



**May 22, 2019**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Orange County Transportation Authority Investment and Debt Programs Report - April 2019

**Overview**

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending April 30, 2019. The report has been reviewed and is consistent with the investment practices contained in the Investment Policy.

**Recommendation**

Receive and file as an information item.

**Discussion**

As of April 30, 2019, the Orange County Transportation Authority's (OCTA) outstanding investments totaled \$2.08 billion. The portfolio is divided into three managed portfolios: the liquid portfolio for immediate cash needs, bond proceeds portfolio to meet Measure (M2) transportation program needs, and the short-term portfolio for future budgeted expenditures. In addition to these portfolios, OCTA has funds invested in debt service reserve funds for the 91 Express Lanes Program.

The weighted average book yield for the OCTA portfolio is 2.4 percent. The book yield measures the exact income, or interest, on a bond without regard to market price change. The yield is the income return on an investment, such as the interest received from holding a particular security. The yield is usually expressed as an annual percentage rate based on the investment's cost and market value.

The OCTA's month-end balance in the Local Agency Investment Fund was \$10,610,270, with an average monthly effective yield of 2.5 percent. The OCTA's month-end balance in the Orange County Investment Pool was \$14,394,900. Yields for the month of April will be received in May in alignment with the timing of the County of Orange monthly investment report.

OCTA's debt portfolio had an outstanding principal balance of \$1.02 billion as of April 30, 2019. Approximately 62 percent of the outstanding balance is comprised of M2 debt, 10 percent is associated with the 91 Express Lanes Program, and 28 percent is for the Transportation Infrastructure Finance and Innovation Act Loan.

Based on direction from the Finance and Administration Committee members at the April 24, 2019 committee meeting, staff is working on developing a dashboard page that can be included within the monthly and quarterly report that will provide key performance and compliance data. Staff's goal is to include the dashboard page with the May monthly investment report brought to the committee in June.

***Summary***

The Treasurer is submitting a copy of the Orange County Transportation Authority Investment and Debt Programs report to the Finance and Administration Committee. The report is for the month ending April 30, 2019.

***Attachment***

- A. Orange County Transportation Authority Investment and Debt Programs – For the Period Ending April 30, 2019.

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