



Agenda Item

City Council

Item #: 9.5.

8/12/2025

File #: 25-0475

TO: Honorable Mayor and Members of the City Council

THRU: Jarad Hildenbrand, City Manager

FROM: Garrett Smith, City Treasurer

1. SUBJECT

Investment Portfolio Update for April, May, and June of 2025.

2. SUMMARY

These reports provide a compilation of three monthly Treasurer's Reports to the City Council for the fourth quarter of Fiscal Year 2024-2025. Included in the reports are an economic update and detail of the City's portfolio holdings, monthly transactions, and consolidated information on all cash and investments

3. RECOMMENDED ACTION

Receive and file.

4. FISCAL IMPACT

None

5. STRATEGIC PLAN GOALS

Goal 2: Be a fiscally healthy community

d: Effectively manage and develop City assets.

6. DISCUSSION AND BACKGROUND

The City's Fiscal Year 2024-25 Statement of Investment Policy has been adopted by the City Council of the City of Orange as Resolution 11563 and is in accordance with the California Government Code Sections 53600 et seq. Per the Investment Policy, three monthly investment reports are to be submitted to the City Council within 45 days following the end of the quarter.

As required by the City's present Investment Policy, the City Treasurer's report delineates all investments made by the City Treasurer for the City, its special funds, and the Successor Agency funds, by investment type and by broker.

The monthly Compliance Report certifying compliance of all investments with both the Government Code and the City's Investment Policy is included.

The Investment Portfolio Statement accurately reflects all investments held by the City and its agents as of the end of the month. A summary of Treasurer's cash and investments is also included.

Summary of Cash and Investments:

The cash and investment report provides a summary of the cash and investment accounts held by the City as quarter ending June 30, 2025. As of June 30, 2025, the book value of the City's total investment portfolio was \$167.5 million, of which \$105.8 million, or 63.2%, was managed by Chandler Asset Management (Chandler), the City's investment manager. The remaining balance \$61.6 million of the portfolio was managed by City staff of which \$45.3 million was invested in the Local Agency Investment Fund (LAIF) and \$16.3 million held in the City's operating checking account.

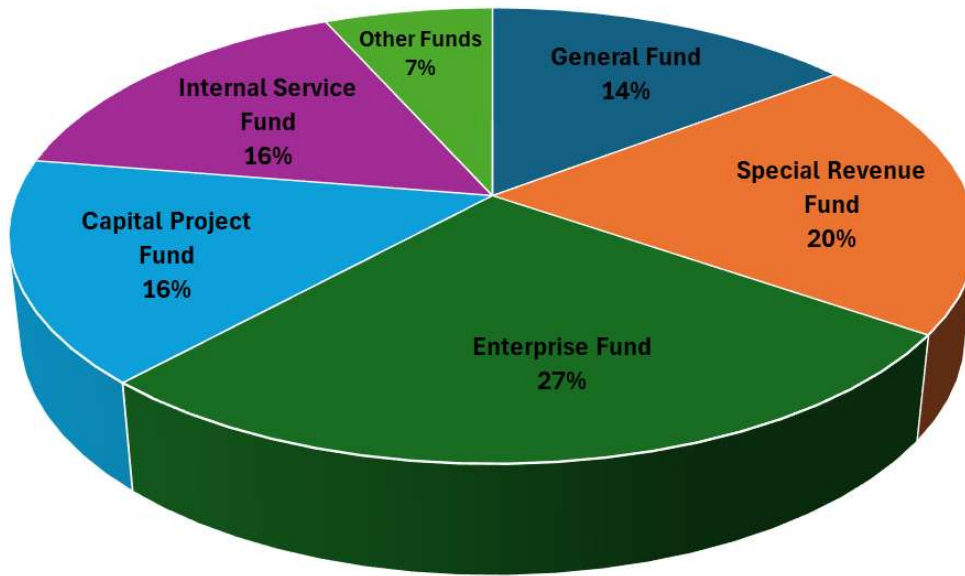
	Cash & Investments Balance
Chandler Investments:	\$105,846,672
LAIF, City:	\$39,814,705
LAIF, Successor Agency:	\$5,525,395
Wells Fargo Bank:	\$16,282,824
Balance at 3/31/2025	\$167,469,596

(1) Represents the bank balance. Includes operating cash and investments (valued at cost). Does not include deposits with administrator, impress cash, fiscal agent cash and investments, and deferred compensation.

Pursuant to California Government Code Section 53646(b)(3), the City certifies that the reported cash and investment balances are sufficient to meet anticipated expenditures for the next six months.

In summary, cash and investments as of June 30, 2025 totaled \$167,469,596. The City's balances by fund is presented in the Cash and Investment by Fund attachment.

Fund Categories	Amount	
General Fund	24,501,681	15%
Special Revenue Fund	33,478,637	20%
Enterprise Fund	45,510,977	27%
Capital Project Fund	26,453,913	16%
Internal Service Fund	26,366,124	16%
Other Funds	11,158,261	7%
	167,469,596	100.0%

June 30, 2025 Cash and Investment Distribution

The City invests a large portion of its portfolio in Federal Agency Securities and U.S. Treasury Notes due to safety and preservation of capital to prevent loss. The City also invests a portion of its funds in LAIF which offers same day liquidity. Additionally, the City invests in high quality corporate notes, asset backed securities, and supranational agency bonds to obtain higher yields and add diversity to the portfolio. As of June 30, 2025 the City investments consisted of the following and are compliant with the Investment Policy:

Investment Type	Book Value as of June 30, 2025	Percentage of Portfolio Investment by Type
Federal Agency Securities	23,605,058	63.20%
Corporate Notes	29,783,658	
Commercial Paper	1,945,202	
U.S. Treasury Notes	36,019,175	
Asset Backed Securities	11,158,740	
Supranational	2,595,236	
Money Market Fund	291,001	
Chandler Custodial Cash	448,602	
Local Agency Investment Fund City (LAIF 604)	39,814,705	27.07%
Local Agency Investment Fund Successor (LAIF 007)	5,525,395	
Checking Account/Custodial Cash (WF14)	561,126	9.72%
Checking Account/Custodial Cash (WF15)	15,547,811	
Checking Account/Custodial Cash (WF12)	173,887	
Total Investments	167,469,596	100%

Significant Cash Transactions:

The City's total cash increased by about \$15 million from the last quarter's total of \$152.8 million. Total cash fluctuates over the course of the fiscal year due to cyclical events. All cash disbursements are within the FY 2024-25 budget and all check registers are presented to the City Council monthly.

Treasurers' Comments:

Overall, we had a good quarter from an investment perspective. You will notice a big shift in Agency bonds due to certain larger holdings maturing and being sold / converted to the Treasury side. Our Agency total went from 31.88% to 19.86%. This will prove to be a great shift as Treasury notes are yielding much higher than agency.

Treasury notes grew from 25.00% to 34.27%.

Q4 showed great promise by exceeding our benchmark of 1.36% and coming in at 1.45%. The total rate of return for the last twelve months is 6.10%.

In addition to the investment portfolio being in good standing, we also saw dividends on our Wells Fargo side. The interest rates do fluctuate on a monthly basis but the values are below for reference:

April 2025 = \$58,703

May 2025 = \$73,845

June 2025 = \$47,004

TOTAL = \$179,512

7. ATTACHMENTS

- Chandler Monthly Investment Report April 2025

- Chandler Monthly Investment Report May 2025
- Chandler Monthly Investment Report June 2025
- Chandler Investment Report for the Period Ending June 30, 2025