



# ORANGE COUNTY FIRE AUTHORITY

## AGENDA

### EXECUTIVE COMMITTEE REGULAR MEETING

Thursday, June 23, 2022

5:30 P.M.

#### Regional Fire Operations and Training Center

##### Board Room

1 Fire Authority Road  
Irvine, CA 92602

Michele Steggell, Chair

Anthony Kuo, Vice Chair

Shelley Hasselbrink • Donald P. Wagner • Noel Hatch • Dave Shawver  
Gene Hernandez • John O'Neill • Tri Ta

Ex Officio Member - Dennis Wilberg, Mission Viejo

#### **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:

##### **Access Meeting Live (No Public Comments):**

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

**Public Comments via 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](mailto: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>.



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.

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>

**CALL TO ORDER** by Chair Steggell

**INVOCATION** by OCFA Chaplain Harry Robinson

**PLEDGE OF ALLEGIANCE** by Director Hernandez

**ROLL CALL** by Clerk of the Authority

## **REPORTS**

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

## **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 for the 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 Actions:

1. Approve the Minutes for the May 26, 2022, Regular Meeting as submitted.
2. Approve the Minutes for the May 26, 2022, Concurrent Joint Special Meeting as submitted.

**B. Monthly Investment Reports**

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

On June 8, 2022, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Executive Committee agenda by a vote of 5-0 (Directors O'Neill, Hernandez, Bourne and Tettemer absent).

Recommended Action:

Receive and file the reports.

**C. Annual Renewal of Aviation Insurance**

Submitted by: Stephanie Holloman, Assistant Chief/Human Resources Director and Rhonda Haynes, Risk Manager

Recommended Action:

Approve and authorize the Fire Chief, or his designee, to bind the Aviation Insurance Program coverage with Chubb for the policy period June 30, 2022, to June 30, 2023, with a premium of \$238,526.00.

**D. Annual Renewal of Public Risk Innovation, Solutions, and Management (PRISM) formerly, California State Association of Counties (CSAC) Workers' Compensation Excess Insurance**

Submitted by: Stephanie Holloman, Assistant Chief/Human Resources Director and Rhonda Haynes, Risk Manager

Recommended 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, 2022, to July 1, 2023, with a premium of \$900,000.

**E. Annual Renewal of General Liability Insurance**

Submitted by: Stephanie Holloman, Assistant Chief/Human Resources Director and Rhonda Haynes, Risk Manager

Recommended 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, 2022, to July 1, 2023, for a premium amount of \$2,796,704.

**F. June 2022 Legislative Update**

Submitted by: Robert Cortez, Assistant Chief/Business Services Department and Jay Barkman, Legislative Analyst

Recommended Action:

Receive and file the report.

**3. DISCUSSION CALENDAR**

No items.

**COMMITTEE MEMBER COMMENTS**

**ADJOURNMENT** – The next meeting of the Executive Committee will be a Concurrent Joint Special Meeting of the Board of Directors and all committees on Thursday, July 14, 2022, at 6:00 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

**FUTURE EC AGENDA ITEMS – THREE-MONTH OUTLOOK:**

- Quarterly CIP Update
- Monthly Investment Report
- 4<sup>th</sup> Quarter Financial Newsletter
- Annual Investment Report

**UPCOMING MEETINGS:**

Budget & Finance Committee  
Concurrent Joint Special Meeting of the  
Board of Directors and all Committees  
Legislative and Public Affairs Committee  
Executive Committee  
Board of Directors  
Concurrent Joint Special Meeting of the  
Board of Directors and all Committees

Wednesday, July 13, 2022, 12 noon

Thursday, July 14, 2022, 6:00 p.m.

Wednesday, July 20, 2022, 12 noon

Thursday, July 28, 2022, 5:30 p.m.

Thursday, July 28, 2022, 6:00 p.m.

Thursday, July 28, 2022, 6:00 p.m.

# **MINUTES ORANGE COUNTY FIRE AUTHORITY**

**Executive Committee Regular Meeting  
Thursday, May 26, 2022  
5:30 P.M.**

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

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## **CALL TO ORDER**

Chair Steggell called the regular meeting of the Orange County Fire Authority Executive Committee to order at 5:30 p.m. on May 26, 2022.

## **INVOCATION**

The invocation was led by Chaplain Devin Chase.

## **PLEDGE OF ALLEGIANCE**

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

## **ROLL CALL**

**Present:** Michele Steggell, La Palma, Chair  
Anthony Kuo, Irvine, Vice Chair  
Tri Ta, Westminster, \*  
Shelley Hasselbrink, Los Alamitos\*  
John O'Neill, Garden Grove  
Dave Shawver, Stanton  
Donald P. Wagner, County of Orange\*

**Absent:** Noel Hatch, Laguna Woods  
Gene Hernandez, Yorba Linda  
Dennis Wilberg, Ex Officio

## **Also present were:**

Fire Chief Brian Fennessy  
Deputy Chief Kenny Dossey  
Assistant Chief Lori Smith  
Assistant Chief Stephanie Holloman  
General Counsel David Kendig  
Assistant General Counsel Keith Dobyns

Deputy Chief Lori Zeller  
Assistant Chief Jim Ruane  
Assistant Chief TJ McGovern  
Assistant Chief Randy Black  
Director of Communications Matt Olson  
Clerk of the Authority, Maria D. Huizar

*\*Those Committee members attending via Teleconferencing*

## REPORTS

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

Chair Steggell deferred the report to the Board of Directors Meeting.

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

Board of Directors Chair Steggell reported at its May 3, 2022, regular meeting of the Human Resources Committee, the Committee received the Professional Standards Unit / Employee Relations Update from Assistant Chief Stephanie Holloman. Risk Manager Rhonda Haynes introduced the Amendment of Professional Services Agreements for Third Party Workers Compensation Administration. The Committee reviewed and approved to forward the item to the Executive Committee for its approval of the recommended actions.

## PUBLIC COMMENTS

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

### **1. PRESENTATIONS**

No items.

### **2. CONSENT CALENDAR**

On motion of Director Shawver and second by Director O'Neill, and following a roll call vote, approved 6-0 Agenda Items 2A-2C, and 2E-2F; Agenda Item 2D was pulled for separate consideration (Directors Hatch, Hernandez, and Wagner absent).

### **A. Minutes for the Executive Committee Meeting (FILE 12.02A2)**

Action:

1. Approve the Minutes for the April 14, 2022, Concurrent Joint Special Meeting as submitted.
2. Approve the Minutes for the April 28, 2022, Regular Meeting as submitted.
3. Approve the Minutes for the April 28, 2022, Concurrent Joint Special Meeting as submitted.

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

Action: Receive and file the reports.

### **C. Third Quarter Financial Newsletter (FILE 15.07)**

Action: Receive and file the report.

Minutes

OCFA Executive Committee Regular Meeting

May 26, 2022, Page - 2

Due to technical difficulties, Director Wagner arrived at this point (5:55 p.m.).

**D. Contract Increase for Pre-Employment Background Investigative Services (FILE 17.27A)**

Vice Chair Kuo pulled the item for further clarification.

On motion of Vice Chair Kuo and second by Director O'Neill, and following a roll call vote, approved 7-0 (Directors Hatch and Hernandez absent) to:

1. Approve and authorize the Purchasing Manager to execute Amendment One to the Professional Services Agreement with Oracle Investigation Group, LLC, increasing contract value by \$100,000, not to exceed a total of \$200,000 for current year contract (ending September 30, 2022).
2. Approve and authorize the Purchasing Manager to execute Amendment One to the Professional Services Agreement with RCS Investigations and Consulting increasing contract value by \$60,000, not to exceed a total of \$160,000 for current year contract (ending September 30, 2022).
3. Approve and authorize the Purchasing Manager to execute Amendment One to the Professional Services Agreement with Sintra Group Inc. increasing contract value by \$60,000, not to exceed a total of \$160,000 for current year contract (ending September 30, 2022).

**E. Amendment of Professional Services Agreements for Third Party Workers Compensation Administration (FILE 18.10A2)**

Action: Approve and authorize the Purchasing Manager to amend the two Professional Services Agreements with CorVel to extend the respective term dates for three years plus two optional one-year renewals, and to reflect an increase in annual TPA fees by \$231,798 to a new total not to exceed \$934,048 annually.

**F. Contract Increase for Industrial Hygienist Services (FILE 19.07B2I)**

Action: Approve and authorize the Purchasing Manager to increase the Professional Services Agreement with Aero Environmental Services, LLC by \$2,047.08 to a total not to exceed \$52,047.08 for the agreement term ending March 31, 2022.

**3. DISCUSSION CALENDAR**

No items.

**COMMITTEE MEMBER COMMENTS**

There were no Committee Member comments.

**ADJOURNMENT** – Chair Steggell adjourned the meeting at 6:00 p.m. The next regular meeting of the Executive Committee is scheduled for Thursday, June 23, 2022, at 5:30 p.m.

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Maria D. Huizar, CMC  
Clerk of the Authority



# MINUTES ORANGE COUNTY FIRE AUTHORITY

## Executive Committee Concurrent Joint Special Meeting Thursday, May 26, 2022 7:24 P.M.

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

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### 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 May 26, 2022, at 7:24 p.m. by Board of Directors Chair Michele Steggell.

### ROLL CALL

**Present:** Michele Steggell, La Palma, Chair  
Anthony Kuo, Irvine, Vice Chair  
Shelley Hasselbrink, Los Alamitos\*  
Noel Hatch, Laguna Woods  
John O' Neill, Garden Grove  
Dave Shawver, Stanton  
Tri Ta, Westminster\*  
Donald P. Wagner, County of Orange\*

**Absent:** Gene Hernandez, Yorba Linda  
Dennis Wilberg, Ex Officio

### Also present were:

Fire Chief Brian Fennessy  
Deputy Chief Kenny Dossey  
Assistant Chief TJ McGovern  
Assistant Chief Jim Ruane  
Assistant Chief Lori Smith  
General Counsel David Kendig

Deputy Chief Lori Zeller  
Assistant Chief Randy Black  
Assistant Chief Stephanie Holloman  
Communications Director Matt Olson  
Assistant Counsel Keith Dobyns  
Clerk of the Authority Maria Huizar

### PUBLIC COMMENTS

Chair Steggell opened and closed the Public Comments portion of the meeting without any comment from the general public.

*\*Those members attending via Teleconferencing*

## **1. PRESENTATIONS**

No items.

## **2. DISCUSSION CALENDAR**

### **A. Findings Required by AB 361 for the Continued Use of Teleconferencing for Meetings (FILE 12.02A2)**

General Counsel David Kendig presented the background regarding by AB 361 for the Continued Use of Teleconferencing for Meetings.

On motion by Director Wagner and second by Director Ta, and following a roll call vote, approved 6-2 (Directors Steggell and Kuo opposed, Director Hernandez absent) to select Option 1 to make the following findings:

- 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 Executive Committee has reconsidered the circumstances of the emergency; and
- c. State and local officials continue to recommend measures to promote social distancing to slow the spread of COVID-19.

## **REPORTS**

None.

## **COMMITTEE MEMBER COMMENTS**

The Committee Members offered no comments.

**ADJOURNMENT** – Chair Steggell adjourned the meeting at 7:45 p.m. The next meeting Regular Meeting of the Executive Committee will be Thursday, June 23, 2022, at 5:30 p.m.

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Maria D. Huizar, CMC  
Clerk of the Authority



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Executive Committee Meeting  
June 23, 2022

Agenda Item No. 2B  
Consent Calendar

**Monthly Investment Reports**

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**Contact(s) for Further Information**

Robert Cortez, Assistant Chief, Business Services Department	<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:jamesjslobojan@ocfa.org">jamesjslobojan@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**

On June 8, 2022, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Executive Committee agenda by a vote of 5-0 (Directors O'Neill, Hernandez, Bourne and Tettermer 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 April 30, 2022. A preliminary investment report as of May 20, 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 – April 2022/Preliminary Report – May 2022

# *Orange County Fire Authority Monthly Investment Report*



*Final Report – April 2022*

*Preliminary Report – May 2022*



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

<b><i>Final Investment Report – April 30, 2022 .....</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 – May 20, 2022 .....</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***

***April 30, 2022***



## **EXECUTIVE SUMMARY**

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

During the month of April 2022, the size of the portfolio increased by approximately \$62.5 million to \$219.3 million. Receipts for the month totaled approximately \$106.8 million. Significant receipts included Property Tax apportionment payments totaling \$95.2 million, cash contract payments totaling \$7.3 million, and various grant reimbursement payments and other charges for current services totaling \$4.3 million. Total April cash outflows amounted to approximately \$45 million. Significant disbursements for the month included three (instead of the typical two per month) biweekly payrolls and related benefits totaling approximately \$40 million. The portfolio's balance is expected to decrease in May as expenditures will exceed projected receipts.

In April, the portfolio's yield to maturity (365-day equivalent) moved upward by 5 basis points to 0.53%. The effective rate of return increased by 7 basis points to 0.52% for the month, and the average maturity of the portfolio increased by eleven days to 27 days to maturity.

### ***Economic News***

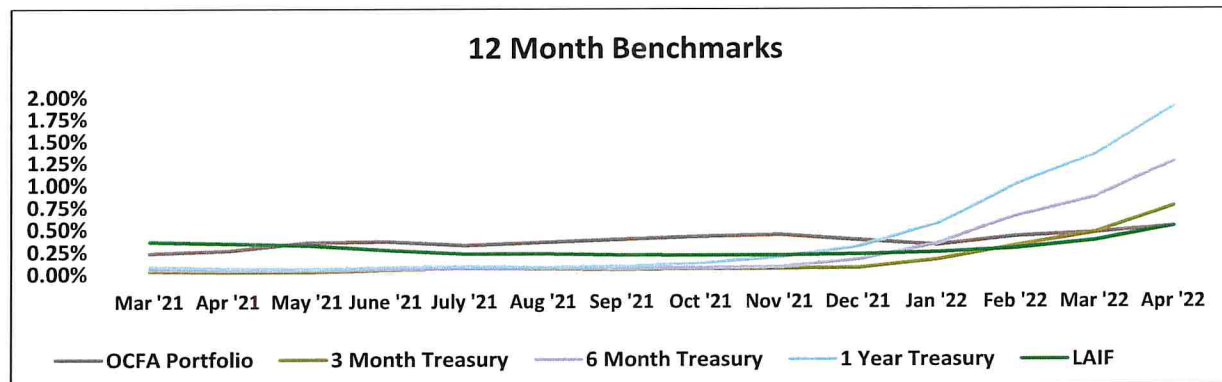
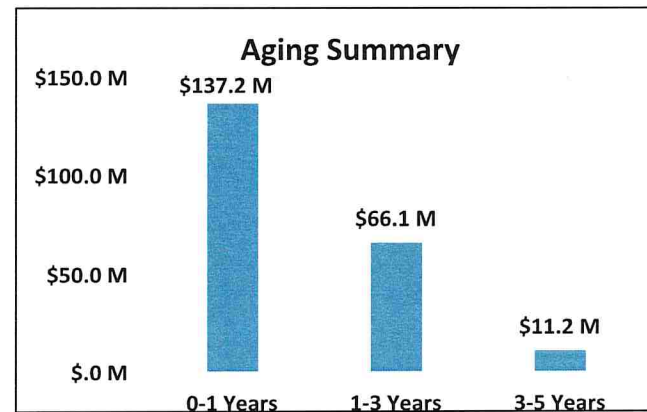
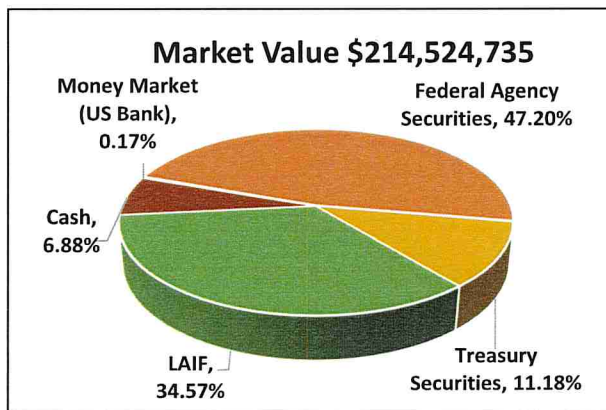
In April 2022, total nonfarm payroll employment rose by 428,000, and the unemployment rate was unchanged at 3.6%. Leisure and hospitality led job gains followed by manufacturing, and transportation and warehousing. The number of unemployed persons decreased slightly to 5.9 million, bringing employment data points back to where they were in February 2020 (3.5% and 5.9 million), before the coronavirus pandemic. Retail sales rose in April for the fourth straight month, rising 0.9% from the prior month. Consumers spent more at restaurants and bars, vehicles, furniture, clothing, and electronics while spending less on grocery stores and home improvement. Gasoline costs remain high while dipping some in April before ticking back up at month end.

U.S. Consumer confidence fell slightly in April, after an increase in March. The producer price index (PPI), which measures the prices paid by wholesalers, increased 11% from a year ago and rose .5% on the month. PPI is considered a forward-looking inflation measure as it tracks prices in the pipeline for goods and services that eventually reach consumers. Inflation slowed in April, with an 8.3% annual increase in the Consumer Price Index (CPI), but inflation is still running at near the fastest rate in four decades. CPI increased .3% in April with Core CPI, which excludes food and energy, rising 6.2%. Workers' paychecks continued to lose ground as inflation-adjusted earnings dropped 0.1%, showing a continued inability of wages to keep up with costs and adding to inflation pressures. At its May 4, 2022 meeting, the Federal Reserve raised the central bank's benchmark federal-funds rate by .50% to a target range between 0.75% and 1% to reduce inflation.





OCFA'S PORTFOLIO IS EQUAL TO THE LAIF BENCHMARK AS OF 4-30-2022







**BENCHMARK COMPARISON AS OF APRIL 30, 2022**

3 Month T-Bill: 0.76%

1 Year T-Bill: 1.89%

6 Month T-Bill: 1.26%

LAIF: 0.52%

OCFA Portfolio: 0.52%

**PORTFOLIO SIZE, YIELD, & DURATION**

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Book Value	\$219,365,328	\$156,852,100	\$192,629,540
Yield to Maturity (365 day)	0.53%	0.48%	0.43%
Effective Rate of Return	0.52%	0.45%	0.26%
Days to Maturity	27	16	53



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**April 30, 2022**

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

	Par Value	See Note 1 on page 10 Market Value	See Note 2 on page 10 Book Value	% of Portfolio	Term	Days to Mat./Call	YTM/Call 360 Equiv.	YTM/Call 365 Equiv.
<b>Investments</b>								
Money Mkt Mutual Funds/Cash	386,296.29	386,296.29	386,296.29	0.19	1	1	0.010	0.010
Federal Agency Coupon Securities	81,450,000.00	77,260,814.55	81,452,091.30	39.77	1,318	43	0.551	0.558
Federal Agency Disc. -Amortizing	24,000,000.00	23,988,840.00	23,992,466.66	11.71	36	26	0.375	0.381
Treasury Discounts -Amortizing	24,000,000.00	23,973,600.00	23,974,831.67	11.71	70	60	0.632	0.641
Local Agency Investment Funds	75,000,000.00	74,156,515.35	75,000,000.00	36.62	1	1	0.516	0.523
	<b>204,836,296.29</b>	<b>199,766,066.19</b>	<b>204,805,685.92</b>	<b>100.00%</b>	<b>537</b>	<b>27</b>	<b>0.526</b>	<b>0.533</b>
<b>Investments</b>								
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	14,758,668.79	14,758,668.79	14,758,668.79		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>219,594,965.08</b>	<b>214,524,734.98</b>	<b>219,564,354.71</b>		<b>537</b>	<b>27</b>	<b>0.526</b>	<b>0.533</b>

<b>Total Earnings</b>	<b>April 30 Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year	71,895.92	517,381.43
<b>Average Daily Balance</b>	<b>167,605,092.59</b>	<b>155,238,056.87</b>
<b>Effective Rate of Return</b>	<b>0.52%</b>	<b>0.40%</b>

"I certify that this investment report accurately reflects all pooled investments and is in compliance with the investment policy adopted by the Board of Directors to be effective on January 1, 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 Jakubak, Treasurer

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

Book Value of Cash & Investments before GASB 31 (Above)	\$ 219,564,354.71
GASB 31 Adjustment to Books (See Note 3 on page 10)	\$ (199,026.23)
<b>Total</b>	<b>\$ 219,365,328.48</b>

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**April 30, 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
<b>Money Mkt Mutual Funds/Cash</b>											
SYS1042	1042	First American Treasury Oblig		09/22/2021	386,296.29	386,296.29	386,296.29	0.010	0.010	1	
SYS528	528	Federated Treasury Obligations		07/01/2021	0.00	0.00	0.00	0.010	0.010	1	
<b>Subtotal and Average</b>			<b>4,781,558.93</b>		<b>386,296.29</b>	<b>386,296.29</b>	<b>386,296.29</b>		<b>0.010</b>	<b>1</b>	
<b>Federal Agency Coupon Securities</b>											
3133EMLE0	1020	Federal Farm Credit Bank (Continuous Call)		12/23/2020	14,000,000.00	13,614,020.00	14,000,000.00	0.190	0.190	0	09/22/2023
3133EMWH1	1030	Federal Farm Credit Bank (Callable 7/29/2022)		04/22/2021	3,000,000.00	2,817,210.00	3,002,091.30	0.710	0.636	89	04/21/2025
3133EMXS6	1032	Federal Farm Credit Bank (Continuous Call)		04/28/2021	12,000,000.00	11,253,960.00	12,000,000.00	0.720	0.720	0	04/28/2025
3130ALNY6	1025	Fed Home Loan Bank (Callable 06/30/2022)		03/30/2021	8,000,000.00	7,591,600.00	8,000,000.00	0.550	0.550	60	09/30/2024
3130ALTJ3	1029	Fed Home Loan Bank (Callable 7/8/2022)		04/22/2021	9,435,000.00	9,057,883.05	9,435,000.00	0.375	0.375	68	04/08/2024
3130ALVR2	1031	Fed Home Loan Bank (Callable 7/23/2022)		04/23/2021	11,015,000.00	10,399,261.50	11,015,000.00	0.520	0.520	83	10/23/2024
3130AM6P2	1034	Fed Home Loan Bank (Callable 7/29/2022)		04/29/2021	12,000,000.00	11,180,640.00	12,000,000.00	1.000	1.000	89	04/29/2026
3130AM6H0	1035	Fed Home Loan Bank (Callable 5/11/2022)		05/11/2021	12,000,000.00	11,346,240.00	12,000,000.00	0.550	0.550	10	10/11/2024
<b>Subtotal and Average</b>			<b>81,452,119.64</b>		<b>81,450,000.00</b>	<b>77,260,814.55</b>	<b>81,452,091.30</b>		<b>0.558</b>	<b>43</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313385XX9	1049	Fed Home Loan Bank		04/21/2022	12,000,000.00	11,990,640.00	11,993,466.66	0.490	0.504	40	06/10/2022
313385WT9	1050	Fed Home Loan Bank		04/21/2022	12,000,000.00	11,998,200.00	11,999,000.00	0.250	0.257	12	05/13/2022
<b>Subtotal and Average</b>			<b>11,197,062.89</b>		<b>24,000,000.00</b>	<b>23,988,840.00</b>	<b>23,992,466.66</b>		<b>0.381</b>	<b>26</b>	
<b>Treasury Discounts -Amortizing</b>											
912796R68	1046	US Treasury Bill		04/21/2022	12,000,000.00	11,983,800.00	11,984,813.34	0.680	0.700	67	07/07/2022
912796R43	1047	US Treasury Bill		04/21/2022	12,000,000.00	11,989,800.00	11,990,018.33	0.565	0.581	53	06/23/2022
<b>Subtotal and Average</b>			<b>7,990,988.06</b>		<b>24,000,000.00</b>	<b>23,973,600.00</b>	<b>23,974,831.67</b>		<b>0.641</b>	<b>60</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmt Fund			75,000,000.00	74,156,515.35	75,000,000.00	0.523	0.523	1	
<b>Subtotal and Average</b>			<b>62,183,363.07</b>		<b>75,000,000.00</b>	<b>74,156,515.35</b>	<b>75,000,000.00</b>		<b>0.523</b>	<b>1</b>	
<b>Total and Average</b>			<b>167,605,092.59</b>		<b>204,836,296.29</b>	<b>199,766,066.19</b>	<b>204,805,685.92</b>		<b>0.533</b>	<b>27</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**April 30, 2022**

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		07/01/2021	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2021	14,738,668.79	14,738,668.79	14,738,668.79		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
<b>Total Cash and Investments</b>			<b>167,605,092.59</b>		<b>219,594,965.08</b>	<b>214,524,734.98</b>	<b>219,564,354.71</b>		<b>0.533</b>	<b>27</b>

Orange County Fire Authority

In Service of Others!



**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of May 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	( 05/01/2022 - 05/01/2022 )	5 Maturities	0 Payments	90,144,965.08	41.63%	90,144,965.08	89,301,480.43
Aging Interval: 1 - 30 days	( 05/02/2022 - 05/31/2022 )	1 Maturities	0 Payments	12,000,000.00	5.59%	11,999,000.00	11,998,200.00
Aging Interval: 31 - 60 days	( 06/01/2022 - 06/30/2022 )	2 Maturities	0 Payments	24,000,000.00	11.18%	23,983,484.99	23,980,440.00
Aging Interval: 61 - 90 days	( 07/01/2022 - 07/30/2022 )	1 Maturities	0 Payments	12,000,000.00	5.59%	11,984,813.34	11,983,800.00
Aging Interval: 91 - 120 days	( 07/31/2022 - 08/29/2022 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 121 - 365 days	( 08/30/2022 - 05/01/2023 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 366 - 1095 days	( 05/02/2023 - 04/30/2025 )	7 Maturities	0 Payments	69,450,000.00	30.80%	69,452,091.30	66,080,174.55
Aging Interval: 1096 days and after	( 05/01/2025 - )	1 Maturities	0 Payments	12,000,000.00	5.21%	12,000,000.00	11,180,640.00
Total for		17 Investments	0 Payments		100.00	219,564,354.71	214,524,734.98



**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 April 30, 2022, 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, 2022 is .988753538. When applied to OCFA's LAIF investment, the fair value is \$74,156,515.35 or \$843,484.65 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 April 30, 2022 is included on the following page.





Fair Value Including Accrued Interest	\$	222,978,680,754.04
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Page 12



***Orange County Fire Authority***  
***Preliminary Investment Report***  
***May 20, 2022***



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**May 20, 2022**

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.
Money Mkt Mutual Funds/Cash	428,717.29	428,717.29	428,717.29	0.21	1	1	0.010	0.010
Federal Agency Coupon Securities	81,450,000.00	77,576,975.05	81,452,052.21	40.15	1,318	51	0.551	0.558
Federal Agency Disc. -Amortizing	24,000,000.00	23,989,440.00	23,988,593.33	11.83	44	26	0.624	0.633
Treasury Discounts -Amortizing	24,000,000.00	23,982,360.00	23,983,131.67	11.82	70	40	0.632	0.641
Local Agency Investment Funds	73,000,000.00	72,179,008.27	73,000,000.00	35.99	1	1	0.516	0.523
	<b>202,878,717.29</b>	<b>198,156,500.61</b>	<b>202,852,494.50</b>	<b>100.00%</b>	<b>543</b>	<b>29</b>	<b>0.555</b>	<b>0.563</b>
<b>Investments</b>								
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	4,629,944.62	4,629,944.62	4,629,944.62		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>207,508,661.91</b>	<b>202,786,445.23</b>	<b>207,482,439.12</b>		<b>543</b>	<b>29</b>	<b>0.555</b>	<b>0.563</b>

Total Earnings	May 20 Month Ending	Fiscal Year To Date
Current Year	60,423.48	577,804.91
<b>Average Daily Balance</b>	<b>212,572,692.56</b>	<b>158,777,231.91</b>
<b>Effective Rate of Return</b>	<b>0.52%</b>	<b>0.41%</b>

"I certify that this investment report accurately reflects all pooled investments and is in compliance with the investment policy adopted by the Board of Directors to be effective on January 1, 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

5/27/22

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

Book Value of Cash & Investments before GASB 31 (Above)	\$ 207,482,439.12
GASB 31 Adjustment to Books (See Note 3 on page 19)	\$ (199,026.23)
<b>Total</b>	<b>\$ 207,283,412.89</b>

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**May 20, 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 Mat./Call	Maturity Date
<b>Money Mkt Mutual Funds/Cash</b>											
SYS1042	1042	First American Treasury Oblig		09/22/2021	428,717.29	428,717.29	428,717.29	0.010	0.010	1	
SYS528	528	Federated Treasury Obligations		07/01/2021	0.00	0.00	0.00	0.010	0.010	1	
<b>Subtotal and Average</b>			<b>10,748,684.29</b>		<b>428,717.29</b>	<b>428,717.29</b>	<b>428,717.29</b>		<b>0.010</b>	<b>1</b>	
<b>Federal Agency Coupon Securities</b>											
3133EMLE0	1020	Federal Farm Credit Bank (Continuous Call)		12/23/2020	14,000,000.00	13,651,400.00	14,000,000.00	0.190	0.190	11	09/22/2023
3133EMWH1	1030	Federal Farm Credit Bank (Callable 7/29/2022)		04/22/2021	3,000,000.00	2,833,290.00	3,002,052.21	0.710	0.636	69	04/21/2025
3133EMXS6	1032	Federal Farm Credit Bank (Continuous Call)		04/28/2021	12,000,000.00	11,319,240.00	12,000,000.00	0.720	0.720	41	04/28/2025
3130ALNY6	1025	Fed Home Loan Bank (Callable 06/30/2022)		03/30/2021	8,000,000.00	7,626,320.00	8,000,000.00	0.550	0.550	40	09/30/2024
3130ALTJ3	1029	Fed Home Loan Bank (Callable 7/8/2022)		04/22/2021	9,435,000.00	9,093,736.05	9,435,000.00	0.375	0.375	48	04/08/2024
3130ALVR2	1031	Fed Home Loan Bank (Callable 7/23/2022)		04/23/2021	11,015,000.00	10,448,829.00	11,015,000.00	0.520	0.520	63	10/23/2024
3130AM6P2	1034	Fed Home Loan Bank (Callable 7/29/2022)		04/29/2021	12,000,000.00	11,248,680.00	12,000,000.00	1.000	1.000	69	04/29/2026
3130AM6H0	1035	Fed Home Loan Bank (Callable 8/11/2022)		05/11/2021	12,000,000.00	11,355,480.00	12,000,000.00	0.550	0.550	82	10/11/2024
<b>Subtotal and Average</b>			<b>81,452,070.77</b>		<b>81,450,000.00</b>	<b>77,576,975.05</b>	<b>81,452,052.21</b>		<b>0.558</b>	<b>51</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313385XX9	1049	Fed Home Loan Bank		04/21/2022	12,000,000.00	11,996,160.00	11,996,733.33	0.490	0.504	20	06/10/2022
313385YL4	1051	Fed Home Loan Bank		05/16/2022	12,000,000.00	11,993,280.00	11,991,860.00	0.740	0.761	33	06/23/2022
<b>Subtotal and Average</b>			<b>22,192,748.33</b>		<b>24,000,000.00</b>	<b>23,989,440.00</b>	<b>23,988,593.33</b>		<b>0.633</b>	<b>26</b>	
<b>Treasury Discounts -Amortizing</b>											
912796R68	1046	US Treasury Bill		04/21/2022	12,000,000.00	11,988,480.00	11,989,346.67	0.680	0.700	47	07/07/2022
912796R43	1047	US Treasury Bill		04/21/2022	12,000,000.00	11,993,880.00	11,993,785.00	0.565	0.581	33	06/23/2022
<b>Subtotal and Average</b>			<b>23,979,189.17</b>		<b>24,000,000.00</b>	<b>23,982,360.00</b>	<b>23,983,131.67</b>		<b>0.641</b>	<b>40</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmt Fund			73,000,000.00	72,179,008.27	73,000,000.00	0.523	0.523	1	
<b>Subtotal and Average</b>			<b>74,200,000.00</b>		<b>73,000,000.00</b>	<b>72,179,008.27</b>	<b>73,000,000.00</b>		<b>0.523</b>	<b>1</b>	
<b>Total and Average</b>			<b>212,572,692.56</b>		<b>202,878,717.29</b>	<b>198,156,500.61</b>	<b>202,852,494.50</b>		<b>0.563</b>	<b>29</b>	

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**May 20, 2022**

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		07/01/2021	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2021	4,609,944.62	4,609,944.62	4,609,944.62		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
<b>Total Cash and Investments</b>			<b>212,572,692.56</b>		<b>207,508,661.91</b>	<b>202,786,445.23</b>	<b>207,482,439.12</b>		<b>0.563</b>	<b>29</b>

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**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of May 21, 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	( 05/21/2022 - 05/21/2022 )	5 Maturities	0 Payments	78,058,661.91	38.09%	78,058,661.91	77,237,670.18
Aging Interval:	1 - 30 days	( 05/22/2022 - 06/20/2022 )	1 Maturities	0 Payments	12,000,000.00	5.92%	11,996,733.33	11,996,160.00
Aging Interval:	31 - 60 days	( 06/21/2022 - 07/20/2022 )	3 Maturities	0 Payments	36,000,000.00	17.74%	35,974,991.67	35,975,640.00
Aging Interval:	61 - 90 days	( 07/21/2022 - 08/19/2022 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	91 - 120 days	( 08/20/2022 - 09/18/2022 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	121 - 365 days	( 09/19/2022 - 05/21/2023 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	( 05/22/2023 - 05/20/2025 )	7 Maturities	0 Payments	69,450,000.00	32.71%	69,452,052.21	66,328,295.05
Aging Interval:	1096 days and after	( 05/21/2025 - )	1 Maturities	0 Payments	12,000,000.00	5.55%	12,000,000.00	11,248,680.00
Total for			17 Investments	0 Payments		100.00	207,482,439.12	202,786,445.23



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The U.S. Bank Corporate Trust and Custody Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year-end. The adjustment for June 30, 2021 includes an increase of \$6,222.75 to the LAIF investment and a decrease of (\$205,248.98) to the remaining investments.
- Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks yet allow that liquidity to be invested while payment of the outstanding checks is pending.



## GLOSSARY

### INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### ECONOMIC TERMS

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

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

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

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

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

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

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

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

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

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

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



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

**Executive Committee Meeting  
June 23, 2022**

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

### **Annual Renewal of Aviation Insurance**

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

Stephanie Holloman, Assistant Chief/  
Human Resources Director [stephanieholloman@ocfa.org](mailto:stephanieholloman@ocfa.org) 714.573.6803

Rhonda Haynes, Risk Manager [rhondahaynes@ocfa.org](mailto:rhondahaynes@ocfa.org) 714.573.6833

#### **Summary**

This annual agenda item is submitted for authorization to renew the Orange County Fire Authority's (OCFA) Aviation Insurance Program coverage.

#### **Prior Board/Committee Action(s)**

Not Applicable.

#### **RECOMMENDED ACTION(S)**

Approve and authorize the Fire Chief, or his designee, to bind the Aviation Insurance Program coverage with Chubb for the policy period June 30, 2022, to June 30, 2023, with a premium of \$238,526.00.

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

Not Applicable.

#### **Fiscal Impact**

Increased Cost Funded by Structural Fire Fund: \$0

Increased Cost Funded by Cash Contract Cities: \$0

Funding for this contract is included in the FY 2022/23 Risk Management budget.

#### **Background**

The aviation insurance policy provides liability and hull coverage for the operation of the Orange County Fire Authority's four helicopters (two operational, two with limited coverage). The policy also includes numerous other related aviation coverages that safeguard our operations (see proposal for details). Operationally, the helicopters are used for fire suppression, search and rescue, transporting fire crews, aerial reconnaissance, emergency medical rescue, disaster mitigation, recovery operations, large animal rescue, and training. The policy includes a \$50 million combined single liability limit for bodily injury and property damage in addition to hull coverage.

Our insurance carrier, Gallagher has advised OCFA that the aviation insurance market worldwide continues to remain tight. Many carriers are still seeing rotor wing losses. The problem was further exacerbated by the Boeing Max grounding losses and related lawsuits. Covid-19 has also negatively impacted the aviation arena. Due to the aviation carriers leaving the market and the tightening of the market conditions, OCFA's aviation policy has proven challenging. As such, OCFA has received a nominal premium increase of 7.4%.

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

Aircraft Liability Insurance Coverage Proposal

**CHUBB®**

1100 Poydras Street, Suite 2150  
New Orleans, LA 70163  
Tel 504-310-3604  
Fax 504-310-3610

**TO:** Heather Ross  
ARTHUR J GALLAGHER RISK MANAGEMENT  
SERVICES INC  
LAS VEGAS, Nevada 89134-0527

**FROM:** Jerry Ruth

**RISK ID:**

**EMAIL:** Heather\_Ross@ajg.com

**DATE SENT:** June 15, 2022

**AIRCRAFT INSURANCE QUOTATION**

WITH

**WESTCHESTER FIRE INSURANCE COMPANY**

(AA S&P, A++ BEST)

In accordance with your request, we are pleased to provide the following quotation:

Please read this Quotation carefully, as the limits, coverage and other terms and conditions may vary significantly from those requested in your submission and/or from the expiring policy. Terms and conditions that are not specifically mentioned in this Quotation are not included. The terms and conditions of this Quotation supersede the submitted insurance specifications and all prior proposals and binders. Actual coverage will be provided by and in accordance with the policy as issued.

The insurer is not bound by any statements made in the submission purporting to bind the insurer unless such statement is reflected in the policy or in an agreement signed by someone authorized to bind the insurer.

This Quotation has been constructed in reliance on the data provided in the submission. A material change or misrepresentation of that data voids this Quotation.

This quotation is not a binder of insurance. In no event will this quotation remain open beyond 30 days from the quote issuance date shown above or the coverage effective date, whichever comes first.

This quotation is subject to the Assured's producer being duly licensed in his/her resident state; in addition, the producer must hold a non-resident license in the state in which the Assured is domiciled if different from the producer's resident state.

**NAMED INSURED:** Orange County Fire Authority and its officers, employees, volunteers, agents and representatives and any subsidiary or affiliated companies in which the Named Insured has 50 percent or more ownership or where the Named Insured has assumed active management

**NAMED INSURED'S ADDRESS:** 1 Fire Authority Road  
Irvine, California, 92602

**BUSINESS OF  
NAMED  
INSURED:** A County Government

**PERIOD:** From: June 30, 2022 To: June 30, 2023  
both days at 12:01 a.m. Local Time at the address of the Named Insured

**LIABILITY  
COVERAGES:** The Liability Coverages, Limits of Liability and Liability Premiums applicable to each insured aircraft are as shown under the Aircraft Liability Section of the Schedule of Insured Aircraft.

The liability coverage codes have the following meanings:

- A Bodily Injury Excluding Passengers
- B Property Damage
- C Passenger Bodily Injury
- D Single Limit Bodily Injury (including Passengers) and Property Damage

The sub-limit applied for Passenger Bodily Injury is shown under "Each Passenger sub-limit"

The applicable Medical Payments limit is shown under "Med. Pay Limit Per Person."

**HULL  
COVERAGES:** The hull coverage, Amount of Insurance, deductibles, premium and financial interest applicable to each insured aircraft are shown under the Aircraft Hull Section of the Schedule of Insured Aircraft.

The aircraft hull coverage codes have the following meanings:

- F In Motion and Not In Motion coverage
- G Not In Motion coverage only
- H Not In Flight coverage only

**PURPOSE OF  
USE:** All uses incidental to the operations of the Named Insured

**PILOTS:** The pilots who may fly the Aircraft are as listed below, provided that those pilots have all of the qualifications as shown and provided also that all pilots are properly certificated, rated and qualified under the current F.A.A. regulations which apply to the operation of the Aircraft.

Any pilot approved by the Named Insured's Chief Pilot or by his or her designee.

**FINANCIAL  
INTEREST:** The Named Insured is the sole owner of the aircraft and no one else has any financial interest in the Aircraft except as shown below.

No Exceptions.

**LOCATION OF  
THE AIRCRAFT:** The aircraft is/are based in the policy "territory"

**TERRITORY:** While the Aircraft is in the United States of America (excluding Alaska), Canada or Mexico, or while the Aircraft is being transported between ports in the territory.

**SCHEDULE  
OF INSURED  
AIRCRAFT:**

F.A.A. Number	Year	Make and Model	Aircraft Type	Engine and HP	Total Seats Incl Crew
N141FA	2008	Bell 412	R		11
N241FA	2008	Bell 412	R		11
N441FA	1966	Bell UH-1	R		11
N541FA	1966	Bell UH-1	R		11

**Applicable Liability Coverages, Limits of Liability and Premium**

F.A.A. Number	Coverage	Each Occurrence Limit	Each Passenger Sub-Limits	Med. Pay Limit Per Person	Liability Premium
N141FA	D	\$50,000,000	Not Applicable	\$100,000	\$14,330
N241FA	D	\$50,000,000	Not Applicable	\$100,000	\$14,330
N441FA	D	\$50,000,000	Not Applicable	\$100,000	\$14,330
N541FA	D	\$50,000,000	Not Applicable	\$100,000	\$14,330

**Description of Aircraft, Hull Coverages and Hull Deductibles**

F.A.A. Number	Coverage	Amount Of Insurance	Not in Motion	In Motion	Ingestion	Hull Premium
N141FA	F	\$9,983,869	\$0	\$50,000	\$50,000	\$77,340
N241FA	F	\$9,983,869	\$0	\$50,000	\$50,000	\$77,340
N441FA	G	\$300,000	\$0	\$0	\$0	\$2,316
N541FA	G	\$300,000	\$0	\$0	\$0	\$2,316

**CONDITIONS:** Policy form: AC 101 (07-07) and AC 102 (11-98) which includes, inter alia, the following exclusion clauses:

War and Other Perils Exclusion Clause  
Noise, Pollution and other Perils Exclusion Clause  
The policy is also subject to the following:

AC 100 (07/10)	Aircraft Policy - Jacket
AC 101 (07/07)	Aircraft Policy - Declarations
AC 101S (07/07)	Aircraft Policy - Schedule of Endorsements
AC 102 (11/98)	Aircraft Policy - Provisions
AC 103 (11/98)	Pilots Who May Fly The Aircraft
AC 107-CA 03/09	Passenger Voluntary Settlement Endorsement - California
	<i>Addl Prem: \$ Included</i>
	<i>Limit: \$ 1,000,000</i>
	<i>Cover Crew</i>
AC 110 (11/98)	War, Hi-jacking and Other Perils Exclusion Clause (Aviation)
AC 112A (02/08)	Extended Coverage - War, Hi-Jacking and Other Perils Endorsement
AC 120 (11/98)	Damage to Hangars Extension Endorsement
AC 1200-CA 05-10	Limited Enhanced Coverage Endorsement - California
AC 124 (11/98)	Passenger Baggage Liability Endorsement
	<i>Addl Prem: \$ Included</i>
	<i>Limit each Pass: \$ 100,000</i>
	<i>Limit each Occ: \$ 100,000</i>
	<i>Deductible Each Pass: \$ Nil</i>

AC 127 (11/98)	Limited Enhanced Coverage Endorsement
AC 159 (11/98)	Nuclear Risk Exclusion Clause
AC 160 (11/98)	Aircraft Additional Equipment Equipment: Various - Insured Owned Equipment Amount of Ins: \$ 1,000,000 Deductible: \$ 2,500
AC 161 (11/98)	Date Recognition Exclusion Endorsement
AC 162 (11/98)	Date Recognition Limited Coverage Endorsement
AC 165 (01/15)	Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism
AC 167A (02/08)	Extended Coverage - War, Physical Damage Coverage Endorsement (Aircraft Physical Damage Coverage)
AC 168 (11/03)	Pollution Endorsement
AC 170 (01/15)	Limited Terrorism Coverage Endorsement
AC 171 (02/05)	Personal Injury Extension Endorsement Single Limit Incl Pass Agg: \$ 50,000,000 Addl Prem: \$ Included
AC 176 (02/05)	Knowledge, Consent And Unintentional Failure To Report Endorsement
AC 179 (02/05)	Aircraft Spare Parts Extension Endorsement Additional Premium Included Amount of Insurance Any One Location or Sending 5,000,000 Deductible Amount Each and Every Loss Nil
AC 181 (05/10)	Extra Expense Coverage Endorsement - California Max Daily Expense Lim: \$ 15,000 Per Occurrence Limit: \$ 3,000,000 Xtra Exp max days 180
AC 184 (02/05)	Good Experience Return Premium On Renewal Endorsement
AC 185 (02/05)	Emergency Landing Endorsement
AC 186 (02/05)	Deletion Of Fellow Employee
AC 188 (02/05)	Cargo Liability Endorsement Addl Prem: \$ Included PD to Cargo Sublimit Each Occ: \$ 2,000,000 PD to Cargo Sublimit Each Acft: \$ 2,000,000 Each Occ/Acft Ded: \$ 2,500
AC 190 (02/05)	Non-Owned Physical Damage Legal Liability Endorsement Addl Prem: \$ Included Ded Each In Motion Loss: \$ Nil Ded Each Not In Motion Loss: \$ Nil Max Gross Weight: Lbs Aircraft Description: Any Fixed Wing or Rotorwing Aircraft Max Total Seats: 45 Limits of Liability "in no event exceed" 20,000,000
AC 194 (02/05)	Coverage Territory Endorsement
AC 195 (02/05)	Cancellation Notification Change Endorsement NOC Days: 90
AC 196 (02/05)	Non-Owned Aircraft Liability Limited Enhanced Coverage Endorsement
AC-CA1 (11/98)	Cancellation Notification - California
ALL-21101 11/06	Trade or Economic Sanctions Endorsement
IL P 001 (01/04)	U.S. Treasury Departments' Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders
MS-287005	Lay Up Credit Endorsement
MS-287005.2	Trip Interruption Expense Endorsement Limit: \$100,000
MS-287005.3	Amending - Limited Enhanced Coverage Endorsement - California AC 1200-CA



MS-287005.4      Mechanical Breakdown / Wear and Tear / Ingestion

*\$300,000 Limit - each Turbine Engine*

TR-19604e 08/20      Notice Of Terrorism Insurance Coverage

<b>PREMIUM:</b>	<b>HULLS</b>	<b>LIABILITIES</b>
<b>Basic Premium:</b>	<b>\$159,312</b>	<b>\$57,320</b>
<b>War/TRIA Combined:</b>	<b>\$9,400</b>	<b>\$5,440</b>

Please note that you do not have authority to bind the above insurance. Please contact us if you wish to bind this insurance. We look forward to receiving your instructions and thank you for your inquiry.

On behalf of Westchester Fire Insurance Company

By



Authorized Representative



**POLICYHOLDER  
DISCLOSURE NOTICE OF  
TERRORISM INSURANCE  
COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury---in consultation with the Secretary of Homeland Security, and the Attorney General of the United States---to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80% , OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.**

**YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.**

### Acceptance or Rejection of Terrorism Insurance Coverage

I hereby elect to purchase terrorism coverage for a prospective premium of \$As Quoted

I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Orange County Fire Authority

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Policyholder/Applicant's Signature

Westchester Fire Insurance Company  
Insurance Company

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Print Name \_\_\_\_\_

Policy Number

Date \_\_\_\_\_



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

**Executive Committee Meeting**  
**June 23, 2022**

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

**Annual Renewal of Public Risk Innovation, Solutions, and Management  
(PRISM) formerly, California State Association of Counties (CSAC)  
Workers' Compensation Excess Insurance**

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**Contact(s) for Further Information**

Stephanie Holloman, Assistant Chief/  
Human Resources Director

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

714.573.6803

Rhonda Haynes, Risk Manager

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

714.573.6833

**Summary**

This annual agenda item is submitted for authorization to renew the workers' compensation excess insurance coverage with Public Risk Innovation, Solutions, and Management (PRISM). It was formerly known as the California State Association of Counties Excess Insurance Authority (CSAC-EIA).

**Prior Board/Committee Action(s)**

Not Applicable.

**RECOMMENDED ACTION(S)**

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, 2022, to July 1, 2023, with a premium of \$900,000.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Increased Cost Funded by Structural Fire Fund: \$0

Increased Cost Funded by Cashed Cities: \$0

Funding for this contract is included in the FY2022/23 Risk Management budget.

**Background**

The Workers' Compensation Self-insurance Program uses excess insurance as a stop loss for losses over a self-insured retention (SIR) limit of \$2,000,000. The Orange County Fire Authority (OCFA) is responsible for the losses up to \$2,000,000 per incident with the excess insurer responsible for costs that exceed that amount. The workers' compensation excess insurance coverage limit is statutory. The excess insurance coverage limit is Part 1 of the workers' compensation policy and covers the medical costs and lost wages for work-related injuries or illnesses. Employer's liability is Part 2 of the workers' compensation policy, and it protects against lawsuits for the employment-related injuries or illnesses that may be filed by employees, family of the employee, or other third parties. For example, a lawsuit alleging that a workers' compensation claim is due to negligence on the part of the employer is covered under Part 2 with a limit of liability of \$5,000,000.

The PRISM membership includes 93% of the counties, over 80% of the cities, as well as numerous school districts, special districts, housing authorities, fire districts, and other joint powers authorities in California. OCFA has been a member of PRISM (formerly CSAC-EIA) since 2007. PRISM purchases excess workers' compensation insurance on behalf of OCFA and the other members of the pool.

The FY 2022/23 premium of \$900,000 is \$218,000 or 32% more than the expiring FY 2021/22 premium of \$682,000. The premium increase is due to several factors including: 1) serious injury claims from the burn over incident and other significant claims; 2) covid-19 and its general market impact; 3) fewer carriers willing to offer workers' compensation excess insurance to the public safety sector; and 4) PRISM creating two new public safety rating groups with increased rates that were phased-in over a three year period. OCFA is included in the high safety rating group since over 40% of our payroll is attributable to safety personnel.

OCFA has experienced a significant savings in excess workers' compensation insurance premium since joining the PRISM pool in 2007.

**[Attachment\(s\)](#)**

PRISM Excess Workers' Compensation Coverage Summary

March 10, 2022

Dear Orange County Fire Authority,

As part of your program participation in the Excess Workers Compensation Program with PRISM, staff has developed a **Loss Performance Impact on Premium Summary** to reference in conjunction with your Premium Estimate. This report has been put together to help members quantify how individual loss experience affects your overall premium charge in the program.

This report was developed from the Underwriting Committee's desire to provide members with additional details on how individual member loss experience affects the allocation of both the pool premium and the excess and reinsurance premiums. Although the purpose of a risk pool is for individuals to share their losses, it is also true that the loss experience from singular members can affect the collective loss experience of the pool.

The program has historically used experience modifications and surcharges as a mechanism to spread and shift premium amongst the membership. The methodology of using experience modifications and surcharge credits and debits is not new. Each program methodology specifies how premium is allocated and includes provisions on how an individual member's loss experience may impact their premium. This summary contemplates your entity's loss data valued as of 6/30/2021 and details the loss adjustment provisions for the program, including the layer affected, where your entity falls within each of those provisions, and the resulting premium impact.

It is important to note as you review this analysis that the loss adjustments and premium numbers detailed in this report are, and have historically been, included in the overall premium estimates you receive. In addition, the calculations used to account for loss experience depend on different renewal cycle factors. Your entity's total EWC estimated premium adjustment is \$110,516. It is important to note the calculations for credits and debits are partially dependent on reinsurance pricing which is still unknown therefore, these credits and debits are still considered an estimate at this time. An updated loss performance premium impact report will be provided in June.

We hope you will find this information helpful. If you have any additional questions on the details in this report, please contact PRISM's Underwriting Department at 916-850-7300.

Sincerely,

PRISM Staff





Public Risk Innovation, Solutions, and Management  
2022/23 Loss Performance Impact on Premium Summary  
Excess Workers' Compensation (EWC) Program  
Orange County Fire Authority

EWC March 2022 Premium Estimate: \$900,000 Self Insured Retention: \$2,000,000

**\$1M to \$5M - Pool Premium Loss Adjustment**

The \$1M to \$5M layer of the pool does not utilize an ex-mod since claims above \$1M are generally infrequent, so there is not enough data to credibly loss rate. Instead, this layer contemplates a surcharge matrix based on a combination of claims above \$1M within the last 7 years and an adverse loss ratio in this layer. The surcharge collection is reallocated back to members with no claims above \$1M in the last 7 years. Below is the additional surcharge or reallocated credit for your entity:

\$1M to \$5M Layer Surcharge: \$28,628 \$1M to \$5M Layer Credit: \$0

**Excess of \$5M - Excess Premium Loss Adjustment**

Severe losses adversely impact the reinsurance renewals for the entire program. To maintain equity in these layers, members who have losses above specified thresholds within the last 10 years receive a surcharge. For EWC, those thresholds are \$3.5M for Core Tower members and \$1.75M for School members. To make sure the surcharge is not too punitive, it is capped. Both the surcharge and the cap increase with the number of claims above the thresholds. This surcharge collection is reallocated back to the members who have no claims above the thresholds.

Below is the surcharge or reallocated credit. *This loss adjustment provision has not yet been finalized and the numbers are subject to change.*

Excess Loss Surcharge: \$81,888 Excess Loss Credit: \$0

**Total Loss Adjustment on Premium**

**Below is the combined total of the loss adjustment provisions detailed above, which are incorporated in your March premium estimates.**

**EWC Total Premium Adjustment for Loss History \$110,516**



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

Executive Committee Meeting  
June 23, 2022

Agenda Item No. 2E  
Consent Calendar

### **Annual Renewal of General Liability Insurance**

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

Stephanie Holloman, Assistant Chief/  
Human Resources Director

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

714.573.6803

Rhonda Haynes, Risk Manager

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

714.573.6833

#### **Summary**

This annual agenda item is submitted for authorization to renew the Orange County Fire Authority's (OCFA) General Liability Insurance Program coverage with the Fire Agencies Insurance Risk Authority (FAIRA).

#### **Prior Board/Committee Action(s)**

Not Applicable.

#### **RECOMMENDED ACTION(S)**

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, 2022, to July 1, 2023, for a premium amount of \$2,689,184.

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

Not Applicable.

#### **Fiscal Impact**

Increased Cost Funded by Structural Fire Fund: \$0

Increased Cost Funded by Cash Contract Cities: \$0

Funding for this contract is included in the FY2022/23 Risk Management budget.

#### **Background**

Formed in 1989, FAIRA is a joint powers public agency which provides pooled group insurance to over 100 fire districts in California and Nevada. The OCFA has been a member of FAIRA since 1995 and holds a seat on FAIRA's Board of Directors. On behalf of the OCFA, FAIRA purchases general liability, property, automobile, management liability, portable equipment, crime, cyber liability, healthcare liability, garage keepers, and excess liability coverages.

The expiring 2021/22 policy premium of \$2,142,759 is inclusive of primary general liability insurance coverage of \$1M per occurrence and excess liability insurance coverage of \$9M per occurrence. The total renewal premium for 2022/23 is \$2,689,184 or a 30% increase over the expiring premium. The premium increase is primarily due to the FAIRA pool experiencing above average losses in employment liability claims, the general hardening of the current insurance



market, Covid-19, and the natural consequence of growing our organization, vehicle fleet, fire stations, paramedic count, and personnel. 2022/23 enhanced policy coverages are listed on the subsequent page.

**Attachment(s)**

FAIRA General Liability Insurance Program Coverage Summary



**FAIRA GENERAL LIABILITY INSURANCE PROGRAM**  
**Coverage Summary**

**Insurance Company: Allied World Assurance Company**  
**A.M. Best Rating: Financial strength "A", Credit rating "a+"**  
**Policy Period July 1, 2022 to July 1, 2023**

**Property**

Real Property (Building)	Guaranteed Replacement Cost
Personal Property (Contents)	Per Schedule on file with the Carrier
Deductible	Between \$1,000 and \$5,000

**Crime**

Employee Dishonesty	\$1,000,000
Forgery or Alteration	\$1,000,000
Faithful Performance of Duty	\$1,000,000
Computer Fraud	\$1,000,000
Deductible	\$1,000

**Portable Equipment**

Valuation	Guaranteed Replacement Cost
Deductible	\$1,000

**General Liability**

Each Occurrence	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Fire Damage Legal Liability	\$1,000,000
Medical Expense (each accident)	\$10,000
Garage Keepers Liability	\$500,000
General Annual Aggregate	\$10,000,000

**Management Liability**

Each Wrongful Act	\$1,000,000/\$10,000,000 General Annual Aggregate
Defense Expense Injunctive Relief	\$50,000
Deductible Each Wrongful Act	\$7,500

**Automobile**

Bodily Injury or Property Damage	\$1,000,000
Uninsured/Underinsured Motorist	\$1,000,000
Automobile Physical Damage	Agreed Value on file with the Carrier
Deductible	\$1,000 Passenger Vehicles, \$5,000 Apparatus

**Cyber Liability:**

First Party Liability	\$100,000
Third Party Liability	\$1,000,000

**Umbrella (Excess) Liability**

Each Occurrence	\$9,000,000
General Annual Aggregate	\$20,000,000



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

**Executive Committee Meeting**  
**June 23, 2022**

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

**June 2022 Legislative Update**

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**Contact(s) for Further Information**

Robert Cortez, Assistant Chief [robertcortez@ocfa.org](mailto:robertcortez@ocfa.org) 714.573.6012  
Business Services Department

Jay Barkman, Legislative Analyst [jaybarkman@ocfa.org](mailto:jaybarkman@ocfa.org) 714.573.6048

**Summary**

This annual routine item is submitted to provide an update on legislative items consistent with the OCFA Board approved Legislative Platform.

**Prior Board/Committee Action**

Not Applicable.

**RECOMMENDED ACTION(S)**

Receive and file the report.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

The attached June 2022 Legislative Report lists legislation and positions recommended consistent with the OCFA Board approved Legislative Platform. In addition, the most recent reports from our Federal and State lobbyist are attached.

The Governor and Legislature have finalized details of the California FY 2022-23 Budget and it is expected to pass before the constitutional deadline of June 15, 2022. However, there are a number of items and details that will be dealt with in what are known as "trailer bills." These bills will likely include funding for specific areas of interest such as wildfire.

Lastly, the newly created Legislative and Public Affairs Committee is set to meet on July 20, 2022. We will provide further updates to the committee as needed.

**Attachment(s)**

1. June 2022 Legislative Report
2. Federal Lobbyist Report
3. State Lobbyist Report



Orange County Fire Authority

***June Legislative Report***

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**State and Federal Legislation**

The deadline for California legislators to pass the 2022-2023 Budget is June 15, 2022. Finalizing the budget will be the focus of the Governor and legislators over the coming month before they begin summer recess on July 4, 2022. There are two items of particular interest and impact to OCFA included in the Governor's proposed budget.

First, the budget includes \$30 million for CalOES to manage and administer the Fire Integrated Real-time Intelligence System (FIRIS). That item has received a preliminary review and approval is anticipated in order to maintain operation of what has become a valuable statewide resource. Discussions and planning are under way in preparation for funding and a transition to CalOES for day-to-day program management.

Second, the Governor proposed \$25.4 million in general funds for the upcoming budget year and \$35.4 million in ongoing funds to add 12 hand crews for the six contract counties. This will provide funding equivalent to CALFIRE's costs to OCFA for operating two hand crews year around.

In the meantime, bills that have passed their house are continuing to move along. This means Assembly bills that passed and were sent to the Senate and vice versa will be heard and considered by committees in the other house. They will receive increased scrutiny and possibly amendments before final consideration. Bills previously identified as impacting OCFA are listed below with only two having been held in their respective houses.

**Clerk of the Authority**

**[AB 1944 \(Lee\) Local Government Meetings](#)**

**Recommended Position:** Monitor

**Summary:** Allows the use of teleconferencing by a local agency without having to identify each remote location or make them accessible to public. However, a local agency must identify those officials that participate remotely, provide a video streams accessible to the public, and an option for the public to make comments through audio-visual or call-in.

**[AB 2449 \(Rubio\) Local Government Meetings](#)**

**Recommended Position:** Monitor

**Summary:** Allows the use of teleconferencing by a local agency if at least a quorum of the local body is present in person at a singular location.

**Communications/Education**

**[SB 855 \(Newman\) Childhood Drowning Data](#)**

**Recommended Position:** Monitor

**Summary:** Requires the California Department of Public Health (CDPH) to establish a five-year data collection pilot program on fatal and nonfatal childhood drownings and to use the data to develop a water safety action plan and standardized forms for data collection.

#### Emergency Command Center (ECC)

##### [AB 2070 \(Bauer-Kahan\) Electrical Corporations-Notifications to Local Fire Agencies](#)

**Recommended Position:** Support

**Summary:** Requires an electrical corporation or utility to notify a fire protection district at least 24 hours before performing scheduled, nonemergency hot work, deploying a safety and infrastructure protection team, or performing a prescribed or controlled burn within the district's jurisdiction.

This bill is supported by the California Fire Chiefs association to improve local readiness and awareness especially during wildfire season.

#### Emergency Medical Services (EMS)

##### [AB 1770 \(Rodriguez\) Ambulance Patient Offload Time](#)

Held in Assembly

**Recommended Position:** Support

**Summary:** Requires the State EMS Authority to take certain actions in collaboration with the Office of Emergency Services and the State Department of Public Health, for the purpose of reducing ambulance patient offload delays, protecting patients from unnecessary and life-threatening impacts to their overall health outcomes, and preparing for surges in demand for emergency medical services.

This bill is supported by the California Fire Chiefs Association.

##### [AB 2130 \(Cunningham\) EMS Training](#)

**Recommended Position:** Monitor

**Summary:** Requires an EMT-Paramedic, upon initial licensure or renewal, to complete at least 20 minutes of training on issues relating to human trafficking.

#### Human Resources/Risk Management

##### [SB 1127 \(Atkins\) Workers Compensation Presumptions](#)

**Recommended Position:** Monitor

**Summary:** Reduces Workers compensation liability presumptions from 90-day time periods to 60 days for all injuries and employees and, for certain injuries or illnesses, including hernia, heart trouble, pneumonia, or tuberculosis, among others, sustained in the course of employment of a specified member of law enforcement or a specified first responder, would reduce those time periods to 30 days.

#### Fire Prevention/Building Standards

##### [AB 2322 \(Wood\) Building Standards](#)

**Recommended Position:** Monitor

**Summary:** Requires the Building Standards Commission to adopt, approve, codify, and publish mandatory building standards for fire resistance based on occupancy risk categories in very high,

high, and moderate California fire severity zones in state responsibility areas, local responsibility areas, and in land designated as a Wildland-Urban Interface Fire Area by cities and other local agencies.

#### [AB 2672 \(Flora\) Defensible Space Inspections](#)

Held in Assembly

**Recommended Position:** Monitor

**Summary:** Authorizes CALFIRE to establish a statewide defensible space and home hardening platform allow property owners to support and augment defensible space inspection requests. The bill seeks to enable greater digital tools to streamline certification and allow a form of “self-certification/inspection”, which has raised some questions and concerns. There is ongoing discussion happening with CALCHIEFS and author.

#### [AB 2705 \(Quirk-Silva\) Housing Fire Safety Standards](#)

**Recommended Position:** Monitor

**Summary:** Require cities and counties to make findings regarding wildfire standards before approving discretionary entitlements for new residential developments in very high fire hazard severity zones (VHFHSZ). The bill is sponsored by California Building Industry Association in what appears to be an effort to create clear and consistent standards across the state for development in the VHFHSZ. Staff is continuing to review and CALCHIEFS is engaged in conversations with the author and sponsors.

#### Operations

#### [SB 1062 \(McGuire\) CALFIRE Staffing](#)

**Recommended Position:** Monitor

**Summary:** Requires CalFire to maintain a minimum level of staffing of three firefighters per engine.

OCFA’s state lobbyist John Moffatt has included additional information on legislation and pending funding requests submitted by OCFA in his attached report. Our federal lobbyist Lisa Barkovic includes information in her attached report on various federal bills and funding related to the Department of Homeland Security and the Federal Emergency Management Agency (FEMA).

# Holland & Knight

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## Orange County Fire Authority June 2022 Report

### Congress

#### House Passes Federal Firefighter Fairness Act

- On May 11, the House of Representatives passed [H.R. 2499](#), the *Federal Firefighters Fairness Act of 2022*. Introduced by Rep. Salud Carbajal (D-CA), the bill provides workers' compensation benefits for federal firefighters who develop cancer.
- The bill extends benefits to firefighters with a minimum of five years in service. In addition, the bill names fifteen types of cancers that qualify for coverage. Bill text also clarifies that the National Institute on Occupational Safety and Health Director may add new cancers via formal rulemaking. Individuals or groups may petition the Director for additions to the list of cancers.
- The bipartisan legislation was passed by a vote of 288-131, where it was referred to the Senate Committee on Homeland Security and Governmental Affairs for consideration.

#### Appropriations Update

- House and Senate Appropriations Committee Chairs and Ranking Members continue to negotiate top-line spending numbers for FY 2023. The goal for top appropriators is to agree on defense and non-defense spending within the next week or so. This will allow both chambers to begin markups on spending bills in June and determine funding levels for federal programs and departments.
- On behalf of OCFA, we submitted a request to support funding for wildfire hand crews to both Senators Feinstein & Padilla. We are waiting to hear whether or not our request has advanced in the process.
- We also continue to advocate for funding for the Urban Search & Rescue program, and increased funding for the Assistance to Firefighters & SAFER grant programs.

### Administration

#### Vilsack Announces In-Progress Rulemaking on Federal Firefighter Pay

- On May 10, U.S. Secretary of Agriculture Tom Vilsack appeared before the Senate Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. While most of the hearing focused on the food programs, Sec. Vilsack addressed federal firefighter pay and alluded to future rule changes.
- Sec. Vilsack stated his full support for firefighters when pressed by Sen. Dianne Feinstein (D-CA). He added that the Department of Agriculture is working to transition some firefighters to full-time status, which would provide them additional pay and benefits. He also pledged to implement supplementary resources provided by the Infrastructure Investment and Jobs Act (IIJA).
- Lastly, Sec. Vilsack announced that his department is in the process of developing a new classification system for wildland firefighters. He clarified that he is working with the Department of Interior and the Office of Personnel Management to develop "a new classification that will create a more competitive salary scale for wildfire fighters." While no official rulemaking has been released, Holland & Knight will continue to track any developments in this area.

Attachment 3

**TO:** Jay Barkman  
Orange County Fire Authority (OCFA)

**FROM:** John Moffatt

**DATE:** June 1, 2022

**RE:** June Update Report

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### **OCFA Budget Requests**

Earlier today, leaders of the state Assembly and Senate announced that they had reached a budget agreement. Two important notes regarding this announcement:

1. This is only an agreement between the Senate and Assembly. This agreement does not include the Newsom Administration, which comes next in the budget process.
2. The agreement is on major issues related to the budget. It does not mean the two houses have agreed upon on every item in the budget.

This context is important because OCFA has several outstanding budget-related items about which we do not yet know their final outcome. In addition to FIRIS and funding for additional hand crews, OCFA has submitted the specific project requests below to the members of the Orange County delegation.

The legislature has until June 15 to pass the 2022/2023 Fiscal Year Budget. We should know no later than June 12 the final status of our budget items, including whether any of these additional requests below have been funded.



*Wildland Hand Crew Station, Vehicles, and Equipment - \$17 million*

To accommodate for the future growth of hand crews, OCFA is requesting \$17 million for the following:

- Hand crew station: OCFA will need 25,000 square feet to house up to 60 personnel, 30 vehicles, and related equipment.
- Wildland equipment: OCFA will need additional vehicles and infrastructure to support the hand crew and overall wildland fire operations including vehicles (dozers, trailers, crew carrying vehicles) and HeloPods.

*Emergency Command Center Backup - \$4.5 million*

OCFA is seeking to establish a backup ECC at a remote location that could be fully capable in the case our existing facility was disabled.

*Self-Contained Breathing Apparatus (SCBAs) - \$10.5 million*

OCFA is looking to replace current inventory of SCBAs that range from 10-20 years old.

In addition to these state requests, at the request of Senator Padilla's office to secure a letter of support from a "regional official," OCFA secured a letter from Assemblymember Cottie Petrie-Norris in support of our federal funding requests.

**OCFA Legislation of Interest**

As previously reported, 2,020 bills were introduced for this 2022 legislative year. OCFA and NM staff have reviewed the bills and, thus far, have engaged on the following bills:

*AB 2705 (Quirk-Silva) – Passed Assembly Floor 73-0. Awaiting referral for Senate committee hearings.*

AB 2705 seeks to address California's housing shortage and climate change concerns by requiring high standards for home building in

very high-risk hazard severity zones. The bill is sponsored by the California Building Industry Association (homebuilders) and supported by several business and construction industry organizations.

*SB 1062 (Maguire) – Passed the Senate Floor 39-0. Awaiting referral for Assembly committee hearings.*

Titled “The Fixing the Firefighter Shortage Act of 2022,” SB 1062 requires Cal Fire to:

- Maintain a standard minimum staffing level of each of its fire engines of three professional firefighters;
- Increase its existing firefighter fuel crews budget for FY 2021/22 by adding 16 additional fuel crews and 768 firefighters to staff those crews; and
- On or before January 1, 2024, to provide a long-term staffing plan, including staffing and infrastructure needs, for CAL FIRE through 2030, as specified.

In addition, OCFA is tracking three bills related to open government meetings and distribution of materials:

*AB 1944 (Lee and Garcia) – Passed Assembly Floor 44-12. Awaiting referral for Senate committee hearings.*

Allows public officials to attend Brown Act meetings remotely without being required to publish their address or open their remote location to members of the public.

*AB 2449 (Rubio) - Passed Assembly Floor 65-4. Awaiting referral for Senate committee hearings.*

Allows local officials to attend meetings remotely, though under slightly different conditions. This bill would require at least a quorum of a legislative body to attend in person at the primary location and for all remote members to participate by both audio and visual technology. It would also require the public to be able to

J. Barkman  
June 1, 2022  
Page 4 of 4

provide public comment remotely, either by phone or an internet-based option and it clarifies that there must be a procedure for resolving requests for reasonable accommodation for individuals with disabilities.

*AB 2647 (Levine) - Passed Assembly Floor 62-0. Awaiting referral for Senate committee hearings.*

Gives local agencies more flexibility to make documents provided to governing board members available to the public online when they're distributed outside of standard business hours.