



# Agenda Item

## City Council

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**Item #:** 3.18.

8/11/2020

**File #:** 20-034

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**TO:** Honorable Mayor and Members of the City Council

**THRU:** Rick Otto, City Manager

**FROM:** Richard A. Rohm, City Treasurer  
Will Kolbow, Assistant City Manager/Admin. Services Director

### 1. SUBJECT

Monthly Treasurer's Reports for April, May, and June 2020

### 2. SUMMARY

Presentation of three monthly Treasurer's Reports to the City Council after the end of the quarter covered by the reports.

### 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 current Statement of Investment Policy has been adopted by the City Council of the City of Orange as Resolution 11163 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. On April 20, 2020, during the COVID-19 pandemic, the City Manager (as Director of Emergency Services) approved easing of the concentration limit in the one-year or less maturity sector as well as the maximum limit in the State of California Local Agency Investment Fund (LAIF).

The Investment Portfolio Statement accurately reflects all investments held by the City and its agents as of the end of the month. This investment data is also presented in other summary and graphic form. A reconciliation between total cash and investments and total cash per the General Ledger is also included.

**Summary of changes in Treasurer's cash and investments:**

	<u>Operating Cash &amp; Investments</u> <sup>(1)</sup>
Balance @ 3/31/2020	\$134,126,907
Monthly Activity:	
Cash Received	57,995,583
Cash Disbursed	<u>(41,529,147)</u>
Balance @ 6/30/2020	\$150,593,343

<sup>(1)</sup>Includes operating cash and investments (valued at cost). Does not include deposits with administrator, imprest cash, fiscal agent cash and investments, and deferred compensation.

**For the month of April 2020**

The April cash receipts exceeded cash disbursements by \$9,358,083. The City received \$9,948,695 in property tax revenue, \$2,696,701 in sales tax revenue, and \$1,121,836 in annual franchise fees for gas and electricity. During the month, large disbursements included payments totaling \$1,769,367 to PERS for employee benefits, \$1,320,963 to Orange County Transportation Authority for the Metrolink Parking Structure, \$512,634 to Atlantic Machinery for a CNG (Compressed Natural Gas) powered sewer cleaning truck, \$338,409 to Municipal Water District of Orange County for purchased water, and \$279,357 to CT & T Concrete Paving for the Hart Park deck repair project.

In the month of April, one Federal National Mortgage Association note matured and one Federal National Mortgage Association note was called. The City's balance in LAIF on April 30 was \$61,800,000 an increase of \$20,100,000 due to cash receipts exceeding cash disbursements, and the investment activity during the month.

**For the month of May 2020**

The May cash receipts exceeded cash disbursements by \$6,117,242. The City received \$7,162,506 in property tax in lieu of vehicle license fees, \$5,407,861 in property tax revenue (\$2,777,166 for the City and \$2,630,695 as property tax increment collected for the Successor Agency), and \$3,630,516 in sales tax revenue. Large disbursements included payments totaling \$2,362,255 to PERS for employee benefits, \$534,147 to T.E. Roberts for annual pipeline renewal, \$287,939 to Software One for renewal of Microsoft software licenses, and \$271,250 to Municipal Water District of Orange County for purchased water.

In the month of May, one Federal Home Loan Mortgage Corporation note and one Federal Farm Credit Bank note were called. The City's balance in LAIF on May 31 was \$76,800,000 or an increase of \$15,000,000 due to cash receipts exceeding cash disbursements and the investment activity during the month.

**For the month of June 2020**

The June cash receipts exceeded cash disbursements by \$991,112. The City received \$2,915,193 in sales tax revenue, \$1,228,794 from the County of Orange for CARES (Coronavirus Aid, Relief, and

Economic Security) Act relief funds, and \$186,867 in property tax revenue. Large disbursements included payments totaling \$1,236,728 to PERS for employee benefits, \$873,366 to Southcoast Fire Equipment for a fire engine, \$725,178 to All Star Fire for firefighter safety gear and equipment, \$460,780 to T.E. Roberts for annual pipeline renewal, and \$338,409 to Municipal Water District of Orange County for purchased water.

In the month of June, one medium term note matured. One Federal Home Loan Bank note and one Federal Farm Credit Bank note were called. The City's balance in LAIF on June 30 was \$104,000,000, or an increase of \$27,200,000 mainly because of the investment activity.

### **Credit rating on investments**

During this period, there was no change to the credit rating on the investments in the investment portfolio.

### **Investment Advisory Committee (IAC)**

The next Investment Advisory Committee meeting is scheduled for August 19, 2020.

## **7. ATTACHMENTS**

- Investment Report for April 2020
- Investment Report for May 2020
- Investment Report for June 2020