



# ORANGE COUNTY FIRE AUTHORITY

## AGENDA

### EXECUTIVE COMMITTEE REGULAR MEETING

Thursday, July 22, 2021

5:30 P.M.

**Regional Fire Operations and Training Center  
Board Room**

1 Fire Authority Road  
Irvine, CA 92602

Dave Shawver, Chair

Michele Steggell, Vice Chair

Shelley Hasselbrink • Joe Muller • Donald P. Wagner • Noel Hatch  
Gene Hernandez • Letitia Clark • John O'Neill

Ex Officio Member - Dennis Wilberg, Mission Viejo

This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action or discussion shall be taken on any item not appearing on the following Agenda. Unless legally privileged, all supporting documents, including staff reports, and any writings or documents provided to a majority of the Executive Committee after the posting of this agenda are available for review at the Orange County Fire Authority Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact the Clerk of the Authority at (714) 573-6040 Monday through Thursday, and every other Friday from 8 a.m. to 5 p.m. and available online at <http://www.ocfa.org>



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Clerk of the Authority at (714) 573-6040 and identify the need and the requested modification or accommodation. Please notify us as soon as is feasible, however 48 hours prior to the meeting is appreciated to enable the Authority to make reasonable arrangements to assure accessibility to the meeting.

### **NOTICE REGARDING PUBLIC PARTICIPATION DURING COVID-19 EMERGENCY**

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

- 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)

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

**CALL TO ORDER** by Chair Shawver

**INVOCATION** by OCFA Chaplain Paul Cobb

**PLEDGE OF ALLEGIANCE** by Director Muller

**ROLL CALL** by Clerk of the Authority

**REPORTS**

**A. Report from the Budget and Finance Committee Chair**

**B. Quarterly CIP Update, Assistant Chief Ruane**

**PUBLIC COMMENTS**

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

**1. PRESENTATIONS**

No items.

**2. CONSENT CALENDAR**

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

**A. Minutes from the June 24, 2021, Regular Executive Committee Meeting**

Submitted by: Maria D. 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

On July 14, 2021, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Executive Committee agenda by a 5-0 vote (Directors O'Neill, Kuo, Sachs and Bourne absent).

Recommended Action:

Receive and file the reports.

**3. DISCUSSION CALENDAR**

No items.

**CLOSED SESSION**

No items.

**COMMITTEE MEMBER COMMENTS**

**ADJOURNMENT** – The next regular meeting of the Orange County Fire Authority Executive Committee is scheduled for Thursday, September 23, 2021, at 5:30 p.m.

**AFFIDAVIT OF POSTING**

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

---

Maria D. Huizar, CMC  
Clerk of the Authority

**UPCOMING MEETINGS:**

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

Tuesday, August 3, 2021, 12 noon  
Wednesday, September 8, 2021, 12 noon  
Thursday, September 23, 2021, 5:30 p.m.  
Thursday, September 23, 2021, 6:00 p.m.

# **MINUTES ORANGE COUNTY FIRE AUTHORITY**

**Executive Committee Regular Meeting  
Thursday, June 24, 2021  
5:30 P.M.**

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

---

## **CALL TO ORDER**

Chair Shawver called the regular meeting of the Orange County Fire Authority Executive Committee to order at 5:30 p.m. on June 24, 2021.

## **INVOCATION**

The invocation was led by OCFA Chaplain Jeff Hetschel.

## **PLEDGE OF ALLEGIANCE**

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

## **ROLL CALL**

**Present:** Dave Shawver, Stanton, Chair  
Michele Steggell, La Palma, Vice Chair  
Shelley Hasselbrink, Los Alamitos\*  
Noel Hatch, Laguna Woods  
Gene Hernandez, Yorba Linda\*  
Joe Muller, Dana Point\*  
John O'Neill, Garden Grove\*  
Donald P. Wagner, County of Orange

**Absent:** Letitia Clark, Tustin  
Dennis Wilberg, Ex Officio

## **Also present were:**

Fire Chief Brian Fennessy  
Deputy Chief Kenny Dossey  
Assistant Chief Randy Black  
Assistant Chief Jim Ruane  
Assistant Chief Phil Johnson  
Asst. Clerk Martha Halvorson

Deputy Chief Lori Zeller  
Assistant Chief Robert Cortez  
Assistant Chief Lori Smith  
General Counsel David Kendig  
Assistant Chief Stephanie Holloman  
Dir. of Communications Colleen Windsor

*\*Those members attending via Teleconferencing*

## **REPORTS**

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

Budget and Finance Chair Joe Muller reported at the June 9, 2021, regular meeting, the Committee reviewed and directed staff to forward the Monthly Investment Reports to the Executive Committee meeting of June 24, 2021, to approve the recommended actions.

## **PUBLIC COMMENTS**

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

### **1. PRESENTATIONS**

No items.

### **2. CONSENT CALENDAR**

On motion of Director Hatch, and second by Vice Chair Steggell, and following a roll call vote, declared Agenda Item 2A-2F passed 8-0 (Director Clark absent).

### **A. Minutes from the May 27, 2021, Regular Executive Committee Meeting (FILE 12.02A)**

Action: Approve as submitted.

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

Action: Receive and file the reports.

### **C. Annual Renewal of General Liability Insurance (FILE 18.10A4)**

Action: Approve and authorize the Fire Chief, or his designee, to renew the General Liability Insurance Program coverage with the Fire Agencies Insurance Risk Authority (FAIRA) for the policy period from July 1, 2021, to July 1, 2022, with a premium amount of \$2,270,000.

### **D. Annual Renewal of California State Association of Counties Excess Insurance Authority Workers' Compensation Excess Insurance (FILE 18.10A2b)**

Action: Approve and authorize the Fire Chief, or his designee, to bind workers' compensation excess insurance coverage with the California State Association of Counties

Excess Insurance Authority for the policy period July 1, 2021, to July 1, 2022, with a premium of \$682,000.

**E. Temporary Contract Extension – Security Guard Service for the Regional Fire Operations and Training Center (FILE 19.07B2)**

Action: Approve and authorize the Purchasing Manager to execute Amendment Number Three to the Professional Services Agreement with Allied Universal Security Services to extend the Agreement through January 31, 2022, in an amount not to exceed \$121,299.78 (\$17,328.54 per month).

**F. June Legislative Report (FILE 11.10F1)**

Action: Receive and file update and recommended bill positions consistent with the 2021-22 Legislative Platform.

**3. DISCUSSION CALENDAR**

No items.

**CLOSED SESSION**

No items.

**COMMITTEE MEMBER COMMENTS**

The Committee Members offered no comments.

**ADJOURNMENT** – Chair Shawver adjourned the meeting at 5:37 p.m. The next regular meeting of the Orange County Fire Authority Executive Committee is scheduled for Thursday, July 22, 2021, at 5:30 p.m.

---

Martha Halvorson, CMC  
Assistant Clerk of the Authority



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

**Executive Committee Meeting**  
**July 22, 2021**

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

**Monthly Investment Reports**

---

**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
Tricia Jakubiak, Treasurer Treasury & Financial Planning	<a href="mailto:triciajakubiak@ocfa.org">triciajakubiak@ocfa.org</a>	714.573.6301
James Slobojan, Assistant Treasurer Treasury & Financial Planning	<a href="mailto:james@slobojan@ocfa.org">james@slobojan@ocfa.org</a>	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**

The Budget and Finance Committee reviewed and approved the recommended action at their July 14, 2021, Regular meeting by a 5-0 vote, (Directors Bourne, Kuo, O'Neill, and Sachs absent).

**RECOMMENDED ACTION(S)**

Receive and file the reports.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

Attached is the final monthly investment report for the month ended May 31, 2021. A preliminary investment report as of June 25, 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 – May 2021/Preliminary Report –June 2021

# *Orange County Fire Authority Monthly Investment Report*



*Final Report – May 2021*

*Preliminary Report – June 2021*





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

<b><i>Final Investment Report – May 31, 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 – June 25, 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*

*May 31, 2021*



## **EXECUTIVE SUMMARY**

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

During the month of May 2021, the size of the portfolio increased by approximately \$8 million to \$200.6 million. Noteworthy receipts for the month included the sixth apportionment of property taxes in the amount of \$17.4 million. Additional receipts included cash contract payments totaling \$9.1 million, various reimbursement payments totaling \$10.2 million and other charges for current services totaling \$3.4 million. Significant disbursements for the month included two biweekly payrolls totaling approximately \$26.4 million. Total May cash outflows amounted to approximately \$32.2 million. The portfolio's balance is expected to decrease in June as receipts forecast for the month will not exceed projected expenditures.

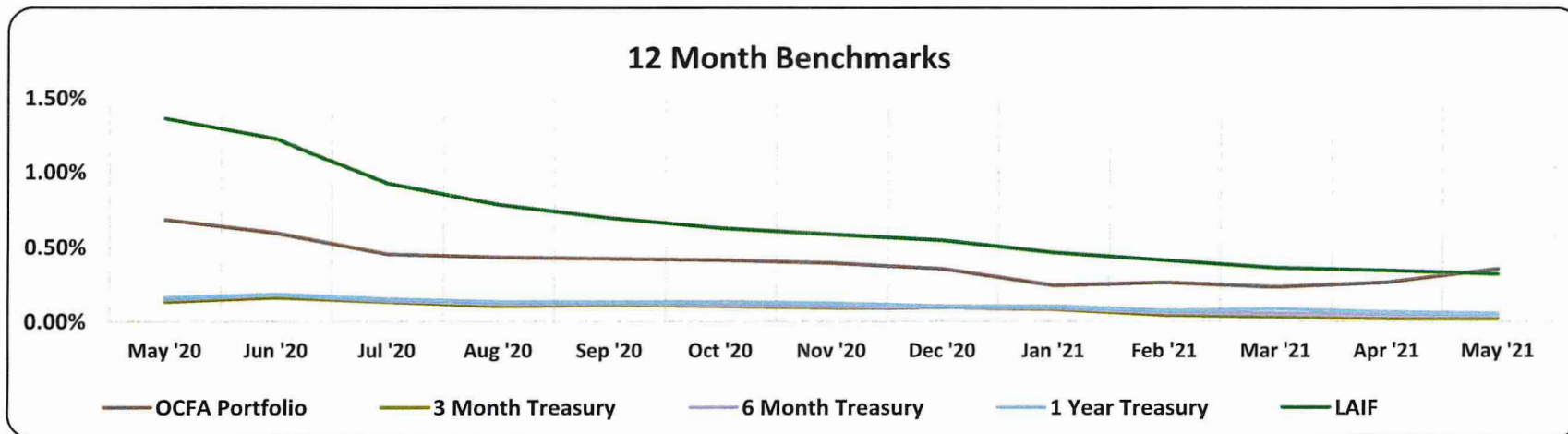
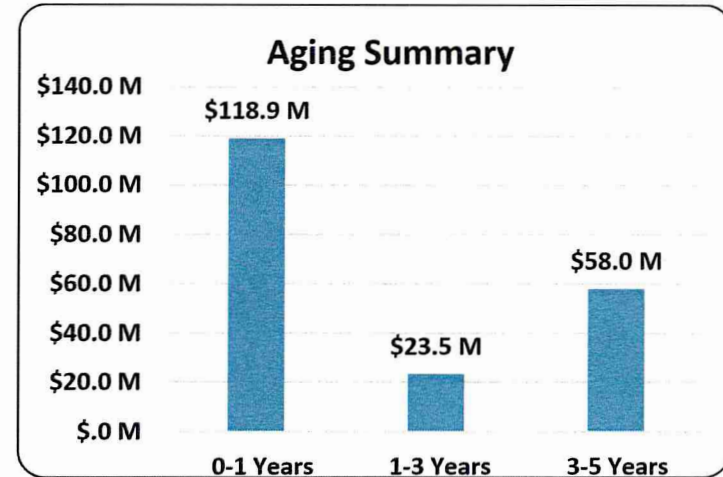
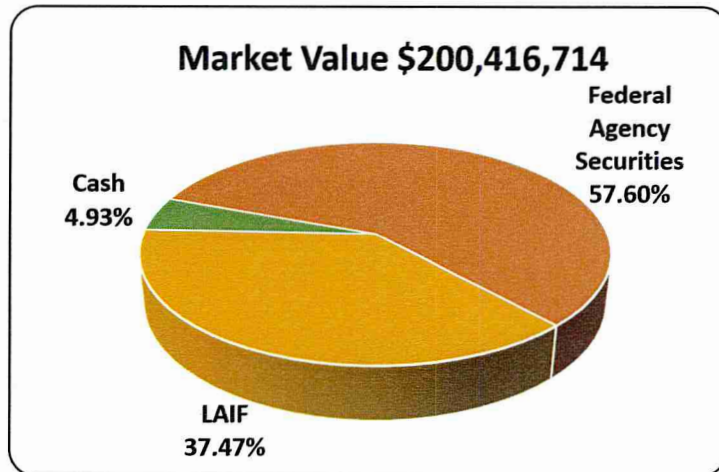
In May, the portfolio's yield to maturity (365-day equivalent) decreased to 0.38%. The effective rate of return increased by 9 basis points to 0.35% for the month, and the average maturity of the portfolio decreased by 5 days to 48 days to maturity.

### ***Economic News***

In May 2021, the unemployment rate declined by 0.3 percentage point to 5.8% with the number of unemployed persons falling by 496,000 to 9.3 million. Consumer confidence held steady in May, following a gain in April. Retail sales declined 1.3% in May as pandemic restrictions were lifted and shopping habits have shifted from big ticket items to restaurants and on services. Also, the April number was revised from flat to an increase of 0.9%. The Consumer Price Index (CPI) rose 0.6% in May while consumer prices jumped 5% from a year ago, marking the biggest increase in 13 years as inflation pressure continues to build in the U.S. economy. Producer prices (the prices companies pay for goods and services) rose 6.6% in May on an annual basis which is the largest 12-month increase in nearly 11 years. On a monthly basis, the producer price index increased by 0.8%. Inflation has soared since March 2021, as the economy has recovered at a faster rate than expected, businesses have found it challenging to hire workers, and shortages of key materials have negatively impacted supply chains. Federal Reserve Bank officials believe the current inflation data is due to temporary factors that will subside as the year goes on and appear higher because of comparisons to the year-ago period, when economic activity was impacted due to pandemic restrictions. However, at its June meeting, the Federal Reserve Bank indicated that rate hikes could come as soon as 2023, after indicating in March that it saw no increases until at least 2024.



**OCFA'S PORTFOLIO IS EXCEEDING BOTH THE LAIF AND TREASURY BENCHMARKS AS OF MAY 31, 2021**





**BENCHMARK COMPARISON AS OF MAY 31, 2021**

3 Month T-Bill: 0.02%

1 Year T-Bill: 0.05%

6 Month T-Bill: 0.04%

LAIF: 0.32%

OCFA Portfolio: 0.35%

**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>	\$200,688,284	\$192,629,540	\$211,723,024
<i>Yield to Maturity (365 day)</i>	0.38%	0.43%	2.36%
<i>Effective Rate of Return</i>	0.35%	0.26%	2.31%
<i>Days to Maturity</i>	48	53	65



ORANGE COUNTY FIRE AUTHORITY  
Portfolio Management  
Portfolio Summary  
May 31, 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/Call 360 Equiv.	YTM/Call 365 Equiv.
Federal Agency Coupon Securities	81,450,000.00	81,448,653.65	81,452,736.28	42.77	1,318	80	0.580	0.588
Federal Agency Disc. -Amortizing	34,000,000.00	33,998,840.00	33,998,763.37	17.85	112	78	0.022	0.022
Local Agency Investment Funds	75,000,000.00	75,095,238.97	75,000,000.00	39.38	1	1	0.311	0.315
	<u>190,450,000.00</u>	<u>190,542,732.62</u>	<u>190,451,499.65</u>	<u>100.00%</u>	<u>584</u>	<u>48</u>	<u>0.374</u>	<u>0.379</u>
<b>Investments</b>								
<b>Cash and Accrued Interest</b>								
Passbook/Checking (not included in yield calculations)	9,872,546.44	9,872,546.44	9,872,546.44		1	1	0.000	0.000
Accrued Interest at Purchase		1,435.11	1,435.11					
Subtotal		<u>9,873,981.55</u>	<u>9,873,981.55</u>					
<b>Total Cash and Investments</b>	<u>200,322,546.44</u>	<u>200,416,714.17</u>	<u>200,325,481.20</u>		<u>584</u>	<u>48</u>	<u>0.374</u>	<u>0.379</u>

Total Earnings	May 31 Month Ending	Fiscal Year To Date
Current Year	56,696.93	496,788.62
Average Daily Balance	192,468,082.07	150,334,024.60
Effective Rate of Return	0.35%	0.36%

"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)	\$ 200,325,481.20
GASB 31 Adjustment to Books (See Note 3 on page 10)	\$ 362,803.09
Total	<u>\$ 200,688,284.29</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**May 31, 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
<b>Money Mkt Mutual Funds/Cash</b>											
SYS528	528	Federated Treasury Obligations		07/01/2020	0.00	0.00	0.00	0.010	0.010	1	
<b>Subtotal and Average</b>			<b>22,338,556.69</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.000</b>	<b>0</b>	
<b>Federal Agency Coupon Securities</b>											
3133EMLE0	1020	Federal Farm Credit Bank (Callable after 6/22/21)		12/23/2020	14,000,000.00	13,994,680.00	14,000,000.00	0.190	0.190	21	09/22/2023
3133EMWH1	1030	Federal Farm Credit Bank (Callable 4/21/2022)		04/22/2021	3,000,000.00	2,999,010.00	3,002,736.28	0.710	0.710	324	04/21/2025
3133EMXS6	1032	Federal Farm Credit Bank (Callable 7/28/2021)		04/28/2021	12,000,000.00	12,001,080.00	12,000,000.00	0.720	0.720	57	04/28/2025
3130ALNY6	1025	Fed Home Loan Bank (Callable 9/30/2021)		03/30/2021	8,000,000.00	8,001,600.00	8,000,000.00	0.550	0.822	121	09/30/2024
3130ALTJ3	1029	Fed Home Loan Bank (Callable 7/8/2021)		04/22/2021	9,435,000.00	9,435,283.05	9,435,000.00	0.375	0.375	37	04/08/2024
3130ALVR2	1031	Fed Home Loan Bank (Callable 7/23/2021)		04/23/2021	11,015,000.00	11,015,440.60	11,015,000.00	0.520	0.520	52	10/23/2024
3130AM6P2	1034	Fed Home Loan Bank (Callable 10/29/2021)		04/29/2021	12,000,000.00	12,001,440.00	12,000,000.00	1.000	1.000	150	04/29/2026
3130AM6H0	1035	Fed Home Loan Bank (Callable 8/11/2021)		05/11/2021	12,000,000.00	12,000,120.00	12,000,000.00	0.550	0.550	71	10/11/2024
<b>Subtotal and Average</b>			<b>77,581,795.96</b>		<b>81,450,000.00</b>	<b>81,448,653.65</b>	<b>81,452,736.28</b>		<b>0.588</b>	<b>80</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313313NC8	1036	Federal Farm Credit Bank		05/21/2021	12,000,000.00	11,999,040.00	11,999,073.37	0.020	0.021	139	10/18/2021
313385GT7	1024	Fed Home Loan Bank		03/12/2021	12,000,000.00	12,000,000.00	11,999,883.33	0.035	0.036	10	06/11/2021
313385KY1	1037	Fed Home Loan Bank		05/28/2021	10,000,000.00	9,999,800.00	9,999,806.67	0.008	0.008	87	08/27/2021
<b>Subtotal and Average</b>			<b>17,547,729.42</b>		<b>34,000,000.00</b>	<b>33,998,840.00</b>	<b>33,998,763.37</b>		<b>0.022</b>	<b>78</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmnt Fund			75,000,000.00	75,095,238.97	75,000,000.00	0.315	0.315	1	
<b>Subtotal and Average</b>			<b>75,000,000.00</b>		<b>75,000,000.00</b>	<b>75,095,238.97</b>	<b>75,000,000.00</b>		<b>0.315</b>	<b>1</b>	
<b>Total and Average</b>			<b>192,468,082.07</b>		<b>190,450,000.00</b>	<b>190,542,732.62</b>	<b>190,451,499.65</b>		<b>0.379</b>	<b>48</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**May 31, 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		07/01/2020	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2020	9,852,546.44	9,852,546.44	9,852,546.44		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		9,873,981.55	9,873,981.55			
<b>Total Cash and Investments</b>			<b>192,468,082.07</b>		<b>200,322,546.44</b>	<b>200,416,714.17</b>	<b>200,325,481.20</b>		<b>0.379</b>	<b>48</b>



Orange County Fire Authority

In Service of Others!



**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of June 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	( 06/01/2021 - 06/01/2021 )	4 Maturities	0 Payments	84,872,546.44	42.40%	84,872,546.44	84,967,785.41
Aging Interval: 1 - 30 days	( 06/02/2021 - 07/01/2021 )	1 Maturities	0 Payments	12,000,000.00	5.99%	11,999,883.33	12,000,000.00
Aging Interval: 31 - 60 days	( 07/02/2021 - 07/31/2021 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 61 - 90 days	( 08/01/2021 - 08/30/2021 )	1 Maturities	0 Payments	10,000,000.00	4.99%	9,999,806.67	9,999,800.00
Aging Interval: 91 - 120 days	( 08/31/2021 - 09/29/2021 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 121 - 365 days	( 09/30/2021 - 06/01/2022 )	1 Maturities	0 Payments	12,000,000.00	5.99%	11,999,073.37	11,999,040.00
Aging Interval: 366 - 1095 days	( 06/02/2022 - 05/31/2024 )	2 Maturities	0 Payments	23,435,000.00	11.69%	23,435,000.00	23,429,963.05
Aging Interval: 1096 days and after	( 06/01/2024 - )	6 Maturities	0 Payments	58,015,000.00	28.95%	58,017,736.28	58,018,690.60
Total for		15 Investments	0 Payments		100.00	200,324,046.09	200,415,279.06



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank (formerly Union Bank) Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year-end. The adjustment for June 30, 2020 includes an increase of \$368,460 to the LAIF investment and a decrease of (\$5,657) to the remaining investments.
- Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks yet allow that liquidity to be invested while payment of the outstanding checks is pending.



## ***Local Agency Investment Fund (LAIF)***

As of May 31, 2021, OCFA has \$75,000,000 invested in LAIF. The fair value of OCFA's LAIF investment is calculated using a participant fair value factor provided by LAIF on a quarterly basis. The fair value factor as of March 31, 2021 is 1.001269853. When applied to OCFA's LAIF investment, the fair value is \$75,095,239 or \$95,239 above cost. Although the fair value of the LAIF investment is higher than cost, OCFA can withdraw the actual amount invested at any time.

LAIF is included in the State Treasurer's Pooled Money Investment Account (PMIA) for investment purposes. The PMIA market valuation at May 31, 2021 is included on the following page.



Fair Value Including Accrued Interest	\$	152,891,750,764.60
---------------------------------------	----	--------------------

Page 12





***Orange County Fire Authority***

***Preliminary Investment Report***

***June 25, 2021***



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**June 25, 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/Call 360 Equiv.	YTM/Call 365 Equiv.
Federal Agency Coupon Securities	81,450,000.00	81,168,482.85	81,452,687.41	45.64	1,318	196	0.580	0.588
Federal Agency Disc. -Amortizing	22,000,000.00	21,997,280.00	21,999,102.25	12.33	123	90	0.015	0.015
Local Agency Investment Funds	75,000,000.00	75,095,238.97	75,000,000.00	42.03	1	1	0.311	0.315
	<b>178,450,000.00</b>	<b>178,261,001.82</b>	<b>178,451,789.66</b>	<b>100.00%</b>	<b>617</b>	<b>101</b>	<b>0.397</b>	<b>0.402</b>
<b>Investments</b>								
<b>Cash and Accrued Interest</b>								
Passbook/Checking (not included in yield calculations)	19,879,038.62	19,879,038.62	19,879,038.62		1	1	0.000	0.000
Accrued Interest at Purchase		1,435.11	1,435.11					
Subtotal		19,880,473.73	19,880,473.73					
<b>Total Cash and Investments</b>	<b>198,329,038.62</b>	<b>198,141,475.55</b>	<b>198,332,263.39</b>		<b>617</b>	<b>101</b>	<b>0.397</b>	<b>0.402</b>

Total Earnings	June 25 Month Ending	Fiscal Year To Date
Current Year	48,204.79	544,993.41
Average Daily Balance	201,271,821.44	153,871,371.61
Effective Rate of Return	0.35%	0.36%

"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)	\$ 198,332,263.39
GASB 31 Adjustment to Books (See Note 3 on page 19)	\$ 362,803.09
Total	<u>\$ 198,695,066.48</u>

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 25, 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>											
SYS528	528	Federated Treasury Obligations		07/01/2020	0.00	0.00	0.00	0.010	0.010	1	
<b>Subtotal and Average</b>			<b>18,038,787.13</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.000</b>	<b>0</b>	
<b>Federal Agency Coupon Securities</b>											
3133EMLE0	1020	Federal Farm Credit Bank (Callable after 6-22-21		12/23/2020	14,000,000.00	13,960,100.00	14,000,000.00	0.190	0.190	818	09/22/2023
3133EMWH1	1030	Federal Farm Credit Bank (Callable 4/21/2022)		04/22/2021	3,000,000.00	2,987,460.00	3,002,687.41	0.710	0.710	299	04/21/2025
3133EMXS6	1032	Federal Farm Credit Bank (Callable 7/28/2021)		04/28/2021	12,000,000.00	11,979,840.00	12,000,000.00	0.720	0.720	32	04/28/2025
3130ALNY6	1025	Fed Home Loan Bank (Callable 9/30/2021)		03/30/2021	8,000,000.00	7,974,240.00	8,000,000.00	0.550	0.822	96	09/30/2024
3130ALTJ3	1029	Fed Home Loan Bank (Callable 7/8/2021)		04/22/2021	9,435,000.00	9,400,656.60	9,435,000.00	0.375	0.375	12	04/08/2024
3130ALVR2	1031	Fed Home Loan Bank (Callable 7/23/2021)		04/23/2021	11,015,000.00	10,968,186.25	11,015,000.00	0.520	0.520	27	10/23/2024
3130AM6P2	1034	Fed Home Loan Bank (Callable 10/29/2021)		04/29/2021	12,000,000.00	11,959,320.00	12,000,000.00	1.000	1.000	125	04/29/2026
3130AM6H0	1035	Fed Home Loan Bank (Callable 8/11/2021)		05/11/2021	12,000,000.00	11,938,680.00	12,000,000.00	0.550	0.550	46	10/11/2024
<b>Subtotal and Average</b>			<b>81,452,710.87</b>		<b>81,450,000.00</b>	<b>81,168,482.85</b>	<b>81,452,687.41</b>		<b>0.588</b>	<b>196</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313313NC8	1036	Federal Farm Credit Bank		05/21/2021	12,000,000.00	11,998,080.00	11,999,240.03	0.020	0.021	114	10/18/2021
313385KY1	1037	Fed Home Loan Bank		05/28/2021	10,000,000.00	9,999,200.00	9,999,862.22	0.008	0.008	62	08/27/2021
<b>Subtotal and Average</b>			<b>26,798,974.59</b>		<b>22,000,000.00</b>	<b>21,997,280.00</b>	<b>21,999,102.25</b>		<b>0.015</b>	<b>90</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmt Fund			75,000,000.00	75,095,238.97	75,000,000.00	0.315	0.315	1	
<b>Subtotal and Average</b>			<b>75,000,000.00</b>		<b>75,000,000.00</b>	<b>75,095,238.97</b>	<b>75,000,000.00</b>		<b>0.315</b>	<b>1</b>	
<b>Total and Average</b>			<b>201,290,472.59</b>		<b>178,450,000.00</b>	<b>178,261,001.82</b>	<b>178,451,789.66</b>		<b>0.402</b>	<b>101</b>	



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**June 25, 2021**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Mat./Call
<b>Money Mkt Mutual Funds/Cash</b>										
SYS10033	10033	Revolving Fund		07/01/2020	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2020	19,859,038.62	19,859,038.62	19,859,038.62		0.000	1
<b>Average Balance</b>			<b>0.00</b>	Accrued Interest at Purchase		1,435.11	1,435.11			1
				Subtotal		19,880,473.73	19,880,473.73			
<b>Total Cash and Investments</b>			<b>201,271,821.44</b>		<b>198,329,038.62</b>	<b>198,141,475.55</b>	<b>198,332,263.39</b>		<b>0.402</b>	<b>101</b>

(This Page Intentionally Left Blank)



**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of June 28, 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	( 06/28/2021 - 06/28/2021 )	4 Maturities	0 Payments	95,345,317.38	48.06%	95,345,317.38	95,440,556.35
Aging Interval:	1 - 30 days	( 06/29/2021 - 07/28/2021 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	31 - 60 days	( 07/29/2021 - 08/27/2021 )	1 Maturities	0 Payments	10,000,000.00	5.03%	9,999,866.67	9,999,200.00
Aging Interval:	61 - 90 days	( 08/28/2021 - 09/26/2021 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	91 - 120 days	( 09/27/2021 - 10/26/2021 )	1 Maturities	0 Payments	12,000,000.00	6.04%	11,999,253.36	11,998,080.00
Aging Interval:	121 - 365 days	( 10/27/2021 - 06/28/2022 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	( 06/29/2022 - 06/27/2024 )	2 Maturities	0 Payments	23,435,000.00	11.76%	23,435,000.00	23,360,756.60
Aging Interval:	1096 days and after	( 06/28/2024 - )	6 Maturities	0 Payments	58,015,000.00	29.11%	58,017,683.50	57,807,726.25
Total for			14 Investments	0 Payments		100.00	198,797,120.91	198,606,319.20



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year-end. The adjustment for June 30, 2020 includes an increase of \$368,460 to the LAIF investment and a decrease of (\$5,657) to the remaining investments.
- Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks yet allow that liquidity to be invested while payment of the outstanding checks is pending.

## GLOSSARY

### INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

**Local Agency Investment Fund (LAIF).** A California State Treasury fund which local agencies may use to deposit funds for investment and for reinvestment with a maximum of \$75 million for any agency (*excluding bond funds, which have no maximum*). It offers high liquidity because

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