



# Agenda Item

## City Council

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**Item #:** 3.31.

**9/14/2021**

**File #:** 21-0495

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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/Administrative Services Director

### 1. SUBJECT

Investment Oversight Committee report for the period ending August 31, 2021.

### 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 4, 2021. 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 2020 through June 2021. 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 2021, 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 10 meeting as item 3.15.

- **Economic Updates** - There were discussions in regards to the California forecast on sales tax trends and economic drivers. It was noted that the fuel sector was the largest contributor to the 3rd quarter sales tax revenue for FY 21. In addition, sales tax allocations from the countywide pool for online sales continued to increase significantly especially due to the pandemic.
- **City Update** - An update was presented regarding what is happening at the city level. The City Manager indicated that the annual budget for FY 2021-22 was adopted in June. The City would be facing a \$4 million deficit in the General Fund prior to receiving the American Rescue Plan funds, which thus producing a \$10 million surplus.

## 7. ATTACHMENTS

- Monthly Treasurer's Reports for April, May, and June 2021 (August 10, 2021, City Council Staff Report)