



ORANGE COUNTY FIRE AUTHORITY AGENDA

Budget and Finance Committee Regular Meeting

Wednesday, March 9, 2022

12:00 Noon

Regional Fire Operations and Training Center

Board Room

1 Fire Authority Road

Irvine, California 92602

Committee Members

Tri Ta, Chair • John O'Neill, Vice-Chair

Ed Sachs • Shelley Hasselbrink • Gene Hernandez

Mark Tettemer • Austin Lumbard • Anthony Kuo • Troy Bourne

Jennifer Cervantez, Ex Officio

NOTICE REGARDING PUBLIC PARTICIPATION DURING COVID-19 EMERGENCY

This meeting is open to the public. In addition, there are several alternative ways to view and to make comments during the meeting including:

View Meeting On-Line:

You may access the meeting live electronically at: <https://player.cloud.wowza.com/hosted/xvtnclkw/player.html>.
(Note: you should use one of the other alternatives below if you want to make comments during the meeting.)

Live Public Comments by Zoom: You may also view and make real-time verbal comments during the meeting via the Zoom link below during the meeting. You will be audible during your comments, but the committee members will not be able to see you. To submit a live comment using Zoom, please be prepared to use the "Raise Your Hand" feature when public comment opportunities are invited by the Chair. (You can raise your hand on your smart phone by pressing *9.) Also, members of the public must unmute themselves when prompted upon being recognized by the Chair in order to be heard. (To unmute your smartphone in Zoom, press *6.)

Public Comments via Zoom: <https://zoom.us/j/83264128588#success>

Meeting ID: 832 6412 8588

Passcode: 298121

Raise Your Hand (press *9) and Unmute (press *6)

E-Comments: Alternatively, you may email your written comments to coa@ocfa.org. E-comments will be provided to the committee members upon receipt and will be part of the meeting record as long as they are received during or before the committee takes action on an item. Emails related to an item that are received after the item has been acted upon by the committee will not be considered.

Further instructions on how to provide comments is available at: <https://ocfa.org/PublicComments>.

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 Committee members 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.

CALL TO ORDER – Chair Ta

PLEDGE OF ALLEGIANCE - Director Lombard

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 Budget and Finance Committee Meetings

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 Actions:

1. Approve the Minutes for the February 9, 2022, Regular Meeting as submitted.
2. Approve the Minutes for the February 24, 2022, Concurrent Joint Special Meeting as submitted.

B. FY 2021/22 Mid-Year Budget Adjustment

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 Board of Directors meeting of March 24, 2022, with the Budget and Finance Committee's recommendation that the Board of Directors authorize the proposed mid-year budget adjustments and transfers as detailed in this report and attachments.

3. DISCUSSION CALENDAR

A. 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 March 24, 2022, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. OCFA Aircraft Replacement Review Process

Submitted by: Brian Fennessy, Fire Chief and Kenny Dossey, Deputy Chief/Operations Bureau

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of March 24, 2022, with the Budget and Finance Committee's recommendation that the Board of Directors approve the proposed "*OCFA Aircraft Replacement Review Process*".

REPORTS

No items.

COMMITTEE MEMBER COMMENTS

ADJOURNMENT – The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, April 13, 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.

Maria D. Huizar, CMC
Clerk of the Authority

FUTURE B&FC AGENDA ITEMS – THREE-MONTH OUTLOOK:

- Monthly Investment Report
- 3rd Quarter Financial Newsletter
- 3rd Quarterly Purchasing Report
- Annual Auditor Communications
- Review of FY2022/23 Proposed Budget
- Community Risk Reduction Fee Study and Miscellaneous Fee Increases
- Fiscal Year 2020/21 Backfill/Overtime and Calendar Year 2021 Total Earnings / Compensation Report
- QRF program

UPCOMING MEETINGS:

Executive Committee	Thursday, March 24, 2022, 5:30 p.m.
Board of Directors	Thursday, March 24, 2022, 6:00 p.m.
Concurrent Joint Special Meeting of the Board of Directors and all Committees	Thursday, March 24, 2022, 6:00 p.m.
Budget & Finance Committee	Wednesday, April 13, 2022, 12 noon
Concurrent Joint Special Meeting of the Board of Directors and all Committees	Thursday, April 14, 2022, 6:00 p.m.

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Budget and Finance Committee Regular Meeting
Wednesday, February 9, 2022
12:00 Noon**

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

CALL TO ORDER

A regular meeting of the Orange County Fire Authority Budget and Finance Committee was called to order on February 9, 2022, at 12:00 p.m. by Vice Chair Ta.

PLEDGE OF ALLEGIANCE

Director O'Neill led the assembly in the Pledge of Allegiance to our Flag.

ROLL CALL

Present: Tri Ta, Westminster, Vice Chair*
Troy Bourne, San Juan Capistrano*
Shelley Hasselbrink, Los Alamitos*
Gene Hernandez, Yorba Linda*
Anthony Kuo, Irvine*
John O'Neill, Garden Grove*
Ed Sachs, Mission Viejo*
Mark Tettemer, Lake Forest*

Absent: None

Staff present were:

Fire Chief Brian Fennessy
Deputy Chief Kenny Dossey
Assistant Chief Phil Johnson
Assistant Chief Lori Smith
General Counsel David Kendig
Director of Communications Matt Olson
Clerk of the Authority Maria Huizar

Deputy Chief Lori Zeller
Assistant Chief Robert Cortez
Assistant Chief Jim Ruane
Assistant Chief Randy Black
Assistant Chief Stephanie Holloman
Ex-Officio Member Jennifer Cervantez*

**Those members attending via Teleconferencing*

PUBLIC COMMENTS

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

1. PRESENTATION

No items.

2. CONSENT CALENDAR

On motion of Director Hernandez and second by Director Kuo, and following a roll call vote, declared passed 8-0 Agenda Items 2A-2C.

A. Minutes for the Budget and Finance Committee Meetings (FILE 12.02B2)

Action:

1. Approve the Minutes for the January 12, 2022, Regular Meeting as submitted.
2. Approve the Minutes for the January 13, 2022, Concurrent Joint Special Meeting as submitted.
3. Approve the Minutes for the January 27, 2022, Concurrent Joint Special Meeting as submitted.

B. Second Quarter Financial Newsletter (FILE 15.07)

Action: Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of February 24, 2022, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

C. Second Quarter Purchasing Report (FILE 11.10H1)

Action: Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of February 24, 2022, with the Budget and Finance Committee's recommendation that the Board of Directors receive and file the report.

3. DISCUSSION CALENDAR

A. Monthly Investment Reports (FILE 11.10D2)

Treasurer Tricia Jakubiak presented the Monthly Investment Reports.

On motion of Director Ta and second by Director Hernandez, and following a roll call vote, declared passed 8-0 to review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of February 24, 2022, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. Election of Committee Chair and Vice Chair (FILE 12.02B1)

On motion of Director Hernandez and second by Director Kuo, and following a roll call vote, declared by acclamation the same process as that used at the Board of Directors meeting for the election.

Vice Chair Ta opened the nominations for Chair of the Budget and Finance Committee.

Director Hernandez nominated Vice Chair Ta, with a second by Director Kuo.

There were no additional nominations.

On the nomination of Vice Chair Ta, and following a roll call vote, declared passed 8-0 as Chair of the Budget and Finance Committee.

Chair Ta opened the nominations for Vice Chair of the Budget and Finance Committee.

Director Kuo nominated Director Tettemer, with a second by Director Bourne.

Director Hernandez nominated Director O'Neill with a second by Director Hasselbrink.

Director Sachs nominated Director Hernandez, with a second by Chair Ta.

Director Hernandez stated he has served in the position of Vice Chair before, and withdrew his nomination.

There were no additional nominations.

On the nomination of Director Tettemer, and following a roll call vote, declared failed 3-5 (Directors O'Neill, Hasselbrink, Sachs, Hernandez, and Ta opposed), as Vice Chair of the Budget and Finance Committee.

On the nomination of Director O'Neill, and following a roll call vote, declared passed 8-0, as Vice Chair of the Budget and Finance Committee.

REPORTS

No items.

COMMITTEE MEMBER COMMENTS

The Committee Members offered no comments.

ADJOURNMENT – Chair Ta adjourned the meeting at 12:22 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, March 9, 2022, at 12:00 noon.

Maria D. Huizar, CMC
Clerk of the Authority

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Budget and Finance Committee
Concurrent Joint Special Meeting
Thursday, February 24, 2022
6:00 p.m.**

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

CALL TO ORDER

A Concurrent Joint Special Meeting of the Orange County Fire Authority Board of Directors, Executive Committee, Budget and Finance Committee, and the Human Resources Committee was called to order on February 24, 2022, at 6:31 p.m. by Board of Directors Chair Steggell.

ROLL CALL

Present: Tri Ta, Westminster, Chair*
John O'Neill, Garden Grove, Vice Chair*
Troy Bourne, San Juan Capistrano*
Shelley Hasselbrink, Los Alamitos*
Anthony Kuo, Irvine
Ed Sachs, Mission Viejo*
Mark Tettemer, Lake Forest

Absent: Gene Hernandez, Los Alamitos
Austin Lumbard, Tustin*

Staff present were:

Fire Chief Brian Fennessy	Deputy Chief Kenny Dossey
Deputy Chief Lori Zeller	Assistant Chief Lori Smith
Assistant Chief Phil Johnson	Assistant Chief Jim Ruane
Assistant Chief Randy Black	Assistant Chief Stephanie Holloman
Director of Communications Matt Olson	General Counsel David Kendig
Clerk of the Authority Maria Huizar	

PUBLIC COMMENTS

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

**Those members attending via Teleconferencing*

1. PRESENTATION

None.

2. CONSENT CALENDAR

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

On motion of Chair Ta and second by Director Hasselbrink, and following a roll call vote, declared passed 6-1 (Director Tettemer opposed and Directors Lumbard and Hernandez absent) to 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.

REPORTS

No Items.

COMMITTEE MEMBER COMMENTS (FILE 12.02B4)

None.

ADJOURNMENT – Chair Steggell adjourned the Concurrent Joint Special Meeting at 6:35 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, March 9, 2022, at 12:00 noon.

Maria D. Huizar, CMC
Clerk of the Authority



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
March 9, 2022

Agenda Item No. 2B
Consent Calendar

FY 2021/22 Mid-Year Budget Adjustment

Contact(s) for Further Information

Robert Cortez, Assistant Chief Business Services Department	robertcortez@ocfa.org	714.573.6012
Tricia Jakubiak, Treasurer	triciajakubiak@ocfa.org	714.573.6301
Stuart Lam, Budget Manager	stuartlam@ocfa.org	714.573.6302

Summary

This item is submitted to request approval to adjust revenues, expenditures and transfers to reflect changes identified after adoption of the FY 2021/22 budget.

Prior Board/Committee Action

A comprehensive mid-year financial review was presented to the Budget and Finance Committee and the Board of Directors in January, highlighting proposed mid-year changes that are needed to the FY 2021/22 budget based on events that have occurred since the budget was adopted last May. The Board directed staff to return in March with the technical budget adjustments required to implement the proposed changes.

RECOMMENDED ACTIONS

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of March 24, 2022, with the Budget and Finance Committee's recommendation that the Board of Directors authorize the proposed mid-year budget adjustments and transfers as detailed in this report and attachments.

Impact to Cities/County

The proposed mid-year adjustments to the FY 2021/22 budget will have no impact to cash contract city charges in the current FY. Future increase estimates for cash contract cities range from 1.35% to 2.4% for FY 2022/23 and 2.0% for FY 2023/24 based on the Five-Year Financial Forecast.

Fiscal Impact

Financial impact is detailed in the report.

Background

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

The following are estimated changes to the budget that are needed since the adoption of the FY 2021/22 budget in June 2021. Overall, the proposed changes in the General Fund result in an estimated total revenue increase of approximately \$20.2 million and an estimated total expenditure increase of \$27.0 million. **Approximately \$15.3 million of the expenditure increases are related to emergency incidents that are offset by corresponding revenue increases or are items that are cost neutral.** Expenditures not offset by revenue increases are primarily due to higher services and supplies expenditures that were not known at the time of budget adoption including increased insurance premiums, fuel costs and repair and maintenance expenditures.

FY 2021/22 Estimated Revenue Adjustments - \$20.2 million

Property Taxes: Based on secured tax billings provided by the Auditor/Controller, preliminary projections indicate an approximate \$2.0 million increase over budget. **\$2,011,789**

Assistance by Hire (ABH)/Emergency Incident: ABH is the term used when OCFA responds to requests for assistance to incidents outside our area of responsibility, on a reimbursement basis. Current year activity is \$11.9 million greater than budget due to various in-county and out-of-county responses, upstaffing for surge capacity, and responding to the COVID-19 pandemic. Staff will be monitoring this source of revenue for additional reimbursements. An expenditure adjustment is also proposed to the overtime/backfill category to cover the costs associated with providing the ABH services. **\$11,939,766**

Grant/Other Reimbursements: This category represents reimbursements for Grants or other programs where expenditures are reimbursed once incurred. The adjustment is for a Homeland Security Grant funded education trailer (\$153K), US&R mobilization exercise (\$150K), supplemental funding for the 2020 US&R Grant (\$48K), OCSD SONGS reimbursement for radiation equipment (\$21K), John Wayne Airport reimbursement for crash truck tire replacement (\$15K), and CA Fire Foundation Grant to fund fire education props, kits, and robotics (\$13K). **\$400,291**

Intergovernmental: Since budget adoption, OCFA received the final Cal Fire Gray Book for FY 2021/22 with an additional \$3.9 million revenue allocation. This included one-time funding for defensible space inspections and hand crew personnel. **\$3,881,801**

Charges for Services: Planning & Development fees are being reduced by \$300K due to reduced building activity related to the COVID-19 pandemic and False Alarm fees are being reduced by \$35K as staff focus on helping businesses correct fire alarm issues to prevent recurrence of false alarms. **(\$335,000)**

OCPFA Retiree Medical Trust Payment: OCFA's audit firm Lance, Soll & Lunghard issued a final report on the OCPFA Medical Benefit Trust for the period January 1, 2020 through December 31, 2020 showing a \$1,954,775 excess fund balance credit due to the OCFA. Per the terms of the OCFA/OCPFA Health Plan Agreement, OCFA will remit these funds to the OCFA Retiree Medical Trust held at OCERS. **\$1,954,775**

Miscellaneous: This category of revenue adjustments includes updates to cash contract city maintenance charges, RDA pass-through revenue, miscellaneous revenues, and interest earnings. **\$388,358**

FY 2021/22 Estimated Expenditure Adjustments - \$27.0 million

Assistance by Hire/Emergency Incident Costs: As mentioned under Revenue for ABH, an adjustment is needed for in-county and out-of-county responses, primarily in the overtime/backfill category, but also for response-related supplies. This category also comprises the expenditures for upstaffing for surge capacity, US&R activation, and COVID-19 expenditures. Staff will be monitoring these categories closely as the fiscal year progresses. **\$11,830,334⁽¹⁾**

Personnel Expenditures: This adjustment includes expenditures to extend the seasonal handcrew and fund a hand crew lead superintendent using one-time Cal Fire Gray Book funding (\$572K); cover increased firefighter academy and training expenditures (\$200K); reclassify the cost for a limited-term Construction Manager from the CIP to the General Fund (\$177K); and fund increased paramedic school tuition and paramedic academy costs (\$155K). The cost for the limited-term Construction Manager was already approved in the FY 2021/22 budget; therefore, this is only an accounting change to better classify the expenditure. **\$1,103,725⁽¹⁾**

Supplies/Equipment/Professional Services: This category includes one-time adjustments for services and supplies which were unknown or for which costs have increased since budget development. Adjustments include increased insurance premiums (\$1.2M); fuel increases (\$1.0M); increased vehicle repair and maintenance (\$891K); fire academy costs (\$865K); major overhaul for Helicopter 2 (\$700K); fire station maintenance, repair and appliance replacement (\$600K); increased utility costs (\$545K); defensible space inspection expenditures covered by one-time Cal Fire Gray Book funding (\$439K)⁽¹⁾; increased PPE costs (\$380K); 800MHz radio and station alerting contracts (\$166K); Microsoft software licenses (\$120K); staffing system programming services (\$114K); behavioral health and wellness counseling (\$110K); medical equipment (\$80K); Irvine Arson Abatement Officer (\$50K); EMS quality control system upgrades (\$25K); Air Ops Drone Program training (\$9K); hand crew lead superintendent PPE and uniform expenditures covered by one-time Cal Fire Gray Book funding (\$4K)⁽¹⁾; a \$31K reduction to remove the carryover for a Cal Fire Camera Grant that was already budgeted with a rolled purchase order; and a \$25K reduction to reclassify an Automatic Chest Compression Device (ACCD) maintenance expenditure from Fund 121 to Fund 12110. **\$7,267,246**

Grant/Other Reimbursable Programs: These expenditure items include a Homeland Security Grant funded fire education trailer (\$161K), US&R mobilization exercise (\$150K), supplemental funding for the 2020 US&R Grant (\$48K), insurance reimbursement for collision repairs² (\$32K), OCSD SONGS radiation equipment (\$21K), John Wayne Airport crash truck tire replacement (\$15K), and CA Fire Foundation Grant funded fire education props, kits, and robotics (\$13K). **\$439,768⁽¹⁾**

OCPFA Retiree Medical Trust Payment: OCFA's audit firm Lance, Soll & Lunghard issued a final report on the OCPFA Medical Benefit Trust for the period January 1, 2020 through December 31, 2020 showing a \$1,954,775 excess fund balance credit due to the OCFA. Per the terms of the OCFA/OCPFA Health Plan Agreement, OCFA will remit these funds to the OCFA Retiree Medical Trust held at OCERS. **\$1,954,775⁽¹⁾**

¹ Expenditure increase is wholly or partially cost neutral, offset by a corresponding revenue source or dedicated fund balance.

² Offset by insurance reimbursement revenue recognized in FY 2020/21.

Settlement Agreement Snowball Plan Payment: The Irvine Settlement Agreement requires a Snowball Plan Payment of \$500K to paydown unfunded liabilities each year in which our pension liability is less than 85% funded. OCFA received notification that we are over 85% funded after the FY 2021/22 Adopted Budget was prepared. Per the Settlement Agreement, since we have reached the 85% funding target, the \$500K budgeted as a Snowball Plan Payment should now be transferred to the 115 Trust. (\$500,000)

Workers' Compensation: The OCFA received a new workers' compensation actuarial study dated 2/2/2022 and a \$4.9 million increase in Fund 121 workers' compensation expenditures is required to maintain funding at the 50% confidence level. Fund 121 workers' compensation expenditures are transferred to Workers' Compensation Fund 190 to pay for workers' compensation claims. \$4,870,243

Fixed Asset Purchases: The Adopted Budget included \$450,000 of appropriations that are funded with offsetting revenue through the Joint Apprenticeship Committee (JAC); however, this JAC budget did not itemize detail for the specific items that would be funded within the \$450,000. The following are the itemized fixed asset purchases that are planned for funding through the JAC budget: box truck (\$200K), roof ventilation trailer (\$95K), auto extrication simulators (\$45K), forcible entry door simulator (\$43K), and three cone trailers (\$12K each). Additional fixed asset purchases that are separately funded with Cal Fire Grant funds include: Caterpillar skid steer (\$163K), Zieman skid steer trailer (\$47K), Miller Bobcat 200 air compressor and welder (\$16K), skid steer hydraulic coolers (\$7K), and Caterpillar utility broom for skid steer (\$6K). OCFA also plans to use US&R Grant fund to purchase a US&R utility vehicle (\$30K). \$0

FY 2021/22 CIP and Other Fund Adjustments

- **Fund 12110 – General Fund CIP:** A net decrease in expenditures in the amount of \$2,907,007 is needed for the following: deferral of expenditures to future years for Fire Station 41 improvements (\$1,255,128), station bathroom inclusive facilities (\$1,000,000), and the enterprise phone and public address system upgrade (\$500,000) projects; a decrease of \$176,879 to move budgeted funds from the CIP to the General Fund for the limited-term Construction Manager position overseeing various CIP projects - this is purely an accounting change from one fund to another with no impact on overall expenses; and a \$25K increase to reclassify an ACCD maintenance expenditure from Fund 121 to Fund 12110.
- **Fund 123 – Fire Stations and Facilities:** A decrease in expenditures in the amount of \$2,500,530 is needed for deferral of the RFOTC training grounds and expansion upgrade (\$2,500,000) and Fire Station 10 replacement (\$530) projects to future years.
- **Fund 124 – Communications & Information Systems:** A decrease in expenditures in the amount of \$2,000,000 is needed for deferral of EMS enterprise system development projects (\$1,500,000) and the OCFA enterprise audio visual upgrades (\$500,000) to future years.
- **Fund 133 – Fire Apparatus:** A net expenditure decreases of \$3,334,491 is required for the following: net decrease in emergency vehicle expenditures (\$1,177,669), net decrease in support vehicle expenditures (\$2,482,000), and expenditure increase of \$325,178 to fund two light service trucks due to a FY 2020/21 purchase order being closed in error which should have been carried over to FY 2021/22. See Attachment 3 for a detailed summary of the Fund 133 budget adjustments and project descriptions for new vehicle types not included in the Adopted Budget.

- **Fund 139 – Settlement Agreement:** An increase in expenditures in the amount of \$25,000 is needed to accommodate Trustee and PARS fees for administering the 115 Trust.
- **Fund 171 – Structural Fire Fund Entitlement Fund:** In accordance with the Amended JPA, increase the expenditure budget by \$3,428,698 from FY 2020/21 unencumbered fund balance and interest earnings. Allocation of these funds will enable Structural Fire Fund (SFF) member cities to use their allocated fund balance for fire service enhancements. Any remaining funds not used in FY 2021/22 will be rebudgeted in the next fiscal year.
- **Fund 190 – Workers’ Compensation:** An increase in revenue in the amount of \$4,870,243 is required to reflect the increased Fund 121 workers’ compensation charges. The increased workers’ compensation budget in Fund 121 will be recorded as revenue in Fund 190 to achieve funding at the 50% confidence level.
- **Interest Earnings:** Interest earning revenues for each of the CIP and Other Funds have been increased except Fund 124 and Fund 171 which had a slight decrease based on the latest projections. The net interest earnings adjustment is a \$73,104 increase.

FY 2021/22 Fund Balance Transfer Adjustments

- **Unencumbered Fund Balance:** The FY 2020/21 year-end audit identified unencumbered fund balance in the amount of \$4,590,935. This fund balance increase resulted primarily from additional revenue received in the fiscal year, as well as salary and S&S savings in the General Fund. After the year-end audit, it was discovered that fire incident claims totaling \$2,265,173 were not accrued as revenue and receivable in FY 2020/21, of which \$1,437,181 is pending FEMA approval for the Silverado Fire claim. As a result, revenue was understated and the unencumbered fund balance available has increased. The current unencumbered fund balance that includes approved fire incident claims is \$5,418,927 and this would increase to \$6,856,108 once the Silverado claim is approved by FEMA. Staff recommends allocating the unencumbered fund balance as follows:
 - Allocate 50% or \$2,709,463 to the Structural Fire Fund Entitlement Fund (Fund 171) for fire service enhancements, in accordance with the First Amendment to the Amended Joint Powers Agreement (Amended JPA) and allocate an additional \$718,591 to Fund 171 upon final approval of the Silverado Fire claim by FEMA. Per the Amended JPA, 50% of any unencumbered funds as determined by the annual audited financial statements shall be allocated to Fund 171 at every ten year interval beginning with FY 2010/11.
 - Allocate remaining 50% in the General Fund to replenish the contingency reserve to 10% of expenditures, pursuant to the OCFA’s Financial Stability Budget Policy and allocate an additional \$718,519 to Fund 121 upon final approval of the Silverado Fire claim by FEMA.
- **CIP to Fund 121 Transfers:** The Financial Stability Policy requires a reconciliation of the 10% contingency reserve at mid-year. In order to maintain the 10% General Fund contingency reserve of \$43,923,725, a fund balance transfer of \$7,363,014 is required from various CIP funds to the General Fund (\$3,000,000 from Fund 12110, \$1,000,000 from Fund 123, and \$3,363,014 from Fund 133).
- **Irvine Settlement Agreement:** A fund balance transfer from Fund 121 to Fund 139 is needed to make a \$500,000 payment to the 115 Trust now that the pension liability is over 85% funded, as required in the Irvine Settlement Agreement.

Attachment(s)

1. FY 2021/22 Mid-Year Budget Adjustments
2. Combined Budget Summary
3. Fund 133 Mid-Year Budget Adjustment Detail and Project Descriptions

FY 2021/22 Mid-Year Budget Adjustments

The following adjustments to the FY 2021/22 budget are requested:

General Fund (Fund 121)

Revenues: \$20,241,780 increase
Expenditures: \$26,966,091 increase
Operating Transfer In from Fund 12110: \$3,000,000
Operating Transfer In from Fund 123: \$1,000,000
Operating Transfer In from Fund 133: \$3,363,014
Operating Transfer Out to Fund 139: \$500,000
Operating Transfer Out to Fund 171: \$3,428,054

General Fund CIP (Fund 12110)

Expenditures: \$2,907,007 decrease
Operating Transfer Out to Fund 121: \$3,000,000

Fire Stations and Facilities Fund (Fund 123)

Revenues: \$4,852 increase
Expenditures: \$2,500,530 decrease
Operating Transfer Out to Fund 121: \$1,000,000

Communications and Information Systems Fund (Fund 124)

Revenues: \$2,059 decrease
Expenditures: \$2,000,000 decrease

Fire Apparatus Fund (Fund 133)

Revenues: \$31,579 increase
Expenditures: \$3,334,491 decrease
Operating Transfer Out to Fund 121: \$3,363,014

Irvine Settlement Agreement Fund (Fund 139)

Revenues: \$7,867 increase
Expenditures: \$25,000 increase
Operating Transfer In from Fund 121: \$500,000

Structural Fire Fund Entitlement Fund (Fund 171)

Revenues: \$291 decrease
Expenditures: \$3,428,698 increase
Operating Transfer In from Fund 121: \$3,428,054

Self-Insurance Fund (Fund 190)

Revenues: \$4,901,399 increase

**ORANGE COUNTY FIRE AUTHORITY
COMBINED BUDGET SUMMARY
FY 2021/22**

	121	12110	123	124	133	139	171	190	
	General Fund	General Fund CIP (1)	Fire Stations & Facilities	Communications & Info. Systems	Fire Apparatus	Settlement Agreement	SFF Entitlement	Self Insurance	Total
FUNDING SOURCES									
<i>Property Taxes</i>	298,984,024	-	-	-	-	-	-	-	298,984,024
<i>Intergovernmental</i>									
State Reimbursements	44,698,061	-	-	-	45,000	-	-	-	44,743,061
Federal Reimbursements	4,225,115	-	-	-	-	-	-	-	4,225,115
Community Redevelopment Pass-thru	18,618,096	-	-	-	-	-	-	-	18,618,096
<i>Charges for Current Services</i>									
Cash Contract Cities	133,345,035	-	-	-	1,652,957	-	-	-	134,997,992
HMS Revenue	-	-	-	-	-	-	-	-	-
Fees - Community Risk Reduction	5,686,323	-	-	-	-	-	-	-	5,686,323
Other Charges for Services	108,697	-	-	-	-	-	-	-	108,697
ALS Reimbursements, Supplies	4,547,600	-	-	-	-	-	-	-	4,547,600
Charges for Workers' Comp	-	-	-	-	-	-	-	29,966,926	29,966,926
<i>Use of Money and Property</i>									
Interest	182,340	-	45,256	13,529	69,113	68,404	2,165	324,939	705,746
<i>Other</i>									
Developer contributions	-	-	213,000	-	1,048,573	-	-	-	1,261,573
Miscellaneous	13,501,390	-	-	-	-	-	-	-	13,501,390
<i>Other Funding Sources</i>									
Total Revenues & Other Financing Sources	523,896,681	-	258,256	13,529	2,815,643	68,404	2,165	30,291,865	557,346,543
Operating Transfer In	7,363,014	5,350,000	4,450,000	1,700,000	3,364,518	2,668,000	3,428,054	-	28,323,586
Beginning Fund Balance	46,003,333	8,124,402	17,684,367	5,099,985	12,486,395	25,313,631	1,120,950	109,770,629	225,603,692
TOTAL AVAILABLE RESOURCES	\$577,263,028	\$13,474,402	\$22,392,623	\$6,813,514	\$18,666,556	\$28,050,035	\$4,551,169	\$140,062,494	\$811,273,821
EXPENDITURES									
Salaries & Emp Benefits	\$437,273,443	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$437,273,443
Services & Supplies	74,131,940	7,934,545	-	1,843,894	-	2,193,000	4,549,003	15,640,500	106,292,882
Capital Outlay/Equipment	973,348	2,257,184	17,818,265	2,622,621	14,256,648	-	-	-	37,928,066
Total Expenditures	\$512,378,731	\$10,191,729	\$17,818,265	\$4,466,515	\$14,256,648	\$2,193,000	\$4,549,003	\$15,640,500	\$581,494,391
Appropriation for Contingencies	3,000,000	-	-	-	-	-	-	-	3,000,000
Operating Transfer Out	20,960,572	3,000,000	1,000,000	-	3,363,014	-	-	-	28,323,586
Ending Fund Balance	\$40,923,725	\$282,673	3,574,358	2,346,999	1,046,894	25,857,035	2,166	\$124,421,994	198,455,844
TOTAL FUND COMMITMENTS & FUND BALANCE	\$577,263,028	\$13,474,402	\$22,392,623	\$6,813,514	\$18,666,556	\$28,050,035	\$4,551,169	\$140,062,494	\$811,273,821

(1) Project related budgets segregated for operational budget clarity purposes. As a sub-fund of the General Fund, revenues and expenditures are accounted for as the General Fund in the CAFR, however for cash-flow purposes the expenditures are tracked outside of the General Fund. Therefore 12110 requires cash-flow transfers in the same manner as the other CIP Funds.

Fund 133 Mid-Year Budget Adjustment Detail and Project Descriptions

Existing Vehicle Number	Current Vehicle Type	Dept/Section	Proposed Mid-yr Adj.
EMERGENCY VEHICLES			
Air Utility			
5415	Air Utility Vehicle	Operations	\$ (527,878)
Battalion Chief Command			
2185	BC Command Vehicle	Operations	(107,675)
2186	BC Command Vehicle	Operations	(107,675)
2187	BC Command Vehicle	Operations	(107,675)
Compressed Air Foam System Patrol Vehicle - Type 6			
3688	CAFS-Patrol Veh.-Type 6	Operations - Station 10	(145,630)
Dozer Tender			
3033	Dozer Tender	Operations	(150,000)
3034	Dozer Tender	Operations	(150,000)
Ladder/Truck			
5067	Ladder Truck	Operations	1,800,000
Engine - Type I			
5222	Engine - Type I	Operations	774,514
Engine - Type III			
NEW	Engine - Type III	Operations	(655,200)
NEW	Engine - Type III	Operations	(655,200)
Pick-Up Utility 3/4 Ton			
New	Pickup Utility 3/4 Ton	Pool	(57,750)
New	Pickup Utility 3/4 Ton	Station 15	(72,000)
New	Pickup Utility 3/4 Ton	Station 16	(72,000)
New	Pickup Utility 3/4 Ton	Station 48	(72,000)
New	Pickup Utility 3/4 Ton	Pool	(65,000)
Pick-Up Utility 1 Ton 4X4			
New	Pick-Up Utility 1 Ton 4X4	Crews & Equipment	(75,000)
Squad			
3801	Squad	FS 61	(100,000)
3804	Squad	FS 61	(100,000)
SUV Full Size 4x4			
New	SUV Full-Size 4x4	US&R	25,000
Superintendent Vehicle			
New	Superintendent Vehicle	Crews & Equipment	225,000
3039	Superintendent Vehicle	Operations	(154,500)
Swift Water Vehicle			
3800	Swift Water Vehicle	Operations	(84,000)

Fund 133 Mid-Year Budget Adjustment Detail and Project Descriptions

Existing Vehicle Number	Current Vehicle Type	Dept/Section	Proposed Mid-yr Adj.
3803	Swift Water Vehicle	Operations	(84,000)
3806	Swift Water Vehicle	Operations	(84,000)
USAR Apparatus Truck Support Vehicle			
New	Pickup Utility Heavy Duty	US&R	(125,000)
New	Pickup Utility Heavy Duty	US&R	(125,000)
New	Pickup Utility Heavy Duty	US&R	(125,000)
TOTAL EMERGENCY VEHICLES			\$ (1,177,669)
SUPPORT VEHICLES			
Fuel Tender			
5412	Fuel Tender	Air Ops	(500,000)
Golf Cart/Utility Cart			
8210	Golf Cart/Utility Cart	RFOTC Security	5,000
new	Trailers for Carts	Various	25,000
8998	Golf Cart/Utility Cart	Service Ctr	5,000
Hook Truck			
New	Hook Truck	Training	(140,000)
Hook Truck Bin			
New	Hook Truck Bin	Service Center	(40,000)
Mid-Size 4-Door			
New	Mid-Size 4-Door	Pool	(42,000)
New	Mid-Size 4-Door	Pool	(42,000)
Mid-Size Pickup - 1/2 Ton			
2160	Mid-Size Pickup - 1/2 Ton	Fire Prevention	(40,000)
3225	Mid-Size Pickup - 1/2 Ton	Fire Prevention	(40,000)
New	Mid-Size Pickup - 1/2 Ton	Admin Captains	(44,000)
New	Mid-Size Pickup - 1/2 Ton	Admin Captains	(44,000)
New	Mid-Size Pickup - 1/2 Ton	Admin Captains	(44,000)
New	Mid-Size Pickup - 1/2 Ton	Admin Captains	(44,000)
New	Mid-Size Pickup - 1/2 Ton	Admin Captains	(44,000)
New	Mid-Size Pickup - 1/2 Ton	Admin Captains	(44,000)
New	Mid-Size Pickup - 1/2 Ton	Training Cadre	(50,000)
New	Mid-Size Pickup - 1/2 Ton	Training Cadre	(50,000)
New	Mid-Size Pickup - 1/2 Ton	Training Cadre	(50,000)
New	Mid-Size Pickup - 1/2 Ton	Training Cadre	(50,000)
New	Mid-Size Pickup - 1/2 Ton	Training Cadre	(50,000)
New	Mid-Size Pickup - 1/2 Ton	Training Cadre	(50,000)
New	Mid-Size Pickup - 1/2 Ton	Training Cadre	(50,000)
New	Mid-Size Pickup - 1/2 Ton	Training Cadre	(55,000)
New	Mid-Size Pickup - 1/2 Ton	Training Cadre	(55,000)
New	Mid-Size Pickup - 1/2 Ton	Training Cadre	(55,000)
New	Mid-Size Pickup - 1/2 Ton	Training Cadre	(55,000)

Fund 133 Mid-Year Budget Adjustment Detail and Project Descriptions

Existing Vehicle Number	Current Vehicle Type	Dept/Section	Proposed Mid-yr Adj.
Pickup Crew Cab - 1/2 Ton			
New	Pickup Crew Cab - 1/2 Ton	Pool	(40,000)
Pickup Crew Cab - 3/4 Ton			
3203	Pickup Crew Cab - 3/4 Ton	Training	(55,000)
Mule			
8335	Kawasaki Mule	US&R	30,000
Pickup - Stake Bed			
New	Stake Bed - 1 Ton	Service Center	(90,000)
New	Stake Bed - 1 Ton	Service Center	(90,000)
SUV Full-Size 4X4			
New	SUV Full-Size 4x4	Pool	(60,000)
New	SUV Full-Size 4x4	Pool	(60,000)
New	SUV Full-Size 4x4	Pool	(60,000)
New	SUV Full-Size 4x4	Pool	(60,000)
New	SUV Full-Size 4x4	Pool	(60,000)
New	SUV Full-Size 4x4	Pool	(60,000)
New	SUV Full-Size 4x4	Pool	(60,000)
3143	SUV Full-Size 4x4	Pre-Fire Management	(63,000)
SUV Mid-Size 4x4			
2159	SUV Mid-Size 4x4	Operations Pool	(50,000)
2162	SUV Mid-Size 4x4	Operations Pool	(50,000)
2163	SUV Mid-Size 4x4	Operations Pool	(50,000)
2164	SUV Mid-Size 4x4	Operations Pool	(50,000)
2165	SUV Mid-Size 4x4	Operations Pool	(50,000)
2166	SUV Mid-Size 4x4	Operations Pool	(50,000)
2167	SUV Mid-Size 4x4	Operations Pool	(50,000)
2168	SUV Mid-Size 4x4	Operations Pool	(50,000)
2169	SUV Mid-Size 4x4	Operations Pool	(50,000)
2170	SUV Mid-Size 4x4	Operations Pool	(50,000)
Material Handling			
New	Scissor Lift	Property Management	45,000
Upfitting / Outfitting			
NA	Dozer Tender Beds	Crews & Equipment	50,000
NA	IMT Trailer	IMT	150,000
NA	US&R Hvy Duty Pass/Cargo Van	US&R	100,000
TOTAL SUPPORT VEHICLES			\$ (2,482,000)

TRUCK/LADDER TRUCK

Project Type: New and Replacement Vehicles

Project Management: Fleet Services

Project Description: The Truck/Ladder Truck Apparatus is used to provide search and rescue, roof ventilation, elevated water streams, salvage, and overhaul operations. These vehicles also carry all the applicable tools needed for these tasks. Depending on the station assignment and requirements determined by the Apparatus Committee, OCFA Truck Apparatus may be configured with or without tiller steering, a mid or rear-mount ladder with ariel reach of approximately 100 feet, a 300-gallon or greater capacity water tank, and a fire pump similar to a fire engine.



Vehicle replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

Impact on Operating Budget: The replacement of older vehicles with high mileage reduces maintenance costs in the operating budget. Once off warranty, the estimated annual maintenance cost will be \$7,000 per unit.

SUPERINTENDENT VEHICLE

Project Type: New and Replacement Vehicles

Project Management: Fleet Services

Project Description: The superintendent vehicles have a multitude of uses for Crews and Equipment. The primary use is to support and supervise the hand crews with the construction fire line construction and brush clearing operations. These units are also sent out of the county to support the section on large campaign fires.

Replacement evaluation is based on the following criteria:

- Actual miles of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The age and mileage targets for service trucks are 10 years and/or 120,000 miles. The projection for the addition of this vehicle is based on operational needs.

Impact on Operating Budget: Following expiration of the vehicle warranty period, annual maintenance and repair costs are estimated at \$24,000.



UTILITY/GOLF CART

Project Type: New and Replacement Vehicles

Project Management: Fleet Services

Project Description:

This support vehicle is utilized for on-site transportation of personnel, supplies, and small equipment in support Service Center operations, and for use by security personnel at the RFOTC. These units may also be transported for temporary use at large incident command centers.

Future replacement evaluation is based on the following criteria:

- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The replacement age target for utility/golf carts is 10 years however, the service and repair costs will be reviewed before a replacement is made, and may be deferred if warranted.



Impact on Operating Budget: The addition of these units to the fleet will increase maintenance costs in the operating budget. The annual maintenance cost, once off warranty, will be approximately \$1,000.

UTILITY/GOLF CART TRANSPORT/TOW-BEHIND TRAILER

Project Type: New and Replacement Vehicles

Project Management: Fleet Services

Project Description:

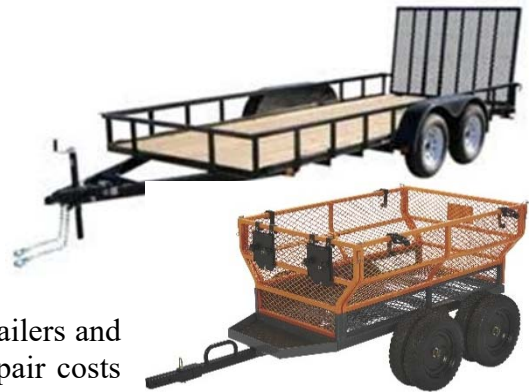
The transport trailer units are utilized for transporting golf/utility cart vehicles to off-site locations, enabling the vehicles provide support at emergency incident command centers. The tow-behind units are used to increase the utility and capacity of these vehicles at both command centers and the RFOTC.

Future replacement evaluation is based on the following criteria:

- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager

The replacement age target for utility/golf cart transport trailers and tow-behind units is 15 years however, the service and repair costs will be reviewed before a replacement is made, and may be deferred if warranted.

Impact on Operating Budget: The addition of these units to the fleet will increase maintenance costs in the operating budget. The annual maintenance cost will be approximately \$100 - \$500.



SCISSOR LIFT

Project Type: New and Replacement Vehicles

Project Management: Fleet Services

Project Description: The Scissor Lift is used to move personnel and equipment in a vertical direction for accessing and servicing facilities at RFOTC and fire stations. The unit will support multiple OCFA sections, including Fleet Services, Property Management, and Service Center.

Future replacement evaluation is based on the following criteria:

- Actual hours of the vehicles
- Actual years of operation compared to expected years
- Evaluation of mechanical condition by the Fleet Services Manager
- Evaluation of the maintenance costs by the Fleet Services Manager



The age target for a scissor lift is 15 years, however, a review of actual service and repair costs will be used to determine if replacement can be deferred.

Impact on Operating Budget: No anticipated impact.

OUTFITTING - DOZER TENDER BEDS

Project Type: Vehicle Modification

Project Management: Fleet Services

Project Description: This project will retrofit the service body of the new dozer tender unit to provide additional functionality needed to meet operational requirements, including weight reduction to accommodate mounted tanks, equipment, and various tools.

Dozer Tender vehicles have a multitude of uses for the Crews and Equipment section. The primary use is to support, fuel, oil, and carry repair materials needed for the department's bulldozers, graders, and other miscellaneous off-road equipment. These units are also sent out of the county to support the section on large campaign fires.

Impact on Operating Budget: No anticipated impact.



OUTFITTING – INCIDENT MANAGEMENT TEAM (IMT) TRAILER

Project Type: Vehicle Modification

Project Management: Information Technology

Project Description: This project includes the installation of a liftgate, permanent mounted power generators, interior/exterior lighting, shelving, storage compartments, and workstations on the existing IT IMT trailer. The trailer provides storage and rapid deployment of equipment to major incident basecamps and training events, and serves as a mobile office during the supported incidents for IT Administrators.

Impact on Operating Budget: No anticipated impact.



OUTFITTING-

US&R HEAVY-DUTY PASSENGER/CARGO VAN

Project Type: Vehicle Modification

Project Management: Fleet Services

Project Description:

This project is to provide extensive interior outfitting for the existing US&R van consistent with the standards utilized by the 28 national task forces, including additional seating and storage compartments.

The vehicle is one of twelve response vehicles used by California Task Force Five (CA-TF5) for responding within the Continental United States to natural and man-made disasters, transporting the task force equipment cache.



Impact on Operating Budget: No anticipated impact.



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
March 9, 2022

Agenda Item No. 3A
Discussion Calendar

Monthly Investment Reports

Contact(s) for Further Information

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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 March 24, 2022, 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 January 31, 2022. A preliminary investment report as of February 18, 2022, is also provided as the most complete report that was available at the time this agenda item was prepared.

Attachment(s)

Final Investment Report – January 2022/Preliminary Report – February 2022

Orange County Fire Authority Monthly Investment Report



Final Report – January 2022

Preliminary Report – February 2022



Monthly Investment Report Table of Contents

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<i>Benchmark Comparison.....</i>	<i>4</i>
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Orange County Fire Authority

Final Investment Report

January 31, 2022



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of January 2022, the size of the portfolio decreased by approximately \$49 million to \$165.9 million. Receipts for the month totaled \$23.7 million, significant receipts included Property Tax apportionment payments totaling \$15.7 million, cash contract payments totaling \$5.9 million, various grant reimbursement payments and other charges for current services totaling \$2.1 million. Total January cash outflows amounted to approximately \$72.6 million. Significant disbursements for the month included two biweekly payrolls and related benefits totaling approximately \$35.3 million and a \$33.2 million payment to OCERS for the prepayment of FY 2022/23 employer contributions. The portfolio's balance is expected to decrease in February.

In January, the portfolio's yield to maturity (365-day equivalent) moved upward by 3 basis points to 0.35%. The effective rate of return decreased by 5 basis points to 0.32% for the month, and the average maturity of the portfolio increased by six days to 27 days to maturity.

Economic News

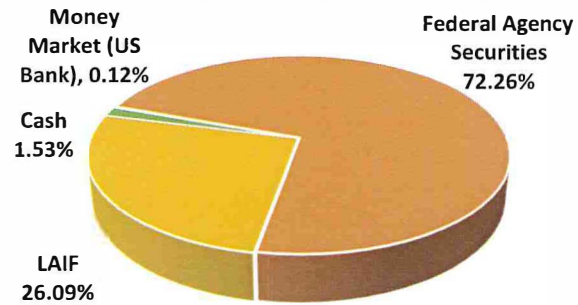
In January 2022, the unemployment rate was little changed at 4.0%, rising slightly from 3.9%. Total non-farm payroll employment rose by 467,000, and the number of unemployed persons moved slightly upward to 6.5 million. U.S. Consumer confidence fell slightly in January while inflation concerns began to wane. Retail sales rebounded from December and jumped 3.8% in January as online shopping and furniture sales boosted the number. This was the strongest monthly gain since last March when pandemic related stimulus was distributed to U.S. households. Retail sales overall rose 13% from January 2020.

The producer price index, which measures wholesale prices, rose 1% in January and a near-record 9.7% for the 12-month period. Consumer prices increased 0.6% in January. Over the 12 months from January 2021 to January 2022, the Consumer Price Index for All Urban Consumers (CPI-U) rose 7.5 percent. This is the largest 12-month increase since the 12-month period ending February 1982. The inflation rate reinforces the Federal Reserve's decision to begin raising borrowing rates across the economy. The January minutes of the Federal Reserve were released on February 16 confirming public comments that interest rates will most certainly need to increase in March amid greater uneasiness with high inflation.

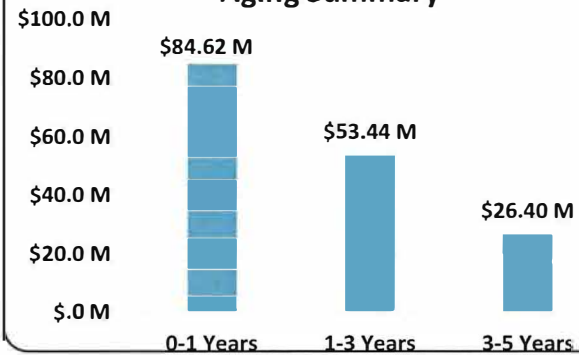


OCFA'S PORTFOLIO IS EXCEEDING THE LAIF AND 3 MONTH TREASURY BENCHMARKS AS OF JANUARY 31, 2022

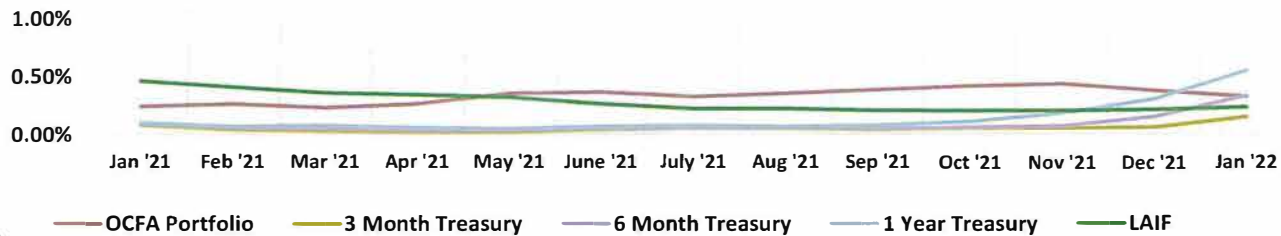
Market Value \$164,461,602



Aging Summary



12 Month Benchmarks



**BENCHMARK COMPARISON AS OF JANUARY 31, 2022**

3 Month T-Bill: 0.15%

1 Year T-Bill: 0.55%

6 Month T-Bill: 0.33%

LAIF: 0.23%

OCFA Portfolio: 0.32%

PORTFOLIO SIZE, YIELD, & DURATION

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<i>Book Value</i>	\$165,982,837	\$214,981,240	\$154,694,509
<i>Yield to Maturity (365 day)</i>	0.35%	0.32%	0.28%
<i>Effective Rate of Return</i>	0.32%	0.37%	0.24%
<i>Days to Maturity</i>	27	21	26



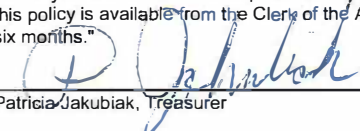
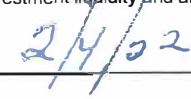
ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
January 31, 2022

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

Page 5

	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Mat./Call	YTM/Call 360 Equiv.	YTM/Call 365 Equiv.
See Note 1 on page 10 See Note 2 on page 10								
Investments								
Money Mkt Mutual Funds/Cash	190,875.05	190,875.05	190,875.05	0.12	1	1	0.010	0.010
Federal Agency Coupon Securities	81,450,000.00	79,842,792.80	81,452,267.20	49.77	1,318	46	0.553	0.561
Federal Agency Disc. -Amortizing	39,000,000.00	38,998,680.00	38,999,292.78	23.83	56	18	0.037	0.038
Local Agency Investment Funds	43,022,050.47	42,911,876.16	43,022,050.47	26.29	1	1	0.231	0.234
	163,662,925.52	161,944,224.01	163,664,485.50	100.00%	670	27	0.345	0.350
Investments								
Cash								
Passbook/Checking (not included in yield calculations)	2,517,378.21	2,517,378.21	2,517,378.21		1	1	0.000	0.000
Total Cash and Investments	166,180,303.73	164,461,602.22	166,181,863.71		670	27	0.345	0.350
<hr/>								
Total Earnings	January 31 Month Ending	Fiscal Year To Date						
Current Year	50,824.43	338,269.07						
Average Daily Balance	186,379,808.52	155,255,916.09						
Effective Rate of Return	0.32%	0.37%						

"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, 2022. 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)	\$ 166,181,863.71
GASB 31 Adjustment to Books (See Note 3 on page 10)	\$ (199,026.23)
Total	\$ 165,982,837.48

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
January 31, 2022

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	190,875.05	190,875.05	190,875.05	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			7,754,727.29		190,875.05	190,875.05	190,875.05		0.010	1	
Federal Agency Coupon Securities											
3133EMLE0	1020	Federal Farm Credit Bank (Continuous Call)		12/23/2020	14,000,000.00	13,844,040.00	14,000,000.00	0.190	0.190	0	09/22/2023
3133EMWH1	1030	Federal Farm Credit Bank (Callable 4/21/2022)		04/22/2021	3,000,000.00	2,931,990.00	3,002,267.20	0.710	0.710	79	04/21/2025
3133EMXS6	1032	Federal Farm Credit Bank (Continuous Call)		04/28/2021	12,000,000.00	11,716,320.00	12,000,000.00	0.720	0.720	28	04/28/2025
3130ALNY6	1025	Fed Home Loan Bank (Callable 03/30/2022)		03/30/2021	8,000,000.00	7,841,120.00	8,000,000.00	0.550	0.550	57	09/30/2024
3130ALTJ3	1029	Fed Home Loan Bank (Callable 4/8/2022)		04/22/2021	9,435,000.00	9,293,852.40	9,435,000.00	0.375	0.375	66	04/08/2024
3130ALVR2	1031	Fed Home Loan Bank (Callable 4/23/2022)		04/23/2021	11,015,000.00	10,743,590.40	11,015,000.00	0.520	0.520	81	10/23/2024
3130AM6P2	1034	Fed Home Loan Bank (Callable 4/29/2022)		04/29/2021	12,000,000.00	11,752,080.00	12,000,000.00	1.000	1.000	87	04/29/2026
3130AM6H0	1035	Fed Home Loan Bank (Callable 5/11/2022)		05/11/2021	12,000,000.00	11,719,800.00	12,000,000.00	0.550	0.550	10	10/11/2024
Subtotal and Average			81,452,294.63		81,450,000.00	79,842,792.80	81,452,267.20		0.561	46	
Federal Agency Disc. -Amortizing											
313385SR8	1043	Fed Home Loan Bank		12/23/2021	11,000,000.00	11,000,000.00	10,999,967.92	0.035	0.036	3	02/04/2022
313385TF3	1044	Fed Home Loan Bank		12/27/2021	15,000,000.00	14,999,850.00	14,999,716.67	0.040	0.041	17	02/18/2022
313385TV8	1045	Fed Home Loan Bank		12/23/2021	13,000,000.00	12,998,830.00	12,999,608.19	0.035	0.036	31	03/04/2022
Subtotal and Average			38,998,692.78		39,000,000.00	38,998,680.00	38,999,292.78		0.038	18	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			43,022,050.47	42,911,876.16	43,022,050.47	0.234	0.234	1	
Subtotal and Average			58,174,093.82		43,022,050.47	42,911,876.16	43,022,050.47		0.234	1	
Total and Average			186,379,808.52		163,662,925.52	161,944,224.01	163,664,485.50		0.350	27	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
January 31, 2022

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Mat./Call
Money Mkt Mutual Funds/Cash										
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	2,497,378.21	2,497,378.21	2,497,378.21		0.000	1
		Average Balance	0.00							1
Total Cash and Investments			186,379,808.52		166,180,303.73	164,461,602.22	166,181,863.71		0.350	27

Orange County Fire Authority
In Service of Others!



ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of February 1, 2022

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

					Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	(02/01/2022 - 02/01/2022)	5 Maturities	0 Payments	45,730,303.73	27.74%	45,730,303.73	45,620,129.42
Aging Interval:	1 - 30 days	(02/02/2022 - 03/03/2022)	2 Maturities	0 Payments	26,000,000.00	15.81%	25,999,684.59	25,999,850.00
Aging Interval:	31 - 60 days	(03/04/2022 - 04/02/2022)	1 Maturities	0 Payments	13,000,000.00	7.90%	12,999,608.19	12,998,830.00
Aging Interval:	61 - 90 days	(04/03/2022 - 05/02/2022)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	91 - 120 days	(05/03/2022 - 06/01/2022)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	121 - 365 days	(06/02/2022 - 02/01/2023)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	(02/02/2023 - 01/31/2025)	5 Maturities	0 Payments	54,450,000.00	32.50%	54,450,000.00	53,442,402.80
Aging Interval:	1096 days and after	(02/01/2025 -)	3 Maturities	0 Payments	27,000,000.00	16.05%	27,002,267.20	26,400,390.00
Total for			16 Investments	0 Payments		100.00	166,181,863.71	164,461,602.22



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 January 31, 2022, OCFA has \$43,022,050.47 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 January 31, 2022 is .99743912. When applied to OCFA's LAIF investment, the fair value is \$42,911,876 or \$110,174 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 January 31, 2022 is included on the following page.



Fair Value Including Accrued Interest	\$	201,958,158,117.24
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Orange County Fire Authority
Preliminary Investment Report
February 18, 2022



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
February 18, 2022

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

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	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Mat./Call	YTM/Call 360 Equiv.	YTM/Call 365 Equiv.
See Note 1 on page 19								
See Note 2 on page 19								
Investments								
Money Mkt Mutual Funds/Cash	190,876.67	190,876.67	190,876.67	0.14	1	1	0.010	0.010
Federal Agency Coupon Securities	81,450,000.00	79,257,828.60	81,452,232.02	58.74	1,318	45	0.553	0.561
Federal Agency Disc. -Amortizing	13,000,000.00	12,999,987.00	12,999,835.69	9.37	71	13	0.035	0.036
Local Agency Investment Funds	44,022,050.47	43,909,315.28	44,022,050.47	31.75	1	1	0.231	0.234
	138,662,927.14	136,358,007.55	138,664,994.85	100.00%	781	28	0.402	0.407
Investments								
Cash								
Passbook/Checking (not included in yield calculations)	3,336,713.26	3,336,713.26	3,336,713.26		1	1	0.000	0.000
Total Cash and Investments	141,999,640.40	139,694,720.81	142,001,708.11		781	28	0.402	0.407

Total Earnings	February 18 Month Ending	Fiscal Year To Date
Current Year	28,058.41	366,327.48
Average Daily Balance	154,732,310.09	155,215,465.84
Effective Rate of Return	0.37%	0.37%

"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, 2022. 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 Jakubik, Treasurer

2/25/22

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 142,001,708.11
GASB 31 Adjustment to Books (See Note 3 on page 19)	\$ (199,026.23)
Total	\$ 141,802,681.88

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
February 18, 2022

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 Maturity Mat./Call	Date
Money Mkt Mutual Funds/Cash											
SYS1042	1042	First American Treasury Oblig		09/22/2021	190,876.67	190,876.67	190,876.67	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			3,536,188.22		190,876.67	190,876.67	190,876.67		0.010	1	
Federal Agency Coupon Securities											
3133EMLE0	1020	Federal Farm Credit Bank (Continuous Call)		12/23/2020	14,000,000.00	13,786,920.00	14,000,000.00	0.190	0.190	10	09/22/2023
3133EMWH1	1030	Federal Farm Credit Bank (Callable 4/21/2022)		04/22/2021	3,000,000.00	2,906,160.00	3,002,232.02	0.710	0.710	61	04/21/2025
3133EMXS6	1032	Federal Farm Credit Bank (Continuous Call)		04/28/2021	12,000,000.00	11,612,400.00	12,000,000.00	0.720	0.720	10	04/28/2025
3130ALNY6	1025	Fed Home Loan Bank (Callable 3/30/2022)		03/30/2021	8,000,000.00	7,783,360.00	8,000,000.00	0.550	0.550	39	09/30/2024
3130ALTJ3	1029	Fed Home Loan Bank (Callable 4/8/2022)		04/22/2021	9,435,000.00	9,238,091.55	9,435,000.00	0.375	0.375	48	04/08/2024
3130ALVR2	1031	Fed Home Loan Bank (Callable 4/23/2022)		04/23/2021	11,015,000.00	10,667,697.05	11,015,000.00	0.520	0.520	63	10/23/2024
3130AM6P2	1034	Fed Home Loan Bank (Callable 4/29/2022)		04/29/2021	12,000,000.00	11,628,240.00	12,000,000.00	1.000	1.000	69	04/29/2026
3130AM6H0	1035	Fed Home Loan Bank (Callable 5/11/2022)		05/11/2021	12,000,000.00	11,634,960.00	12,000,000.00	0.550	0.550	81	10/11/2024
Subtotal and Average			81,452,248.63		81,450,000.00	79,257,828.60	81,452,232.02		0.561	45	
Federal Agency Disc. -Amortizing											
313385TV8	1045	Fed Home Loan Bank		12/23/2021	13,000,000.00	12,999,987.00	12,999,835.69	0.035	0.036	13	03/04/2022
Subtotal and Average			28,999,600.56		13,000,000.00	12,999,987.00	12,999,835.69		0.036	13	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			44,022,050.47	43,909,315.28	44,022,050.47	0.234	0.234	1	
Subtotal and Average			40,744,272.69		44,022,050.47	43,909,315.28	44,022,050.47		0.234	1	
Total and Average			154,732,310.10		138,662,927.14	136,358,007.55	138,664,994.85		0.407	28	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
February 18, 2022

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Mat./Call
Money Mkt Mutual Funds/Cash										
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	3,316,713.26	3,316,713.26	3,316,713.26		0.000	1
		Average Balance	0.00							1
Total Cash and Investments			154,732,310.09		141,999,640.40	139,694,720.81	142,001,708.11		0.407	28

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ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of February 19, 2022

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

See Note 5 on page 19

				Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval: 0 days	(02/19/2022 - 02/19/2022)	5 Maturities	0 Payments	47,549,640.40	33.96%	47,549,640.40	47,436,905.21
Aging Interval: 1 - 30 days	(02/20/2022 - 03/21/2022)	1 Maturities	0 Payments	13,000,000.00	9.31%	12,999,835.69	12,999,987.00
Aging Interval: 31 - 60 days	(03/22/2022 - 04/20/2022)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 61 - 90 days	(04/21/2022 - 05/20/2022)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 91 - 120 days	(05/21/2022 - 06/19/2022)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 121 - 365 days	(06/20/2022 - 02/19/2023)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 366 - 1095 days	(02/20/2023 - 02/18/2025)	5 Maturities	0 Payments	54,450,000.00	38.02%	54,450,000.00	53,111,028.60
Aging Interval: 1096 days and after	(02/19/2025 -)	3 Maturities	0 Payments	27,000,000.00	18.72%	27,002,232.02	26,146,800.00
Total for		14 Investments	0 Payments		100.00	142,001,708.11	139,694,720.81



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.
- Note 5: Section 15.3.1 of the Investment Policy requires at least 50% of the portfolio to be invested to a period of one year or less. Due to an investment maturity of \$15,000,000 occurring on the February 18, 2022 reporting date, the portfolio diversification dropped below the 50% threshold. The diversification requirement is expected to be resolved in April with the receipt of property tax apportionment payments.

GLOSSARY

INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Yield. Rate of return on a bond.

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

ECONOMIC TERMS

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

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

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

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

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

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

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

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

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

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

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



Orange County Fire Authority **AGENDA STAFF REPORT**

**Budget and Finance Committee Meeting
March 9, 2022**

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

OCFA Aircraft Replacement Review Process

Contact(s) for Further Information

Brian Fennessy, Fire Chief	brianfennessy@ocfa.org	714.573.6010
Kenny Dossey, Deputy Chief Operations Bureau	kennydossey@ocfa.org	714.573.6006

Summary

This agenda item is submitted to the Budget & Finance Committee for final review of the proposed vetting process that will be used 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.

At the November 10, 2021 meeting of the Budget and Finance Committee, discussion was initiated about the attached agenda item; however, quorum was lost prior to completing any action.

At the January 12, 2022 meeting of the Budget and Finance Committee, dialogue continued, and direction was provided to staff to finalize the proposed review structure, return to the Committee for an additional and final review prior to submittal to the Board of Directors for input and approval.

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 March 24, 2022, with the Budget and Finance Committee's recommendation that the Board of Directors approve the proposed "*OCFA Aircraft Replacement Review Process*".

Impact to Cities/County

Not Applicable.

Fiscal Impact

The fiscal impact will be developed as part of the upcoming OCFA Aircraft Replacement Review Process.

Background

At the November 10, 2021 and January 12, 2022 meetings of the Budget and Finance Committee, feedback was provided by Committee members regarding future information needs and future

vetting process. As a result, staff has developed the following proposed review process, incorporating the prior input provided by the Committee, to educate and inform our policy-makers on needs, options, costs, financing solutions, and ultimately to develop recommendations for consideration by the Board of Directors pertaining to disposition of obsolete aircraft and acquisition of replacement aircraft. Staff is seeking final review of this draft/proposed process, and we stand ready to accept any modifications to the draft, prior to submittal to the Board of Directors.

Draft/Proposed OCFA Aircraft Replacement Review Process

The OCFA's Budget and Finance Committee (B&FC) will be utilized to conduct the Aircraft Replacement Review Process, with delivery of its findings and recommendations to the Board of Directors upon completion. In delegating this responsibility to the B&FC, the Board will rely upon this Committee to conduct a thorough review of the services provided by OCFA's Air Operations in order to gain an understanding of needs for aircraft replacement, disposition of obsolete aircraft, as well as the costs for replacement, affordability, and options for financing these important assets.

The B&FC will be provided ample time for completion of this important review. Staff will offer options to schedule special meetings with the B&FC, as needed, to enable focused discussions without being rushed for time due to other regular B&FC agenda business.

The following work plan has been prepared in order to organize the review into feasible phases. The work plan is sequenced in a manner to facilitate a thorough education of assets and services first, followed by comprehensive vetting of needs, options, and costs, prior to the final phase of developing recommendations.

1. Asset Orientation - OCFA Air Operations Station 41

This meeting will be scheduled as a special meeting, held at Fire Station 41 where OCFA's Air Operations unit is located at the Fullerton airport. Staff will provide an overview and education of the assets used in the provision of Air Operations services. This on-site asset orientation meeting will only be feasible through in-person attendance by Committee members, and remote participation won't be available; therefore, staff will work with Committee members to schedule this special meeting for a date/time that aligns with the greatest majority of Committee member calendars.

2. Review of Air Operations Services Provided

Details of services provided will be reviewed, including call volume statistics, types of calls, etc. Those information needs that the B&FC previously requested staff to include in the formal vetting process will be fulfilled during these discussions. The information requests that the B&FC requested include, but are not limited to, the following:

- Breakdown of helicopter call types by month within OCFA service area
- Assessment of necessity and improved outcomes from having a helicopter
- Assess OCFA & OCSD helicopter programs overlap and operational relationship
- How many aircraft we require and to do what function?
- How does the growth of county population factor into the needs of the agency?
- Was Air Operations unable to perform any missions due to insufficient capacity?

3. *Aircraft Replacement Needs & Disposition of Obsolete Aircraft*

The Aviation Fleet Plan Unit Analysis that was completed by Conklin de Decker will be used as a guide to begin discussion of aircraft replacement needs and disposition of obsolete aircraft. Information will be supplemented with updates and details, as needed.

4. *Aircraft Options & Associated Costs*

Building on the work completed during the prior review segment #3, staff will provide additional details related to the types of aircrafts under consideration for the replacement plan, along with the associated costs for each type.

5. *Affordability Analysis with Potential Financing Solutions*

As the Committee begins to identify types of aircraft under consideration for the replacement plan, staff will review the financial affordability in the context of OCFA's five-year (or longer) financial forecast. Potential financing options will be explored, to include financing costs, financing durations, and increments of installment payments.

6. *Development of Recommendations*

For the final phase of the review, staff will respond to additional information needs that the Committee may require in order to formulate recommendations. Once the B&FC has completed phase 1 through 6 and provides recommendations to staff, then a summary of the review work performed, and the recommendations will be presented to the Board of Directors for consideration.

Staff anticipates that the above work-plan will require approximately six months or longer to complete.

Attachment(s)

N/A