



CITY COUNCIL AGENDA REPORT
MEETING DATE: 12/06/2022
DEPARTMENT: Finance

SUBJECT:

MONTHLY TREASURER'S REPORT - OCTOBER 2022

RECOMMENDED ACTION(S):

Receive and file.

EXECUTIVE SUMMARY:

The Treasurer's Report for the month ended October 31, 2022, is attached. There are no exceptions to the Investment Policy. Total cash and investments equal \$171.6 million for the period.

DISCUSSION:

The Treasurer's Report for the month ended October 31, 2022, is attached. There are no exceptions to the Investment Policy.

Investment Portfolio

The City's balances consist of the following:

<i>Type</i>	<i>Millions</i>
Local Agency Investment Fund (LAIF)	74.2
California Asset Management Program (CAMP)	43.4
Orange County Investment Pool (OCIP)	41.4
Federated Government Obligations Fund	0.0
Operating Bank Balance – US Bank	12.6
<i>Total Cash and Investments</i>	<i>\$171.6</i>

The investment portfolio balance (excluding the operating bank balance) was unchanged during the last month. The balance in the investment portfolio was consistent with staff's expectations based on the operating and capital improvement activities during the month.

There were no investment purchases and no maturities during the month. The types of investments currently included in the portfolio are described below with any new information since the last report.

The Local Agency Investment Fund ("LAIF"), Orange County Investment Pool ("OCIP"), and California Asset Management Program ("CAMP") are the City's liquidity pools. Liquidity pools are the source of funding for weekly ongoing operating costs. Many cities use only LAIF, while Lake Forest has been more conservative in this respect. The US Bank balance reflected on the previous page is mostly transitory, as a function of holding deposits until the funds are invested and subsequently disbursed from LAIF/OCIP/CAMP for operations. State law requires that these bank balances be collateralized at 110%. The Federated Government Obligations Fund Service Share Money Market Fund is also mostly transitory, as a function of holding matured investments and earnings until the City purchases new investments. This account is the custodial account for the City's investment safekeeping institution, US Bank.

The city earned approximately 2.15% on the overall investment portfolio in October 2022.

LAIF is a conservative investment pool managed by the State. The State cannot access these balances to fund its operational expenditures. Staff believe it is still prudent to maintain funds for liquidity in LAIF. LAIF earned 1.772% on the fund in October.

Orange County Investment Pool ("OCIP") allows local government agencies to voluntarily invest surplus cash to obtain competitive yields while maintaining safety and liquidity, thereby creating a multi-million-dollar County investment pool that enables investments in diversified instruments. OCIP earned approximately 1.791% on the fund as of October 31, 2022.

CAMP is a conservative short-term money market investment pool for a group of local agencies. CAMP earned approximately 3.14% on the fund as of October 31, 2022.

Cash with Fiscal Agent

During the month, cash with the fiscal agent was unchanged.

FISCAL IMPACT:

There is no fiscal impact associated with the recommended action.

ATTACHMENTS:

Monthly Treasurer's Report

Initiated By: Amy Lewis, Assistant Director of Finance

Submitted By: Kevin Shirah, Director of Finance/City Treasurer

Approved By: Debra Rose, City Manager