



Agenda Item

City Council

Item #: 9.6.

5/13/2025

File #: 25-0258

TO: Honorable Mayor and Members of the City Council

THRU: Tom Kisela, City Manager

FROM: Garrett Smith, City Treasurer

1. SUBJECT

Monthly Treasurer's Reports for January, February, and March 2025

2. SUMMARY

These reports provide a compilation of three-monthly Treasurer's Reports to the City Council for the third quarter of Fiscal Year 2024-25. 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: Enhance Economic Development and Achieve Fiscal Sustainability

Objective 2.9: Create a fiscal sustainability plan

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 March 31, 2025. As of March 31, 2025, the book value of the City's total investment portfolio was \$152.4 million, of which \$104.7 million, or 68.5%, was managed by Chandler Asset Management (Chandler), the City's investment manager. The remaining balance of \$48 million of the portfolio was managed by City staff of which \$35.3 million was invested in the Local Agency Investment Fund (LAIF) and \$12.7 million held in the City's operating checking account.

	Cash & Investments Balance
Chandler Investments	\$104,718,221.25
LAIF, City	\$29,524,635.03
LAIF, Successor Agency	\$5,465,222.71
Chandler, Cash	\$344,866.45
Wells Fargo Bank	\$12,731,477.44
Balance at 3/31/2025	<u>\$152,784,422.88</u>

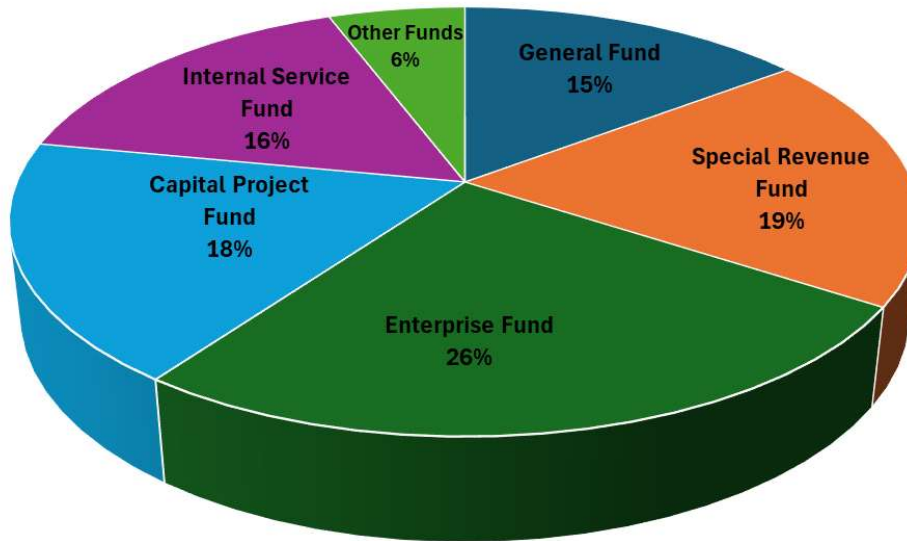
⁽¹⁾Represents the bank balance. Includes operating cash and investments (valued at cost). Does not include deposits with administrator, impress cash, fiscal agent cash and investments, and deferred compensation.

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 March 31, 2025 totaled \$152,784,422.88. The City's balances by fund is presented in the Cash and Investment by Fund attachment.

Fund Categories	Amount	
General Fund	22,503,800.28	15%
Special Revenue Fund	29,674,802.62	19%
Enterprise Fund	39,465,056.72	26%
Capital Project Fund	27,592,740.40	18%
Internal Service Fund	24,707,368.04	16%
Other Funds	8,840,654.83	6%
	152,784,422.88	100.0%

March 31, 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 March 31, 2025 the City investments consisted of the following and are compliant with the Investment Policy:

Investment Type	Book Value as of March 31, 2025	Percentage of Portfolio Investment by Type
Federal Agency Securities	33,616,573.97	68.77%
Corporate Notes	30,820,330.01	
U.S. Treasury Notes	26,100,774.59	
Asset Backed Securities	9,452,644.71	
Supranational	4,311,511.63	
Money Market Fund	416,386.34	
Chandler Custodial Cash	344,866.45	
Local Agency Investment Fund City (LAIF 604)	29,524,635.03	22.90%
Local Agency Investment Fund Successor (LAIF 007)	5,465,222.71	
Checking Account/Custodial Cash (WF14)	536,160.81	8.33%
Checking Account/Custodial Cash (WF15)	11,831,570.63	
Checking Account/Custodial Cash (WF12)	363,746.00	
Total Investments	152,784,422.88	100%

Significant Cash Transactions:

The City's total cash Increased by \$4.3 million from the last quarter's total of \$148,504,125 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:

Q3 fell just short of our benchmark at +1.9% (benchmark of +2%). In comparison to last quarter, we were down (.43%), so we have seen a big shift in the right direction.

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.

January 2025 = \$81,489.39

February 2025 = \$55,448.58

March 2025 = \$40,880.55

TOTAL = \$177,818.52

7. ATTACHMENTS

- Cash and Investments by Fund
- Investment Report for the Period Ending March 31, 2025
- Chandler Monthly Statements for January, February, and March 2025