# Agenda Item

## Orange City Council

| **Item #:** 3.8. | 8/11/2026 | **File #:** 26-0419 |
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**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 2026

## 2. SUMMARY
These reports provide a compilation of three-monthly Treasurer's Reports to the City Council for the fourth quarter of Fiscal Year 2025-2026. 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 the Investment Portfolio Update report for April, May, and June 2026.

## 4. FISCAL IMPACT
None.

## 5. STRATEGIC PLAN GOALS
Goal 2: Enhance Economic Development and Achieve Fiscal Stability.

## 6. DISCUSSION AND BACKGROUND
The City's Fiscal Year 2025-26 Statement of Investment Policy was adopted by the City Council of the City of Orange on August 12, 2025, as Resolution 25-0474 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.

The accompanying reports were not reviewed by the Investment Committee because the regularly scheduled meeting on July 22 was cancelled due to a lack of quorum. Nevertheless, the reports were distributed to all committee members for their information and review.

**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, 2026. As of June 30, 2026, the **book value** of the City's total cash and investment portfolio was $175,149,876 million, of which $110 million, or 63%, was managed by Chandler Asset Management (Chandler), the City's investment manager. The remaining balance of $65 million was managed by City staff - of which $47.2 million was invested in the Local Agency Investment Fund (LAIF) and almost $17.9 million held in the City's operating checking account.

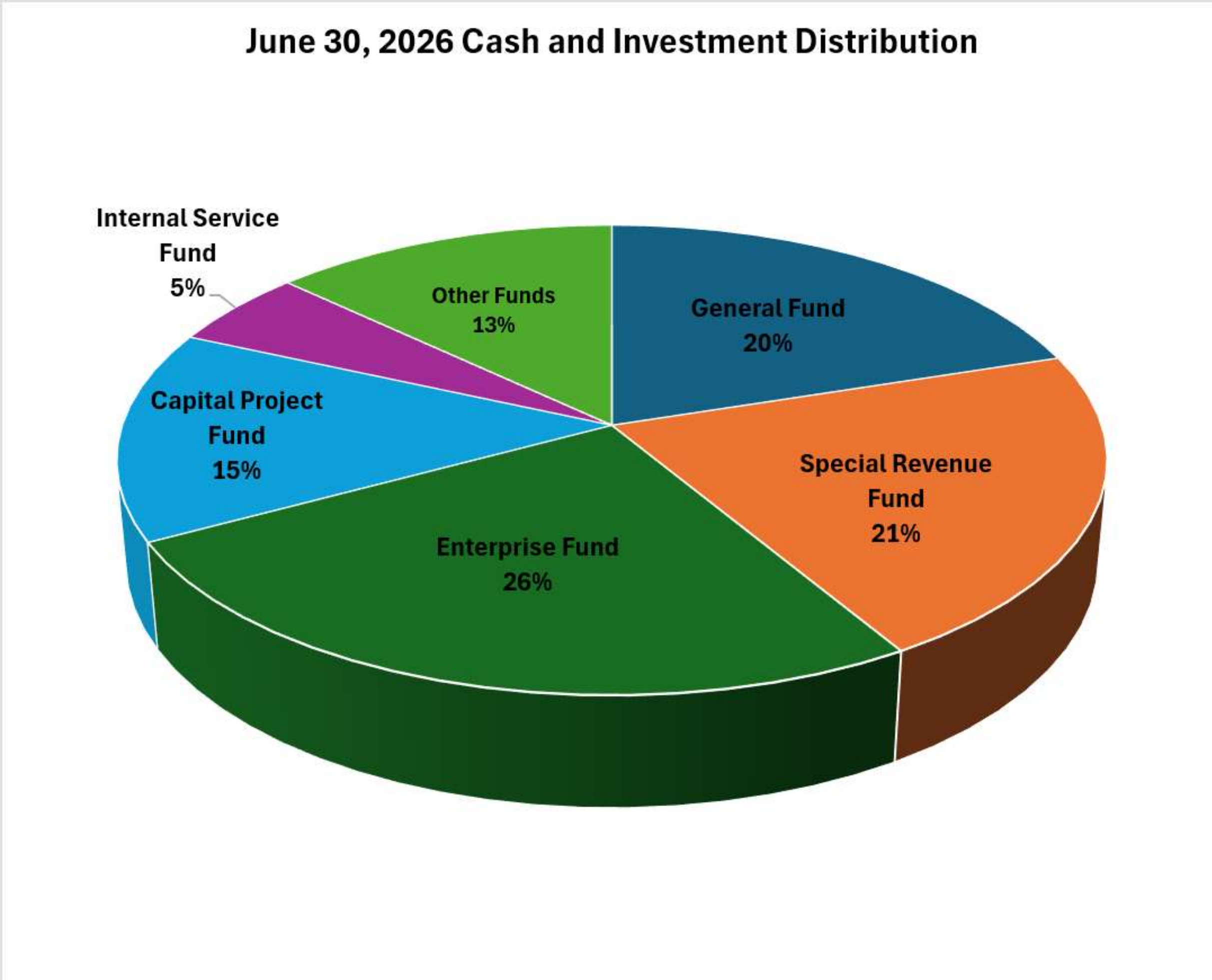
| | **Cash & Investments Balance**[1] |
|---|---|
| **Chandler Investments:** | **$110,106,734** |
| **LAIF, City:** | **$41,177,229** |
| **LAIF, Successor Agency:** | **$6,009,026** |
| **Wells Fargo Bank:** | **$17,856,887** |
| **Balance at 12/31/2025** | **$175,149,876** |

(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, 2026 totaled just over $175 million. The City's balances by fund are presented in the table below.

| Fund Categories | Amount | |
|---|---|---|
| General Fund | 35,134,200 | 20% |
| Special Revenue Fund | 37,346,406 | 21% |
| Enterprise Fund | 45,103,587 | 26% |
| Capital Project Fund | 25,460,435 | 15% |
| Internal Service Fund | 9,301,140 | 5% |
| Other Funds | 22,804,108 | 13% |
| | **175,149,876** | **100.0%** |




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, negotiable CDs, and supranational agency bonds to obtain higher yields and add diversity to the portfolio. As of June 30, 2026 the City investments consisted of the following and are compliant with the Investment Policy.

**Cash Transactions:**

The City's total cash and investment increased by approximately $11.4 million from the last quarter, bringing the total to just over $175 million. Total cash fluctuates over the course of the fiscal year due to cyclical events. All cash disbursements are within the FY 2025-26 budget and all check registers are presented to the City Council monthly.

| Investment Type | Book Value as of June 30, 2026 | Percentage of Portfolio Investment by Type |
|---|---|---|
| Federal Agency Securities | 25,479,553 | 62.86% |
| Corporate Notes | 30,139,466 | |
| Commercial Paper | 2,192,599 | |
| U.S. Treasury Notes | 35,055,400 | |
| Asset Backed Securities | 11,017,154 | |
| Supranational | 2,608,095 | |
| Money Market Fund | 313,863 | |
| Negotiable CD | 2,896,957 | |
| Chandler Custodial Cash | 403,647 | |
| Local Agency Investment Fund City (LAIF 604) | 41,177,229 | 26.94% |
| Local Agency Investment Fund Successor (LAIF 007) | 6,009,026 | |
| Checking Account/Custodial Cash (WF14) | 632,734 | 10.20% |
| Checking Account/Custodial Cash (WF15) | 120,022 | |
| Checking Account/Custodial Cash (WF12) | 17,104,131 | |
| **Total Investments** | **175,149,876** | **100%** |

**Treasurers' Comments:**

Our investment portfolio is in full compliance and staying at a healthy yield. Bond yields over the last quarter had a modest positive return. I am hopeful this trend continues into the end of our calendar year 2026.

## 7. ATTACHMENTS

- Attachment 1 Chandler Monthly Investment Report April 2026
- Attachment 2 Chandler Monthly Investment Report May 2026
- Attachment 3 Chandler Monthly Investment Report June 2026
- Attachment 4 Chandler Investment Report for the Period Ending June 30, 2026