li></ul>	<ul style="list-style-type: none"><li>• Inspector/inspection rotations</li><li>• Insufficient staff capacity for workload</li><li>• Poor communications/coordination with CAL FIRE</li><li>• Outdated tools and technology</li></ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"><li>• Improved internal OCFA relationships</li><li>• Improved external stakeholder relationships</li><li>• Better management of agreements, contracts, and grants</li><li>• Develop Office Services Specialist role and responsibilities</li><li>• Develop Deputy Fire Marshal role / responsibilities</li><li>• Develop forester's role</li><li>• Damage inspection team / use of drones</li><li>• Work with OCFA Public Information Officer and media</li><li>• Improve quality of inspections</li></ul>	<ul style="list-style-type: none"><li>• Lack of dedicated GIS capacity</li><li>• Insufficient IT support</li><li>• Inability to complete all education and inspections</li><li>• Additional state mandates</li><li>• Climate change impacts on wildland habitat</li><li>• Regulatory restrictions on wildland urban interface land management</li></ul>

**DI B— T R RT R G C DB CK S R**  
**D S MM R R S TS**

**2021 OCFA CRR Feedback Survey**

<b>Planning and Development</b>				
1. How well do we coordinate and communicate with your planning and development team in the following areas?				
	Very Well	Acceptable	Not Well	Not Sure
1A. New development review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1B. Plan review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1C. Addressing identified challenges	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. How well are your development review expectation being met in the following areas?				
	Very Well	Acceptable	Not Well	Not Sure
2A. Preliminary meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2B. Clear and concise written responses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2C. Appropriate follow through on plan review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. How are we doing with our turn-around time?				
	Very Well	Acceptable	Not Well	Not Sure
3A. General plan review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3B. Construction inspection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Please list major development projects that you anticipate approving for the 2021/2022				
5. Please add any comments about Planning and Development				

**Orange County Fire Authority**  
Community Risk Reduction Service Level Assessment

<b>Prevention Field Services (Annual Fire Inspections)</b>				
6. How well do we coordinate and communicate with your building and code enforcement team in the following areas?				
	Very Well	Acceptable	Not Well	Not Sure
6A. Partnering on shared code enforcement efforts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6B. Early communication on identified code enforcement challenges	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6C. Follow-up communications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. What is your awareness level of the types of maintenance inspection we conduct in your City? (check all that apply)				
<input type="checkbox"/>	7A. Aware of OCFA inspection taking place, not sure how they are defined			
<input type="checkbox"/>	7B. State mandates, not sure of others			
<input type="checkbox"/>	7C. Would like additional information			
8. How do you prefer OCFA follow-up on legal enforcement referrals?				
9. Please add any comments about Prevention Field Services				

<b>Wildland Pre-Fire Management</b>
10. Are you aware of any functions/projects that Wildland Pre-Fire Management is participating in within your city?
Yes/No
11. Would you like additional information about the kinds of projects we are involved in or services Wildland Pre-Fire Management may be able to assist you with?
Yes/No

*Please note in the survey results that follow, responses of Very Well, Acceptable, and Not Well are shown as scores of 3, 2, and 1, respectively, so the average score per agency and question can be calculated. Also, results are not presented for questions 4 and 8 as those are not relevant to Citygate's assessment.*

**Orange County Fire Authority**  
Community Risk Reduction Service Level Assessment

**2021 OCFA CRR Feedback Survey Summary Results (Planning and Development)**

Respondent City	Cypress	Irvine	Laguna Niguel	Lake Forest	Mission Viejo	Mission Viejo	San Juan Capistrano	Santa Ana	Tustin	Yorba Linda	Average
Respondent Title	Building Official	Chief Building Official	Development Services Manager	Building Official	Planning & Economic Development Mgr.	Building Official	Development Services Director	Building Official	Principal Planner	Building Official	
<b>1. How well do we coordinate and communicate with your planning and development team in the following areas?</b>											
1A. New development review	2	3	2	3	2	3	3	3	3	2	2.60
1B. Plan review	2	3	2	2	2	3	3	3	3	2	2.50
1C. Addressing identified challenges	2	3	2	3	3	2	2	3	3	3	2.60
<b>2. How well are your development review expectation being met in the following areas?</b>											
2A. Preliminary meetings	2	3	3	3	2	2	3	3	3	3	2.70
2B. Clear and concise written responses	2	2	2	2	2	3	3	3	3	1	2.30
2C. Appropriate follow through on plan review	2	2	2	3	2	3	3	3	3	1	2.40
<b>3. How are we doing with our turn-around time?</b>											
3A. General plan review	2	2	NS	3	3	3	3	2	3	2	2.56
3B. Construction inspection	2	NS	2	3	3	3	NS	3	3	3	2.75
<b>5. Please add any comments about Planning and Development</b>											
Open-ended responses	NR	*1*	NR	*2*	NR	NR	*3*	*4*	NR	*5*	-
Average	2.00	2.57	2.14	2.75	2.38	2.75	2.86	2.88	3.00	2.13	

3 Very Well

2 Acceptable

1 Not Well

NS Not Sure

NR No response

\*1\* OCFA team is always available to discuss projects being reviewed in concurrence with Building and Safety.

\*2\* OCFA provides great information that need to pay attention with respect to fuel modification zone or severe fire hazard zone.

\*3\* Rich Swanson is doing a great job. He is very thorough, reasonable, and responsive.

\*4\* OCFA's Planning and Development is a pleasure to work with.

\*5\* Would like to have one or two consistent points of contact.

**Orange County Fire Authority**  
Community Risk Reduction Service Level Assessment

**2021 OCFA CRR Feedback Survey Summary Results (Prevention Field Services)**

Respondent City	Cypress	Irvine	Laguna Niguel	Lake Forest	Mission Viejo	Mission Viejo	San Juan Capistrano	Santa Ana	Tustin	Yorba Linda	Average
Respondent Title	Building Official	Chief Building Official	Development Services Manager	Building Official	Planning & Economic Development Mgr.	Building Official	Development Services Director	Building Official	Principal Planner	Building Official	
<b>6. How well do we coordinate and communicate with your building and code enforcement team in the following areas?</b>											
6A. Partnering on shared code enforcement efforts	2	3	3	3	3	2	3	3	3	NS	2.78
6B. Early communication on identified code enforcement challenges	2	2	NS	3	3	2	NS	3	3	NS	2.57
6C. Follow-up communications	2	2	3	2	2	2	NS	3	3	NS	2.38
<b>7. What is your awareness level of the types of maintenance inspection we conduct in your City? (check all that apply)</b>											
7A. Aware of OCFA inspection taking place, not sure how they are defined	✓			✓	✓	✓	✓	✓		✓	-
7B. State mandates, not sure of others				✓				✓		✓	-
7C. Would like additional information			✓	✓						✓	-
<b>9. Please add any comments about Prevention Field Services</b>											
Open-ended responses	NR	NR	NR	*1*	NR	NR	NR	*2*	NR	NR	-
<b>Average</b>	<b>2.00</b>	<b>2.33</b>	<b>3.00</b>	<b>2.67</b>	<b>2.67</b>	<b>2.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>-</b>	

3 Very Well

2 Acceptable

1 Not Well

NS Not Sure

NR No response

\*1\* We need more direct communication about these types of services.

\*2\* AFM Antonio Solares was a great asset; smooth transition to AFM Eric Evans.

**Orange County Fire Authority**  
*Community Risk Reduction Service Level Assessment*

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**2021 OCFA CRR Feedback Survey Summary Results (Wildland Pre-Fire Management)**

Respondent City	Cypress	Irvine	Laguna Niguel	Lake Forest	Mission Viejo	Mission Viejo	San Juan Capistrano	Santa Ana	Tustin	Yorba Linda
Respondent Title	Building Official	Chief Building Official	Development Services Manager	Building Official	Planning & Economic Development Mgr.	Building Official	Development Services Director	Building Official	Principal Planner	Building Official
<b>10. Are you aware of any functions/projects that Wildland Pre-Fire Management is participating in within your city?</b>										
Yes/No	No	Yes	No	No	No	Yes	No	No	No	No
<b>11. Would you like additional information about the kinds of projects we are involved in or services Wildland Pre-Fire Management may be able to assist you with?</b>										
Yes/No	No	Yes	No	No	No	No	No	No	No	No





**Orange County Fire Authority**  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**November 10, 2021**

**Agenda Item No. 3C**  
**Discussion Calendar**

**Award of RFP# RO2480a Physical Security/ Security Management Services**

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**Contact(s) for Further Information**

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Logistics Department

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**Summary**

This agenda item is submitted for approval to award a Security Services Agreement for Armed Physical Security and Security Management Services to the Orange County Sheriff's Department (OCSD) in the amount of \$1,116,556 annually, the top ranked armed security services provider as a result of RFP RO2480a.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTIONS:**

Review the proposed agenda item and direct staff to place one of the following three options on the agenda for the Board of Directors meeting on November 18, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors approve:

1. Select one option.

**Option 1** – (Staff recommended.) Approve and authorize the Purchasing Manager to execute the proposed Security Services Agreement for Armed Physical Security and Security Management services with the Orange County Sheriff's Department for a one-year initial term plus four optional one-year renewals in an amount not to exceed \$1,116,556 annually (\$5,582,780 5-year aggregate).

**Option 2** – Direct staff to enter into two Security Services Agreements for a blend of Armed and Unarmed Physical Security and Security Management Services in a form approved by legal counsel for a one-year initial term plus four optional one-year renewals as follows: Orange County Sheriff's Department (\$533,829 annually) and Allied Universal Security Services (\$145,045.32 annually). The combined amount for the two firms is not to exceed \$678,874.32 annually (\$3,394,371.60 5-year aggregate).

**Option 3** - Direct staff to enter into a Security Services Agreement for Unarmed Physical Security and Security Management services in a form approved by legal counsel with Allied Universal Security Services for a one-year initial term plus four optional one-year renewals in an amount not to exceed \$506,323.30 annually (\$2,531,616.50 5-year aggregate).

2. Direct staff to make the recommended budget adjustment, as noted in the fiscal impact section of this report, depending on the option selected.
3. Direct the Purchasing Manager to extend the existing contract with Allied Universal as needed to allow transitioning to the new contract for Physical Security Services.

## **Impact to Cities/County**

Not Applicable.

## **Fiscal Impact**

Based on a January 1, 2022 implementation, the FY 2021/22 General Fund budget and associated expenditures will be increased based on the option selected for a 6 month period (January 1, 2022 to June 30, 2022), as follow.

Option 1:	\$475,034
Option 2:	\$256,193
Option 3:	\$169,918

## **Background**

Physical security at the Regional Fire Operations and Training Center (RFOTC) includes access control and alarm systems, and the posting of unarmed contract security guard personnel on a 24/7/365 basis. Currently, one security post provides around-the-clock coverage, with a second post during RFOTC business hours.

Coinciding with the expiration of the existing agreement for physical security services, staff is in the process of implementing recommendations from the Physical Security Assessment report issued by an OCFA staff security advisory panel in June 2020. The panel's assessment considered a Threat and Vulnerability Assessment of the RFOTC campus prepared by Security Strategies International, and a Physical Security Assessment completed by the Orange County Intelligence Assessment Center (OCIAAC). The recommendations include providing a dedicated security manager together with security guard services. To address the security vulnerabilities identified by the panel, the solicitation for a replacement security services contract included security management services and alternative proposals for providing unarmed and/or armed guards.

## ***Solicitation Process***

On March 22, 2021, staff issued RFP RO2480a for Physical Security and Security Management Services at RFOTC. A non-mandatory pre-proposal meeting was held on March 31, 2021, and representatives from 16 companies attended. Final proposals were due April 23, 2021, and 17 proposals were received. Staff conducted a review of responsiveness and determined that 14 of the 17 offerors provided responsive proposals.

An evaluation team consisting of two Logistics Division staff and one Risk Management Division staff evaluated the proposals based on the criteria and point structure as defined in the RFP: Method of Approach (20 pts), Qualifications and Experience (25 pts), Personnel Selection, Training and Retention Plan (30 pts), and Proposed Cost (25 points). Upon completion of the evaluation of the proposals, the OCSD emerged as the top-ranked proposer providing security management and armed security services with no option for unarmed services. The top-ranked proposer for unarmed security services (number two rank overall) was Allied Universal Security Services (AUSS), the firm which provides the existing services at the Regional Fire Operations and Training Center.

## ***Recommendation***

A summary of the contract options is provided in the following table, along with a detailed explanation of each option.

## Summary of Contract Options

<i>Option</i>	<i>Contract Arrangement</i>	<i>Cost (annual)</i>
<b>1</b> Armed Physical Security Services	<b><i>Orange County Sheriff Security Services Bureau:</i></b> <ul style="list-style-type: none"> <li>• One armed guard posted 24/7/365</li> <li>• Second armed guard posted during RFOTC business hours</li> <li>• Security Management Services provided as needed by the Bureau Commander</li> </ul>	\$1,116,556
<b>2</b> Armed Physical Security Services during business hours; Unarmed all other hours	<b><i>Orange County Sheriff Security Services Bureau:</i></b> <ul style="list-style-type: none"> <li>• Two armed guards posted during RFOTC business hours</li> <li>• Security Management Services provided as needed by the Bureau Commander</li> </ul> <b><i>Allied Universal Security Services:</i></b> <ul style="list-style-type: none"> <li>• One unarmed guard posted during all RFOTC non-business hours</li> </ul>	\$678,874
<b>3</b> Unarmed Physical Security Services	<b><i>Allied Universal Security Services:</i></b> <ul style="list-style-type: none"> <li>• One unarmed guard posted 24/7/365</li> <li>• Second unarmed guard posted during RFOTC business hours</li> <li>• Security Management Services provided by an assigned professional security manager</li> </ul>	\$506,323

### Option 1: Armed Physical Security Services

*Annual Pricing: \$1,116,556 annually (\$5,582,780 5-year aggregate)*

Based on the proposals received and interviews conducted with the two top ranking firms, the evaluation team concluded that transitioning to armed security personnel as offered by the Security Bureau of the Orange County Sheriff, in combination with physical security management services to be performed by the Bureau Commander, would best meet the physical security needs at RFOTC. The OCSD Security Bureau was established for the purpose of providing security services and security management for numerous County facilities, as well as public agency affiliated private facilities, using personnel trained expressly for this purpose. Security management services would be provided by the OCSD Security Bureau Commander, consisting of an initial assessment and recommendations for all aspects of physical security and protocols at RFOTC, and ongoing review of protocol compliance and incident reports. Therefore, the Bureau's mission, depth of resources, and specially trained and qualified personnel closely align with the security needs at RFOTC. The OCSD Security Bureau will act as initial responder to incidents occurring at RFOTC up to the point when City of Irvine police arrive.

While staff believes it to be in the best interest of OCFA to utilize professional security management services and to transition to full-time armed guards, doing so would result in an increase to expenditures, thus staff has prepared two alternative approaches:

### Option 2: Hybrid Armed/Unarmed Physical Security Services

*Annual Pricing: \$678,874.32 annually (\$3,394,371.60 5-year aggregate)*

This option provides for armed security services during standard business hours, and unarmed security services in the evenings and on weekends/holidays. Because the OCSD Security Bureau provides only armed security services, a dual award would be required, whereby Allied Universal

Security Services would provide the unarmed security services. This contract structure offers a lower cost alternative to around-the-clock armed services while enabling the posting of armed personnel when most needed, and while using the proposer deemed most qualified to provide armed personnel. As stated above, security management services would be provided by the OCSD Security Bureau Commander, to include an initial assessment and recommendations for all aspects of physical security and protocols at RFOTC, and ongoing review of protocol compliance and incident reports.

To enable OCSD and AUSS to independently manage their respective personnel, post coverage would overlap only so as to facilitate the business hours to non-business hours coverage. Depending on the time of the incident, the OCSD Security Bureau or AUSS will act as initial responder to incidents occurring at RFOTC up to the point when City of Irvine police arrive.

### Option 3: Unarmed Physical Security Services

*Annual Pricing:* \$506,323.30 annually (\$2,531,616.50 5-year aggregate)

This option provides for full-time unarmed security services similar to the current model being provided and enhanced by posting security services personnel with law enforcement qualifications, and the assignment of a full-time contract physical security manager. Combined, the services would consist of one law enforcement qualified guard (unarmed) posted 7/24/365, and a second qualified guard posted during RFOTC business hours.

Allied Universal Security Services was deemed the best qualified proposer offering unarmed security services personnel and demonstrated having the experience and expertise necessary to provide professional physical security management services. The management services would consist of AUSS providing one full-time equivalent security management professional, meeting all of the qualifications and certifications as specified in the Request for Proposals, responsible for performing an initial assessment and recommendations for all aspects of physical security and protocols at RFOTC, and ongoing review of protocol compliance and incident reports.

### **Attachment(s)**

Proposed Security Services Agreement with OCSD

**SECURITY SERVICES AGREEMENT  
BETWEEN THE ORANGE COUNTY FIRE AUTHORITY  
AND THE COUNTY OF ORANGE**

THIS AGREEMENT FOR SECURITY SERVICES ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021 by and between the Orange County Fire Authority, a public agency, hereinafter referred to as "OCFA", and the County of Orange, a political subdivision of the State of California, hereinafter referred to as "COUNTY". OCFA and COUNTY are sometimes individually referred to herein as a "Party" and collectively as the "Parties".

**RECITALS**

**WHEREAS**, OCFA requires the services of a qualified entity to provide security Guard and Security Management Services, hereinafter referred to as "Project"; and

**WHEREAS**, the Orange County Sheriff's Department, hereinafter referred to as "SHERIFF," has submitted to OCFA a proposal dated April 22, 2021, incorporated herein by this reference ("Proposal"); and

**WHEREAS**, based on its experience and reputation, SHERIFF is qualified to provide the necessary services for the Project and desires to provide such services; and

**WHEREAS**, OCFA desires to retain the services of SHERIFF for the Project.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, OCFA agrees to contract with COUNTY and COUNTY agrees to provide professional services as follows:

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1 **1. SECURITY SERVICES**

2 **1.1 Scope of Services**

3 In compliance with all terms and conditions of this Agreement, SHERIFF shall  
4 provide those services specified in the Scope of Services, attached hereto as Exhibit "A",  
5 which includes by reference and by addendum: (1) SHERIFF's Proposal, and (2) any  
6 amendments, addendums, change orders, or modifications mutually agreed upon by the  
7 parties hereto ("Services" or "Work"). SHERIFF warrants that all Services shall be  
8 performed in a competent, professional and satisfactory manner in accordance with all  
9 standards prevalent in the same profession in the State of California. SHERIFF represents  
10 and warrants that it and all employees, subconsultants and subcontractors providing any  
11 Services pursuant to this Agreement shall have a sufficient skill and experience to perform  
12 the Services. All Services shall be completed to the reasonable satisfaction of the OCFA. In  
13 the event of any inconsistency between the terms contained in the Scope of Services, and/or  
14 the terms set forth in the main body of this Agreement, the terms set forth in the main body of  
15 this Agreement and then the Scope of Services shall govern, in that order.

16 **1.2 Compliance with Law**

17 All Services rendered hereunder shall be provided in accordance with all laws,  
18 ordinances, resolutions, statutes, rules, and regulations of OCFA and any federal, state or  
19 local governmental agency of competent jurisdiction.

20 **1.3 Licenses and Permits**

21 SHERIFF shall obtain at its sole cost and expense such licenses, permits and  
22 approvals as may be required by law for the performance of the Services required by this  
23 Agreement.

24 **1.4 Familiarity with Work**

25 By executing this Agreement, SHERIFF warrants that SHERIFF (a) has  
26 thoroughly investigated and considered the Work to be performed, (b) has investigated the  
27 site of the Work and become fully acquainted with the conditions there existing, (c) has  
28 carefully considered how the Work should be performed, and (d) fully understands the

1 facilities, difficulties and restrictions attending performance of the Work under this  
2 Agreement. Should the SHERIFF discover any latent or unknown conditions materially  
3 differing from those inherent in the Work or as represented by OCFA, SHERIFF shall  
4 immediately inform OCFA of such fact and shall not proceed with any Work except at  
5 SHERIFF's risk until written instructions are received from the Contract Officer.

### 6 **1.5 Additional Services**

7 If SHERIFF agrees, SHERIFF will perform services in addition to those  
8 specified in the Scope of Services when requested to do so in writing by the OCFA  
9 Purchasing Manager, provided that SHERIFF shall not be required to perform any additional  
10 services without compensation. Any additional compensation not exceeding fifteen percent  
11 (15%) of the agreement amount annually must be approved in writing by the OCFA  
12 Purchasing Manager. Any greater increase must be approved in writing by the Executive  
13 Committee of the OCFA Board of Directors.

## 14 **2. TIME FOR COMPLETION**

15 The time for completion of the Services to be performed by SHERIFF is an essential  
16 condition of this Agreement. SHERIFF shall perform regularly and diligently the work of this  
17 Agreement according to the schedules set forth in SHERIFF's proposal. SHERIFF shall not  
18 be accountable for delays in the progress of its work caused by any condition beyond its  
19 control and without the fault or negligence of SHERIFF. Delays shall not entitle SHERIFF to  
20 any additional compensation regardless of the party responsible for the delay.

## 21 **3. COMPENSATION OF SHERIFF**

### 22 **3.1 Compensation of SHERIFF**

23 For the Services rendered pursuant to this Agreement, SHERIFF shall be  
24 compensated

25 and reimbursed, in accordance with the pricing set forth in the Pricing Sheet, attached  
26 hereto as Exhibit "B," in an amount not to exceed One Million, One Hundred Sixteen  
27 Thousand, Five Hundred Fifty-Six (\$1,116,556) Dollars.

1           **3.2    Method of Payment**

2           In any month in which SHERIFF wishes to receive payment, SHERIFF shall no  
3 later than the first working day of such month, submit to OCFA in the form approved by  
4 OCFA's Director of Finance, an invoice for Services rendered prior to the date of the invoice.  
5 OCFA shall pay SHERIFF for all expenses stated thereon which are approved by OCFA  
6 consistent with this Agreement, within thirty (30) days of receipt of SHERIFF's invoice.

7           **3.3    Changes**

8           In the event any change or changes in the work is requested by OCFA and  
9 agreed to by SHERIFF, the parties hereto shall execute an addendum to this Agreement,  
10 setting forth with particularity all terms of such addendum, including, but not limited to, any  
11 additional fees. Addenda may be entered into to provide for additional services not included  
12 in this Agreement or not customarily furnished in accordance with generally accepted  
13 practice in SHERIFF's profession.

14           **3.4    Appropriations**

15           This Agreement is subject to and contingent upon funds being appropriated  
16 therefore by the OCFA Board of Directors for each fiscal year covered by the Agreement. If  
17 such appropriations are not made, this Agreement shall automatically terminate without  
18 penalty to OCFA.

19 **4.    PERFORMANCE SCHEDULE**

20           **4.1    Time of Essence**

21           Time is of the essence in the performance of this Agreement.

22           **4.2    Schedule of Performance**

23           All Services rendered pursuant to this Agreement shall be performed within the  
24 time periods prescribed in SHERIFF's Proposal, attached hereto as Exhibit "A". The  
25 extension of any time period specified in Exhibit "A" must be approved in writing by the  
26 Contract Officer.



1           **4.3    Force Majeure**

2           The time for performance of Services to be rendered pursuant to this  
3 Agreement may be extended because of any delays due to unforeseeable causes beyond  
4 the control and without the fault or negligence of SHERIFF, including, but not restricted to,  
5 acts of God or of a public enemy, acts of the government, fires, earthquakes, floods,  
6 epidemic, quarantine restrictions, riots, strikes, freight embargoes, and unusually severe  
7 weather if SHERIFF shall within ten (10) days of the commencement of such condition notify  
8 the Contract Officer who shall thereupon ascertain the facts and the extent of any necessary  
9 delay, and extend the time for performing the Services for the period of the enforced delay  
10 when and if in the Contract Officer's judgment such delay is justified, and the Contract  
11 Officer's determination shall be final and conclusive upon the parties to this Agreement.

12           **4.4    Term**

13           This agreement shall continue in full force and effect for three years (initial  
14 term) unless earlier terminated in accordance with Sections 8.5 or 8.6 of this Agreement. The  
15 contract may be renewed up to two (2) additional one-year terms upon mutual written  
16 agreement between OCFA and COUNTY.

17           **5.    COORDINATION OF WORK**

18           **5.1    Representative of SHERIFF**

19           The following principal of SHERIFF is hereby designated as being the principal  
20 and representative of SHERIFF authorized to act in its behalf with respect to the work  
21 specified herein and make all decisions in connection therewith: Sheriff's Department  
22 Captain approved by the Sheriff or his designee.

23           It is expressly understood that the experience, knowledge, capability and  
24 reputation of the foregoing principal is a substantial inducement for OCFA to enter into this  
25 Agreement. Therefore, the foregoing principal shall be responsible during the term of this  
26 Agreement for directing all activities of SHERIFF and devoting sufficient time to personally  
27 supervise the Services hereunder. The foregoing principal may be changed to another  
28 qualified Captain by SHERIFF without the express written approval of OCFA.

1           **5.2    Contract Officer**

2           The Contract Officer shall be Patrick Bauer, Property Manager, unless  
3 otherwise designated in writing by OCFA. It shall be SHERIFF's responsibility to keep the  
4 Contract Officer fully informed of the progress of the performance of the Services and  
5 SHERIFF shall refer any decisions that must be made by OCFA to the Contract Officer.  
6 Unless otherwise specified herein, any approval of OCFA required hereunder shall mean the  
7 approval of the Contract Officer.

8           **5.3    Prohibition Against Subcontracting or Assignment**

9           **5.3.1 No Subcontracting Without Prior Approval.** The experience,  
10 knowledge, capability and reputation of SHERIFF, its principals and employees, and the  
11 SHERIFF Representative were a substantial inducement for OCFA to enter into this  
12 Agreement. Therefore, COUNTY shall not contract with any other entity to perform in whole  
13 or in part the Services required hereunder without the express written approval of OCFA.

14           **5.3.2 Provisions in the Event Subcontractor(s) Are Authorized.** If  
15 COUNTY is authorized to subcontract any part of the Services as provided in Section 5.3.1,  
16 COUNTY shall be responsible to OCFA for the acts and omissions of its subcontractor(s) and  
17 subconsultant(s) in the same manner as it is for persons directly employed. For purposes of  
18 this Agreement, all persons engaged in the performance of Services will be considered  
19 employees of COUNTY. OCFA will deal directly with and will make all payments to  
20 SHERIFF. Nothing contained in this Agreement shall create any contractual relationships  
21 between any subcontractor and OCFA. COUNTY shall ensure that all subcontractor  
22 insurance requirements set forth in Section 6 below (including its subsections) are complied  
23 with prior to commencement of Services by each subcontractor.

24           **5.3.2.1 Withholding Payment for Non-Authorized Subcontractors.**  
25 OCFA shall have the right to withhold payment from SHERIFF for Services performed by any  
26 subcontractor or subconsultant performing Services but not authorized in writing by OCFA, or  
27 regarding which the insurance or other requirements under this Agreement have not been  
28 satisfied.

1                   **5.3.3 Assignments.** Neither this Agreement nor any interest herein may be  
2 assigned, transferred, conveyed, hypothecated, or encumbered voluntarily or by operation of  
3 law, whether for the benefit of creditors or otherwise, without the prior written approval of  
4 OCFA. In the event of any unapproved transfer, including any bankruptcy proceeding, this  
5 Agreement shall be void. No approved transfer shall release COUNTY or any surety of  
6 COUNTY from any liability hereunder without the express written consent of OCFA.

7                   **5.4     Independent Contractor**

8                   **5.4.1** The legal relationship between the Parties is that of an independent  
9 contractor, and nothing herein shall be deemed to make Contractor, or any of its personnel,  
10 an OCFA employee. During the performance of this Agreement, SHERIFF and its officers,  
11 employees, and agents shall act in an independent capacity and shall not act as OCFA  
12 officers or employees. SHERIFF will determine the means, methods and details of  
13 performing the Services subject to the requirements of this Agreement. The personnel  
14 performing the Services under this Agreement on behalf of SHERIFF shall at all times be  
15 under SHERIFF's exclusive direction and control. Neither OCFA nor any of its officials,  
16 officers, employees, agents or volunteers shall have control over the conduct of SHERIFF or  
17 any of its officers, employees, or agents, except as set forth in this Agreement. SHERIFF, its  
18 officers, employees or agents, shall not maintain a permanent office or fixed business  
19 location at OCFA's offices. OCFA shall have no voice in the selection, discharge,  
20 supervision, or control of SHERIFF's officers, employees, representatives or agents or in  
21 fixing their number, compensation, or hours of service. SHERIFF shall pay all wages,  
22 salaries, and other amounts due its employees in connection with the performance of  
23 Services under this Agreement and shall be responsible for all reports and obligations  
24 respecting them, including but not limited to social security income tax withholding,  
25 unemployment compensation, workers' compensation, and other similar matters. OCFA  
26 shall not in any way or for any purpose be deemed to be a partner of SHERIFF in its  
27 business or otherwise a joint venturer or a member of any joint enterprise with SHERIFF.

1                   **5.4.2** SHERIFF shall not incur or have the power to incur any debt, obligation,  
2 or liability against OCFA, or bind OCFA in any manner.

3                   **5.4.3** No OCFA benefits shall be available to SHERIFF, its officers,  
4 employees, or agents, in connection with the performance of any Work or Services under this  
5 Agreement. Except for the cost of services paid to SHERIFF as provided for in this  
6 Agreement, OCFA shall not pay salaries, wages, or other compensation to SHERIFF for the  
7 performance of any Work or Services under this Agreement.

8                   **5.5     Employee Retirement System Eligibility Indemnification**

9                   **5.5.1** In the event that SHERIFF or any employee, agent, or subcontractor of  
10 SHERIFF providing any Work or Services under this Agreement claims or is determined by a  
11 court of competent jurisdiction to be eligible for enrollment in an employee retirement system  
12 as an employee of the OCFA, SHERIFF shall indemnify, defend, and hold harmless OCFA  
13 against: (1) all such claim(s) and determination(s); (2) for the payment of any employee  
14 and/or employer contributions for employee retirement system benefits on behalf of  
15 SHERIFF or its employees, agents or subcontractors; and (3) the payment of any penalties  
16 and interest on such contributions which would otherwise be the responsibility of the OCFA.

17                   **5.5.2** Notwithstanding any other agency, state or federal policy, rule,  
18 regulation, law or ordinance to the contrary, Contractor and any of its employees, agents,  
19 and subcontractors providing any Work or Services under this Agreement shall not qualify for  
20 or become entitled to, and hereby agree to waive any claims to, any compensation, benefit,  
21 or any incident of employment by OCFA, including but not limited to eligibility to enroll in  
22 PERS as an employee of OCFA and entitlement to any contribution to be paid by OCFA for  
23 employer contribution and/or employee contributions for PERS benefits.

24 **6.     INSURANCE AND INDEMNIFICATION**

25                   **6.1     Compliance with Insurance Requirements.** COUNTY is self-insured and  
26 shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at  
27 its sole cost and expense, all insurance required under this section.  
28

1           **6.2    Types of Insurance Required.** Without limiting the indemnity provisions set  
2 forth in this Agreement, COUNTY shall obtain and maintain in full force and effect during the  
3 term of this Agreement, including any extension thereof, the following policies of insurance:

4           **6.2.2   Commercial General Liability Insurance.** COUNTY shall maintain, in  
5 full force and effect throughout the term of this Agreement, a Program of Self-Insurance  
6 covering CGL on an “occurrence” basis, including property damage, bodily injury and  
7 personal & advertising injury with limits no less than   million dollars (\$5,000,000.00) per  
8 occurrence and five million dollars (\$5,000,000.00) aggregate. If a general aggregate limit  
9 applies, the general aggregate limit shall be no less than five million dollars (\$5,000,000.00).  
10 Coverage for products and completed operations is required with limits no less than five  
11 million dollars (\$5,000,000.00) aggregate. COUNTY shall maintain CGL insurance with per-  
12 claim, aggregate and products and operations completed limits no lower than the minimum  
13 CGL coverage limits set forth above.

14           **6.2.3   Automobile Liability Insurance.** COUNTY shall maintain, in full force  
15 and effect throughout the term of this Agreement, Automobile liability insurance with limits of  
16 at least one million dollars (\$1,000,000.00) combined limit for each occurrence covering  
17 bodily injury and property damage. The policy shall specifically include coverage for owned,  
18 non-owned, leased, and hired automobiles.

19           **6.2.4   Workers’ Compensation Insurance.** COUNTY shall obtain and  
20 maintain, in full force and effect throughout the term of this Agreement, a Program of Self-  
21 Insurance for Workers’ Compensation with limits no less than one million dollars  
22 (\$1,000,000.00), and in compliance with all other statutory requirements applicable in the  
23 State of California. COUNTY hereby waives on its own behalf, all rights of subrogation  
24 against the OCFA, its board members, officials, officers, employees, agents and volunteers.

25           **6.2.4.1** If subconsultants or subcontractors are used, COUNTY shall  
26 require each of its subconsultants and subcontractors, if any, to waive all rights of  
27 subrogation, and to obtain endorsements from the subconsultants'/subcontractors' workers'  
28

1 compensation insurers waiving all rights of subrogation, against the OCFA, its board  
2 members, officials, officers, employees, agents and volunteers.

3                   **6.2.4.2** COUNTY and each of its subconsultants and subcontractors  
4 shall also maintain, in full force and effect throughout the term of this Agreement,  
5 Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000.00)  
6 per injury or illness.

7           **6.3    Specific Insurance Provisions**

8                   **6.3.1.1 Additional Insured:** The OCFA, its board members, officials,  
9 officers, employees, agents and volunteers, shall be named as an Indemnified Party  
10 on the County's Certificate of Self-Insurance.

11                   **6.3.1.2 Primary, Non-Contributing.** County's Program of Self-  
12 Insurance shall be primary and any other insurance, deductible, or self-insurance maintained  
13 by the OCFA, its board members, officials, officers, employees, agents or volunteers, shall  
14 not contribute with the primary self-insurance.

15           **6.4    Waiver of Subrogation.** COUNTY hereby agrees to waive its own right of  
16 subrogation against the OCFA, its officials, officers, employees, agents and volunteers.

17                   **6.4.1 Waivers of Subrogation: Subconsultants and Subcontractors.** If  
18 OCFA approves the use of subconsultants or subcontractors for the performance of any  
19 portion of the Services, then COUNTY shall obtain from each subconsultant and  
20 subcontractor, and make available to OCFA upon request, written express waivers by each  
21 subconsultant and subcontractor of the right of subrogation against the OCFA, its officials,  
22 officers, employees, agents and volunteers, and policy endorsements of each of its  
23 subconsultants' and subcontractors' insurance policies waiving any rights of subrogation  
24 against the OCFA, its officials, officers, employees, agents and volunteers insurer. All such  
25 waivers and endorsements shall be obtained prior to commencement of any Services by  
26 each subconsultant or subcontractor.

1           **6.5    Evidence of Coverage.** Concurrently with the execution of the Agreement,  
2 COUNTY shall deliver a Certificate of Self-Insurance as evidence of the insurance required  
3 to be maintained by COUNTY by this Section 6.

4           **6.6    Requirements Not Limiting.** No representation is made that the minimum  
5 insurance requirements of this Agreement are sufficient to cover the obligations of COUNTY  
6 under this Agreement. Nothing in this section shall be construed as limiting in any way the  
7 indemnification provision contained in this Agreement.

8           **6.7    Enforcement of Agreement (Non-Estoppel).** COUNTY acknowledges and  
9 agrees that actual or alleged failure on the part of the OCFA to inform COUNTY of any non-  
10 compliance with any of the insurance requirements set forth in this Agreement imposes no  
11 additional obligation on the OCFA nor does it waive any rights hereunder.

12           **6.7.1    Delivery of Evidence of Subcontractor Insurance.** Upon request of  
13 OCFA, COUNTY shall deliver to OCFA all certificates of insurance required from  
14 subcontractors and subconsultants. (Note: COUNTY's duty to obtain all required insurance  
15 for subcontractors and subconsultants required under this Agreement applies whether or not  
16 OCFA requests delivery of evidence of such coverage.)

17           **6.8    Other Insurance Requirements.** The following terms and conditions shall  
18 apply to the insurance policies required of COUNTY and its subconsultants and  
19 subcontractors, if any, pursuant to this Agreement:

20           **6.8.1** It is COUNTY's obligation to ensure timely compliance with all  
21 insurance submittal requirements as provided herein and COUNTY agrees to reimburse  
22 OCFA for any losses resulting from its failure, or its subconsultants' or subcontractors' failure,  
23 to timely comply with the requirements of this Agreement.

24           **6.8.2** COUNTY agrees to ensure that subconsultants and subcontractors, if  
25 any, and any other parties involved with the Project who are brought onto or involved in the  
26 Project by SHERIFF, provide the same minimum insurance coverage required of COUNTY.  
27 COUNTY agrees to monitor and review all such coverage and assumes all responsibility for  
28 ensuring that such coverage is provided in conformity with the requirements of this section.

COUNTY agrees that upon request, all agreements with, and evidence of insurance from, subconsultants and subcontractors and others engaged in performing any Services will be submitted to the OCFA for review.

**6.8.3** COUNTY agrees to provide immediate written notice to OCFA of any claim, demand or loss arising out of the Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to an amount less than required by this Agreement.

**6.12 Indemnification.**

**6.12.1** COUNTY, its officers, agents, employees, subcontractors and independent contractors shall not be deemed to have assumed any liability for the negligence or any other act or omission of OCFA or any of its officers, agents, employees, subcontractors or independent contractors, or for any dangerous or defective condition of any work or property of OCFA. OCFA shall indemnify and hold harmless COUNTY and its elected and appointed officials, officers, agents, employees, subcontractors and independent contractors from any claim, demand or liability whatsoever based or asserted upon the condition of any work or property of OCFA, or upon any act or omission of OCFA, its elected and appointed officials, officers, agents, employees, subcontractors or independent contractors, related to this Agreement, for property damage, bodily injury or death or any other element of damage of any kind or nature, and OCFA shall defend, at its expense including attorney fees, and with counsel approved in writing by COUNTY, COUNTY and its elected and appointed officials, officers, agents, employees, subcontractors and independent contractors in any legal action or claim of any kind related to this Agreement based or asserted upon such condition of work or property, or alleged acts or omissions.

**6.12.2** OCFA, its officers, agents, employees, subcontractors and independent contractors shall not be deemed to have assumed any liability for the negligence or any other act or omission of COUNTY or any of its officers, agents, employees, subcontractors or independent contractors, or for any dangerous or defective condition of any work or property of COUNTY. COUNTY shall indemnify and hold harmless OCFA and its



1 elected and appointed officials, officers, agents, employees, subcontractors and independent  
2 contractors from any claim, demand or liability whatsoever based or asserted upon the  
3 condition of any work or property of COUNTY, or upon any act or omission of COUNTY, its  
4 elected and appointed officials, officers, agents, employees, subcontractors or independent  
5 contractors, related to this Agreement, for property damage, bodily injury or death or any  
6 other element of damage of any kind or nature, and COUNTY shall defend, at its expense  
7 including attorney fees, and with counsel approved in writing by OCFA, OCFA and its elected  
8 and appointed officials, officers, agents, employees, subcontractors and independent  
9 contractors in any legal action or claim of any kind related to this Agreement based or  
10 asserted upon such condition of work or property, or alleged acts or omissions.

11 **6.12.3** If judgment is entered against OCFA and COUNTY by a court of  
12 competent jurisdiction because of the concurrent active negligence of either party related to  
13 this Agreement, OCFA and COUNTY agree that liability will be apportioned as determined by  
14 the court. Neither party shall request a jury apportionment.

## 15 **7. RECORDS AND REPORTS**

### 16 **7.1 Reports**

17 SHERIFF shall periodically prepare and submit to the Contract Officer such  
18 reports concerning the performance of the Services required by this Agreement as the  
19 Contract Officer shall require.

### 20 **7.2 Records**

21 SHERIFF shall keep such books and records as shall be necessary to properly  
22 perform the Services required by this Agreement and enable the Contract Officer to evaluate  
23 the performance of such Services. Except as provided in Section 7.5, the Contract Officer  
24 shall have full and free access to such books and records at all reasonable times, including  
25 the right to inspect, copy, audit and make records and transcripts from such records.

### 26 **7.3 Ownership of Documents**

27 All drawings, specifications, reports, records, documents and other materials  
28 prepared by SHERIFF in the performance of this Agreement shall be the property of OCFA

1 and shall be delivered to OCFA upon request of the Contract Officer or upon the termination  
2 of this Agreement, and SHERIFF shall have no claim for further employment or additional  
3 compensation as a result of the exercise by OCFA of its full rights or ownership of the  
4 documents and materials hereunder. SHERIFF may retain copies of such documents for its  
5 own use. SHERIFF shall have an unrestricted right to use the concepts embodied therein.

## 6 **8. ENFORCEMENT OF AGREEMENT**

### 7 **8.1 California Law**

8 This Agreement shall be construed and interpreted both as to validity and to  
9 performance of the parties in accordance with the laws of the State of California. Legal  
10 actions concerning any dispute, claim or matter arising out of or in relation to this Agreement  
11 shall be instituted in the Superior Court of the County of Orange, State of California, or any  
12 other appropriate court in such county, and COUNTY covenants and agrees to submit to the  
13 personal jurisdiction of such court in the event of such action.

### 14 **8.2 Waiver**

15 No delay or omission in the exercise of any right or remedy of a non-defaulting  
16 party on any default shall impair such right or remedy or be construed as a waiver. No  
17 consent or approval of OCFA shall be deemed to waive or render unnecessary OCFA's  
18 consent to or approval of any subsequent act of COUNTY. Any waiver by either party of any  
19 default must be in writing and shall not be a waiver of any other default concerning the same  
20 or any other provision of this Agreement.

### 21 **8.3 Rights and Remedies are Cumulative**

22 Except with respect to rights and remedies expressly declared to be exclusive  
23 in this Agreement, the rights and remedies of the parties are cumulative and the exercise by  
24 either party of one or more of such rights or remedies shall not preclude the exercise by it, at  
25 the same or different times, of any other rights or remedies for the same default or any other  
26 default by the other party.

### 27 **8.4 Legal Action**

1 In addition to any other rights or remedies, either party may take legal action, in  
2 law or in equity, to cure, correct or remedy any default, to recover damages for any default, to  
3 compel specific performance of this Agreement, to obtain injunctive relief, a declaratory  
4 judgment, or any other remedy consistent with the purposes of this Agreement.

#### 5 **8.5 Termination Prior to Expiration of Term**

6 OCFA reserves the right to terminate this Agreement at any time, with or  
7 without cause, upon ninety (90) days written notice to SHERIFF, except that where  
8 termination is due to the fault of the SHERIFF and constitutes an immediate danger to health,  
9 safety and general welfare, the period of notice shall be such shorter time as may be  
10 appropriate. Upon receipt of the notice of termination, SHERIFF shall immediately cease all  
11 Services hereunder except such as may be specifically approved by the Contract Officer.  
12 SHERIFF shall be entitled to compensation for all Services rendered prior to receipt of the  
13 notice of termination and for any Services authorized by the Contract Officer thereafter.

14 SHERIFF may terminate this Agreement, with or without cause, upon ninety  
15 (90) days written notice to OCFA.

#### 16 **8.6 Termination for Default of SHERIFF**

17 If termination is due to the failure of SHERIFF to fulfill its obligations under this  
18 Agreement, OCFA may take over the work and perform the same to completion by contract  
19 or otherwise, and SHERIFF shall be liable to the extent that the total cost for completion of  
20 the Services required hereunder exceeds the compensation herein stipulated, provided that  
21 OCFA shall use reasonable efforts to mitigate damages, and OCFA may withhold any  
22 payments to SHERIFF for the purpose of set-off or partial payment of the amounts owed to  
23 OCFA.

#### 24 **8.7 Each Party Responsible for Own Attorneys' Fees**

25 If either party commences an action against the other party arising out of or in  
26 connection with this Agreement or its subject matter, each party will be responsible for their  
27 own legal fees and costs associated with any litigation that may occur.

### 28 **9. OCFA OFFICERS AND EMPLOYEES; NON-DISCRIMINATION**

1           **9.1    Non-Liability of OCFA Officers and Employees**

2           No officer or employee of OCFA shall be personally liable to SHERIFF, or any  
3   successor-in-interest, in the event of any default or breach by OCFA or for any amount which  
4   may become due to SHERIFF or its successor, or for breach of any obligation of the terms of  
5   this Agreement.

6           **9.2    Covenant Against Discrimination**

7           SHERIFF covenants that, by and for itself, its assigns, and all persons claiming  
8   under or through them, that there shall be no discrimination or segregation in the  
9   performance of or in connection with this Agreement regarding any person or group of  
10   persons on account of race, color, creed, religion, sex, marital status, national origin, or  
11   ancestry. SHERIFF shall take affirmative action to insure that applicants and employees are  
12   treated without regard to their race, color, creed, religion, sex, marital status, national origin,  
13   or ancestry.

14   //

15   **10.   MISCELLANEOUS PROVISIONS**

16           **10.1   Notice**

17           Any notice, demand, request, consent, approval, or communication either party  
18   desires or is required to give to the other party or any other person shall be in writing and  
19   either served personally or sent by pre-paid, first-class mail to the address set forth below.  
20   Either party may change its address by notifying the other party of the change of address in  
21   writing. Notice shall be deemed communicated forty-eight (48) hours from the time of mailing  
22   if mailed as provided in this Section.

23  
24   Orange County Fire Authority  
25   Attention: Sara Kennedy  
26   1 Fire Authority Road  
27   Irvine, CA 92602

**WITH COPY TO:**  
          David E. Kendig, General Counsel  
          Woodruff, Spradlin & Smart  
          555 Anton Blvd. Suite 1200  
          Costa Mesa, CA 92626

To SHERIFF:

Orange County Sheriff's Department

Attention: Contract Representative

550 N. Flower St.

Santa Ana, CA 92703

**10.2 Integrated Agreement**

This Agreement contains all of the agreements of the parties and cannot be amended or modified except by written agreement.

**10.3 Amendment**

This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

**10.4 Severability**

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

**10.5 Authority**

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

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3 **IN WITNESS WHEREOF**, the parties have executed this Agreement as of the  
4 dates stated below.

5 **ORANGE COUNTY FIRE AUHORITY**

6 BY: \_\_\_\_\_

7 Sara Kennedy, CPPB  
8 Purchasing Manager

9 DATE: \_\_\_\_\_

10 **APPROVED AS TO FORM:**

11 **ATTEST:**

12 BY: \_\_\_\_\_

13 David E. Kendig  
14 General Counsel

15 Maria D. Huizar  
16 Clerk of the Board

17 DATE: \_\_\_\_\_

18 DATE: \_\_\_\_\_

19 **"ORANGE COUNTY SHERIFF'S DEPARTMENT**

20 BY: \_\_\_\_\_

21 Don Barnes  
22 Sheriff-Coroner

23 DATE: \_\_\_\_\_

24 **COUNTY OF ORANGE:**

25 BY: \_\_\_\_\_

26 Chairman of the Board of Supervisors  
27 County of Orange, California

28 SIGNED AND CERTIFIED THAT A COPY OF THIS AGREEMENT HAS BEEN DELIVERED  
TO THE CHAIR OF THE BOARD PER G.C. Sec. 25103, Reso 79-1535

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Attest:  
  
\_\_\_\_\_  
Robin Stieler, Clerk of the Board  
County of Orange, California

APPROVED AS TO FORM:  
Office of the County Counsel  
County of Orange, California  
  
BY: \_\_\_\_\_  
Deputy  
  
DATED: \_\_\_\_\_



**Orange County Fire Authority**  
**AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting**  
**November 10, 2021**

**Agenda Item No. 3D**  
**Discussion Calendar**

**OCFA Aviation Unit Fleet Plan Analysis & Proposed Process for Developing  
Recommendations Related to Aircraft Replacement**

**Contact(s) for Further Information**

Brian Fennessy, Fire Chief	<a href="mailto:brianfennessy@ocfa.org">brianfennessy@ocfa.org</a>	714.573.6010
Vincent Carpino, Division Chief Special Operations	<a href="mailto:vincentcarpino@ocfa.org">vincentcarpino@ocfa.org</a>	949.274.6692

**Summary**

This agenda item is submitted to the Budget & Finance Committee to seek input regarding a vetting process that could be utilized to educate and inform our policy-makers on needs, options, costs, financing solutions, and ultimately to develop recommendations on the disposition of Federal Excess Property Program (FEPP) helicopters and associated new aircraft acquisitions.

**Prior Board/Committee Action(s)**

At the July 22, 2021, meeting of the Board of Directors, a presentation was provided by Division Chief/Special Operations, Vince Carpino, as an update on OCFA Air Operations. The Board was informed that staff would return at a later date to initiate more dialogue and to begin to explore next steps related to replacement of OCFA's Air Assets.

**RECOMMENDED ACTION(S)**

1. Receive and file the Conklin & de Decker Aviation Unit Fleet Plan Analysis.
2. Direct staff to draft a vetting process that could be utilized to educate and inform our policy-makers on needs, options, costs, financing solutions, and ultimately to develop recommendations pertaining to disposition of obsolete aircraft and acquisition of replacement aircraft.
3. Direct staff to return to the Budget and Finance Committee at its January 2022 meeting to further develop a proposed review structure that can ultimately be recommended to the Board of Directors for input and approval, prior to proceeding with deliberations.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

The fiscal impact will be further developed as part of a future air assets review process.

**Background**

The Orange County Fire Authority (OCFA) Air Operations Section began operations in wake of the devastating 1993 Laguna Fire. Orange County had no dedicated firefighting aircraft at that time. When the fire started in Laguna Canyon on a hot and dry day in October of 1993, strong Santa Ana Winds rapidly accelerated the spread. The first firefighting aircraft didn't arrive for two hours and by then the out-of-control fire had grown to 3,000 acres. A total of 441 structures were ultimately destroyed, and insured losses exceeded \$435 million.



The Orange County Fire Department (OCFD) obtained two 1967 Federal Excess Property UH-1H “Hueys” from CAL FIRE and converted them to firefighting “Super Hueys” through a performance enhancement program. They were placed into front line service in 1995. Hoist rescue was added to the multi-mission capabilities of the Section in 1999 which enabled aerial extraction of victims from swift water and the back country.

In 2008, OCFA made a major leap forward as a modern helicopter program when the fleet was upgraded with two twin engine Bell 412 EP’s. The move to dual engine aircraft added a tremendous safety margin to the multi-mission program. The addition of night vision goggle technology allowed OCFA to be one of a few agencies to provide night-time water dropping and rescue. The helicopters have commercial certificates from the FAA and do not have the same operation restrictions as the UH-1H Super Hueys.

The UH-1H helicopters were manufactured in 1967. Once retired, the Department of Defense released former Army helicopters through the Federal Excess Personal Property (FEPP) program to the U.S. Forest Service. The Forest Service distributed the helicopters to states with the intention of being used for wildland firefighting. The helicopters operate as restricted category, due to their military background, which means they can only perform special purpose operations. In 2020, the fifty-three-year-old FEPP Super Hueys were grounded due to costly major maintenance needs required by Department of Defense. Currently, OCFA provides daily staffing and maintenance of the two Bell 412 EP’s.

### **Mission**

The OCFA provides a variety of services to 23 Orange County cities and the unincorporated areas of Orange County. The primary missions for the OCFA aviation unit include firefighting and rescue. The aviation unit averages 1,250 operations per year and has flown an average of 530 hours annually beginning in 2016. The aviation unit flew just over 600 hours in 2020.

In addition to firefighting, the aviation unit uses its aircraft to do fire mapping, transport wildland crews, transport patients, and insert and extract equipment. When performing rescue missions with a 250-foot hoist cable, the unit can do various procedures including short-haul air rescue on land or water, swift-water rescue, patient transfer on litter, and large animal rescues. Other capabilities involve night vision goggle operations, infrared detection, and disaster assessment.

Of the four aircraft, the aviation unit staffs two of them 365 days each year. One of the two aircraft is staffed for 24 hours and is prepared for the firefighting and rescue missions. The crew consists of a pilot, fire captain/crew chief, and a paramedic. The second helicopter is a fire response helicopter and is available for 10 hours each day. The helicopter is staffed with a pilot and fire captain/crew chief. The third and fourth helicopters (UH-1H Super Huey) had been used for back-up and initial pilot training before being grounded in 2020.

### **Aviation Unit Fleet Plan Analysis**

The Orange County Fire Authority contracted with Conklin & de Decker to perform a thorough assessment of the current helicopter fleet to make more informed decisions on future purchase, operation, maintenance, and disposition of aircraft by providing objective and impartial information. Conklin & de Decker was identified to provide these services to OCFA based on the firm’s background of producing detailed analysis for several other Southern California public safety agencies in advance of their purchasing new aircraft. The total cost of services performed for OCFA was \$20,921.68. In June of 2021, Conklin & de Decker Associates Inc. delivered the Orange County Fire Authority Aviation Unit Fleet Plan Analysis.

Conklin & de Decker created a potential fleet replacement plan for OCFA and its aviation department. First, they produced a ten-year benchmark estimate based upon retention of the current fleet. Next, they considered changes to the fleet by incorporating new aircraft for consideration. OCFA needs a multi-mission aircraft that is capable of increased water drop capacity to support its firefighting mission. Therefore, the analysis incorporated the possibility of helicopter type changes.

### **Multi-Mission Aircraft Recommendation**

With fire season now considered “year-round” and wildfires showing increased resistance to control, approaches that were once successful in the urban interface are now proving to be less reliable. In response to these changes in fire behavior, larger retardant dropping fixed-wing firefighting aircraft such as the DC-10 and 747, have been developed and shown to be highly useful during recent fire seasons. The same evolution that has taken place in recent years with fixed wing firefighting aircraft has been occurring with multi-mission firefighting helicopters.

The Sikorsky S-70i has become the industry standard helicopter of choice for aerial firefighting and multi-mission helicopter operations. For example, fire agencies in California such as CAL FIRE, Los Angeles County, San Diego City, Ventura County & Santa Barbara County have upgraded their aircraft fleet to adapt to the changes in the Southern California wildland fire environment.

Given that the largest threat to life and property today are wildland fires, the need to replace the two legacy UH-1H Super Huey helicopters with two larger, faster, and significantly safer S70i multi-mission aircraft represents a significant improvement over OCFA’s current aircraft fleet capabilities. For example, a commonly accepted premise when fighting fires is that more water delivered per drop improves the odds of extinguishing or controlling a fire more quickly. Current OCFA helicopters drop an average of 350-375 gallons per drop which is significantly less effective than other multi-mission helicopters currently used today in the fire service that drop an average of 800-1,000 gallons.

Fire & Rescue multi-mission aviation operations are inherently hazardous. Mitigating mission and aircrew risk is a practice integrated into the fabric of OCFA air operations. The operation of multi-engine Sikorsky S70i helicopters represent a margin of aircrew and public safety that no other multi-mission aircraft in the industry currently provides. The primary safety improvements for the S-70i are more powerful engines, T700 GE 701D, airframe safety enhancements and a modern avionics glass cockpit.

Improved multi-mission operations are a key decision factor when considering aircraft replacement. However, nothing is more important than ensuring the inflight safety of OCFA aircrews and the public below. The S70i is manufactured with aircraft performance dependability and safety features that are a significant improvement in aircrew safety.

### **Conclusion**

Based on the Conklin & de Decker Aviation Unit Fleet Plan Analysis, staff understands that implementation of the recommendations (if desired, after thorough review) would require substantial investment, with long-term implications for OCFA services. There is no indication that the types of missions OCFA aircraft perform today will change in the foreseeable future. However, there is a need to improve safety and effectiveness when fighting today’s larger and faster spreading wildland fires.

Staff is seeking guidance from the Budget and Finance Committee regarding a vetting process that could be utilized to educate and inform our policy-makers on needs, options, costs, financing solutions, and ultimately to develop recommendations pertaining to disposition of obsolete aircraft and acquisition of replacement aircraft. Staff will be ready to take input from the Committee at this November 2021 meeting, and then develop a written “Air Assets Review Plan” for further refinement by the Committee in January 2022. Alternatively, the Budget and Finance Committee can use this initial November 2021 meeting to begin its thought process and wait until the January 2022 meeting to provide its initial feedback to staff. In either approach, staff will return during future Committee meetings for ongoing dialog as to the recommended review process.

**Attachment(s)**

Orange County Fire Authority Aviation Unit Fleet Analysis Plan

# **Orange County Fire Authority Aviation Unit Fleet Plan Analysis**

**Prepared for**

Orange County Fire Authority

May 19, 2021



**Prepared by**

Conklin & de Decker Associates, Inc.  
A JSSI Company

## Introduction

The Orange County Fire Authority (OCFA) seeks the assistance of Conklin & de Decker with a thorough assessment of the Authority's current helicopter fleet to make more informed decisions on the purchase, operation, maintenance, and disposition of aircraft by providing objective and impartial information. More specifically, the Exhibit requested that Conklin & de Decker focus on the following areas to accomplish the intent of the Overview.

- Based on the OCFA's historical usage, identify the preliminary specifications of the helicopter(s) required. Preliminary specifications could include such items as aircraft weight range, size, number of engines, and useful load.
- Estimate the cost of the acquisition and operation of helicopter alternatives. The operating cost estimates will include maintenance options and fuel costs, and other operating or overhead costs.
- Establish a defined framework for an OCFA helicopter replacement plan including the anticipated useful life of the equipment, as well as a comparison of phasing of aircraft purchases versus purchasing all replacement aircraft all at once.
- Thoroughly research the resale value of the current fleet and explore the primary and secondary markets for helicopters to determine the feasibility of replacement within specified timeframes, such as lead times in acquiring helicopters and expected duration in selling the current fleet.
- Provide a comprehensive summary of
  - Maintenance requirements based on usage parameters such as flight hours, calendar times, or flight cycles. Compare/contrast to current maintenance schedules deployed by the OCFA.
  - Present preliminary analysis and findings to OCFA staff and receive feedback.
  - Prepare a Fleet Plan Analysis report for all involved parties with input from OCFA staff.

To address the specific areas, Conklin & de Decker created five sections, with each section containing the following categories.

- A restatement of the OCFA's original issue, concern, or question.
- Conklin & de Decker's proposed approach.
- A summary of the analysis and research.
- Conklin & de Decker's analysis explaining the process and research to support the summary.

Listed below are the sections with the respective page numbering.

- Section 1 – Fleet Review  
Pages: 1-1 thru 1-26
- Section 2 – Life Cycle Cost Projections  
Pages: 2-1 thru 2-24
- Section 3 – Resale Value and Lead Time  
Pages: 3-1 thru 3-3
- Section 4 – Fleet Replacement Plan  
Pages: 4-1 thru 4-9
- Section 5 – Other  
Pages: 5-1 thru 5-7

## **Executive Summary**

The Orange County Fire Authority contacted Conklin & de Decker seeking assistance with a thorough assessment of the current helicopter fleet to make more informed decisions on the purchase, operation, maintenance, and disposition of aircraft by providing objective and impartial information.

Orange County Fire Authority has four helicopters that perform primarily fire and rescue operations and a variety of services to the unincorporated area of the county as well as 23 cities in the county. The following summarizes the results to Conklin & de Decker's analysis and research.

### **Orange County Fire Authority (OCFA)**

➤ Section 1, Fleet Review:

- OCFA initial request. Identify the helicopter specifications and performance requirements based on OCFA current and future missions.
- OCFA does not see its primary missions changing; however, based on the risk to the communities the OCFA serves and the current and expected annual increase in wildland fires, which occur and spread more rapidly than experienced in the past, the Fire Chief and Emergency Operations Bureau leadership believe it needs to increase its water delivery capabilities during the firefighting mission. The current fleet of helicopters have the capacity to deliver up to 350 to 375 gallons per drop. A more acceptable volume would be in the range of Type I helicopters, which would begin around 700 or more gallons.
- OCFA selected two helicopter types that have the capacity to deliver more water per drop, while also providing more cabin volume and seating than the current fleet. Those aircraft were the Sikorsky S-70i and Coulson-Unical CU-47D.
- OCFA also requested information on the newest version of the Bell 412 series, the Bell/Subaru 412EPX, due to its improved performance.
- Table 1 provides information about the selected performance and specifications for the current fleet and the candidate helicopters.

Table 1					
Current and Candidate Helicopters					
Firefighting Mission					
Airframe Manufacturer /Type	Bell / Super Huey	Bell / 412EP	Subaru/Bell 412EPX	Sikorsky S-70i	Coulson CH-47D
Engine Manufacturer /Type	Honeywell / T53-L-703	Pratt & Whitney / PT6T-3D	Pratt & Whitney / PT6T-9	General Electric / T700 GE 701D	Honeywell / T5-GA-L714A
<b>Useful Load (lbs.)</b>					
Maximum Take-Off Gross Weight (Internal)	10,500	11,900	12,200	22,000	50,000
Maximum Take-Off Gross Weight (External)	11,200	11,900	13,000	23,500	50,000
Mission Configured - Fire	6,700	8,300	8,300	14,200	26,500
Flight Crew (Firefighting)	450	450	450	650	650
Useful Load Available for Mission	4,050	3,150	4,250	8,650	22,850
Fuel (lbs.) 1.5-Hour Mission w/ 20 Min. Reserve	1,275	1,385	1,385	1,986	4,966
Remaining Useful Load	2,775	1,765	2,865	6,664	17,884
<b>Mission Endurance (Hours)</b>	<b>2.0</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.6</b>
<b>Hover Capabilities (Altitude)</b>					
In-Ground Effect (ISA, Sea Level)	6,800	6,200	11,100	10,270	7,750
Out-of-Ground-Effect (ISA, Sea Level)	10,800 lbs.	11,890 lbs.	8,000	6,200	6,100
In-Ground Effect (ISA +20 C, Sea Level)	6,800	6,200	8,200	7,400	5,250
Out-of-Ground-Effect (ISA +20 C, Sea Level)	10,800 lbs.	11,890 lbs.	4,000	4,400	3,900
<b>Helicopter Speed (kts)</b>					
Cruise Speed - Max (knots)	106	125	130	145	157
Cruise Speed - Long Range (knots)	106	122	124	128	130
Calculated Speed (knots)	90	106	110	122-140	131-157
<b>Water Drop Capabilities (gallons)</b>					
Water Tank Size (gallons)	350	375	375	1,000	3,000
1.5-Hour Mission+ 20-Min Fuel Reserve	332	211	343	797	2,498
End of Mission (20-minute reserve)	457	347	478	992	2,985
<b>Cabin</b>					
Volume (cubic feet)	208	208	208	396	1,629
Crew/Passengers	2/14	2/14	2/14	2/12	2/>30
<b>Pricing/Value</b>					
Basic Price (x1M)	N/A	N/A	\$11.5	\$17.0	\$16.5
Firefighting Completion (x 1M)	N/A	N/A	\$14-\$15	\$20-\$23	\$5.8*
Resale Value	\$1.6-\$2.0	\$3.5-\$4.3	N/A	N/A	N/A

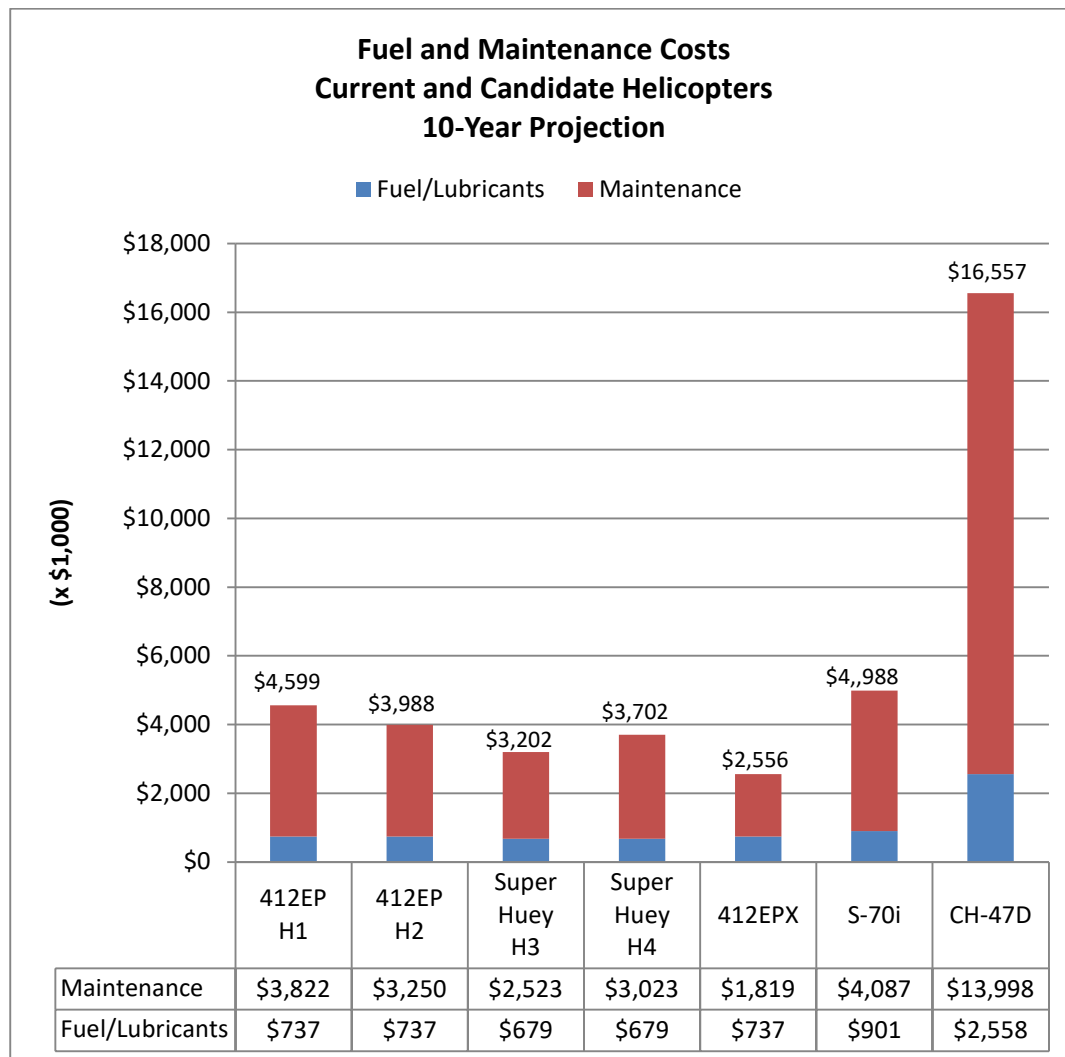


➤ Section 2, Life Cycle Cost Projection:

- OCFA initial request. Estimate the cost of the acquisition and operation of helicopter alternatives. The operating cost estimates will include maintenance options and fuel costs, and other operating or overhead costs.
- We estimated the maintenance and fuel costs over a ten-year period for each of the current helicopter fleet and for the selected replacement candidate helicopters. While the chart highlights the increase in costs for the candidate helicopters, it does not represent the significant increase in water dropping capacity.
- It is important to mention the effect that a helicopter's age can have on the maintenance costs in a life cycle. Three of the helicopter types, UH-1H Super Huey, Bell 412EP, and CH-47D, have been in operation for many years. The 412EPX and S-70i are considered newer helicopters. Due to their age and the number of flight hours, older aircraft will have higher maintenance costs as they encounter significant maintenance events. Based on the assumption of 200 flight hours per year per helicopter, the 412EP helicopters will encounter several of these maintenance events, which drives up the total costs during the next ten-year period. The new helicopters will not encounter the significant events in their first ten years based upon the 200 hours per year and therefore their cost may be similar to or less than the older helicopters.
- Chart 1 summarizes the estimated fuel and maintenance costs over the next ten-year period. Each of the OCFA helicopters are summarized individually, while the candidate helicopters are based on helicopters that are new in the life cycle.



Chart 1



- To acquire helicopters with Type 1 capability, the costs to operate them will also increase. Chart 1 highlights the increase. While the increase in maintenance and fuel cost may seem excessive, the increase in performance must also be considered. Comparing the Bell 412EP to the Sikorsky S-70i illustrates the increase in water delivered during the typical mission scenario. The S-70i will carry 256 percent more water per tank load. The CU-47D water drop capability is ten times the 412EP. The 412EPX also increases the water dropped by 58 percent when compared to the 412EP.
- The time remaining for significant scheduled maintenance items and events influence an aircraft's value during its life cycle. Table 2 reflects that effect for the current (10 years) and candidate helicopters (20 years) and highlights the years that OCFA may want to consider when selling a particular helicopter. The years marked with yellow represent periods in the life cycle when the remaining lives of significant scheduled maintenance have a positive effect on value when compared to an assumption of 50 percent

remaining life. The single red block for each helicopter represents the lowest value. The letters in the yellow blocks identify the years with the highest estimated values. "A" identifies the highest value. Yellow blocks without letters represent estimated aircraft values that are less than the third/fifth highest years ("C" or "E"). The white blocks are the years when the helicopter's value is below the average baseline.

Table 2																				
OCFA Helicopters - Annual Summary of Adjusted Values																				
Registration Number	Year 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
N141FA H1		A		C				B			X	X	X	X	X	X	X	X	X	X
N241FA H2	A	B					C				X	X	X	X	X	X	X	X	X	X
N441FA H3	C								A	B	X	X	X	X	X	X	X	X	X	X
N541FA H4	C					B				A	X	X	X	X	X	X	X	X	X	X
Candidate Helicopters - Annual Summary of Adjusted Values																				
412EPX	A	B											C	D	E					
S-70i	A	B	C	D	E															
CU-47D	Not Available																			

➤ Section 3, Resale Value and Lead Time:

- OCFA initial request. Research the resale value of the current fleet and lead time for the new helicopters.
- Table 3 summarizes the resale values for the current fleet and the lead time for the candidate helicopters.

Table 3					
Resale, Acquisition Cost, and Lead Time					
Helicopter Type	Resale Value (x 1 million)	Disposition Time	Acquisition Cost (x 1 million)	Basic Aircraft Delivery	Completion Estimate
UH-1H Super Huey	N/A	Immediate	N/A	N/A	N/A
412EP	\$3.5 - \$4.3	Year or more	N/A	N/A	N/A
412EPX	N/A	N/A	\$14 - \$15	1-6 months	6 months
S-70i	N/A	N/A	\$20 - \$23	24 months	6-8 months
CH-47D	N/A	N/A	\$16.5	Jun-2021	Jun-2021

- Using two industry resources, Conklin & de Decker and HeliValue\$, the range of costs for a used Bell 412EP is \$3.50 to \$4.30 million. The UH-1H Super Hueys do not have a resale value. They were acquired through the Federal Excess Personal Property (FEPP) program, the opportunity for receiving resale value is eliminated. Technically, the

helicopters are still owned by the federal government with CAL FIRE serving as the conduit to OCFA.

- An industry source reemphasized that estimated helicopter values are only applicable if there are available buyers. As of the end of 2020, the lack of buyers at the current estimated values indicates the actual value is somewhere lower than the estimated values. Another resource, AMSTAT, estimated that 412 helicopters are staying on the market for a year or more.
- The CU-47D has the shortest lead time 3 months. The Bell 412EPX has a range of 7 to 12 months. The S-70i based on the standard lead time would be 24 months plus completion of 6-8 months. However, Sikorsky also has spec helicopters that could reduce the standard 24-month lead time significantly.

➤ **Section 4, Fleet Replacement Plan:**

- OCFA initial request. Suggest replacement plan for existing fleet. The suggested plan is one approach to consider, however the plan can vary based upon OCFA discussions and changes to our current assumptions.
- Retain the Current Fleet - Although retaining the current fleet is not likely, it serves as a benchmark when compared to the changes that may occur as suggested by the four steps. Based upon the life cycle cost assumptions stated in Section 2 Life Cycle Cost Projections, we projected the estimated fuel and maintenance costs for the next ten years for an unchanged fleet.
- Step 1: Retire the UH-1H helicopters. There are three primary reasons for retiring these helicopters, age (over 50 years), increased costs due to limited military spares and aging, and reduced availability. An additional factor to consider is the level of risk comparison between single-engine and dual-engine helicopters while hovering.
- Step 2: Acquire Bell 412EPX. If the OCFA desires to continue having two helicopters available for each day of the year, a third helicopter is required. Acquiring a 412EPX, also improves the amount of water dropped for firefighting when compared to the 412EP helicopters.
- Step 3: Acquire a Type I helicopter. The candidate helicopters will meet the OCFA objective to increase the amount of water delivered during the firefighting mission.
- Step 4: Consider acquiring a second Type I helicopter and if so, retire a 412EP. Significant scheduled maintenance events will affect a helicopter's availability. If delivering larger amounts of water is a priority, there will be times when OCFA will not have a Type I helicopter available to perform the mission. OCFA needs to determine the significance of this risk and if a second Type I helicopter is required for adequate coverage.
- If OCFA does acquire a second Type I helicopter, the opportunity exists to retire one of the 412EP helicopters.

Table 4 summarizes the various options to change the current fleet.

<b>Table 4</b>					
<b>OCFA - Summary of Fleet Options</b>					
<b>Dollar amounts x 1 Million</b>					
<b>Option</b>	<b>Operating Cost</b>	<b>Disposition Amount</b>	<b>Purchase</b>	<b>Total</b>	<b>Management Service</b>
Retain Current Fleet	\$15.5	Not Applicable	Not Applicable	\$15.5	Not Applicable
<b>Steps 1 and 2: Retire UH-1Hs/Acquire 412EPX</b>					
Two 412EP/One 412EPX	\$11.1	\$0.0	\$14.0-\$15.0	\$25.1-\$27.1	Not Applicable
<b>Step 3: Acquire Type I Helicopter</b>					
S-70i	\$7.0	Not Applicable	\$20.0-\$23.0	\$27.0-\$30.0	Not Applicable
CU-47D	\$16.6	Not Applicable	\$16.5	\$33.1	\$65.6
<b>Step 4: Acquire second Type I Helicopter/ Retire one 412EP</b>					
One 412EP/One 412EPX	\$5.8	(\$3.7-\$4.3)	Not Applicable	\$9.5-\$10.1	Not Applicable
S-70i	\$7.0	Not Applicable	\$20.0-\$23.0	\$27.0-\$30.0	Not Applicable
CU-47D	\$16.6	Not Applicable	\$16.5	\$33.1	\$65.6

➤ Section 5, Other Information:

- Guaranteed maintenance programs (GMP) provide certainty for the erratic and often hard-to-predict behavior of maintenance costs. Often overlooked but just as important, GMP will improve helicopter availability. A strong understanding of the many variables and factors that influence what a program potentially covers is important. Negotiate with the vendors for better value.
- The dimensions at OCFA maintenance hangar bay at Fullerton Municipal Airport and the S-70i dimensions could create some problems. OCFA needs to check the dimensions for the other hangar bays.

Table 5		
OCFA Hangar and S-70i Dimensions		
Measurement - Feet		
Description	S-70i	OCFA Hangar
Door Width	53.67	55.00
Length/Depth	64.80	63.83
Height	17.20	16.50
Door Height	---	17.42

## **Section 1 – Fleet Review**

### **Orange County Fire Authority Original Request**

Identify the helicopter specifications and performance requirements based on Orange County Fire Authority (OCFA) current and future missions.

### **Conklin & de Decker Approach**

In interviews with the fire aviation unit personnel, there was no indication that its primary missions, firefighting and rescue, would be changing in future years. However, it was apparent OCFA was interested in increasing the amount of water that could be dropped during firefighting missions. Based on the request, the primary objective was to identify and then compare alternative helicopter types with the current fleet to determine if there might be better-suited helicopters to perform the firefighting mission. OCFA also requested information on the newest version of the Bell 412 series, the Bell/Subaru 412EPX, due to its improved performance. We determined that certain performance and specifications were important to evaluate the candidate helicopters. The parameters included:

- Useful Load
- Mission Endurance,
- Aircraft Speed,
- Hovering Capability,
- Water Drop Capacity,
- Cabin Volume and Seating
- Purchase Price
- Maintenance and Fuel Costs (Section 2 of the report)

We used the current helicopters to explain the importance of these parameters and to serve as a baseline when comparing to the candidate helicopters. The final step was to create a table that compares the current capabilities of the existing helicopters to the candidate helicopters.

Section 1 also provides a brief background about the OCFA aviation unit history and the current and candidate helicopters.

### **Summary**

Table 1-1 provides a comparison of the current and candidate helicopters and the parameters we selected for performance, specifications, and costs.

Table 1-1					
Current and Candidate Helicopters					
Firefighting Mission					
Airframe Manufacturer /Type	Bell / Super Huey	Bell / 412EP	Subaru/Bell / 412EPX	Sikorsky / S-70i	Coulson CH-47D
Engine Manufacturer /Type	Honeywell / T53-L-703	Pratt & Whitney / PT6T-3D	Pratt & Whitney / PT6T-9	General Electric / T700 GE 701D	Honeywell / T5-GA-L714A
<b>Useful Load (lbs.)</b>					
Maximum Take-Off Gross Weight (Internal)	10,500	11,900	12,200	22,000	50,000
Maximum Take-Off Gross Weight (External)	11,200	11,900	13,000	23,500	50,000
Mission Configured - Fire	6,700	8,300	8,300	14,200	26,500
Flight Crew (Firefighting)	450	450	450	650	650
Useful Load Available for Mission	4,050	3,150	4,250	8,650	22,850
Fuel (lbs.) 1.5-Hour Mission w/ 20 Min. Reserve	1,275	1,385	1,385	1,986	4,966
Remaining Useful Load	2,775	1,765	2,865	6,664	17,884
<b>Mission Endurance (Hours)</b>	<b>2.0</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.6</b>
<b>Hover Capabilities (Altitude)</b>					
In-Ground Effect (ISA, Sea Level)	10,630	10,200	9,000	10,270	7,750
Out-of-Ground-Effect (ISA, Sea Level)	11,000 lbs.	5,200	6,000	6,200	6,100
In-Ground Effect (ISA +20 C, Sea Level)	6,800	6,200	5,600	7,400	5,250
Out-of-Ground-Effect (ISA +20 C, Sea Level)	10,800 lbs.	11,890 lbs.	1,500	4,400	3,900
<b>Helicopter Speed (kts)</b>					
Cruise Speed - Max (knots)	106	125	130	145	157
Cruise Speed - Long Range (knots)	106	122	124	128	130
Calculated Speed (knots)	90	106	110	122-140	131-157
<b>Water Drop Capabilities (gallons)</b>					
Water Tank Size (gallons)	350	375	375	1,000	3,000
1.5-Hour Mission+ 20-Min Fuel Reserve	332	211	343	797	2,498
End of Mission (20-minute reserve)	457	347	478	992	2,985
<b>Cabin</b>					
Volume (cubic feet)	208	208	208	396	1,629
Crew/Passengers	2/14	2/14	2/14	2/12	2/>30
<b>Pricing/Value</b>					
Basic Price (x1M)	N/A	N/A	\$11.5	\$17.0	\$16.5
Firefighting Completion (x 1M)	N/A	N/A	\$14-\$15	\$20-\$23	\$5.8*
Resale Value	\$1.6-\$2.0	\$3.5-\$4.3	N/A	N/A	N/A

## **Conklin & de Decker Analysis**

### **Current Fleet**

#### **Background:**

The OCFA aviation unit started flying in 1994 by contracting with Evergreen Helicopters for one year. Since then, the OCFA fleet has grown to four helicopters. The fleet consists of two types of medium Bell helicopters, two modified military UH-1H, referred to as Super Huey, and two 412EP helicopters.

Both of the OCFA type helicopters come from the same development lineage, a military helicopter designed for the US Army, the Bell UH-1 Iroquois. The stretched version of this model became the most popular version of the UH-1 series and had various designations based on performance improvements. The UH-1D was the first stretched version with its production beginning in 1961. The UH-1H, also known as the Huey, was produced for 20 years beginning in 1967. Over 3,500 were built.

The OCFA UH-1H helicopters are referred to as Super Hueys, which is due to a performance enhancement program. The program, conducted by San Joaquin Helicopters, replaced the original engine (T53-L-13) with a more robust Lycoming engine, the T53-L-703. Additional performance improvements included the conversion of the UH-1H tail boom, tail rotor, and main rotors to Bell 212 components. The tail rotor and intermediate gearboxes were also 212 components. The improvements were also available to the commercial Bell 205 helicopter, which was designated as the 205A-1++.

The single-engine turbine military helicopter served as the basis for Bell's commercial 204 and 205 series helicopters, which were also single-engine turbines. The lineage continued with the addition of two twin-engine commercial series, the Bell 212 and 412. The Bell 212 was the first to be produced in 1971. During its 27 years of production approximately 900 were built. Production ended in 1998.

The Bell 412 model is almost identical to the Bell 212. The primary difference between the models is the main rotor blades. The 412 has four main rotor blades versus the 212's two and the blades are made with composite material rather than aluminum, which extends the life-limit of the blades.

The Bell 412 cabin features two pilot seats up front. The passenger/cargo cabin has a flat floor, and two large sliding doors provide ready access to the cabin. When used for passenger transport, the 412 can seat up to 13 passengers. It is also certified for single-pilot Instrument Flight Rules (IFR) and Category A operations (i.e. operate with one engine inoperative).

Introduced in 1981, the Bell 412 has experienced several updates involving its fuel capacity, take-off weight, transmission capabilities, and fuel control system. The 412EP was introduced in 1994 and remained in production until 2013 when Bell introduced the 412EPI. The 412EPI has just been replaced



by the 412EPX, a joint effort between Bell and Subaru. Approximately 500 Bell 412 helicopters have been built since 1981.

### **Basic Fleet Information:**

Table 1-2 offers more basic information about the current fleet of the OCFA.

The UH-1H helicopters were manufactured in 1967. Once retired, the Department of Defense released former Army helicopters through the Federal Excess Personal Property (FEPP) program to the U.S. Forest Service. The Forest Service distributed the helicopters to states with the intention of being used for wildland firefighting. OCFA procured three UH-1H helicopters from CAL FIRE. The helicopters operate as restricted category, due to their military background, which means they can only perform special purpose operations. Firefighting is one of those operations. Should OCFA want more information on restricted category, the following link will take you to a relevant resource.

[14 CFR § 91.313 - Restricted category civil aircraft: Operating limitations. | CFR | US Law | LII / Legal Information Institute \(cornell.edu\)](#)

The Bell 412EP helicopters were purchased in 2008 and began operations shortly thereafter. The helicopters have commercial certificates from the FAA and do not have the same operation restrictions as the UH-1H Super Hueys.

Table 1-2					
Basic Information - OCFA Helicopters					
Aircraft Type	OCFA Designation	Serial Number	Registration Number	Total Time (Flight Hours)	Average Flight Hours per Year 2016-2020
412EP	H1	36484	N141FA	2,329	244
412EP	H2	36487	N241FA	2,188	176
UH-1H	H3	5610	N441FA	6,811	42
UH-1H	H4	8529	N451FA	9,196	70

**Notes:**

- **Aircraft Type:** Manufacturer's designation for the model type.
- **Serial Number:** Unique identification for each aircraft as assigned by the manufacturer.
- **Registration Number:** Civil aircraft must be registered with the Federal Aviation Administration. The registration number is frequently referred to as the aircraft's N Number because all registered aircraft have a number starting with the letter N.
- **Total Time (Flight Hours):** The total airframe hours as reflected on January 29, 2021.
- **Average Flight Hours per Year (2016-2020):** The average annual flight hours during the most recent 5-year period. Data provided by the aviation unit.

**Mission:**

The OCFA provides a variety of services to the unincorporated area of the county as well as 23 cities in the county. The primary missions for the OCFA aviation unit include firefighting and rescue. The aviation unit averages 1,250 operations per year and has flown an average of 530 hours annually beginning in 2016. The aviation unit flew just over 600 hours in 2020.

In addition to firefighting, the aviation unit uses its aircraft to do fire mapping, transport wildland crews, transport patients, and insert and extract equipment. When performing rescue missions with a 250-foot hoist cable, the unit can do various procedures including short-haul air rescue on land or water, swift-water rescue, patient transfer on litter, and large animal rescues. Other capabilities involve night vision goggle operations, infrared detection, and disaster assessment.

Of the four aircraft, the aviation unit staffs two of them 365 days each year. One of the two aircraft is staffed for 24 hours and is prepared for the firefighting and rescue missions. The crew consists of a pilot, fire captain or crew chief, and one or two paramedics. The second helicopter is a fire response helicopter and is available for 10 hours each day. The helicopter is staffed with a pilot and fire captain or crew chief. The third and fourth helicopters are used for back-up and initial pilot training.

To perform its various missions, both of the OCFA helicopters are equipped with the following mission equipment (Table 1-3). Each type of helicopter has the same equipment. For example, each of the Bell 412EPs are identical. The same is true of the UH-1H Super Hueys. When comparing the two types of helicopters to each other, the mission equipment is very similar.

Table 1-3		
Mission Equipment		
412S OUTFITTED IDENTICAL	412EP	UH-1H Super Huey
CARGO HOOK ASSEMBLY	X	X
600LB GOODRICH RESCUE HOIST	X	X
SIMPLEX MODEL 304 FIRE ATTACK SYSTEM	X	
ISOLAIR ELIMINATOR II FIRE ATTACK SYSTEM		X
KAWAK AUX HYDRAULIC SYSTEM	X	
SPECTRO-LAB SX-5 SEARCHLIGHT W/ PILOT CYCLIC CONTROLS	X	X
NVG STEERABLE SEARCHLIGHT	X	
AERODYNAMIX NVG COCKPIT	X	X
KAWAK TECHNOLOGIES HYDRAULIC HOVER PUMP W/9FT SNORKEL	X	X
SKID TUBE CABLE GUARD	X	X
DART CABIN FLOOR PROTECTIVE KIT	X	X
NAT P.A. SPEAKERS	X	X
(2) TDFM-136NV FM	X	X
(2) TDFM-680NV 800MHZ	X	X
GPS 500W/GPS 530	X	X
SKYCONNECT FLIGHT TRACKER W/ SATCOM PHONE	X	X
FORWARD RECOGNITION LIGHTS		X
DART LED PULSE LIGHTS AND CARGO MIRRORS	X	
AVIDYNE TAS TRAFFIC AVOIDANCE SYSTEM	X	
AVALEX DVR AND DATA RECORDER	X	

**Notes:**

- An "x" indicates the item is present on the aircraft type.

The following images show the OCFA Bell UH-1H (Super Huey) and 412EP helicopters.



**Bell UH-1H Super Huey**



**Bell 412EP**

**Flight Activity:**

Chart 1-1 summarizes the flight activity for each helicopter during a five-year period beginning in 2016.

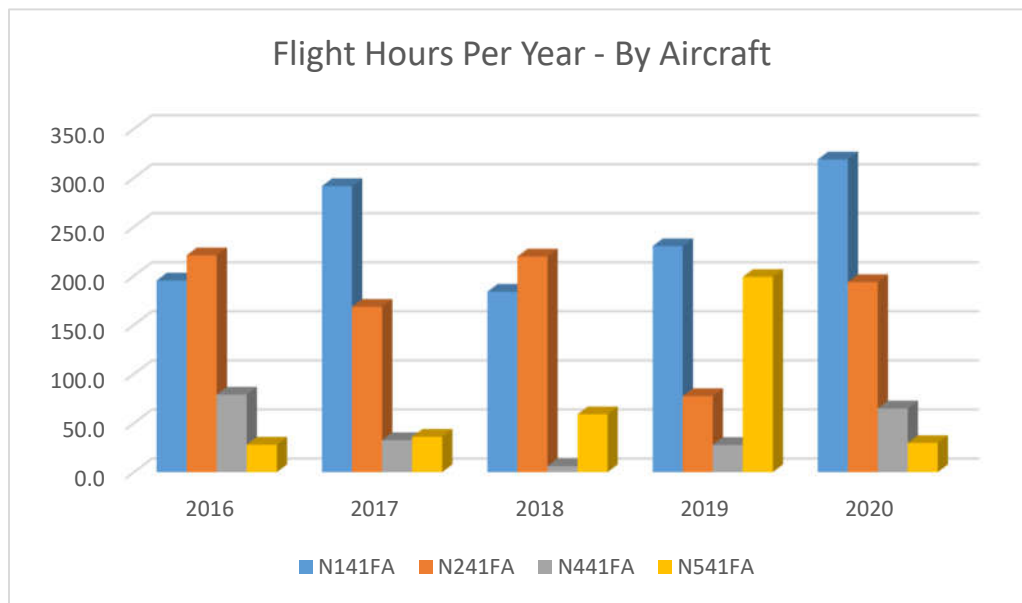
The OCFA aviation unit's fleet averaged 532 flight hours, or totaled 2,661 flight hours, during the five-year period beginning in 2016 through 2020. The hours for each year when compared to the overall average do not vary significantly. In three of the years, 2016, 2017, and 2019, the total flight hours are within nine hours of the average. Two of the years, 2018 and 2020, are approximately 12 percent from the overall average. In 2018, the aviation unit's fleet flew only 468 hours, while in 2020 the fleet flew 610 hours.

The Bell 412EP helicopters have flown the most hours during the five-year period. N141FA H1 flew a total of 1,219 hours during that period, which is the most hours when compared to the rest of the fleet. The average flight hours per year was 244. The flight hours for this helicopter varied more each year than the fleet totals. N141FA flew the fewest hours in 2018 at 184, while in 2020, it flew the most hours at 319 hours, which is a difference of 135 hours.

Bell 412EP N241FA, flew the second most hours in the fleet. During the five-year period, the helicopter flew 880 hours, which is 72 percent of N141FA. The range of flight hours during this period varied from 77 hours in 2019 to 221 hours in 2016, which is a difference of 144 hours.

The two UH-1H Super Hueys, N441FA and N541FA, combined to fly only 21 percent of the total hours flown by the fleet. Of the 561 hours flown during the five-year period by these helicopters, N441FA H3 flew 210 hours and N541FA H4 flew 351. The reason for having the fewer hours is the aviation unit uses these helicopters as back up to the Bell 412EPs when they are not available and for initial pilot training. Maintenance on the Bell 412EP is a common event that would remove a helicopter from an availability status.

Chart 1-1

**Notes:**

- **N141FA and N241FA are Bell 412EP helicopters.**
- **N441FA and N541Fa are the UH-1H Super Huey helicopters.**

Chart 1-2 summarizes the flight hour activity by the type of missions that are performed by the aviation unit's fleet.

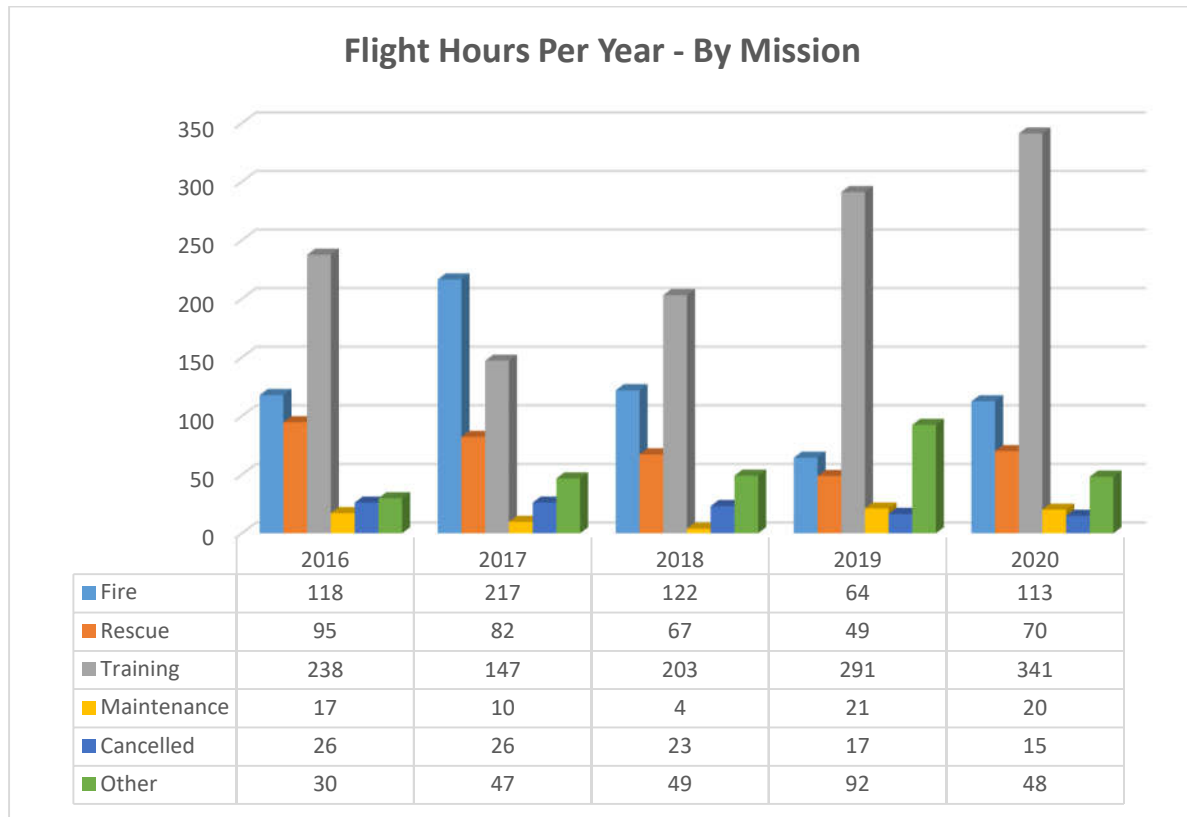
Training consumed 1,220 hours or 46 percent of the total flight hours during the five-year period. In 2019 and 2020, the flight hours increased to 291 and 341 hours respectively, which is almost 50 to 100 hours more than the five-year average of 244 flight hours.

Two factors contribute to the training mission being the highest number of flight hours. First, the primary missions, firefighting and rescue, are call-when-needed activities. These missions are not scheduled or necessarily predictable. Therefore, the number of flight hours in any given year are dependent on the frequency of the fires and rescue operations. Second, training supports, not only regulatory requirements, but also safety programs and the quality of performing firefighting and rescue missions.

The firefighting mission illustrates how much variation exists from year to year when the occurrence of fires is difficult to predict. Comparing 2016 to 2017, the flight hours increased by 84 percent, 2017 to 2018, flight hours decreased 44 percent, 2018 to 2019 decreased again by 48 percent, and 2019 to 2020 flight hours increased by 77 percent. For the five-year period, the total flight hours were 633 and an annual average of 127.

The flight hours associated with the Rescue missions are the third highest of the aviation unit's missions. Rescue flight hours totaled 363 during the five-year period. The annual average was 73 flight hours. The difference between the least annual flight hours of 49 in 2019 and the highest of 95 in 2016 was 46 hours.

Chart 1-2



### Candidate Helicopters

OCFA does not foresee that its types of missions will change in the foreseeable future. However, OCFA does see the need to improve its effectiveness when fighting fires. For example, a commonly accepted premise when fighting fires is that more water delivered per drop improves the odds of extinguishing or controlling a fire more quickly. Los Angeles County Fire Department has supported this concept with its introduction of Type 1 helicopters almost 20 years ago. OCFA believes a helicopter that delivers at least an average of 600 to 800 gallons would be a significant improvement over the current fleet's capabilities.

The industry has categories for helicopter types and their relative water dropping capabilities. The National Wildfire Coordinating Group (NWCG) establishes the standards by which helicopters are to

operate when working with various agencies for fire suppression. One of NWCG's publications, Standards for Helicopter Operations, defines the categories as shown in Table 1-4.

<b>Table 1-4</b>			
<b>Type Specifications for Helicopters</b>			
<b>Attributes</b>	<b>Type 1</b>	<b>Type 2</b>	<b>Type 3</b>
Useful load at 59°F at sea level	5,000 pounds	2,500 pounds	1,200 pounds
Passenger seats	15 or more	9-14	4-8
Retardant or water carrying capability	700 gallons	300 gallons	100 gallons
Maximum gross takeoff/landing weight	12,501+ pounds	6,000-12,500 pounds	Up to 6,000 pounds

Based upon the four attributes mentioned in Table 1-4, the OCFA's UH-1H Super Huey and Bell 412EP are considered Type 2 helicopters. Subsequent information in this section will further illustrate the capabilities of the current helicopters.

Table 1-4 also outlines the requirements for helicopters to be classified as Type 1, which are significantly larger and capable of delivering greater amounts of water for the firefighting mission. A Type 1 helicopter would also increase the cabin volume, which would have a positive effect on OCFA's other primary mission, the rescue mission. A larger cabin would also allow OCFA to carry certain mission equipment and personnel.

We were asked to consider two helicopter types that can deliver more water per drop than currently happens with the current fleet and are considered Type I helicopters.

- Sikorsky S-70i
- Coulson-Unical CU-47D

In addition to the desire to improve the firefighting efficiency, OCFA also requested a review of its current Type 2 helicopters, which are used primarily for firefighting missions but also can perform the rescue mission. The request was primarily based on identifying an appropriate time to replace the current fleet based upon their age. OCFA requested that we review Bell's most recent version of the 412, which is the 412EPX.

Following is a general review of the candidate helicopters.

**Sikorsky S-70i** – Known as Sikorsky Manufacturing Corporation in 1925, the company expanded quickly, relocated to Stratford, Connecticut, and reorganized as the Sikorsky Aviation Company in 1929. It became part of the United Aircraft and Transport Corporation, which would be reorganized as the United Technologies Corporation (UTC) in 1975. Lockheed Martin, its current parent company, purchased Sikorsky in 2015.



Certificated as the S-70, the helicopter was first built for the US military. The UH-60 was designed in response to a US Army competition in the early 1970's for a replacement of the UH-1 "Huey". Sikorsky has built versions of this helicopter for every branch of the US Armed Forces, the US Coast Guard, and numerous foreign armed forces. To date well over 3,300 have been delivered.

The current non-US military designation is the S-70i. Los Angeles County Fire Department has historically operated the S-70A version, which is the equivalent to the UH-60L military designation but has also received the S-70i version recently. Other agencies that have recently acquired S-70i helicopters are the City of San Diego Fire, which purchased one in 2018, CAL FIRE received the first of twelve in 2019, Ventura County purchased three UH-60L helicopters, and Santa Barbara received a UH-60A in 2021. Additionally, the California Army National Guard also operate the UH-60 for water drop operations.

The primary improvements for the S-70i are more powerful engines, T700 GE 701D, and a modern avionics glass cockpit. The fuselage provides one large compartment with two seats for the flight crew and flexible seating for between 11 to 20 individuals. For the firefighting mission, the S-70i can carry a water tank with 1,000-gallon capacity. This places the S-70i, and UH-60 models, in the Type I category; a capability which has become the helicopter of choice for aerial firefighting.



**Sikorsky S-70**

**Coulson-Unical CU-47D** – The CH-47 has a long lineage that began in the 1957/58 timeframe when Vertol, a rotorcraft company, decided it would develop a twin-engine, tandem-rotor helicopter. At the same time, the US Army announced its intention to replace its piston twin-engine heavy-lift helicopter. The initial production aircraft, known as the HC-1B, was produced by Boeing Vertol in 1961. The CH-47 designation appeared in 1962 and is also referred to as the Chinook. The CH-47 was designed to, not only carry passengers, but also heavy cargo and equipment.

The US Army placed the CH-47D into service in 1982. Improvements to its predecessor, the CH-47C, included upgraded engines (Lycoming T55-L-712) for improved performance, composite rotor blades, a redesigned cockpit to reduce workload, improved and redundant electrical systems and avionics, and the adoption of an advanced flight control system. Production of the CH-47D ended in 2002. The CH-47 is one of the few aircraft designed and built in the 1960s that is still in production and serves as an essential tool for the US Army and other military organizations.

The Coulson-Unical CU-47D has an internal water tank capacity of 3,000 gallons and a maximum passenger load of 33 plus three crew members.

Boeing Vertol also produced a commercial version of the CH-47 series. Its designation is the Model 234 and was also produced by Boeing Vertol. However, in 1996, Columbia Helicopters acquired the type certificate and is recognized now as the Columbia Model 234.



**Coulson-Unical CU-47D**

**Bell-Subaru 412EPX** – This helicopter is the latest version of the 412 series. Japan's government, looking to replace its UH-1Js operated by the Japan Air Self-Defence Force, selected a joint Bell-Subaru bid to upgrade the model 412EPI. Japan received the first prototype of the EPX in February 2019 and Subaru assembled the first customer aircraft, which is destined for Japan's national police service.

Production of the 412EPI ceased in 2020 and building of the 412EPX helicopters is at the Bell facility in Mirabel, Canada. The partners continue to promote the 412EPX to the civilian market, following its certification of the prototype in July 2018. The Japan Civil Aviation Bureau approved certification in January 2020.

Improvements to the 412EPX focused on the transmission and rotor mast. Subaru's laser-peening processes enhanced main rotor gearbox performance, allowing it to withstand higher torque loads. The commercial version of the 412EPX have higher internal and external maximum gross weights, an increase in external payload, and an update to the BasiX Pro avionics suite. The twin engines are Pratt & Whitney Canada PT6-9, which have improved ship-horsepower compared to the 412EP.



**Bell-Subaru 412EPX**

### **Parameters/Specifications**

The primary missions for the OCFA helicopters are firefighting and rescue. Secondary missions include various types of pre-fire planning, rescue operations, fire department assistance, and emergency assistance. To perform those missions, helicopters must have certain capabilities. For example, how much payload is available, what is the potential mission endurance, how fast can the helicopter fly, what is the passenger capacity, and how well does it perform in certain environmental conditions? In addition to performance and specifications, costs to acquire and operate the helicopter are important?

Based on prior discussions with OCFA personnel and the nature of the OCFA missions, with an emphasis on firefighting, we selected the following parameters to compare the current Bell UH-1H Super Huey and 412EP helicopters to the candidate helicopters.

- Useful Load
- Mission Endurance
- Speed
- Hover Capabilities
- Water Drop Capabilities

- Cabin Volume and Seating
- Purchase Price
- Maintenance and Fuel Costs (Discussed in Section 2, Life Cycle Costs)

The following information explains the importance of each of the parameters, while using the existing Bell UH-1H Super Huey and 412EP helicopters as a benchmark to further illustrate each parameter. Following the explanation of the parameters, Table 1-12 compares the existing fleet to the candidate helicopters.

### **Current Fleet**

**Useful Load** –The amount of available weight an aircraft can carry for fuel, supplies/cargo, and personnel is a premium. Therefore, it is one of the more important factors in the selection process. A limited amount of useful load is one of the more common reasons for an operator to change aircraft as its mission and related equipment changes.

The useful load or payload of an aircraft is calculated using the maximum take-off weight minus the basic or empty weight.

The aircraft's maximum take-off gross weight (MTOGW) is just what the name implies, the maximum weight at which the aircraft can take-off. This weight is part of the regulatory certification process. Occasionally, maximum gross weight can exceed MTOGW while in flight performing its operations. For our purposes we will use MTOGW as our parameter.

With some helicopter types, there are two limits regarding MTOGW, internal and external. Internal weight refers to the weight within the helicopter structure. External MTOW refers to the weight of the helicopter with an external load. If there is a difference, the external weight is frequently a higher amount than the internal weight. Firefighting tanks are considered external weight because the tank is attached to substantial structural elements capable of handling higher loads than an aircraft's cabin floor.

Generally, there are two points of empty weight. The first point is the weight of the aircraft as delivered by the manufacturer (also known as a green or basic aircraft). The second point is what the aircraft weighs when ready to perform its mission.

A manufacturer's empty weight can vary based upon the items each manufacturer considers as part of the basic aircraft. An example will illustrate how the empty weight can vary. When a manufacturer completes an aircraft, the weight of the aircraft will include the obvious, airframe and engines and their related mounting structures. However, where manufacturers may differ involves items such as the basic interior, seating, other furnishings, and other basic systems (e.g. avionics). Referred to as the

manufacturer's empty weight, it does not include equipment installed by the operator to perform its missions.

The mission-ready weight is the most relevant to the operator. Subtracting this weight from the MTOGW lets the operator know what the payload is. Primarily, this would include the mission equipment, basic fluids for operation (e.g., oil), and equipment required for flight (e.g. enhanced avionics package). It would not include such weights as fuel, passengers, and crew equipment.

Table 1-5 illustrates the useful load for the OCFA helicopters. The internal and external MTOGWs for the Super Huey are 10,500 and 11,200 pounds, respectively. The 412EP MTOW for internal and external is 11,900 pounds. We used the external weights for each helicopter type because the relevant weight for the firefighting mission is external MTOGW.

Table 1-5		
Useful Load Calculation		
	Bell Helicopter	
	Super Huey	412EP
Maximum Take-Off Gross Weight (external)	11,200	11,900
Less: Mfr's Basic Weight + Mission Equipment	6,700	8,300
Mission-Ready Useful Load	4,500	3,600
Less: Flight Crew/Equipment	450	450
Available Useful Load	4,050	3,150

**Notes:**

- **Maximum Take-Off Gross Weight (external):** Source of weight was Conklin & de Decker's *Conklin & de Decker Report 21.1*.
- **Manufacturer's Basic Weight plus Mission Equipment:** The mission-ready weight of each helicopter was obtained from the OCFA aviation unit.
- **Mission-Ready Useful Load:** The payload that is available for fuel, crew, passengers, and cargo.
- **Flight Crew:** Used the average weight as provided by the OCFA aviation unit. The average assumed weight for each crew member was 200 pounds. For the firefighting mission, OCFA requires a pilot and crew chief and 50 pounds of additional equipment. For the rescue mission, OCFA requires a pilot, crew chief, and paramedic and the 50 pounds of equipment. We used the firefighting crew and equipment.
- **Available Useful Load:** The useful load available prior to considering the weight of fuel, passengers, and equipment/cargo.

**Mission Endurance** – An aircraft's mission endurance or the time the aircraft can fly without refueling is determined by two primary factors, the fuel capacity and the rate at which the aircraft burns fuel. The fuel capacity, like the maximum take-off gross weight, is a fixed amount and is measured in volume (e.g. gallons, liters) or weight (e.g. pounds, kilograms). Fuel consumption will vary based upon several factors including the aircraft's speed, weight, and environmental conditions (e.g. temperature, altitude, wind).



The amount of fuel carried for a mission, which is not always the capacity, will reduce the amount of Available Useful Load displayed in Table 1-5.

Table 1-6 displays the relevant information for the OCFA helicopters regarding fuel capacity, consumption, and mission length based on certain assumptions.

Table 1-6		
Mission Endurance		
	Bell Helicopter	
	Super Huey	412EP
Fuel Capacity (gal.)	211	330
Fuel Capacity (lbs.)	1,414	2,211
Average Fuel Burn (gal.)/ Hour	104	113
Average Fuel Burn (lbs.)/ Hour	697	757
Endurance (hrs.) (Full Fuel)	2.0	2.9
Remaining Useful Load with Full Fuel (lbs.)	2,636	939

**Notes:**

- **Fuel Capacity (gallons):** Obtained from Bell Helicopter's Technical Data brochure and the FAA's Type Certificate Data Sheet (TCDS).
- **Fuel Capacity (pounds):** Assumed weight per gallon 6.7 pounds. Multiplied gallons times 6.7 pounds.
- **Average Fuel Burn (gal.)/ Hour:** Super Huey based upon the average consumption by the OCFA helicopters. 412EP based upon *The Conklin & de Decker Report v21.1*.
- **Average Fuel Burn (lbs.)/ Hour:** Used the same assumption of 6.7 pounds per gallon.
- **Endurance (hrs.) (Full Fuel):** If the OCFA UH-1H Super Huey departed on a mission with a full load of fuel (211 gallons/1,414 pounds), it would be able to fly for an estimated 2.0 hours based upon the average fuel burn rate of 104 gallons per hour. Based on the same assumptions, the 412EP would be able to fly for 2.9 hours.

Based upon the available useful load in Table 1-5 and the full-fuel weight in Table 1-6, the UH-1H Super Huey helicopters would have 2,636 pounds of remaining payload (4,050 – 1,414) and the 412EP would have 939 pounds (3,150 – 2,211).

**Speed** – During the typical firefighting mission, speed of the helicopter is one of the important variables in determining the amount of water that can be delivered during a given period. Simply stated, a faster speed means more trips in a given amount of time, which leads to more water dropped on the fire.

Table 1-7 summarizes the relevant information for the OCFA helicopters regarding speed.

Table 1-7		
Speed		
	Bell Helicopter	
	Super Huey	412EP
Cruise Speed - Max (knots)	106	125
Cruise Speed - Long Range (knots)	106	122
Calculated Speed (knots)	90	106

**Notes:**

- **Cruise Speed - Max (knots):** Source was *The Conklin & de Decker Report 21.1*.
- **Cruise Speed - Long Range (knots):** Source was *The Conklin & de Decker Report 21.1*.
- **Calculated Speed (knots):** Represents a more likely speed utilized during the firefighting mission and is based on discussions with other firefighting organizations. This speed does not imply that the cruise speeds provided in the table would not be obtained as well in certain circumstances.

**Hover Capabilities** – Unlike fixed-wing aircraft, helicopters have a unique capability, hovering, which makes them invaluable in a variety of missions. Helicopters can hover because their rotating blades provide lift, which allows them to remain airborne without any forward flight. Fixed-wing aircraft must have a certain amount of forward movement for its wings to provide enough lift to keep the aircraft airborne.

When hovering, the helicopter requires a great deal of power since forward motion is not contributing to the lift effect. If the helicopter is hovering just several feet above the ground, it is said to be hovering in-ground-effect (HIGE). Due to the downwash of the blades reflecting off the ground, the helicopter is receiving a lifting effect. Helicopters that are hovering without the benefits of the ground effect are said to be hovering out-of-ground effect (HOGE). At a given set of factors, an aircraft can HIGE at a higher weight than HOGE.

Three primary factors will affect a helicopter's ability to hover – aircraft weight, altitude, and temperature. If any of the three factors increase, the blades' lift becomes less effective, which means the ability to hover is reduced. For example, as the altitude or temperature increase, the helicopter's ability to hover with a certain weight decline. Orange County's highest point is Santiago Peak at just less than 5,700 feet. Most of Orange County's population reside in two lower altitudes coastal valleys that lie in the basin, the Santa Ana Valley and the Saddleback Valley.

For the OCFA missions, the helicopters are required to hover frequently (e.g. filling water tanks, hoist rescues). For example, when a helicopter fills its water tank, the helicopter will HIGE above the water resource. Also, while performing hoist rescues, a helicopter is required to HOGE above the rescue area.

Table 1-8 illustrates the altitude limitations when the OCFA helicopters are required to hover at maximum gross weight at a standard temperature used in aviation. It is important to remember that as the helicopters reduce their weight due to fuel consumption, the ability to hover at higher altitudes is possible.

Table 1-8		
Hover Capabilities		
	Bell Helicopter	
	Super Huey	412EP
Maximum Take-Off Gross Weight (external)	11,200	11,900
Scenario 1: Assumptions	ISA, Sea Level, MGW	
Hover-in-ground-effect (HIGE) (feet)	10,630	10,200
Hover-out-of-ground-effect (HOGE) (feet)	11,000 lbs.	5,200
Scenario 2: Assumptions	ISA +20 C, Sea Level	
Hover-in-ground-effect (HIGE) (feet)	6,800	6,200
Hover-out-of-ground-effect (HOGE) (feet)	10,800 lbs.	11,890 lbs.

**Notes:**

- **Maximum Take-Off Gross Weight:** Source of weight was *The Conklin & de Decker Report 21.1*.
- **Scenario 1 Assumptions:** ISA stands for International Standard Atmosphere and serves as a common reference for temperature and pressure. At sea level the standard temperature is 15° Centigrade or 59° Fahrenheit. MGW is the Maximum Gross Weight.
  - **Hover-in-ground-effect (HIGE) (feet):** Obtained from the respective Technical Data brochures from Bell. Provides the altitude at which the helicopters can hover, while in ground effect, based upon the assumptions.
  - **Hover-out-of-ground-effect (HOGE) (feet):** Obtained from the respective Technical Data brochures from Bell. Provides the altitude at which the helicopters can hover, while out of ground effect, based upon the assumptions.
    - **UH-1H Super Huey:** The helicopter cannot hover OGE at the MGW of 11,200 pounds. It can hover OGE at sea level if the helicopter is 200 pounds less than the MGW.
    - **412EP:** The maximum altitude at which the helicopter can hover OGE based on the assumptions is 5,200 feet.
- **Scenario 2 Assumption:** Altitude remains at sea level, the temperature increases by 20° C to 35° C or 95° F, and the helicopter weight remains at MGW.
  - **Hover-in-ground-effect (HIGE) (feet):** Obtained from the respective Technical Data brochures from Bell. Based on Scenario2 assumptions, both helicopters can hover IGE, the Super Huey at 6,800 feet and the 412EP at 6,200 feet.
  - **Hover-out-of-ground-effect (HOGE) (feet):** Obtained from the respective Technical Data brochures from Bell.
    - **UH-1H Super Huey:** The helicopter cannot hover OGE at the MGW of 11,200 pounds. It can hover OGE if the helicopter is 400 pounds less than the MGW.



- **412EP:** The helicopter cannot hover OGE at the MGW of 11,900 pounds. It can hover OGE if the helicopter is 110 pounds less than the MGW.

**Water Drop Capabilities** – In addition to a helicopter's speed, the quantity of water delivered per drop is another important variable in determining the amount of water that can be delivered during a given period. A helicopter's tank or bucket size represents the maximum amount that a particular helicopter can deliver with each drop.

However, the tank capacity does not necessarily represent what the helicopter delivers. Available useful load or payload for all helicopter types is often a parameter that limits the actual amount of water delivered to something less than the tank's capacity.

Table 1-9 illustrates this point. The UH-1H Super Huey has a 350-gallon water tank, while the 412EP's tank is 375 gallons. However, when the available useful loads for both types are considered, the amount of water that can be carried is reduced. If the Super Huey carries a full load of fuel, the amount of water it can carry is 315 gallons. If the amount of fuel carried is for a 1.5-hour mission, a common OCFA firefighting mission duration before refueling, the amount of water carried is 332 gallons. The 412EP is affected similarly but with even less water capacity. Several factors will affect water drop amounts.

- Water drop amounts increase as a helicopter consumes fuel during the mission.
- The amount of water dropped declines as a helicopter performs in higher altitudes than sea level and temperatures higher than 15°C.
- The amount of water would decrease when 20-minute reserves are allocated to the amount of fuel required.

Table 1-9		
Water Drop Capabilities (gallons)		
	Bell Helicopter	
	Super Huey	412EP
Water Tank Size (gallons)	350	375
Water Drop Amounts		
With Full Fuel (gal.)	315	112
1.5 -Hour Mission+ 20-Min Fuel Reserve	332	211

**Notes:**

- **Water Tank Size:**
  - **UH-1H Super Huey:** The water tank for the Super Huey is manufactured by Isolair Helicopter Systems. The water tank capacity is 350 gallons and a capacity of 27.2 gallons for chemicals. The empty tank weighs 416 pounds and the gross weight of the tank and 350 gallons of water is 3,342 pounds.

- **412EP:** Water tank is manufactured by Simplex Aerospace, a provider of fire attack systems. The tank capacity is 375 gallons and capacity of 30 gallons for foam. The empty tank weighs 395 pounds. A tank with full water weighs 3,530 pounds.
- **Water Drop Amounts with Full Fuel:** Calculated using the useful load in Table 1-5 and added the weight of full fuel in Table 1-6. Also included is the weight of 450 lbs. for two crew members and equipment. The payload available for water is 315 gallons for the Super Huey and 112 gallons for the 412EP.
- **Water Drop Amounts, 1.5-Hour Mission + 20-Min Fuel Reserve:** Calculated using the useful load in Table 1-5 and added the weight of 1.5 hours of fuel in Table 1-6 plus 20-minutes of fuel reserve. Also included is the weight of 450 lbs. for two crew members and equipment. The available Super Huey payload for water is 332 gallons. The 412EP can carry 211 gallons.

**Cabin Volume and Seating** – Despite their difference as to when they were manufactured, the airframes are almost identical, which means the cabin dimensions and volume are the same. During the firefighting mission, OCFA uses two crew members, a pilot and crew chief. When transporting fire ground crews or equipment and personnel for other OCFA missions, the passenger cabin can seat up to 14, carry stretchers for rescued individuals, or be configured for the transport of equipment rather than passengers.

Table 1-10 displays the cabin volume and seating capacity for the OCFA helicopters.

Table 1-10		
Cabin Information		
	Bell Helicopter	
	Super Huey	412EP
Volume (cubic feet)	208	208
Crew/Passengers	2/14	2/14

**Notes:**

- **Volume:** Obtained from *The Conklin & de Decker Report 21.1*. The calculated volume considers the curvature of the airframe and any unusable space due to obstructions. Conklin's cabin volume will not equal the product of the dimensions provided by the manufacturer (length x width x height).
- **Seating (Crew/Passengers):** The crew number was obtained from discussions with OCFA personnel. The passenger seating was obtained from *The Conklin & de Decker Report 21.1*.

**Purchase/Disposition Price** – If the prior specifications and parameters are the only parameters analyzed in the acquisition process, then an important variable is missing, the acquisition or disposition amount. Analyzing purchase price introduces the concept of value, not only what an aircraft provides but also what it costs to obtain the asset. If an aircraft is at the end of their journey, then the remaining value becomes important. The disposition value can be affected by several factors including the age of the aircraft, status of the significant maintenance events and items, and conditions in the economy.

In the case of the current OCFA helicopters, the resale value is more important than the acquisition price. Table 1-11 provides the estimated range for the resale of the Super Huey and 412EP. Due to how the Super Huey helicopters were obtained, the Federal Excess Property Program, OCFA does not own the helicopters, therefore it will not receive any value when the helicopters are returned to CAL FIRE. Section 2 of this report covers the resale value in greater detail.

Table 1-11		
Purchase Price		
	Bell Helicopter	
	Super Huey	412EP
Basic Price (x1M)	N/A	N/A
Firefighting Completion (x 1M)	N/A	N/A
Resale Value	\$1.6-\$2.0	\$3.5-\$4.3

**Notes:**

- **Basic Price:** N/A represents Not Applicable.
- **Firefighting Completion Price:** N/A represents Not Applicable.
- **Resale Value:** Represents a range of potential value for the respective helicopter types.

**Candidate Helicopters**

Table 1-12 offers a comparison between the current OCFA helicopters (highlighted in grey) and the candidate helicopters. The comparisons are based on the parameters provided in this section for the current OCFA helicopters.

**Useful Load/Payload** - The MTOGWs highlight the significant difference between Type II and Type I helicopters. The current helicopters, UH-1H Super Huey and 412EP, are referred to as medium twin- or single-engine helicopters and in US firefighting terms are classified as Type II helicopters. Type II helicopters have a MTOGW of 6,000 to 12,500 pounds as summarized in Table 1-4. Helicopters classified as Type I weigh over 12,500 pounds, which is the classification for the S-70i and CU-47D helicopters. Generally, increased MTOGW translates to an increase in payload.

**Mission Endurance** – Each of the candidate helicopters has enough fuel to, at the least, perform a two-hour mission with 20 minutes of fuel reserve.

**Hover Capabilities** – Note: Each of the candidate helicopters can hover in and out of ground effect based on the given parameters. The Bell 412EPX has also improved its hovering performance when compared to the current 412EP. The altitudes for the CU-47D reflect the performance limitations for hovering, however, the helicopter has an additional structural limitation. The altitudes limits based on the structural limitations are 5,250 feet for ISA at sea level and 3,500 feet for ISA plus 20°C at sea level.

**Helicopter Speed** – The speed of the helicopter is an important factor in the formula as to how much a helicopter can drop during a certain period. Speed becomes more of a factor as the distance to the water source increases. Normally, there are different speeds when a helicopter is flying to the water source and back to the fire drop area. When flying to the water source, the helicopter is lighter, therefore can fly faster than when flying with a full water tank. The S-70i and CH-47D are cable of flying faster speeds than the current helicopters and the 412EPX.

**Water Drop Capabilities** - While the maximum take-off weight is important, it does not directly reflect a more important parameter as it relates to the firefighting mission, water drop capabilities. As Table 1-9 shows the current helicopters have a tank capacity of 350 to 375 gallons but deliver less than those amounts due to payload limitations when prepared for the typical firefighting mission (1.5 hours plus 20-minute fuel reserve).

The Type I candidate helicopters have significantly more capabilities. The tank capacity ranges from 1,000 gallons for the S-70i to 3,000 gallons for the CU-47D. The 412EPX, while still a Type II helicopter, also exceeds the current fleet's capacity due to its increased external gross weight of 1,100 pounds. Based on the assumptions, the 412EPX would have a potential water drop, 478 gallons, that is greater than the 375-gallon tank capacity.

Table 1-12 provides two data points for the amount of water that can be dropped, the start and end of a 90-minute mission with the 20-minute fuel reserve. Using the S-70i as an example, the helicopter is dropping about 25 percent more water than at the start of the mission. The range for the other candidate helicopters is 19 to 39 percent increases.

**Cabin Volume** - In addition to increased payload, the S-70i and CU-47D offer larger cabins, which translate into the potential to carry more passengers and equipment. The CU-47D's cabin volume is almost eight times larger than the current helicopters. The 412EPX remains the same as the current helicopters.

**Pricing/Value** - Obtaining the benefits that come with the candidate helicopters means an increase in costs, both to purchase and operate the helicopters. Table 1-12 offers an estimated purchase price of a basic-configured aircraft for the candidate helicopters. Also provided is an estimate for the cost to complete the respective candidate helicopters for the various missions, including firefighting. Both the basic and completion prices can vary based upon the specific requirements, the completion vendor, and contract negotiations.

The Resale Value information is relevant to the current helicopters operated by OCFA. These are the helicopters that have the possibility of being removed from the current fleet at some point. The factors that can affect a resale value include an aircraft's condition, age (e.g. years, flight hours), accuracy of tracking information, configuration, availability, and level of support (e.g. spares,

engineering). In the case of the Super Huey helicopters, asset ownership is an additional factor that will affect the resale value. OCFA will not receive compensation for returning the asset to CAL FIRE.

Table 1-12					
Current and Candidate Helicopters					
Firefighting Mission					
Airframe Manufacturer /Type	Bell / Super Huey	Bell / 412EP	Subaru/Bell / 412EPX	Sikorsky / S-70i	Coulson CH-47D
Engine Manufacturer /Type	Honeywell / T53-L-703	Pratt & Whitney / PT6T-3D	Pratt & Whitney / PT6T-9	General Electric / T700 GE 701D	Honeywell / T5-GA-L714A
<b>Useful Load</b>					
Maximum Take-Off Gross Weight (Internal)	10,500	11,900	12,200	22,000	50,000
Maximum Take-Off Gross Weight (External)	11,200	11,900	13,000	23,500	50,000
Mission Configured - Fire	6,700	8,300	8,300	14,200	26,500
Flight Crew (Firefighting)	450	450	450	650	650
Useful Load Available for Mission	4,050	3,150	4,250	8,650	22,850
Fuel (lbs.) 1.5-Hour Mission w/ 20 Min. Reserve	1,275	1,385	1,385	1,986	4,966
Remaining Useful Load	2,775	1,765	2,865	6,664	17,884
<b>Mission Endurance</b>	<b>2.0</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.6</b>
<b>Hover Capabilities</b>					
In-Ground Effect (ISA, Sea Level)	10,630	10,200	9,000	10,270	7,750
Out-of-Ground-Effect (ISA, Sea Level)	11,000 lbs.	5,200	6,000	6,200	6,100
In-Ground Effect (ISA +20 C, Sea Level)	6,800	6,200	5,600	7,400	5,250
Out-of-Ground-Effect (ISA +20 C, Sea Level)	10,800 lbs.	11,890 lbs.	1,500	4,400	3,900
<b>Helicopter Speed</b>					
Cruise Speed - Max (knots)	106	125	130	145	157
Cruise Speed - Long Range (knots)	106	122	124	128	130
Calculated Speed (knots)	90	106	110	122-140	131-157
<b>Water Drop Capabilities (gallons)</b>					
Water Tank Size (gallons)	350	375	375	1,000	3,000
1.5-Hour Mission+ 20-Min Fuel Reserve	332	211	343	797	2,498
End of Mission (20-minute reserve)	457	347	478	992	2,985
<b>Cabin</b>					
Volume (cubic feet)	208	208	208	396	1,629
Crew/Passengers	2/14	2/14	2/14	2/12	2/>30
<b>Pricing/Value</b>					
Basic Price (x1M)	N/A	N/A	\$11.5	\$17.0	\$16.5
Firefighting Completion (x 1M)	N/A	N/A	\$14-\$15	\$20-\$23	\$5.8*
Resale Value	\$1.6-\$2.0	\$3.5-\$4.3	N/A	N/A	N/A

**Notes:**

- **Useful Load:**
  - **Fuel Consumed (lbs.):** Based upon the typical firefighting mission duration of ninety minutes plus a 20-minute reserve.
- **Mission Endurance:** Based upon the assumptions the helicopter started with a full load of fuel.
- **Hover Capabilities:** There are two conditions for the hovering capability, ISA (15°C) at sea level and ISA +20° C at sea level. Both conditions are maximum gross weight.
- **Helicopter Speed:**
  - **Calculated Speed:** During the firefighting mission, the speed will vary when carrying a full load of water versus flying to pick-up water. The range of speed reflects the speed differences and was obtained from operators and the manufacturers. For example, the Sikorsky S-70i will have a speed of 140 to the water pick up and 120-130 with a full load.
- **Water Drop Capabilities:**
  - **Tank Size:** Based upon discussions with OCFA personnel for the tank capacity on the current fleet.
  - **1.5-Hour Mission:** The amount of water that could be carried at the start of a ninety-minute mission plus a twenty-minute fuel reserve. The water amount would increase with each drop as fuel was consumed.
  - **End of Mission (20-minute reserve):**
    - **Bell Super Huey:** If the water tank had the capacity, the helicopter, based on the conditions, would be able to drop 457 gallons. Obviously, the limit would be 350 gallons.
- **Cabin:**
  - **Crew/Passengers:** Seating in the passenger cabin is flexible in each helicopter type. The number for passengers represents the maximum seating capacity.
- **Pricing/Value:**
  - **Basic Price:** Applies only to the candidate helicopters. The current helicopters are not being purchased. The amounts represent an estimated price for the basic, non-mission-configured helicopter.
    - **CU-47D** - The \$16.5 million is the proposed purchase price for a mission-ready helicopter. We placed the completed value in this category due to the additional fees for management services (See Firefighting Completion).
  - **Firefighting Completion:** Represents the estimated basic price and completion costs for the candidate helicopters. The range of costs is dependent on the specific mission equipment that is requested by OCFA.
    - **CU-47D** - The \$5.8 million for the CU-47D does not represent the completion costs as provided for the 412EPX and S-70i. Those costs are part of the Basic Price. The \$5.8 million represents an annual cost provided by Coulson-Unical for a turnkey service to operate, maintain, and support the CU-47D.
  - **Resale Value:** This applies to the current OCFA helicopters. The range of resale values was obtained from Conklin & de Decker's, *The Conklin & de Decker Report v21.1*. The values shown for the Super Huey helicopters are representative of assets not in the Federal Excess Property Program.

## Section 2 – Life Cycle Cost Projections

### Orange County Fire Authority Original Request

Estimate the cost of the acquisition and operation of helicopter alternatives. The operating cost estimates will include maintenance options and fuel costs, and other operating or overhead costs.

### Conklin & de Decker Approach

Conklin & de Decker used the concept of life cycle cost analysis to examine the current and candidate helicopters. In general, and as it relates to aircraft operators, a life cycle cost analysis has three main elements – acquisition, operating costs, and disposition of the aircraft. This section deals with the costs of operating aircraft with a primary focus on maintenance and fuel costs. Subsequent sections of this report deal with the acquisition and disposition of an aircraft.

More specifically, this section contains ten-year estimates, with a beginning point of January 2021, for the current and candidate helicopters. The estimates provide totals for maintenance and fuel costs, while also highlighting the annual and sometimes significant cost variations (“peaks” and “valleys”) associated with maintenance costs. The ultimate objective for summarizing the costs is to identify key potential times in the life cycle to dispose of a helicopter. Conklin & de Decker used its *Life Cycle Cost, 20.1* software version to calculate the respective projections.

This section of the report, like Section 1, consists of a summary of Conklin & de Decker’s analysis and the analysis. Life cycle cost projections are provided for the current fleet and candidate aircraft. The projections for each of the current aircraft include an overall summary table, an annual maintenance cost chart for ten years, a table highlighting the significant maintenance events in the respective years, and a residual value chart for the ten-year period. The projections for the S-70i candidate aircraft include the overall summary table, an annual maintenance cost chart, and the ten-year residual value chart. The CU-47D is presented differently due to the Colson-Unical proposal. There is the overall summary for ten years of operation and then explanations about maintenance cost behavior and the resale value of the helicopter.

### Summary

Using Conklin & de Decker’s *Life Cycle Cost 20.1* software, we projected maintenance and fuel costs over a ten-year period for each of the current fire and rescue helicopters and for selected candidate helicopters should the OCFA decide to change to a different type of helicopter. The beginning point for the ten-year life cycle estimate was January 2021. Chart 2-1 summarizes the results to the analysis.



It is important to mention the effect that a helicopter's age can have on the maintenance costs in a life cycle. Three of the helicopter types, UH-1H Super Huey, Bell 412EP, and CU-47D, have been in operation for many years. The 412EPX and S-70i are new helicopters. Due to their age and the number of flight hours, older aircraft will have higher maintenance costs as they encounter significant maintenance events. Based on the assumption of 200 flight hours per year per helicopter, the 412EP helicopters will encounter several of these maintenance events, which drives up the total costs during the ten-year period. The new helicopters will not encounter the significant events in their first ten years based upon the 200 hours per year and therefore their cost may be similar to or less than the older helicopters. Good examples of that relationship are the 412EPX, which is less than the existing 412EP helicopters, and the S-70i, which is 8 to 25 percent depending upon the 412EP to which it is compared.

The current 412EP helicopters are similar in age and flight hours. Based on age, these helicopters are in their 13<sup>th</sup> year of operation for OCFA. Due to their similarity, the 412EP helicopters have estimated maintenance and fuel costs that is only a \$600,000 difference. In essence, each helicopter will encounter the same scheduled maintenance events during the next ten years.

The UH-1H Super Huey helicopters are 54-years old. Despite their lower estimated maintenance and fuel costs over the next ten years, when compared to the 412EP helicopters, their costs could exceed the estimates significantly due to their age. Generally, as helicopters age, unscheduled maintenance costs will increase in the airframe structure, electronic system, and avionics. An example of the aging factor is the most recent ten-year inspection on N441FA H3. The almost-\$500,000-inspection had several issues with the airframe structure. Also, the source of spares has changed in the last several years as military auctions of UH-1H parts have declined. Generally, parts acquired from the government as surplus are less expensive than purchasing from other sources.

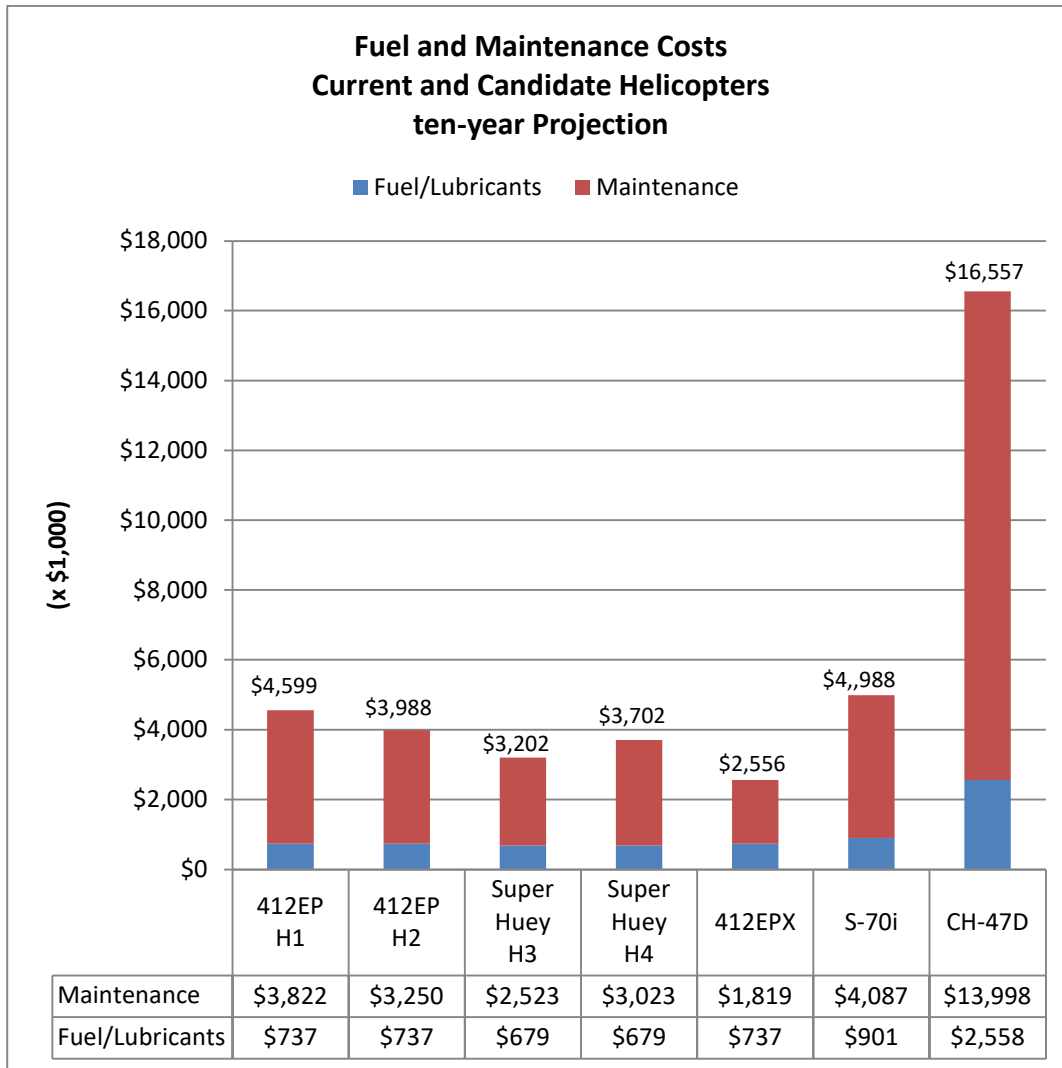
Due to OCFA's desire to improve its capabilities in primarily the firefighting mission, each of the candidate helicopters represent an increase in performance when compared to the current helicopters. The S-70i and CU-47D are Type I helicopters that can easily double the water drop capabilities of the current helicopters. The 412EPX has improved water drop performance even though it is in the same category as the current helicopters.

To acquire helicopters with that capability, the costs to operate them will also increase. Chart 2-1 highlights the increase. During a ten-year period, the candidate helicopters will increase fuel and maintenance costs anywhere from 25 percent, comparing the Bell 412EP to the Sikorsky S-70i, and 260 percent when the CU-47D is compared to the 412EP.

While the increase in maintenance and fuel cost may seem excessive, the increase in performance must also be considered. Using the Bell 412EP to the Sikorsky S-70i comparison, the increase in water delivered during the typical mission scenario, the S-70i will carry 256 percent more water per tank load (224 gallons for the 412EP versus 797 gallons for the Sikorsky S-70i). The CU-47D water drop capability

is ten times 412EP (2,498 gallons for the CU-47D). The 412EPX also increases the water dropped by 58 percent (355 gallons for the 412EPX).

Chart 2-1



While performance capabilities of the helicopters are important, so too is the value of the aircraft. Table 2-1 identifies the years when the helicopters have positive Adjusted Values, which represents when OCFA could expect to receive a higher amount when selling the asset than a helicopter around the Base Value. It is important to mention that the actual amount received in the sale of a used helicopter can differ from the adjusted values in this model due to current market activity. The model is highlighting the relationship between the Base and Adjusted Values.

For Table 2-1, we used a ten-year summary since the UH-1H Super Huey helicopters are quite old and the 412EP helicopters will be approximately 23 years old in another ten years. We extended the number of years for the candidate helicopters to 20 since they are new helicopters, and their resale

value would be more informative with a longer period. We did not have the appropriate information to generate a residual value for the CU-47D.

Table 2-1																				
OCFA Helicopters - Annual Summary of Adjusted Values																				
Registration Number	Year 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
N141FA H1		A		C				B			X	X	X	X	X	X	X	X	X	X
N241FA H2	A	B					C				X	X	X	X	X	X	X	X	X	X
N441FA H3	C								A	B	X	X	X	X	X	X	X	X	X	X
N541FA H4	C					B				A	X	X	X	X	X	X	X	X	X	X
Candidate Helicopters - Annual Summary of Adjusted Values																				
412EPX	A	B											C	D	E					
S-70i	A	B	C	D	E															
CU-47D	Not Available																			

In Table 2-1, the years that are marked with yellow represent when the Adjusted Value is the same as or greater than the Base Value of the helicopter. The single red block for each helicopter represents the lowest value during the 10 and 20-year period. The letters in the yellow blocks identify the years with the highest Adjusted Values. "A" identifies the highest value and "C" is the third highest. The white blocks are the years when the Adjusted Value is below the Base Value.

Registration number N141FA H1 can serve as an example to explain the table. In years 1 through 5 and 8 and 9, the helicopter's adjusted value is higher than its base value, when all the significant scheduled maintenance events are assumed to have remaining lives of 50 percent. In years 6 and 7, the adjusted value is less than the base value because enough of the significant scheduled maintenance events have less than 50 percent remaining lives. Year 7 has the lowest adjusted value. Year 2 has the highest adjusted value.

### Conklin & de Decker Analysis

#### Current Fleet

Life Cycle Assumptions: Life cycle cost estimates are based on several assumptions. Listed below are the assumptions that support the ten-year estimates for the current helicopters in the OCFA fleets as well as the candidate helicopters. Despite the grounding of the Super Huey helicopters in September 2020, we built an estimate for these helicopters should they become active again.

- Life Cycle Start Month – January 2021. The OCFA aviation unit provided the maintenance tracking information. The reports contain the remaining times for significant scheduled events such as major inspections, overhaul components, life-limited items, and engine restorations. Based on the start date, Year 1 covers from January through December 2021.

The total flight hours as of January 2021 were:

- 412EP N141FA H1: 2,329
  - 412EP N241FA H2: 2,188
  - Super Huey N441FA H3: 6,811
  - Super Huey N541FA H4: 9,196
- Program Length – 10 years.
- Hours per Year – OCFA requested that we use 200 flight hours per helicopter per year. In most recent years, the UH-1H Super Huey helicopters have been used primarily as back-up to the 412EP helicopters when they are not available. As a result, the Super Huey helicopters have not flown 200 hours annually.

Estimating the annual hours accurately is important as they have an important effect on the timing of certain significant maintenance events (e.g. 2,500-hour major inspection, engine overhauls, life-limited items).

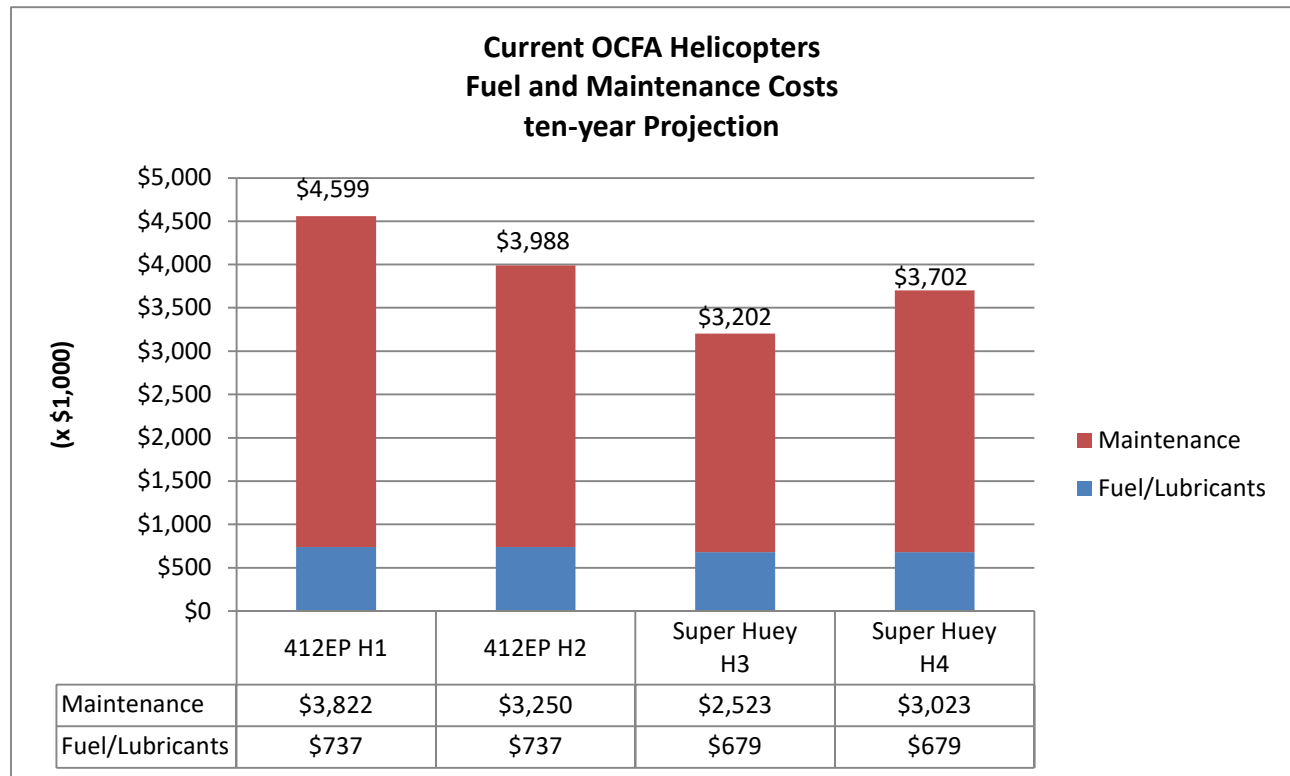
Despite the September 2020 grounding, we have included the UH-1H Super Huey helicopters. If the helicopter should resume flying, the timing of the scheduled events in the next ten years may occur at later dates than the estimates in the report, especially hourly items. Calendar scheduled maintenance (e.g. ten-year inspection) will occur as estimated.

- Fuel Cost – Assumed \$2.90 cost per gallon.
- Fuel Consumption – The average amount of fuel consumed in an hour is based upon the Conklin & de Decker *Life Cycle Cost 20.1* software. The assumed hourly fuel consumption for each of the helicopter types is:
- 412EP: 113 gallons.
  - Super Huey: 104 gallons.
- Labor – The labor costs associated with maintenance are based upon the estimated hours to work on the aircraft, also referred to as “hands-on-time”. Not included as “hands-on-time” would be activities such as time-off, meetings, hangar cleaning, and other activities that are not involved with maintaining the helicopter. We used a labor rate of \$106 per hour.
- Inflation Rates – The life cycle cost model uses two inflation factors. The first affects the increasing cost of parts in aviation and the second is more general and is applied to such categories as fuel and labor. The assumed annual inflation factors affecting parts is 2.7 percent and the general inflation rate is 1.95 percent.

Chart 2-2 summarizes the projected fuel and maintenance costs for each of the OCFA helicopters over a ten-year period. During the next ten years, the 412EP helicopters will have the most expenditures. N141FA H1 will consume almost \$4.6 million and N241FA H2 is \$600,000 less at \$4.0 million. If the Super Huey helicopters become active again, their estimated costs range from \$3.2 (N441FA H3) to \$3.7 million (N541FA H4). The primary cause for the \$500,000 difference is that N541FA H4 was just starting

its ten-year inspection when it was grounded. The ten-year inspection is a significant cost at almost \$500,000.

**Chart 2-2**



The following part of the report contains a combination of tables and charts summarizing the information generated by the life cycle cost software. The information provided for each helicopter consists of

- A summary table showing the maintenance and fuel costs for a ten-year estimate.
- A line chart showing the estimated annual maintenance costs for a ten-year period.
- A table highlighting the significant maintenance events occurring in specific years.
- A line chart displaying the estimated annual residual value based on the aircraft's age and status of significant maintenance events for a ten-year period.

We have provided an explanation for each chart and its significance for the OCFA helicopter serial number 36484, registration number N141FA H1. To avoid redundancy with the explanations, we did not repeat them for each helicopter. We provided only the tables and charts for the remaining Bell 412EP and both UH-1H Super Hueys. However, and for all helicopters, we have identified when OCFA might consider disposing of each helicopter based upon their respective estimated residual values. Our suggestion for disposition in this section of the report considers each helicopter individually and does not represent the fleet plan as there will be other factors that may affect the fleet plan.

**Helicopter: Bell 412EP****Serial Number: 36484****Registration Number: N141FA H1**

Table 2-2 summarizes the estimated fuel and airframe and engine maintenance costs over a ten-year period. The estimate was based upon Conklin & de Decker's *Life Cycle Cost v20.1* software while using relevant OCFA department information (e.g. remaining lives on scheduled components and items). The ten-year estimated costs for this helicopter are almost \$4.6 million with 16 percent of the costs associated with fuel and lubricants, 60 percent with airframe maintenance, and 23 percent with engine restoral.

Table 2-2		
ten-year Projection - N141FA H1		
Fuel	\$716,006	16%
Lubricants	\$21,480	0%
Subtotal	\$737,487	16%
Airframe Maintenance		
Labor	\$495,990	11%
Parts	\$771,821	17%
Inspections	\$785,285	17%
Component Overhaul	\$686,454	15%
Life Limited Items	\$16,555	0%
Subtotal	\$2,756,106	60%
Engine Maintenance		
Engine Restoral	\$1,065,614	23%
Total	\$4,559,206	100%

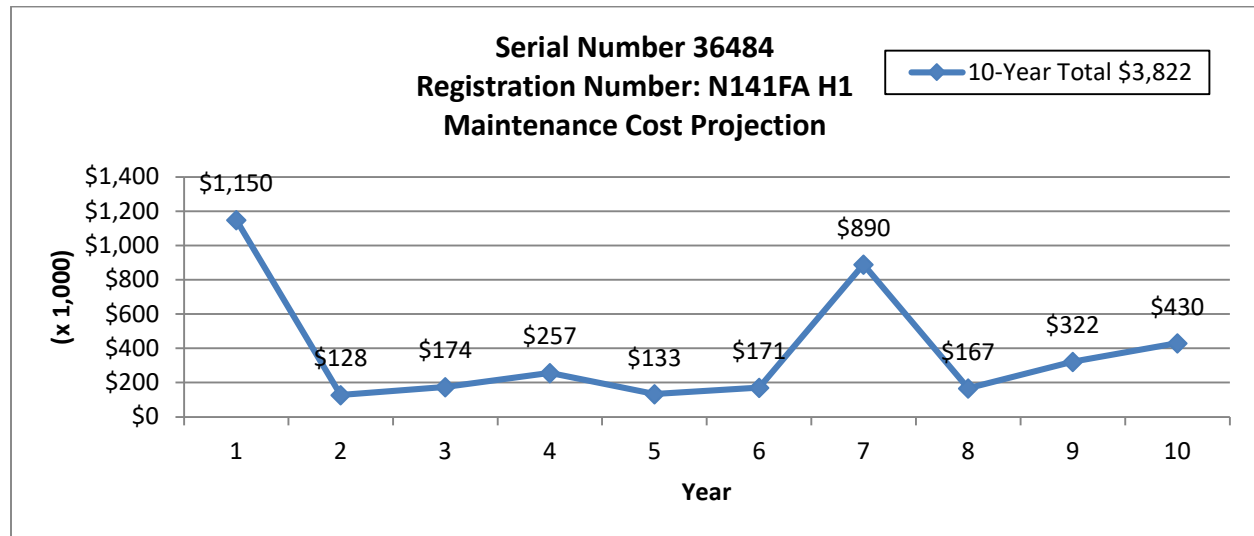
Chart 2-3 displays the estimated annual maintenance costs (fuel not included) during the ten-year period. The average annual cost is \$382,000.

Due to the nature of helicopter maintenance requirements certain significant costs will occur at scheduled intervals. For example, in the next 12 months, helicopter N141FA H1 will encounter its highest maintenance costs. Thirty percent of the ten-year \$3.822 million maintenance expense is related to scheduled maintenance for an engine hot section, main rotor hub and combining gearbox clutch inspections, and various component overhauls that occur at 2,500 hours. This helicopter in January 2021 had accumulated a total of 2,329 flight hours. (This detail is provided in Table 2-3.)

To use this helicopter as an example, selling the helicopter in Year 6 would not be the ideal time to dispose of the aircraft. Generally, upcoming significant maintenance due in Year 7 will subtract substantially from the resale value of the helicopter. Ideally, disposing of an aircraft should occur two or three years from significant maintenance events. Chart 2-4 illustrates this statement.

Also, it is important to remember one of the assumptions underlying the ten-year estimate; it is based on 200 flight hours per year. If the actual accumulation of flight hours differs from the projection, then the year in which the significant maintenance costs occur could change.

Chart 2-3



The information in Table 2-3 supplements Chart 2-3. The table highlights the more significant maintenance categories that are driving the costs in the peak years. For example, in Year 7 the N141FA H1 helicopter will need both of its engines overhauled. The overhauls are estimated to cost almost \$728,000, which is 82 percent of the maintenance costs for the year. Other years with significant scheduled maintenance are 1, 4, 7, 9, and 10.

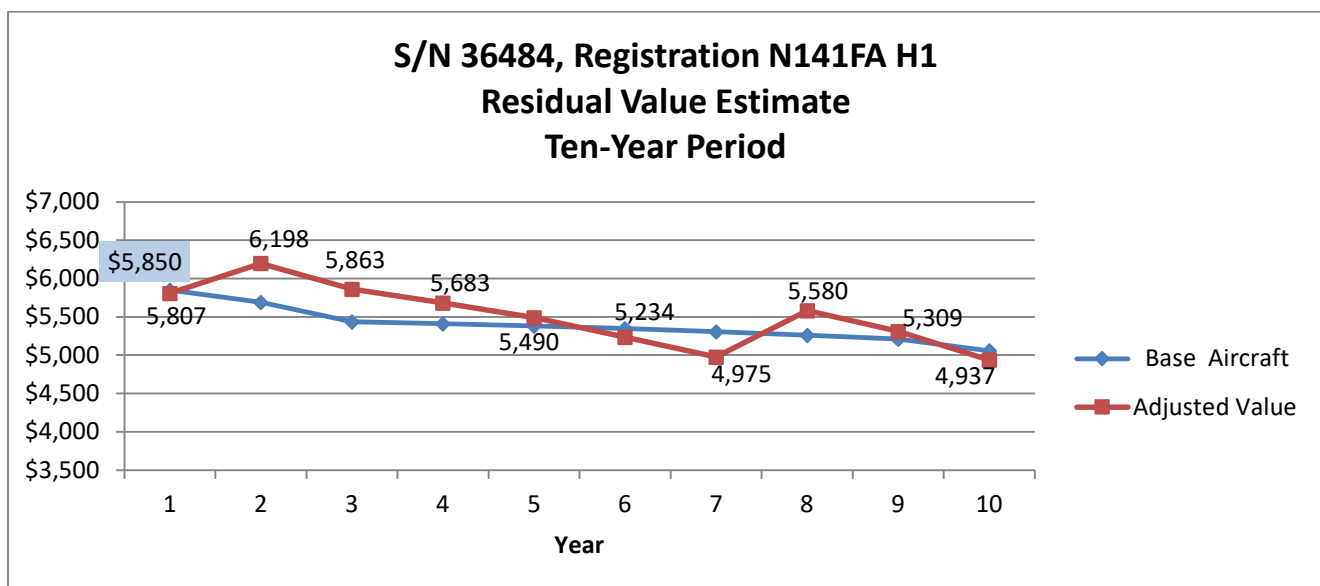
Table 2-3						
Summary of Annual Significant Scheduled Events – N141FA H1						
Year	Category	Significant Maintenance	Estimated Cost (x1,000)	Significant Maint. Subtotal (x1,000)	Annual Maint. Total (x1,000)	Significant Maint. / Annual Total (%)
1	Inspections	Main Rotor Hub, Combining G'box	\$417			
	Engine Inspection	Hot Section	\$206			
	Component Overhaul	Several Items	\$410	\$1,033	\$1,150	90%
4	Inspections	5000-Hr/ 5-Year	\$113	\$113	\$257	44%

7	Engine Restoration	Engines Overhauled	\$728	\$728	\$890	82%
9	Inspections	5000-Hr/5-Year	\$138	\$138	\$322	43%
10	Component Overhaul	Several Items	\$238	\$238	\$430	55%

Chart 2-4 offers another perspective for N141FA H1, the estimated residual value during the ten-year period. The chart shows two perspectives for the residual value. The first perspective (Base Aircraft, blue line) involves the steady declining value of the helicopter as it ages in years. In this life cycle cost estimate, N141FA H1 31147, manufactured in 2008, begins as a 12- to 13-year-old helicopter. At the end of the ten-year period, the 22- to 23-year-old helicopter will have an estimated market value of \$5.1 million. The average annual 1.5 percent rate of depreciation during the ten-year period is a general rate in the life cycle cost tool that applies to all 412EP helicopters with the same year of manufacture.

The second line (Adjusted Value, red line) in Chart 2-4 reflects the estimated residual value based upon the status of the helicopter's significant scheduled maintenance events (e.g. component overhauls, life-limited items, engine restoration, major inspections). Due to the high costs associated with these maintenance events such as a transmission overhaul, main rotor blade retirement, engine overhaul, and/or significant inspections, a helicopter's market value will be increased or decreased depending upon how much time remains before the occurrence of the event. And because the various maintenance events occur during different times in the helicopter's life cycle, the market value is affected differently by each significant maintenance event. For example, an engine overhaul that just occurred will add (betterment) to the helicopter's base market value, while a set of blades to be retired in the coming year will decrease the base market value (detriment).

Chart 2-4





If we combine the information in Chart 2-4, which reflects the estimated maintenance costs, with the maintenance details provided in Table 2-3, we will better understand why Years 2 and 8 in Chart 2-4 show a peak in values of \$6,198K and \$5,580 respectively. In Year 2, the helicopter will have had significant maintenance in a variety of areas and Year 7 is when engine overhauls occur.

Based on the relationship between the Base and Adjusted Value lines, the recommended period to dispose of N141FA H1 is between years 3 and 5. This is the period when the Adjusted Value is higher than the Base Aircraft line. During this period, the helicopter will be around 15 years old. Year 9 represents another opportunity.

A more complete explanation about the current market is provided in Section 3, Aircraft Acquisition and Timing. The Base Aircraft values displayed in Chart 2-4 are based upon long-term depreciation values and do not necessarily reflect current market values.

**Helicopter: Bell 412EP**

**Serial Number: 36487**

**Registration Number: N241FA H2**

Table 2-4		
ten-year Projection - N241FA H2		
Fuel	\$716,006	18%
Lubricants	\$21,480	1%
Subtotal	\$737,487	18%
Airframe Maintenance		
Labor	\$495,990	12%
Parts	\$771,821	19%
Inspections	\$758,712	19%
Component Overhaul	\$139,415	3%
Life Limited Items	\$17,387	0%
Subtotal	\$2,183,325	55%
Engine Maintenance		
Engine Restoral	\$1,066,931	27%
Total	\$3,987,743	100%

Chart 2-5

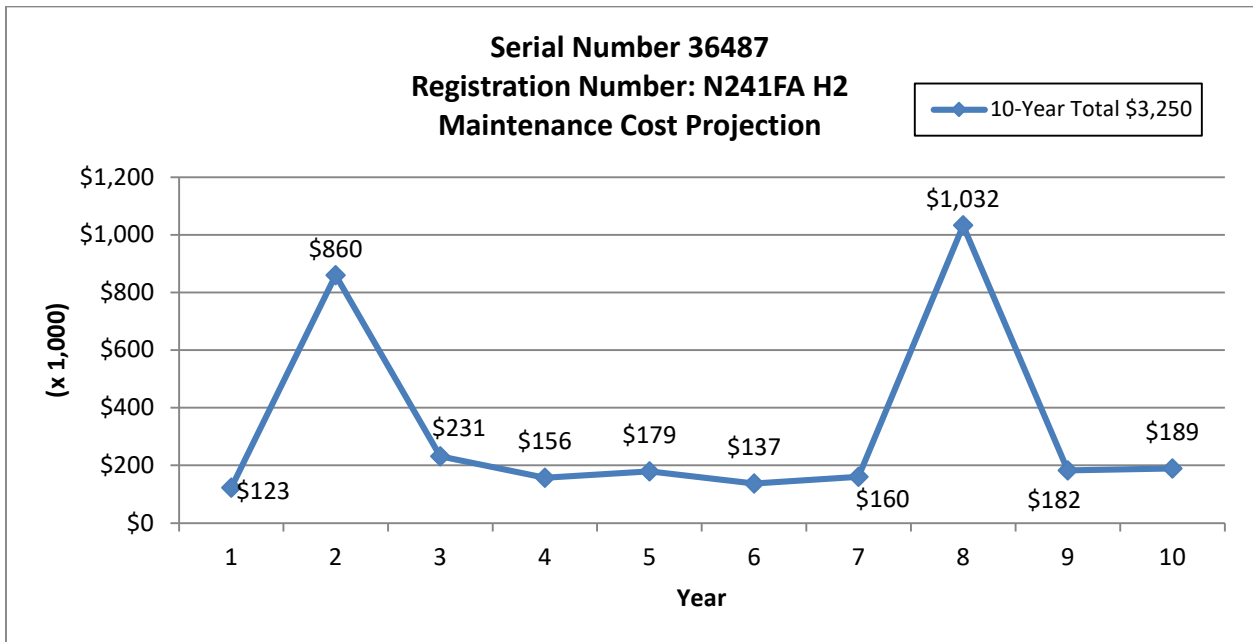
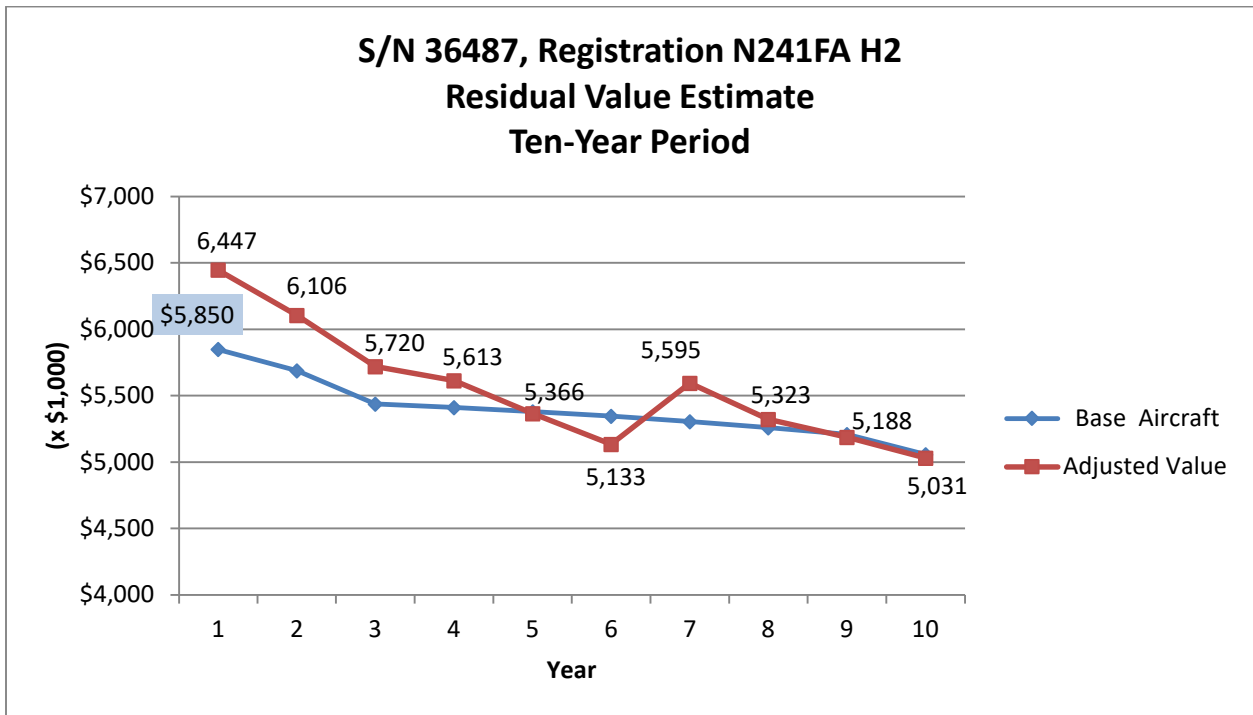


Table 2-5						
Summary of Annual Significant Scheduled Events – N807JS						
Year	Category	Significant Maintenance	Estimated Cost (x1,000)	Significant Maint. Subtotal (x1,000)	Annual Maint. Total (x1,000)	Significant Maint. / Annual Total (%)
2	Inspections	Main Rotor Hub, Combining G'box	\$443			
	Engine Restoration	Hot Section	\$264			
	Component Overhaul	Several Items	\$85	\$792	\$860	92%
3	Inspections	5000-Hr/5-Year	\$107	\$107	\$231	46%
8	Engine Restoration	C'Box Overhaul	\$757			
	Inspections	5000-Hr/5-Year	\$134	\$891	\$1,032	86%

The 412EP has a 5-year/5000-hour inspection. The flat rate is \$85,000, which covers the cost to perform the inspection tasks only. During the major inspection process, discrepancies are found. The costs associated with discrepancies can increase the cost of the inspection by significant

amounts. For example, a prior 412EP 5-year/5000-hour inspection of this nature cost OCFA more than \$400,000. In our life cycle cost program, we use the flat rate as the cost for this inspection. If we used the total costs to complete the inspection, the current level in year-three would be much higher.

Chart 2-6



The maintenance work performed in year 2 keeps the Adjusted Value in a positive position through Year 5. However, this changes with significant engine maintenance due in Year 8. Year 6 dips below the line because the engines do not have many flight hours prior to hitting the maintenance event.

**Helicopter: Bell UH-1H Super Huey**

**Serial Number: 5610**

**Registration Number: N441FA H3**

Table 2-6		
ten-year Projection - N441FA H3		
Fuel	\$658,979	21%
Lubricants	\$19,769	1%
Subtotal	\$678,749	21%
Airframe Maintenance		
Labor	\$221,147	7%
Parts	\$212,567	7%

Inspections	\$687,840	21%
Component Overhaul	\$276,668	9%
Life Limited Items	\$406,555	13%
Subtotal	\$1,804,777	56%
Engine Maintenance		
Engine Restoral	\$718,662	22%
Total	\$3,202,188	100%

Chart 2-7

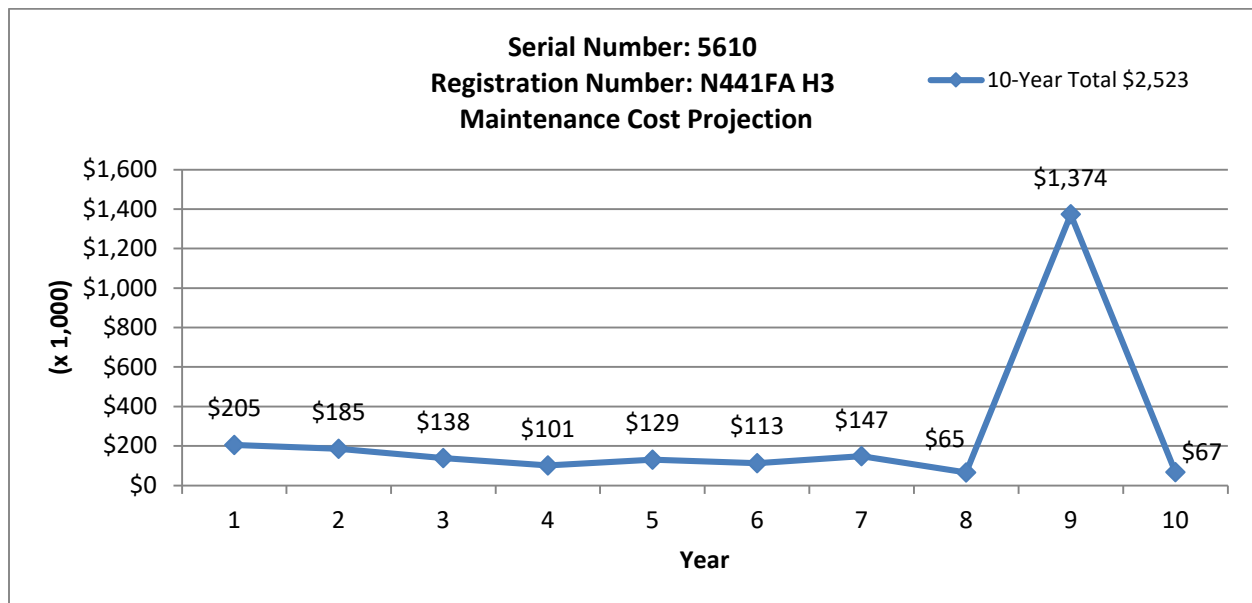
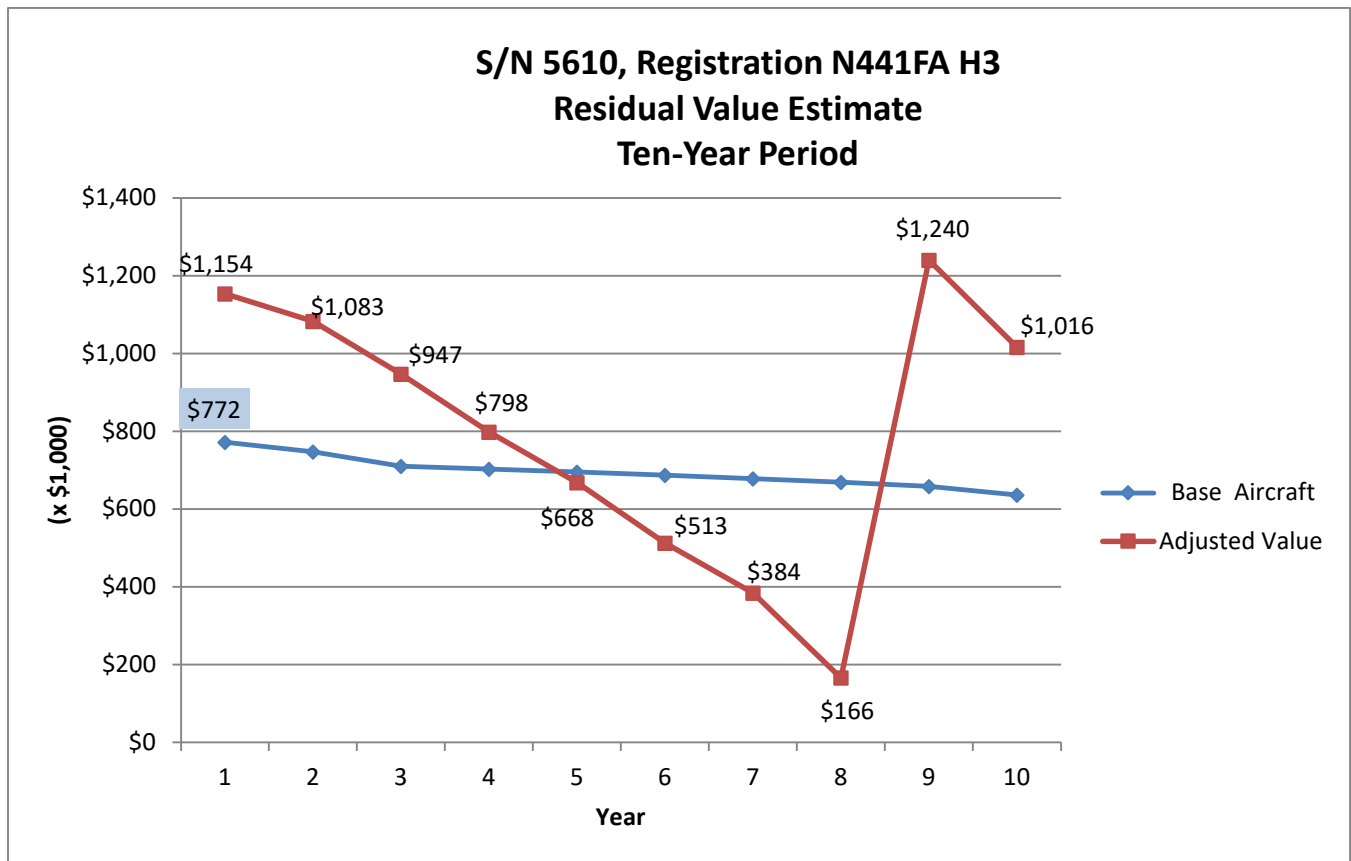


Table 2-7						
Summary of Annual Significant Scheduled Events – N800DM						
Year	Category	Significant Maintenance	Estimated Cost (x1,000)	Significant Maint. Subtotal (x1,000)	Annual Maint. Total (x1,000)	Significant Maint. / Annual Total (%)
9	Inspections	3000-Hr/ten-year	\$595			
	Engine Restoration	Engine Overhaul	\$621			
	Airframe Life Limited	Several Items	\$108	\$1,324	\$1,374	96%

Chart 2-8



Due to the recent completion of the ten-year inspection, the Adjusted Value remains above the Base Aircraft value through Year 4. The low value in Year 8 is due to the next ten-year inspection and engine overhaul that are due in Year 9. Both maintenance events are significant.

If this Super Huey was brought back into service, then years 1 through 4 would be the best time from a betterment/detriment perspective to dispose of the aircraft. However, there is an additional factor associated with the Super Huey helicopters. These aircraft were acquired through the Federal Excess Property Program by way of CalFire. Ownership remains with these entities. Therefore, a sale value is irrelevant.

**Helicopter: Bell UH-1H Super Huey****Serial Number: 8529****Registration Number: N541FA H4**

<b>Table 2-8</b>		
<b>ten-year Projection - N541FA H4</b>		
Fuel	\$658,979	18%
Lubricants	\$19,769	1%
Subtotal	\$678,749	18%
<b>Airframe Maintenance</b>		
Labor	\$221,147	6%
Parts	\$212,567	6%
Inspections	\$1,144,473	31%
Component Overhaul	\$287,863	8%
Life Limited Items	\$465,054	13%
Subtotal	\$2,331,103	63%
<b>Engine Maintenance</b>		
Engine Restoral	\$691,807	19%
Total	\$3,701,659	100%

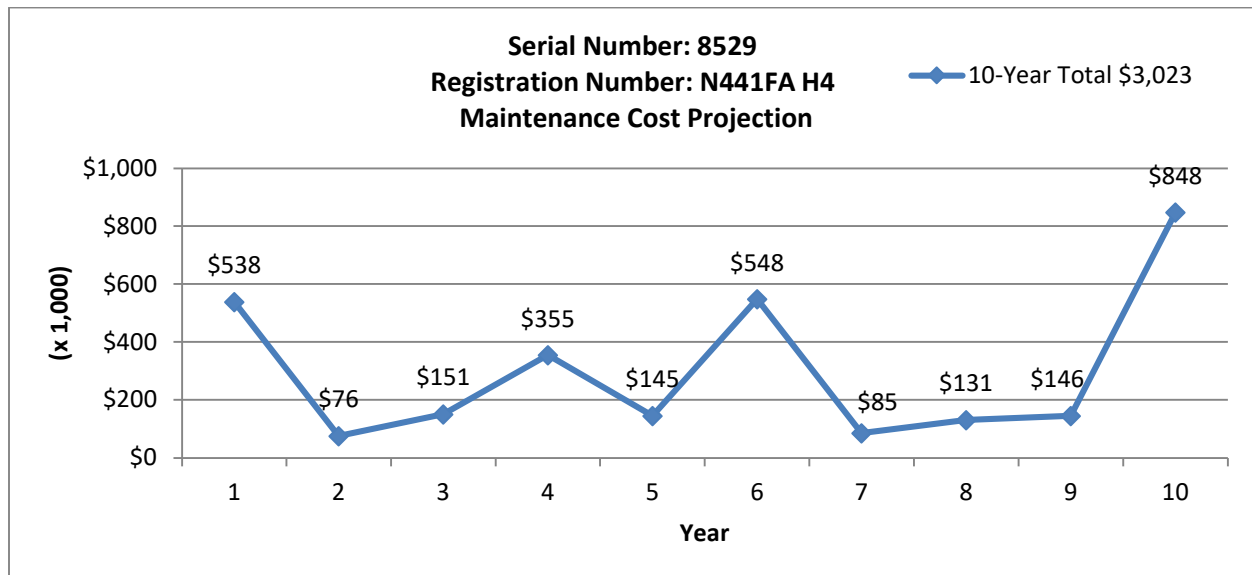
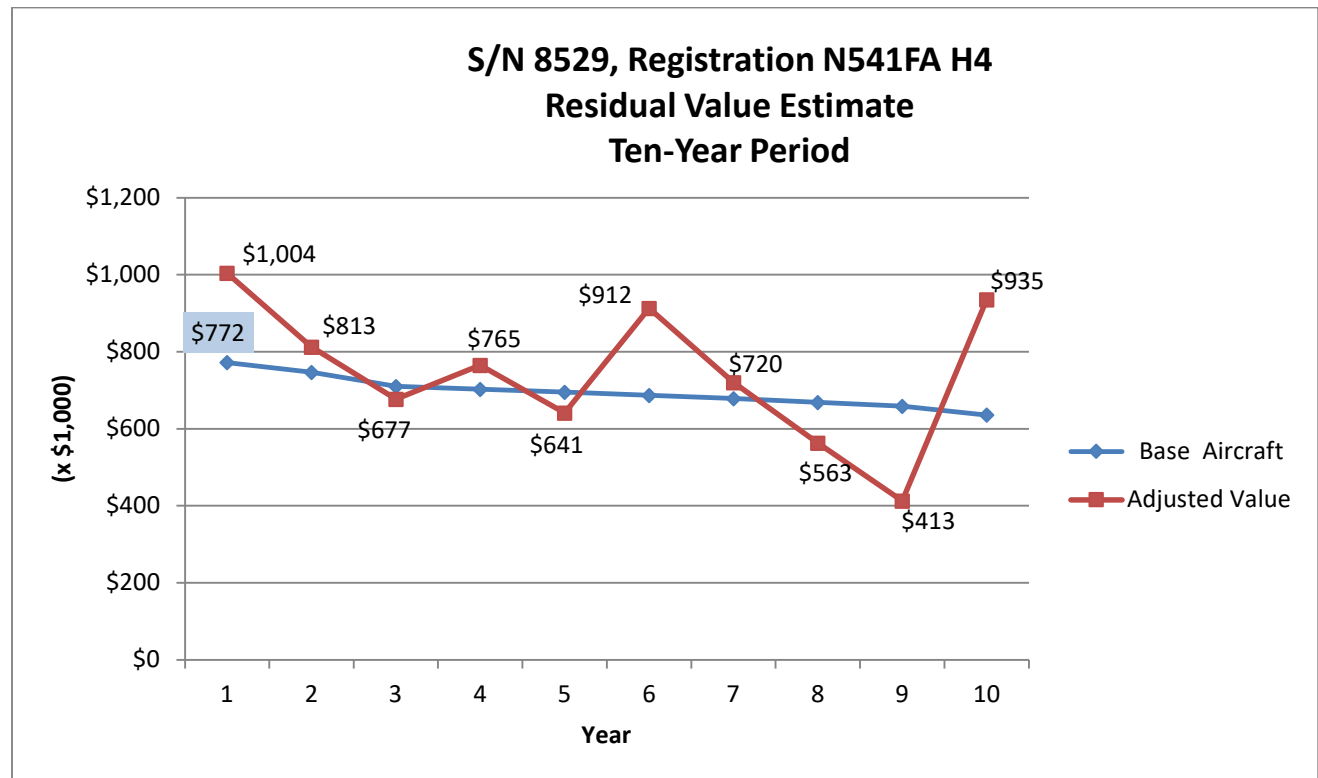
**Chart 2-9**

Table 2-9						
Summary of Annual Significant Scheduled Events – N800DM						
Year	Category	Significant Maintenance	Estimated Cost (x1,000)	Significant Maint. Subtotal (x1,000)	Annual Maint. Total (x1,000)	Significant Maint. / Annual Total (%)
1	Inspections	2500-Hr/ten-year	\$485	\$485	\$538	90%
4	Component Overhaul	Mast, Main Rotor Hub, Xmsn, T/R Hub	\$150			
	Airframe Life Limited	Several Items	\$142	\$292	\$355	82%
6	Engine Restoration	Overhaul	\$468	\$468	\$548	85%
10	Inspections	2,500-Hr/5-Year	\$573			
	Airframe Life Limited	Several Items	\$142	\$715	\$848	84%

Chart 2-10



This helicopter's ten-year inspection is currently due and had been sent to the vendor to perform the maintenance. The September 2020 grounding of the Super Huey helicopters stopped the inspection maintenance. As mentioned with N441FA H3, the program with which OCFA purchased the helicopters, Federal Excess Property Program, makes the proceeds from the disposition of this helicopter irrelevant.

### **Candidate Helicopters**

The purpose of this section is to apply the same life cycle cost analysis that was applied to the OCFA current helicopters, which allows an apples-to-apples comparison between the varying types of helicopters. The candidate helicopters, Bell 412EPX, Sikorsky S-70i, and Coulson-Unical CU-47D, were introduced in Section 1, Fleet Review. For the candidate helicopters, we used the life cycle cost software and based it on the same assumptions as described on Pages 4-5. However, there are some assumptions that will differ and are identified with the respective helicopters.

- Hours per Year – As mentioned, OCFA requested an average of 200 annual flight hours per helicopter. We used the same assumption of 200 flight hours per year per helicopter.
- Fuel Cost – Assumed \$2.90 cost per gallon.
- Fuel Consumption – The rate of consumption for each candidate helicopter were the default values in the Life Cycle Cost software. The amount consumed per hour for the:
  - 412EPX: 113 gallons.
  - S-70i: 138 gallons.
  - CU-47D: 392 gallons: The consumption rate represents an average of the different missions the helicopter can perform.
- Labor – The labor costs associated with maintenance are based upon the estimated hours to work on the aircraft, also referred to as “hands-on-time”. Not included as “hands-on-time” would be activities such as time-off, meetings, hangar cleaning, and other activities that are not involved with maintaining the helicopter. We used a labor rate of \$106 per hour.

The information provided for each candidate helicopter is the same as the current OCFA helicopters except for one table, which identified the significant scheduled maintenance categories by year. The table and charts provided are:

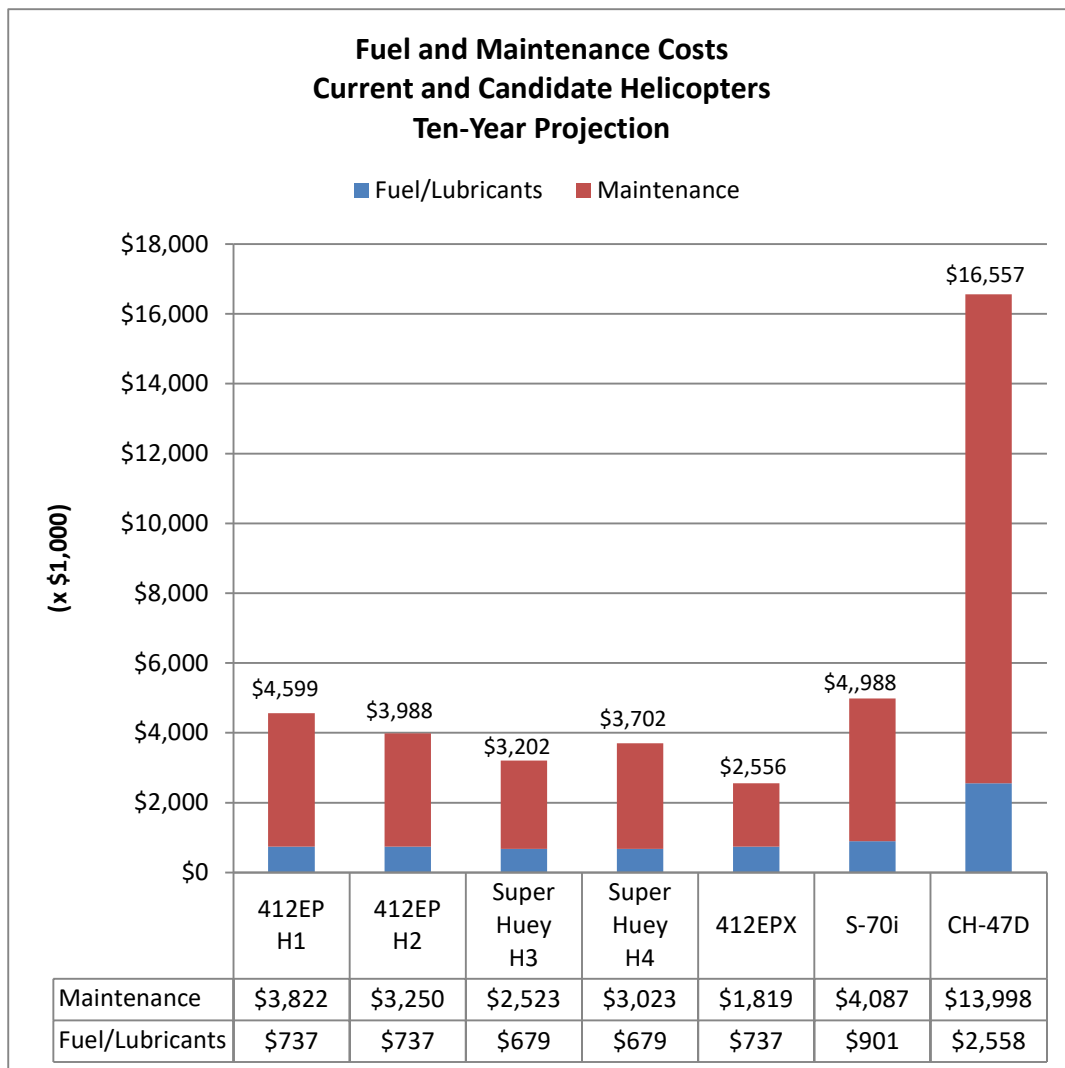
- A summary table showing the maintenance and fuel costs for the ten-year estimate.
- A line chart showing the estimated annual maintenance costs for the ten-year period.
- A line chart displaying the estimated annual residual value based on the aircraft's age and status of significant maintenance events for the twenty-year period.

Because the table and charts convey the same type of information that was shown for the current helicopters, we did not restate the explanation and meaning as was provided with the 412EP N141FA H1.



Chart 2-11 summarizes the projected fuel and maintenance costs for the current and candidate helicopters over a ten-year period. The chart requires some comments that will provide a more complete picture of the comparisons.

Chart 2-11



New vs Used Aircraft – Each of the current helicopters have been operating for several years and in the case of the UH-1H Super Huey helicopters, more than several. Two of the candidate helicopters are new, the 412EPX and S-70i. Why is this important to understand? The 412EPX and S-70i are just starting their life cycle as it relates to maintenance. The current helicopters are in a different older segment of their life cycles and have encountered certain scheduled maintenance events that a new helicopter has not. Due to the difference in the life cycles, the current helicopters will more than likely cost more to maintain and not only due to scheduled maintenance, but also unscheduled maintenance associated with an aging helicopter.

Using the 412 helicopters as an example in Chart 2-11. The 412EP helicopters cost more to operate than the proposed 412EPX. After ten years, the 412EPX will have only flown 2,000 hours, based upon the 200-flight-hour-per-year assumption. The 412EPX will not have encountered most of the scheduled events that are measured by flight-hour activity. The difference is more than \$2 million.

Helicopter Types – Historically, OCFA has used Type II helicopters for firefighting. OCFA is now analyzing Type I helicopters, the S-70i and CU-47D. It is important to realize that with the ability to drop more water, maintenance cost will also increase due to the use of a larger helicopter. While costs, acquisition and operation, are certainly important, other measurements are important to bridge the difference between Type I and II helicopters.

### **Bell Flight** **412EPX**

The EPX is very similar to the EPI, the predecessor to the EPX. The significant changes between the helicopters involved performance. The technology Subaru brought to the project improved the main gearboxes, which allowed an increase in mast torque, which led to an increase for internal and external maximum weights. However, what is not known as clear is the effects the performance changes will have on maintenance costs. While there will be a change, it will more than likely not be significant. Therefore, we chose to use a new EPI for the cost information in Table 2-10.

<b>Table 2-10</b>		
<b>Ten-Year Projection - 412EPX</b>		
Fuel	\$716,006	28%
Lubricants	\$21,480	1%
Subtotal	\$737,487	29%
<b>Airframe Maintenance</b>		
Labor	\$641,544	25%
Parts	\$690,813	27%
Inspections	\$463,398	18%
Component Overhaul	\$23,155	1%
Life Limited Items	\$0	0%
Subtotal	\$1,818,910	71%
<b>Engine Maintenance</b>		
Engine Restoral	\$0	0%
Total	\$2,556,396	100%

Chart 2-12

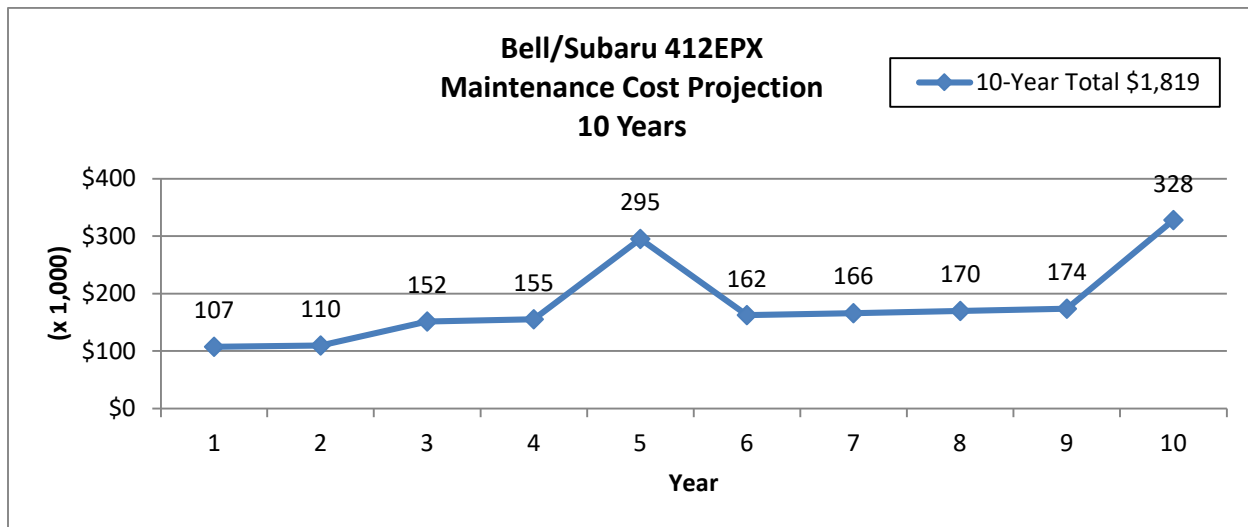
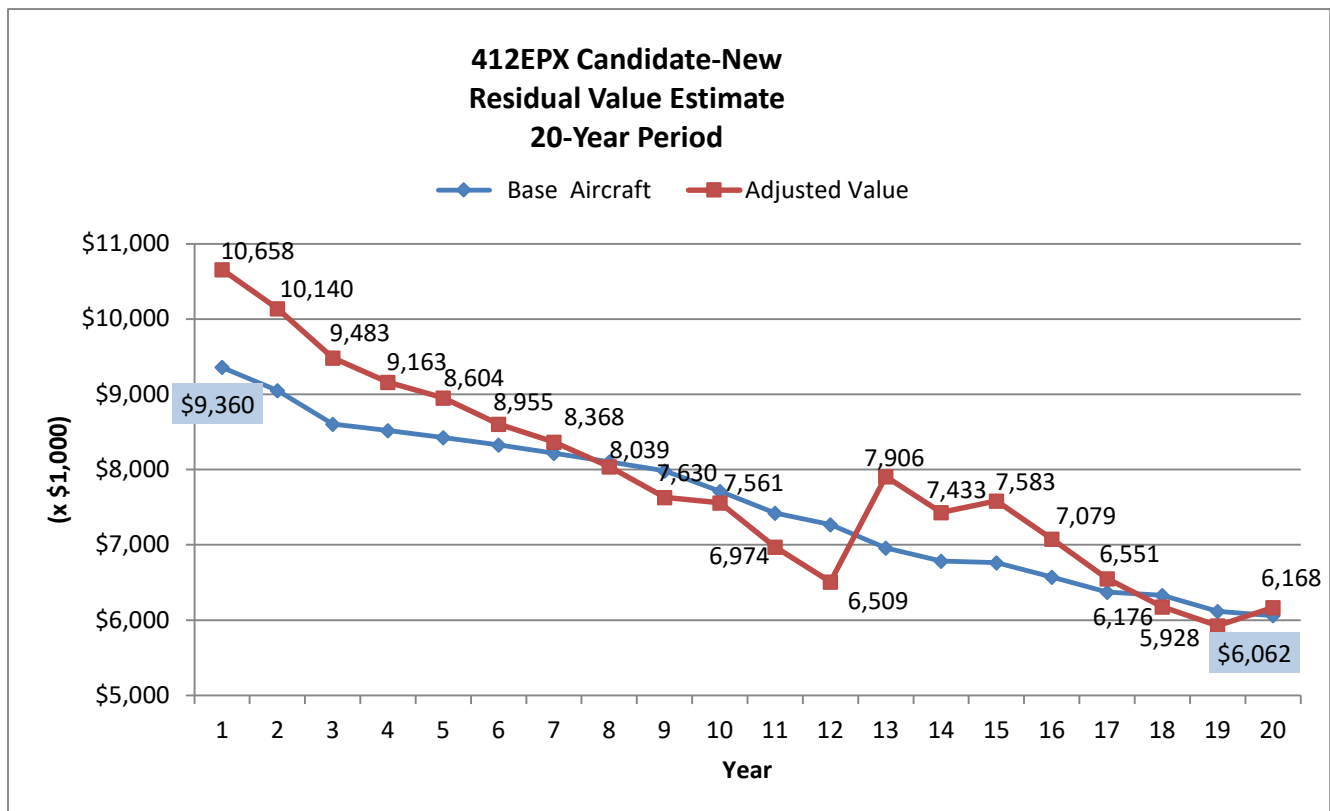


Chart 2-13



For the candidate helicopters, 412EPX and S-70i, we showed a 20-year projection for the residual value estimate. We did so because these helicopters are at the beginning of their life cycle and OCFA is likely to operate these helicopters longer than a ten-year period, which was for the current OCFA helicopters. The CU-47D residual value estimate is discussed with that helicopter's table and other information (see pages 23 and 24).

The residual value for the 412EPX is based upon an estimate for a helicopter without mission equipment, a basic configured helicopter. If we had used a mission-ready version of the 412EPX, the Base Aircraft Value would be higher as well as the Adjusted Value. During the 20 years of operation and based upon the annual flight hours of 200, years 8 through 12 and 18 through 20 are the periods when the Adjusted Value drops below the Base Aircraft values.

### **Sikorsky Helicopters**

#### **S-70i**

<b>Table 2-11</b>		
<b>Ten-Year Projection - S-70i</b>		
Fuel	\$874,415	18%
Lubricants	\$26,232	1%
Subtotal	\$900,647	18%
Airframe Maintenance		
Labor	\$1,076,959	22%
Parts	\$1,585,206	32%
Inspections	\$700,999	14%
Component Overhaul	\$76,266	2%
Life Limited Items	\$1,500	0%
Subtotal	\$3,440,931	69%
Engine Maintenance		
Engine Restoral	\$646,548	13%
Total	\$4,988,126	100%

Chart 2-14

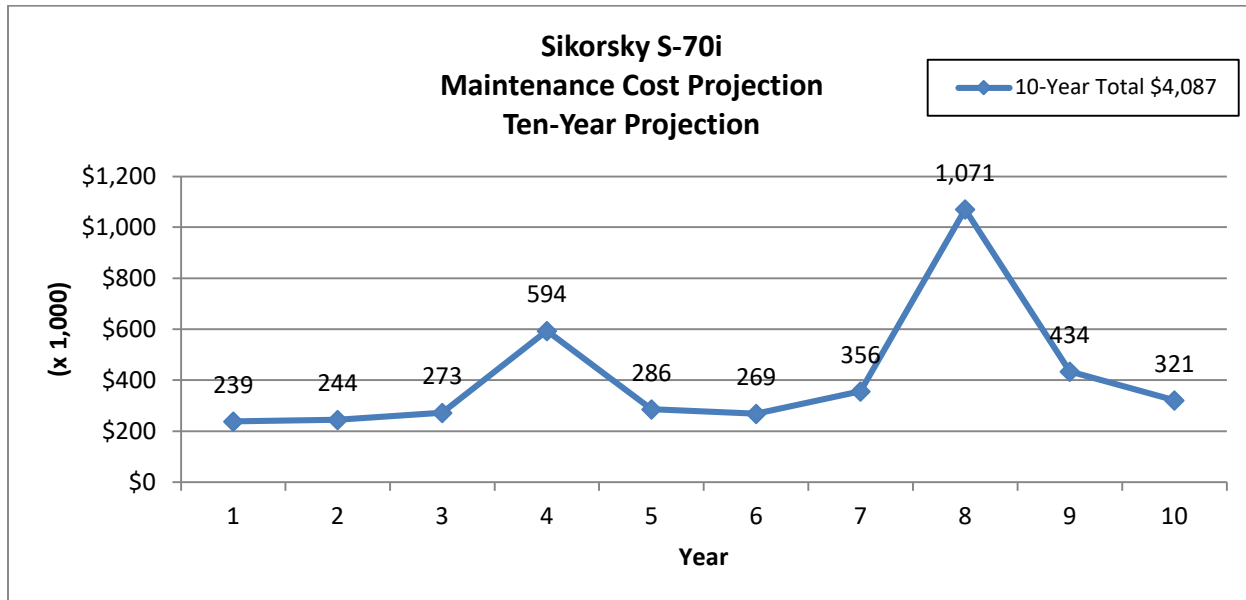
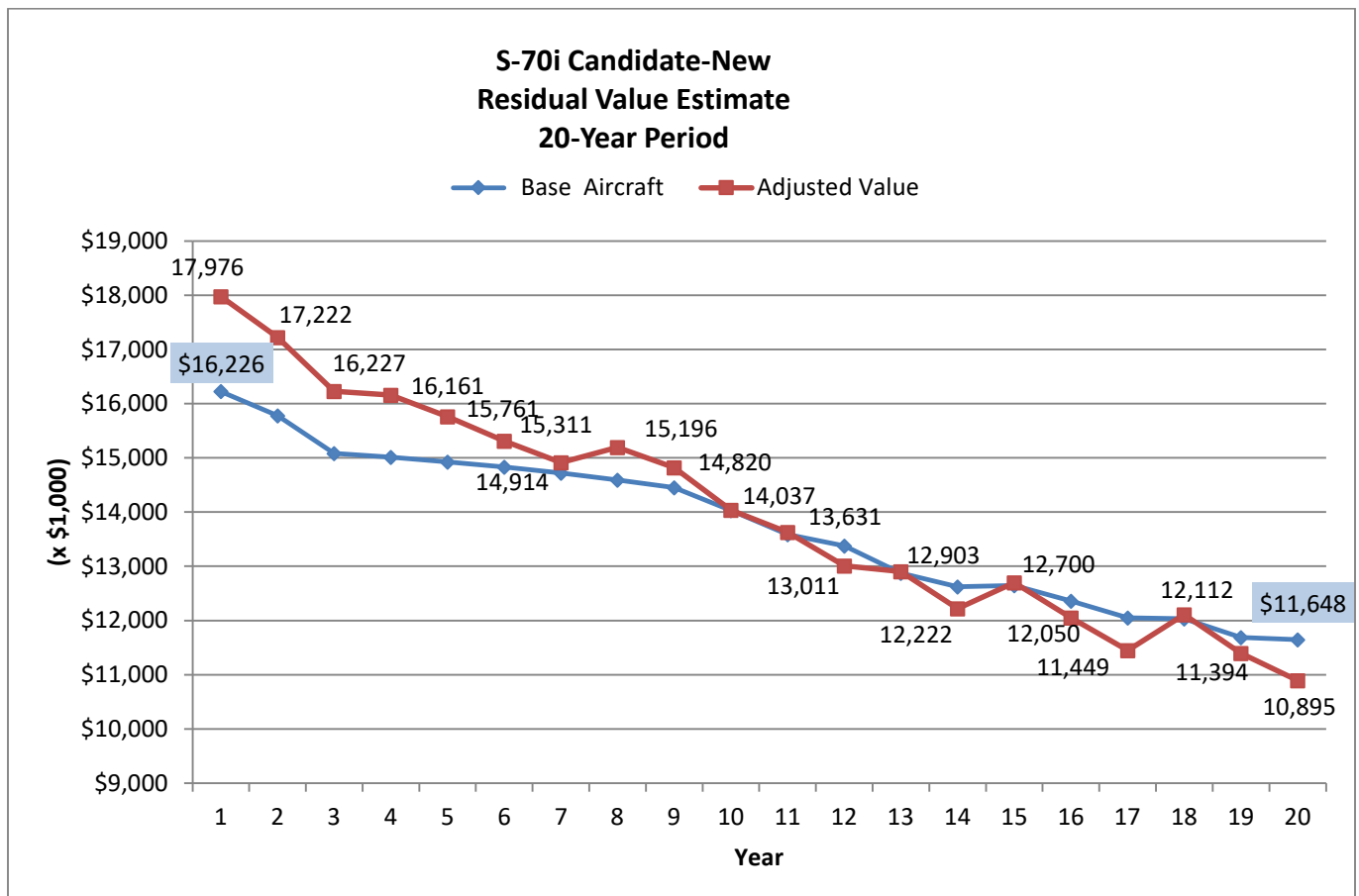


Chart 2-15



The Adjusted Value estimate for the S-70i follows the Basic Aircraft estimate throughout the 20-year period. The years when the Adjusted Value are more than the Base Aircraft value are not much higher than the Base Aircraft value. The exception to that are the early years, one through six, when the difference between the values is more significant. Also, when the Adjusted Value drops below the Base Aircraft, the difference is not significant, except for year 20 when there is an almost a \$1.0 million difference.

**Coulson/Unical**  
**CH-47D**

The Coulson-Unical proposal to OCFA is different in scope than what Bell and Sikorsky are proposing, which causes the cost information to be presented differently. In short, Coulson-Unical is not only offering to sell the CU-47D helicopter, but the organization is also offering a “turnkey” solution for operating and maintaining the helicopter. Based on the different approach, we are not able to show the Maintenance Cost Projection and Residual Value Estimate charts. However, the following information should provide OCFA with information that will allow comparisons to the current and other candidate helicopters.

<b>Table 2-12</b>		
<b>Ten-Year Projection - CU-47D</b>		
Fuel	\$2,483,845	3%
Lubricants	\$74,515	0%
Subtotal	\$2,558,361	3%
<b>Airframe Maintenance</b>		
Hourly Maintenance Program	\$13,206,718	16%
Parts not Covered by Program	\$791,473	1%
Management Services	\$65,579,152	80%
Component Overhaul	N/A	---
Life Limited Items	N/A	---
Subtotal	\$79,577,343	97%
<b>Engine Maintenance</b>		
Engine Restoral	\$0	0%
Total	\$82,135,703	100%

Table 2-12 is similar to the prior tables for the current and candidate helicopters. The following information will explain the categories with an emphasis on the ones that are different.

- **Fuel and Lubricants** – The process to calculate the fuel and lubricants is the same as what was used for the other current and candidate helicopters. Fuel is calculated based on an

- average fuel consumption rate per hour times a fuel cost of \$2.90 per gallon. Lubricants (e.g. oil, hydraulic fluids) are calculated based upon the hourly fuel cost times three percent.
- Hourly Maintenance Program – For the current and candidate helicopters, we used Conklin & de Decker's *Life Cycle Cost v20.1* program to estimate the maintenance costs. Using the program, shows the behavior of the maintenance costs on an annual basis. An alternative to incurring maintenance expenses as they occur is an hourly maintenance program. Referred to with several terms (e.g. guaranteed maintenance program, power-by-the-hour), Coulson-Unical offered an hourly maintenance program.

The cost-per-hour offered was \$5,500. The systems that would be covered by the program would be major dynamic components, which includes main rotor blades, engines, transmissions, and drive shafts. The hourly cost would increase by four percent annually during the ten-year period.

- Parts not covered by Maintenance Program – The hourly maintenance program covers just the type of systems mentioned. The program will not cover parts and components such as small parts, rotatable components, oils, and instruments. These items will be paid for as incurred.

The cost per hour for these parts is estimated to be \$350 in the first year. We applied an annual inflation rate of 2.7 for subsequent years. This is the same inflation rate used in the *Life Cycle Cost v.20.1* program.

- Management Services – Coulson-Unical also proposed providing all services to operate the CU-47D helicopter. The management program would include:
- Personnel such as pilots, maintenance technicians, and mission crews.
  - Services to cover 24 hours a day, seven days a week.
  - Support employees for operational equipment such as fuel tank and support truck.

The annual cost for the operating services would be \$5.8 million. We applied an annual inflation rate of 2.7 percent for the management fees during the ten-year period.

The \$65.6 million for the ten-year period is included since part of the costs included relate to maintenance labor. However, other categories such as salaries for personnel other than maintenance, insurance, management charge, and ground support are also included in this amount.

- Component Overhaul, Life Limited Items and Engine Restoral – These categories of cost are not applicable based upon the hourly maintenance program and the estimates for the parts that are not covered by the program.

### Section 3 – Resale Value and Lead Time

#### Orange County Fire Authority Original Request

Research the resale value of the current fleet and lead time for the new helicopters.

#### Conklin & de Decker Approach

Conklin & de Decker gathered information in the following areas to better understand the current market.

- New helicopter availability.
- Estimated completion time for mission-ready helicopters.
- Acquisition costs.
- Resale value for current OCFA helicopters.
- Market activity for used helicopters.

Due to the nature of the information of interest, the summary section will also serve as the Conklin & de Decker Analysis section.

#### Summary

Table 3-1 summarizes the requested information for the current and candidate helicopters. Additional explanations support the table information.

Table 3-1					
Resale, Acquisition Cost, and Lead Time					
Helicopter Type	Resale Value (x 1 million)	Disposition Time	Acquisition Cost (x 1 million)	Basic Aircraft Delivery	Completion Estimate
UH-1H Super Huey	N/A	Immediate	N/A	N/A	N/A
412EP	\$3.5 - \$4.3	Year or more	N/A	N/A	N/A
412EPX	N/A	N/A	\$14 - \$15	1-6 months	6 months
S-70i	N/A	N/A	\$20 - \$23	24 months	6-8 months
CH-47D	N/A	N/A	\$16.5	Jun-2021	Jun-2021

#### UH-1H Super Huey:

- Resale Value: There are two important elements that are relevant for both Super Hueys. The first is related to the resale value of the helicopters. Based on how the helicopters were obtained, through the Federal Excess Personal Property (FEPP) program, the opportunity for



receiving resale value is eliminated. Technically, the helicopters are still owned by the federal government with CAL FIRE serving as the conduit to OCFA.

- Disposition Time: The second important element, should OCFA decide to retire the Super Huey helicopters, is OCFA can remove them from its fleet quickly. CAL FIRE has reached out to OCFA indicating that other government agencies have expressed an interest in operating them.
- Acquisition Cost, Purchase Availability, Time to Complete: These items are not applicable to the Super Huey helicopters as these aircraft will be departing from the aviation unit.

**Bell 412EP:**

- Resale Value: Unlike the Super Hueys, the Bell 412EP helicopters do have resale values. There are several factors that can influence a helicopter's resale value. The most influential factors include the age of the helicopter, both in years and flight hours, status of the economy, time-remaining status on significant scheduled components and parts, available inventory in the market, and the presence of buyers. Several sources in the industry agree that the current resale market is a difficult market due to the factors already mentioned and a few more. The effect of these factors means that aircraft values will likely be lower than estimated and will take longer to sell.

Based on HeliValue's, *The Official Helicopter Blue Book*, the estimated resale value for OCFA's 412EP helicopters range from \$3.5 to \$4.3 million. HeliValue's estimates are based primarily on the time remaining for significant airframe and engine overhauled components, life-limited items, and major inspections. Simply stated, resale values decrease as remaining times on the assets decrease. As mentioned previously, other current factors will likely reduce the range of the resale values.

- Disposition Time: The length of time to sell a 412EP in the market as reported by AMSTAT, an industry research company, is a year or more. Manufacturers are another source for selling the helicopter when the used helicopter is part of the purchase of a new helicopter. Currently, and based on Section 2 of this report, OCFA has a current five-year period where the adjusted value of the helicopters is higher than the basic value.

**Bell 412EPX:**

- Acquisition Cost: The estimated purchase price to obtain a mission-ready helicopter can vary based upon the requirements of OCFA such as actual mission equipment, avionics, and the interior arrangement. The acquisition price can also be affected if there is competition as to which helicopters OCFA is considering. The purchase price for A 412EPX that meets OCFA's requirements will range from \$14.0 to \$15.0 million.
- Basic Aircraft Delivery: When is the next basic helicopter available for acquisition from the provider of the helicopter (e.g. manufacturer)? This timeline does not include the completion process. As of January 2021, Bell can deliver a 412EPX in one to six months.

- Completion Estimate: Once the acquisition of the basic aircraft has occurred, how long will it take to complete the helicopter for its intended missions? As of January 2021, Bell estimated the time to complete the helicopter was six months.

**Sikorsky S-70i:**

- Acquisition Cost: The estimated purchase price for a mission-ready S-70i is \$20.0 to \$23.0 million due to different installations of mission equipment and systems not on the basic-configured aircraft.
- Basic Aircraft Delivery: Sikorsky's standard lead time is 24 months. However, the manufacturer has flexibility as it also produces spec aircraft. As of January 2021, Sikorsky had two spec aircraft that would be ready for delivery before the end of 2021. Additional spec aircraft will be available in 2022. All of these aircraft would be delivered as a basic configured aircraft.
- Completion Estimate: Sikorsky uses United Rotorcraft to complete its S-70i helicopters. As of January 2021, the estimated completion period was six to eight months.

**Coulson-Unical CU-47D:**

- Acquisition Cost: The acquisition price for the CU-47D as a mission-ready helicopter is \$16.5 million.
- Basic Aircraft Delivery: OCFA is currently leasing a CU-47D from Coulson-Unical. The lease will end in June 2021. The same CU-47D will be available for acquisition on June 15, 2021.
- Completion Estimate: The completion date is the same as the basic aircraft delivery date.

## Section 4 – Fleet Replacement Plan

### Orange County Fire Authority Original Request

Suggest replacement plan for existing fleet.

### Conklin & de Decker Approach

Conklin & de Decker created a fleet replacement plan for OCFA and its aviation department. First, we produced a ten-year benchmark estimate based upon retention of the current fleet. Next, we considered changes to the fleet by incorporating new aircraft. The emphasis of the aviation unit and OCFA was the firefighting mission and the desire to increase its water drop capacity. Therefore, its analysis incorporated the possibility of helicopter type changes.

The structure of this section is the same as prior sections and contains a summary of the analysis and the analysis by Conklin & de Decker.

### Summary

Conklin & de Decker has outlined an approach that OCFA may want to consider as it updates its fleet of helicopters. Table 4-1 offers a summary of the steps that would update the OCFA fleet and address the primary objective of improving the volume of water dropped while fighting fires. In addition to providing the future costs of the existing fleet, should OCFA not make any changes, we have suggested four steps to consider.

- Retain the Current Fleet - Although retaining the current fleet is not likely, it serves as a benchmark when compared to the changes that may occur as suggested by the four steps. Based upon the life cycle cost assumptions stated in Section 2 Life Cycle Cost Projections, we projected the estimated fuel and maintenance costs for the next ten years for an unchanged fleet.
- Change the Current Fleet –
  - Step 1: Retire the UH-1H helicopters. There are three primary reasons for retiring these helicopters.
    - Age (over 50 years),
    - Increased costs due to limited military spares, and
    - Reduced availability.

An additional factor to consider is the level of risk between single-engine and dual-engine helicopters while hovering.

- Step 2: Acquire Bell 412EPX. If the OCFA desires to continue having two helicopters available for each day of the year, a third helicopter is required. Acquiring a 412EPX, also improves the amount of water dropped for firefighting when compared to the 412EP helicopters.
- Step 3: Acquire a Type I helicopter. The candidate helicopters will meet the OCFA objective to increase the amount of water delivered during the firefighting mission. Based on our research and comparing the two Type I helicopters,
  - An S-70i will cost less to operate, which is expected since the CU-47D can deliver more water to the fire.
  - The acquisition price for the CU-47D is less than the S-70i.
  - Delivery of a mission-ready helicopter ranges from 14 to 32 months for the S70i and June 2021 for the CU-47D. Section 3 of the report provides more information on the S-70i and the options that reduce the delivery range.
  - Coulson-Unical is offering a turnkey service to operate and support the CU-47D. The estimated price for over a ten-year period is \$65.6 million.
- Step 4: Consider acquiring a second Type I helicopter and if so, retire a 412EP.
  - Significant scheduled maintenance events will affect a helicopter's availability. If delivering larger amounts of water is a priority, there will be times when OCFA will not have a Type I helicopter available to perform the mission. OCFA needs to determine the significance of this risk and if a second Type I helicopter is required for adequate coverage.
  - If OCFA does acquire a second Type I helicopter, the opportunity exists to retire one of the 412EP helicopters.

Table 4-1 summarizes the steps slightly differently.

- If the current fleet is retained, then the only relevant costs are the operating costs. The amount shown represents the estimated maintenance and fuel costs during a ten-year period for the four helicopters.
- Steps 1 and 2 involve transactions rather than retaining the current fleet. The total for these steps is what the operating costs would be for two 412EP helicopters and one 412EPX during the same period. The estimated purchase price of the 412EPX is provided.
- Step 3 is the acquisition of a Type I helicopter. In addition to the ten-year period for operating costs, each candidate helicopter has the acquisition cost. Management services is unique to the CU-47D and represents the costs associated with operational and support services. The operational costs of the remaining 412EP and EPX helicopters are not included.
- Step 4 is the same as Step 3 except for the suggested retirement of one of the 412EP helicopters. In Step, 4 we included the operational costs of the two remaining 412 helicopters. The disposition amount relates to the 412EP that would be retired and is the range of resale amount.

Table 4-1					
OCFA - Summary of Fleet Options					
Dollar amounts x 1 Million					
Option	Operating Cost	Disposition Amount	Purchase	Total	Management Service
Retain Current Fleet	\$15.5	Not Applicable	Not Applicable	\$15.5	Not Applicable
Steps 1 and 2: Retire UH-1Hs/Acquire 412EPX					
Two 412EP/One 412EPX	\$11.1	\$0.0	\$14.0-\$15.0	\$25.1-\$27.1	Not Applicable
Step 3: Acquire Type I Helicopter					
S-70i	\$7.0	Not Applicable	\$20.0-\$23.0	\$27.0-\$30.0	Not Applicable
CU-47D	\$16.6	Not Applicable	\$16.5	\$33.1	\$65.6
Step 4: Acquire second Type I Helicopter/ Retire one 412EP					
One 412EP/One 412EPX	\$5.8	(\$3.5-\$4.3)	Not Applicable	\$9.5-\$10.1	Not Applicable
S-70i	\$7.0	Not Applicable	\$20.0-\$23.0	\$27.0-\$30.0	Not Applicable
CU-47D	\$16.6	Not Applicable	\$16.5	\$33.1	\$65.6

### Conklin & de Decker Analysis

OCFA currently has four aircraft in its fleet, two UH-1H Super Huey and two 412EP helicopters. The variety of missions the department is equipped and trained to perform include wild land firefighting, which includes ground crew and supply transportation and water dropping capabilities; assistance during structure and wild land fires with command and control, and exposure protection; rescues that include vehicles, animals, and humans in a wide variety of settings such as water, rough terrain, and limited light.

The wide variety of missions requires that the current helicopters carry a variety of specialized equipment, including rescue hoist, fixed tank for dispensing fire retardant, Spectro-Lab searchlight, rescue harness, cargo hook, and paramedic equipment. In addition to the equipment, the helicopters carry personnel on certain missions, which also require additional cabin space and useful load.

The current OCFA fleet can perform its various missions. However, when it performs its primary mission of firefighting, the overall objective is to deliver more water over a given period of time. OCFA would like to move into a category of helicopter that will allow it to deliver more water per drop than it can

currently. While performing its rescue mission, it is important to use a helicopter that can perform the mission efficiently from a cost perspective.

The scope of the analysis limits our effort to summarizing the costs associated with adding a larger category helicopter to the OCFA, rather than justifying its need.

### Retain Current Fleet

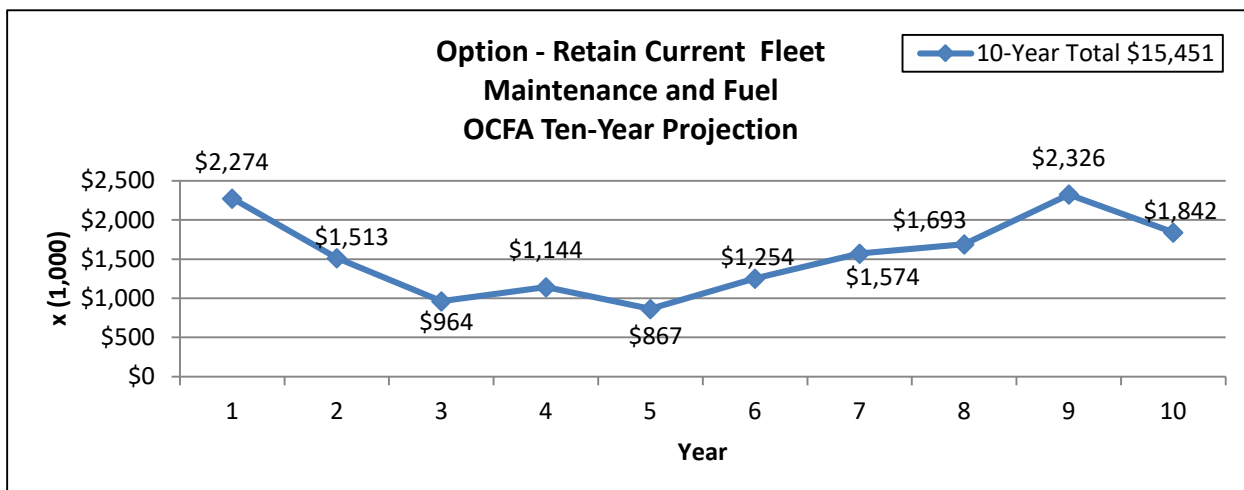
Although retaining the current fleet is not likely, due to the September 2020 grounding, it serves as a benchmark when compared to the other possible alternatives. Based upon the life cycle cost assumptions stated in Section 2 Life Cycle Cost Estimates (pages 4 and 5), we projected the estimated fuel and maintenance costs for the next ten years for the Super Huey and 412EP helicopters.

Key assumptions included the annual flight hours at 200 per helicopter, which is based on the projected hours for the current year, fuel rate per gallon of \$2.90, annual inflation between 1.95 and 2.7 percent, labor that includes technicians' hands-on time, and the remaining lives for the significant scheduled maintenance events and items for the respective helicopters.

Chart 4-1 combines the annual estimated fuel and maintenance costs for the four helicopters. For example, the fleet's cost in Year 1 is an estimated \$2.274 million. The helicopters contributing to high costs are H1 and H4, both are encountering significant inspections and other scheduled maintenance. Refer to Section 2 for the individual helicopter's maintenance events. The most expensive year for the current fleet is Year 9.

During the ten-year period, the total costs expended on fuel and maintenance would be \$15.5 million. Under this scenario, there would not be any acquisition costs for new helicopters or receipts for the retirement of the exiting helicopters.

**Chart 4-1**



## Change the Current Fleet?

This section of the report is our recommendations as to how and when OCFA can update its fleet to accomplish two primary objectives.

- Improve its firefighting effectiveness by increasing the volume of water dropped and
- Continue its rescue missions.

Our recommendation is based upon our analysis in this report. However, we emphasize this is just a recommendation that OCFA can adjust.

- **Step 1:** Retire the UH-1H Super Hueys.
  - These helicopters are over 50 years old. While it is true that with the proper maintenance, helicopters have an infinite life, they do so with increasing costs, both labor and parts. Less obvious is the aging effect on a helicopter's availability for operations. The recent experience with N451FA H3 and its 10-year inspection illustrates these effects of an aging helicopter. The inspection cost over \$400,000, the length of time to complete the inspection was over a year (16 months), and when placed back into service, the helicopter was still not available for operations due to its questionable performance.
  - The availability of UH-1H spare parts directly from the military is no longer available. The federal logistic program that released military spares for this type of helicopter no longer has that inventory. While spares can be obtained from other sources in the industry, the pricing is higher. When the federal logistics program was active with these spares, OCFA paid a lower price because the transactions were directly with the military. What used to be full shelves in the aviation unit's inventory are now empty.
  - The UH-1H helicopters are single-engine, which raises a concern about safety. The issue of safety is not that single-engine helicopters experience engine failures more frequently than twin-engine helicopters. The issue is when and if an engine failure occurs in a single-engine helicopter, the situation involves more risk. For example, a helicopter will hover over water when it is filling up the water tank. If engine failure occurs during this phase of flight with a single-engine helicopter, then landing in the water is imminent. A helicopter with a second engine reduces this risk. Single-engine helicopters are still used broadly in the firefighting missions. The impediment from making the transition to a dual-engine helicopter is frequently the more expensive acquisition and operating costs.
  - Before disposing of the UH-1Hs, it is important to acknowledge that the UH-1H helicopters are used for pilot training. Referring to Chart 1-2 in Section 1 of the report, the highest amount of flight hours between the years of 2016 and 2020 were training

hours for pilots. Training consumed 46 percent of the total flight hours. Initial pilot training will now be performed by the 412 helicopters.

- **Step 2:** Acquire a Bell 412EPX.
- OCFA provides services 365 days in the year. Each day, there are two helicopters available for call. One is staffed to be available 24 hours a day for fire and rescue calls. The second helicopter is staffed for 10-hours a day, primarily for fire calls. Based on these requirements, both 412EP helicopters will be required to be available. Due to scheduled inspections (e.g. 5-year inspection) and unpredictable unscheduled maintenance, it is necessary to have a third helicopter to ensure the required availability.
  - The 412EPX can also contribute to a firefighting mission. Despite its Type II category, the 412EPX, due to Subaru and Bell efforts, can drop more water than the 412EP helicopters. At the start of a 1.5-hour mission with 20-minute reserves, the 412EPX can carry 62 percent, or 130 gallons, more than the 412EP.
  - Placing a 412EPX in service will take 7 to 12 months. Receiving the basic helicopter is an estimated 1 to 6 months, while the completion process is another 6 months.
  - Retain the existing 412EP helicopters. These helicopters are 12 years old. They are relatively young, in age and flight hours, but both will encounter 2,500-hour inspections as well as 2,500-hour components for overhaul and life limited items in the next two to three years. According to the residual value analysis in Section 2, years three through five and seven through nine are better periods of time to retire the helicopters if that is OCFA's desire.
  - Based on the historical annual flight hours for the aviation unit (500 to 600), three helicopters should provide adequate availability for OCFA to perform its missions. The addition of a Type I helicopter to the fleet would reduce the annual flight hours of the 412 helicopters, which could accelerate the retirement of one of the 412EP helicopters sooner than planned.

Steps 1 and 2 address the retirement of the two Super Huey helicopters and place the aviation unit in position to perform the missions that it has performed in the last several years by acquiring a 412EPX. Table 4-2 summarizes the costs associated with these steps.



Table 4-2				
Summary of Program costs (Ten-Year Period)				
Retire UH-1H Super Hueys, Purchase 412EPX				
Aircraft	Operating Cost	Disposition Amount	Purchase	Total
(x 1 Million)				
UH-1H	\$0	\$0	N/A	\$0
412EP	\$8.5	N/A	N/A	\$8.5
412EPX	\$2.6	N/A	\$14.0-\$15.0	\$16.6-\$17.6
Total	\$11.1	\$0	\$14.0-\$15.0	\$25.1-\$27.1

**Notes:**

- **Operating Cost:** Consists of fuel and maintenance. Based on Conklin & de Decker's Life Cycle Cost program and 200 flight hours per year per helicopter.
  - **Disposition Amount:** Retirement of UH-1H does not have resale value due to the FEPP program.
  - **Purchase:** Estimated range of completed helicopter.
- **Step 3:** Acquire Type I helicopter to meet increased water drop objective.
- OCFA has expressed its desire to increase the amount of water that its helicopters can drop to fight fires more effectively. To meet the intended increase, OCFA will have to move from a Type II to Type I helicopter. The two candidate helicopters that we analyzed, S-70i and CU-47D, have water tank capacities of 1,000 and 3,000 gallons, respectively.
  - The S-70i and its earlier version, the UH-60A have become the helicopter of choice for aerial firefighting. The acquisition price for a mission-ready S-70i helicopter can range from \$20 to \$23 million. The maintenance and fuel costs are provided in Table 4-3 and summarize two options. The standard availability to acquire is 24 months, but there are spec helicopters available that can reduce the period to 9 to 15 months. Completion is an additional 6 to 8 months. Its average water drop is estimated to be 890 gallons at sea level and ISA. This average amount will decline based on hotter temperatures and higher altitude.
  - Coulson-Unical offers a different approach to OCFA. While the purchase price is straightforward at \$16.5 million, the operational proposal is a turnkey operation. At an annual rate of \$5.8 million, Coulson-Unical will provide the pilots, technicians, and ground support. With inflation, the ten-year total cost is \$65.6 million. The ten-year fuel and maintenance costs are estimated to be \$16.6 million. The availability for purchase and operation is June 2021. The average water drop is estimated to be 2,740 gallons at sea level and ISA. This average amount will decline based on hotter temperatures and higher altitude.

Table 4-3 summarizes the additional cost that would be involved with acquiring one of the Type I helicopters.

Table 4-3					
Summary of Program Costs (Ten-Year Period)					
Purchase Type I Helicopter - S-70i or CU-47D					
	(x 1 Million)				
Aircraft	Operating Cost	Disposition Amount	Purchase	Total	Management Service
S-70i (w/o hrly. programs)	\$5.0	N/A	\$20.0-\$23.0	\$25.0-\$28.0	N/A
S-70i (with hrly. programs)	\$7.0	N/A	\$20.0-\$23.0	\$27.0-\$30.0	N/A
CU-47D	\$16.6	N/A	\$16.5	\$33.1	\$65.6

**Notes:**

- **Operating Costs:**
  - **S-70i:** \$5.0 million is based upon Conklin & de Decker *Life Cycle Cost* program over a 10-year period with 200 flight-hours per year. The costs include fuel and maintenance. The maintenance costs are based upon the estimated scheduled and unscheduled costs that would occur during the 10-year period. If OCFA chose to enroll in Sikorsky's Total Assurance Plan (TAP) and the GE program, the estimated cost during the ten-year period and assuming four percent increase each year is \$7.0 million. The first-year cost would be an estimated \$2,900 per flight hour.
  - **CU-47D:** Coulson-Unical provided a hybrid for its maintenance costs. The major dynamic components are covered by a flight hour program, whose first rate is \$5,500 with four percent annual increase. Items not covered by the program are the responsibility of OCFA. Both types of costs are represented in the Operating Cost category.
- **Total:**
  - We placed the Total column in its position, so we could have an apples-to-apples comparison regarding the maintenance and fuel costs, during the ten-year period, and the acquisition costs.
- **Management Services:**
  - **CU-47D:** Coulson-Unical offered turnkey operation, which is described in Section 2 of the report. Basically, they are offering to take care of the operation of the helicopter and the support material that is needed during firefighting missions. We placed this category of cost in the last column since it is a relevant but unique cost associated with the CU-47D.
- **Step 4:** Acquire second Type 1 helicopter for availability.
  - The primary desire of OCFA is to increase its water dropping capabilities while fighting fires. The Type I candidates certainly provide that increase. But as is the case with all helicopters, they require maintenance frequently due to scheduled and unscheduled events. Maintenance affects a helicopter and its availability for flight operations. By combining the primary objective regarding firefighting and the reality of frequent maintenance affecting availability, OCFA may want to consider having two Type I

helicopters. Two helicopters will reduce the risk of having a fire and not having a Type I helicopter available.

- If OCFA chose to have two Type I helicopters, the possibility exists that the 412 series of helicopters could be reduced to two helicopters. The Type I helicopters could assist when or if a 412 is not available to perform the daily on-call missions.
- We do not suggest making this move until the effects of Step 1 and 2 have been in place for a period. OCFA can make a more informed decision at that time.

## Section 5 - Other Information

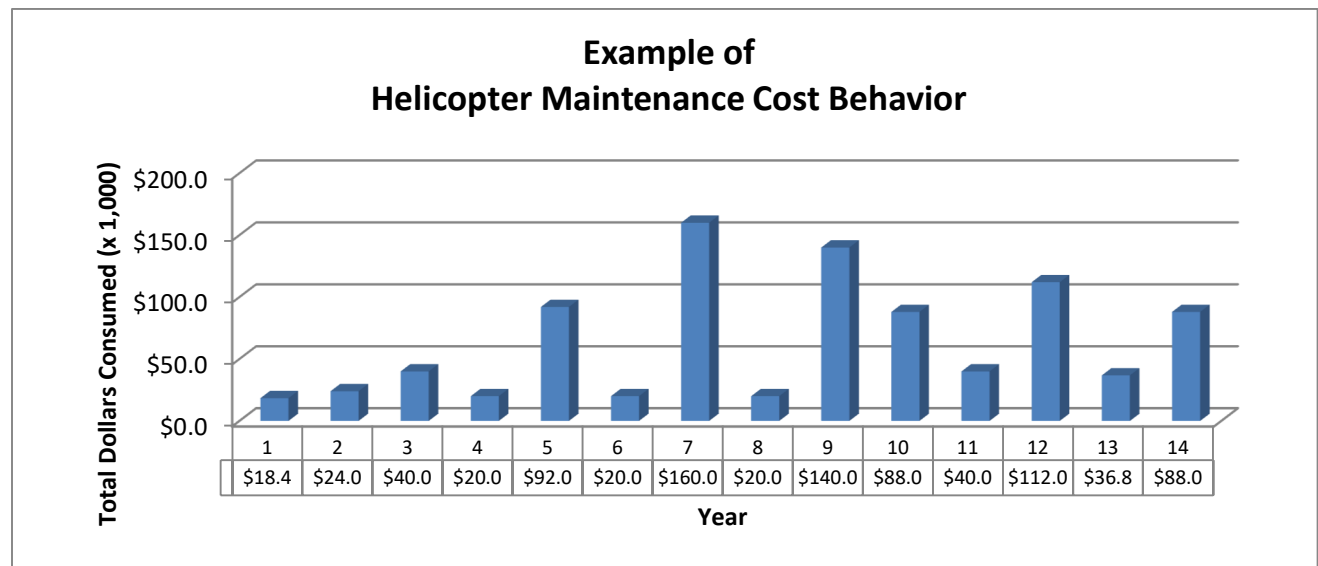
Section 5 contains information that fell outside of the scope of the Request for Proposal but caught our attention during our research and analysis.

### Guaranteed Maintenance Programs

The term Guaranteed Maintenance Program (GMP) is a generic term to represent a concept that has become very popular in aviation in the last several years. Each entity that offers a program of this nature has their unique name. The most used trademarked name representing this concept was Rolls Royce's Power-by-the-Hour program (PBH). Another common reference is Pay-by-the-Hour. For clarity, we use GMP in this report to reference the concept.

What was the primary reason that pushed vendors to offer GMPs? The most obvious answer is their effect on the behavior of maintenance costs over a period of time. Chart 5-1 represents the maintenance costs of an actual helicopter whose costs we tracked over an extended period of time. The chart illustrates the erratic behavior of, mostly caused by scheduled events, maintenance costs. Using Year 7 as an example, how does an organization prepare for expenditures of this magnitude (\$160 K) when they have been experiencing significantly less costs in the prior years?

**Chart 5-1**



The more astute operators would estimate the costs of the future significant maintenance events and then set aside or reserve funds until the events occurred. The amount reserved would accumulate based on a calculated cost per hour for the future events. In essence, the operator would be reserving cash for future maintenance at a steady rate of hours flown.

For example, if the estimated cost to overhaul a main transmission gearbox was \$45,000 and its overhaul interval was 3,000 hours, the amount reserved for each hour flown would be \$15. If the assumptions, \$45,000 and 3,000 hours, turned out to be accurate, then the operator would have enough funds available to pay for the overhaul. Working through the exercise to build estimates for all of the scheduled maintenance as well as maintenance not scheduled (e.g. on-condition) would produce a total cost-per-hour to maintain the aircraft.

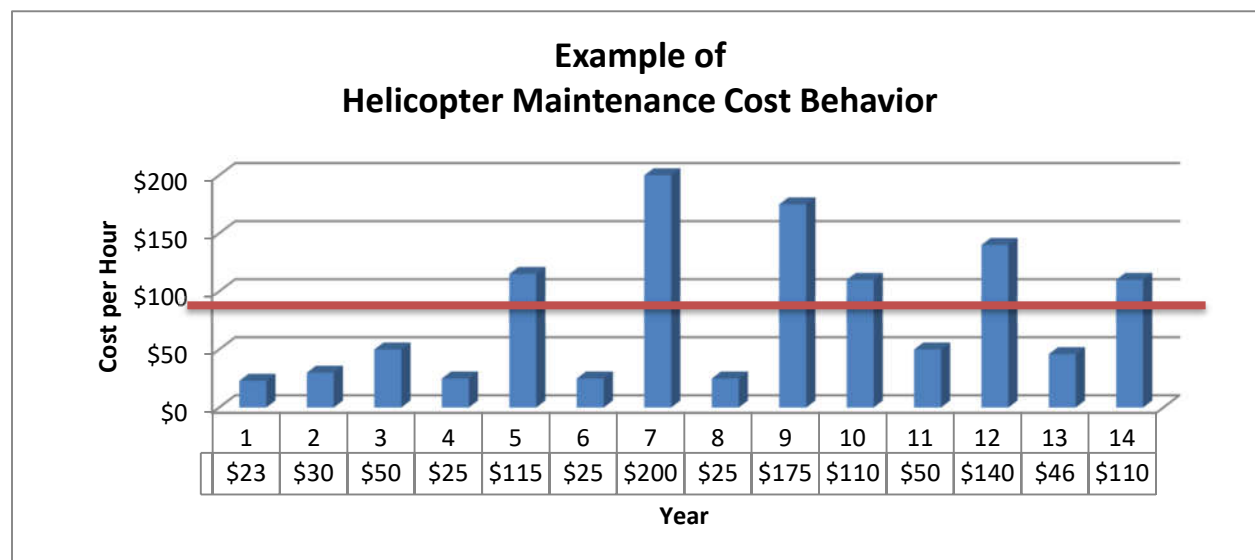
However, accurately estimating costs and avoiding premature component removals can be difficult and therefore risky from a cash flow perspective. If the transmission overhaul actually cost \$100,000 and occurred at 2,000 hours, the operator would not have enough funds to pay for the event. Multiplying the effects of missing estimates related to many of the overhaul components, life-limited items, and engine(s) could have a devastating effect on the organization's long-term viability. Compounding the issue of developing accurate estimates is the lack of reliable industry information regarding costs. An organization's experience is the best source but one that is not always available.

It is also tempting to spend a growing fund of cash for purposes other than future maintenance, especially when cash is tight for the organization. Additionally, reserving funds in a for-profit organization cannot be recognized as an expense until the maintenance event occurs; therefore, the hourly reserve is not tax deductible.

To answer the initial question more directly. What was the primary reason that pushed vendors to offer GMPs? GMPs offer predictability for maintenance costs, while shifting risk from the operator.

The variability of maintenance costs over time is eliminated. Chart 5-2 illustrates the smoothing effect (red line) a GMP would have for the helicopter in Chart 5-1. The operator, minus the effects of inflation, would pay a guaranteed rate for the duration of the contract, in this example \$80 per every hour flown.

**Chart 5-2**



As it relates to cost predictability, there are three other important benefits to consider.

- For governmental agencies, a GMP makes even more sense since few of them have budgeting mechanisms that efficiently handle the wide variation in maintenance costs from year-to-year. As a result, in low-cost years, there is a budget surplus that, more than likely, will be consumed on inventory. In high-cost years, the finance department may have to scramble to find the necessary funds. Regardless of the costs that are actually incurred each year, the effects of the typical maintenance costs are magnified if communication between operations and finance are poor.
- A GMP will serve as an insurance policy when premature maintenance events occur. If the main transmission requires an overhaul prior to the scheduled 3,000 hours, the GMP will cover the event. In essence, the risk has shifted from the operator to the entity that provides the GMP.
- A GMP offers even more certainty in a changing maintenance environment. Historically most of the drive train system, flight controls, hydraulics, and engines had scheduled maintenance intervals (i.e. main transmission example). However, continued product improvements have created trends to move these schedule maintenance intervals to maintenance based on the item's condition, also referred to as on-condition maintenance. By its nature, the predictability of this type of maintenance becomes more difficult, not only its timing but also the cost.

In addition to cost predictability, there is another significant attribute of GMPs that has become more prominent over the last several years. In fact, an aircraft's availability is viewed by for-profit operators as more important. An aircraft that is not available cannot generate revenue and revenue is what keeps the business running. However, the importance of availability is important for all types of operations if viewed from another perspective. If an aircraft is unavailable for extended periods of time, the organization is incurring additional costs that are more difficult to measure, costs that are not as obvious as maintenance costs.

For example, if an organization has one aircraft to perform its regular missions, there will be times due to maintenance that the aircraft will not be available. When it is not available for an extended period, the operation has several choices. It can

- Choose not to perform the mission, but if the mission is important, this is not a practical choice.
- Obtain temporarily (i.e. rent/lease) the use of another similar aircraft, which is not practiced much in our industry.
- Ask another organization to perform the mission, which is doable but not for a long period of time.
- Acquire another aircraft. This is not necessarily a bad solution, but it is expensive because of the acquisition costs for the second aircraft. Helicopters especially are an expensive asset.

Given the nature of aircraft and their maintenance, how does a GMP improve an aircraft's availability?

- **Consigned Inventory:** Often times the GMP provider will place inventory at the location of the operator. This is not normally part of the general contract, but if requested by the operator, certain key parts or components can be “stored” at the operator’s location. A replacement part that resides at the operator’s location will reduce the downtime due to maintenance, which in turns improves the availability rate.
- **Rotable Exchange or Rental Inventory:** The GMP provider will maintain a pool of rotable items. When requested, the provider will send the item to the operator to replace the existing item on the aircraft. In this scenario, the aircraft is unavailable only as long as it takes to remove and replace the item. In an exchange, the operator will operate the item until its replacement is required again. A rental will stay on the aircraft until the operator’s repaired item is ready for install. Using a rental doubles the unavailability rate since the remove/replace cycle is performed twice, once to install the rental and once to install the repaired part. Regardless, if it is an exchange or rental, the aircraft’s availability will improve significantly when compared to removing and waiting for the return of the same item. In many cases, the turnaround time for overhaul or repair can be several months.
- **Technical Service:** Initially, providers offered GMPs that covered basically the same thing, parts and repair costs for significant maintenance events and on-condition parts. As the programs have become more popular, operators have requested that GMPs be designed to meet their specific needs. As a result, providers now offer more variations in their GMPs and have expanded the scope of the coverage to include technical services. What technical services entails can vary by the program but could include technical engineering assistance, spare part priority, and even labor coverage. Each of these services has the potential to improve an aircraft’s availability by shortening the downtime due to maintenance.

What is important to evaluate when considering a GMP? Due to the recent ongoing expansion of offerings by the GMP providers and the fact that a GMP is very helpful in the marketing aspect of selling an aircraft, an operator should understand the many variables and factors that influence what a GMP potentially covers and what an operator will eventually pay to participate in a GMP. The following information highlights some of the more important factors to consider when deciding whether a GMP is appropriate for the organization.

- **Scope of Coverage:** As already mentioned, the range of offerings is broad. For example, within its HCare customer service programs, Airbus Helicopters offers several GMPs through its HSmart Material Management -- Repair by-the-Hour, Exchange by-the-Hour, Parts by-the-Hour, and Full by-the-Hour. In a more general view, operators should know if the GMP covers such things as unscheduled maintenance, labor, bulletins (mandatory or optional), troubleshooting, mission equipment, and shipping. Scope of coverage is also affected by whether the operator wants airframe only, engine only, or both airframe and engine coverage. Unless there is a special arrangement, the airframe and engine manufacturers offer separate programs.

- **Pricing:** Obviously, the scope of coverage will influence pricing, but there are three other important factors to consider. Due to the potential effect of the factors, it is very important for the operator to 1) understand what the pricing represents, and 2) negotiate with the provider for a rate that best represents the operator's situation.
  - First, what is the perspective of the provider when it offers a GMP contract? Is the hourly cost, which is the most common method for expressing the GMP pricing, based on a long-term or short-term perspective? Chart 5-2 illustrates this point. For the aircraft in the chart, we know after 14 years, the average cost per hour for maintenance was \$80 per hour. For simplicity, let us assume this represents a long-term perspective. From the same chart, we can also calculate that the actual cost experienced after five years was \$39 per hour. When the operator signs the contract will the GMP's hourly rate represent the short or long-term perspective? This becomes important when the perspective is short-term, and the operator plans to own the aircraft longer than the initial contract. How much will the hourly rate have to increase to "make-up" for the short-term rate that does not reserve for maintenance items and events that occur after five years?
  - The second factor to consider is how many annual flight hours will the operator accumulate during the period of aircraft ownership? For example, if the total flight hours were 200 annual hours over a ten-year period, the expected flight-hour rate should be lower than an operator accumulating 1,000 hours per year. The low-time operator would encounter fewer scheduled maintenance events in its 2,000 hours of ownership than 10,000 hours for the high-time operator. (A maintenance event that is based on calendar time has the potential to occur prior to the flight-hour limit.) If the provider's rate was the same regardless of flight activity, then the operator will want to pay special attention to the contract clauses at the time of sale.
  - A third factor to consider is the basis for pricing of parts when a GMP is not involved. Does the operator receive some level of discount pricing when purchasing spares or receiving services from the provider (e.g. government entity)? If so, does that basis also apply to the hourly rate of a GMP? Most GMP rates are based on list or "full" price.
- **Minimum Hour Requirement:** Is the GMP contract based upon a minimum number of annual flight hours? Because some maintenance events are based on calendar time (e.g. 12-year inspection), the GMP rate is based upon an assumption of minimum flight hours over a certain period of time. For example, if an aircraft has a ten-year inspection that is estimated to cost \$400,000, the measurement rate is time rather than activity. The GMP rate must reserve enough for the maintenance event causing the need for a certain level of flight hours in the ten-year period. For OCFA, this factor probably would become relevant.



- **Exiting the GMP:** What happens when an operator exits the program? Several factors may be relevant.
  - Is the contract transferable to the buyer? The GMP provider may not allow this to occur, which could affect the buyer's decision. If the contract does transfer, what portion of the accumulated reserve transfers back to the operator? Does the buyer have to pay a "buy-in" fee?
  - If the operator exits the contract, what happens to the accumulated reserve? Is there a penalty taken from the reserve for exiting or not renewing the contract? Most providers have a penalty.
  
- Who offers GMP programs? Historically, the manufacturers of their respective products offered these programs. Also, airframe manufacturers offer programs separately from engine manufacturers. As mentioned previously, GMPs' growing popularity are an important part of the marketing effort by the manufacturers, which means there can be flexibility in how the program is structured and what the program rate will be. Negotiations in both areas are important. Each of the manufacturers with candidate helicopters mentioned in Section 1 offer GMPs. The airframe manufacturers refer to their GMPs as:
  - Leonardo – Service Plans
  - Airbus Helicopters – Hcare, Smart and Easy
  - Bell Helicopter - Customer Advantage Plan (CAP)
  - Sikorsky – Total Assurance Plan (TAP) and Power Assurance Plan (PAP)

Jet Support Services, Inc., an independent provider of GMPs, has recently entered the helicopter market. Like the manufacturers, it offers many different types of coverage. Unlike the manufacturers, they will cover both the airframe and engines. JSSI will also set up independent trust accounts to retain the reserve funds.

### **Hangar Capacity**

During our research, we wanted to check the dimensions of the OCFA's hangars at Fullerton Municipal Airport, since they are considering the Type I aircraft, which are significantly larger than the UH-1H Super Huey and 412EP helicopters. The aviation unit provided dimensions for the hangar bay where maintenance occurs, which is the facility's most restrictive space. The OCFA facility has two other hangar bays, for which we do not have the dimensions. We then checked the dimensions for the Type I helicopters.

In talking with Coulson-Unical, the CU-47D has been operating out of Los Alamitos airport and unless the base location changes, the hangar capacity is not relevant.

We obtained the S-70i helicopter dimensions from its information brochure for the helicopter. Table 5-1 Shows the dimensions for the OCFA hangar and the S-70i. This could be an issue, but the other two hangar bays' dimensions need to be checked.

Table 5-1		
OCFA Hangar and S-70i Dimensions		
Measurement - Feet		
Description	S-70i	OCFA Hangar
Door Width	53.67	55.00
Length/Depth	64.80	63.83
Height	17.20	16.50
Door Height	---	17.42