



Agenda Item

City Council

Item #: 3.4.

9/8/2020

File #: 20-125

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

Investment Oversight Committee report for the period ending August 31, 2020.

2. SUMMARY

This report summarizes the activity of the Investment Oversight Committee.

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

As required by the Orange Municipal Code Section 2.50.020, the Investment Oversight Committee reports to the City Council summarizing the Committee meetings and submitting any recommendations of the Investment Advisory Committee.

Since the last Investment Oversight Committee Report, the Investment Oversight Committee held a meeting on August 19, 2020. This meeting was combined with the Investment Advisory Committee meeting. The purpose of this meeting was to review current investment activity and to discuss related Treasury issues.

Following is a summary of the specific items discussed at this meeting:

- **Investment Rates and Portfolio Updates** - Rate reports were presented for the period June 2019 through June 2020. There were discussions regarding the interest rate environment. In addition, attention was given to the recent interest rate trends in both the U.S. Treasury market and in the Local Agency Investment Fund (LAIF). An update on the investment portfolio was also presented.
- **Treasurer's Investment Reports** - The investment activity for the months of April, May, and

June 2020, and the City's position in each category of investment that includes Treasuries, Agencies, and Pooled Investments was discussed. This report was also on the City Council agenda for the August 11 meeting as item 3.18.

- **Economic Updates** - There were discussions in regards to the California forecast on sales tax trends and economic drivers. It was noted that 3rd quarters sales tax revenue for FY 20 was down 1.8% and it is expected 4th quarter will be down 37%. There was discussion related to the fact that economists are split in calling for a "V" shaped recession or a more longer term one.
- **City Update** - An update was presented regarding what is happening at the city level. The City Manager indicated that the City Council was able to adopt a balanced budget with the use of \$8.5 million in reserves. The other balancing sources come from budget reductions and renegotiated labor agreements.

7. ATTACHMENT

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