



# **AGENDA**

## ***Finance and Administration Committee Meeting***

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### **Committee Members**

Andrew Do, Chairman  
Steve Jones, Vice Chairman  
Michael Hennessey  
Richard Murphy  
Miguel Pulido  
Todd Spitzer  
Michelle Steel

Orange County Transportation Authority  
Headquarters  
550 South Main Street  
Board Room – Conf. Room 07  
Orange, California

**Wednesday, September 27, 2017 at 10:30 a.m.**

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Committee may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

All documents relative to the items referenced in this agenda are available for public inspection at [www.octa.net](http://www.octa.net) or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

### **Call to Order**

#### **Pledge of Allegiance**

Director Steel

#### **1. Public Comments**

### **Special Calendar**

There are no Special Calendar matters.



## **Consent Calendar (Items 2 through 5)**

All items on the Consent Calendar are to be approved in one motion unless a Committee Member or a member of the public requests separate action or discussion on a specific item.

### **2. Approval of Minutes**

Approval of the minutes of the Finance and Administration Committee for September 13, 2017.

### **3. Orange County Treasurer's Management Report - August 2017**

Rodney Johnson/Andrew Oftelie

#### **Overview**

The Orange County Transportation Authority invests a portion of its liquid portfolio in the Orange County Investment Pool. Each month the Orange County Treasurer publishes a comprehensive report detailing the composition of the pool and the prevailing economic and market conditions. The attached Treasurer's Management Report for the Orange County Investment Pool is for the month ending August 31, 2017. The report has been reviewed and is consistent with the investment practices of the Orange County Treasurer.

#### **Recommendation**

Receive and file as an information item.

### **4. Local Agency Investment Fund - August 2017**

Rodney Johnson/Andrew Oftelie

#### **Overview**

The Orange County Transportation Authority invests a portion of its liquid portfolio in the State of California Local Agency Investment Fund. Each month, the State Treasurer's office publishes a report detailing the composition of the pool. The attached summary statements from the report are for the month ending August 31, 2017. The report has been reviewed and is consistent with the investment practices of the State Treasurer's Office.

#### **Recommendation**

Receive and file as an information item.



**5. Amendment to Purchase Order for Cloud-Based Recruitment Software**  
Karen DeCrescenzo /Maggie McJilton

**Overview**

On June 12, 2017, the Board of Directors approved sole source procurements for software and hardware licensing, maintenance, and emergency support. A one-year purchase order was issued to iCIMS, Inc. as part of the approved sole source procurements list. A 12-month purchase order with iCIMS, Inc. is to provide cloud-based recruitment software licensing, maintenance, and support services for the Human Resources Department. Board of Directors' approval is requested to amend the current purchase order to extend the contract term and increase the maximum cumulative payment obligation.

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Purchase Order A36775 between the Orange County Transportation Authority and iCIMS, Inc., in the amount of \$77,107, for continued use of cloud based recruitment software, for an additional two years through October 31, 2019. This will increase the maximum cumulative payment obligation to a total of \$115,661.

**Regular Calendar**

**6. Fiscal Year 2017-18 Metrolink Budget Amendment**  
Andrew Oftelie/Victor Velasquez

**Overview**

The Southern California Regional Rail Authority recently informed the Orange County Transportation Authority that \$6,000,000 in Federal Transit Administration funds is unavailable to offset the Fiscal Year 2017-18 member agency contribution due to the timing of the grant application processes.

**Recommendation**

Amend the Orange County Transportation Authority Fiscal Year 2017-18 budget by \$6,000,000, to enable Orange County Transportation Authority to pay its fiscal year 2017-18 member agency contribution to Southern California Regional Rail Authority.



**Discussion Items**

- 7. Chief Executive Officer's Report**
- 8. Committee Members' Reports**
- 9. Closed Session**

There are no Closed Session items scheduled.

**10. Adjournment**

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, October 11, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.

**Committee Members Present**

Andrew Do, Chairman  
Steve Jones, Vice Chairman  
Michael Hennessey  
Richard Murphy  
Miguel Pulido  
Todd Spitzer  
Michelle Steel

**Staff Present**

Darrell Johnson, Chief Executive Officer  
Ken Phipps, Deputy Chief Executive Officer  
Laurena Weinert, Clerk of the Board  
Gina Claridge, Deputy Clerk of the Board  
James Donich, General Counsel  
OCTA Staff and Members of the General Public

**Committee Members Absent**

None

**Call to Order**

The September 13, 2017 regular meeting of the Finance and Administration Committee was called to order by Committee Chairman Do at 10:31 a.m.

**Pledge of Allegiance**

Director R. Murphy led in the Pledge of Allegiance.

**1. Public Comments**

There were no public comments received.

**Special Calendar**

There were no Special Calendar matters.

**Consent Calendar (Items 2 through 10)****2. Approval of Minutes**

A motion was made by Director R. Murphy, seconded by Committee Vice Chairman Jones, and declared passed by those present, to approve the minutes of the Finance and Administration Committee for August 23, 2017.

Board Chairman Hennessey and Director Pulido were not present to vote on this item.



**3. Audit of State Transportation Improvement Program Planning, Programming and Monitoring Program, Program Fiscal Year 2014-2015**

A motion was made by Director R. Murphy, seconded by Committee Vice Chairman Jones, and declared passed by those present, to receive and file as an information item.

Board Chairman Hennessey and Director Pulido were not present to vote on this item.

**4. Transit Police Services, Internal Audit Report No. 17-512**

A motion was made by Director R. Murphy, seconded by Committee Vice Chairman Jones, and declared passed by those present, to receive and file Transit Police Services, Internal Audit Report No. 17-512, as an information item.

Board Chairman Hennessey and Director Pulido were not present to vote on this item.

**5. Investments: Compliance, Controls, and Reporting, January 1 through June 30, 2017**

Committee Chairman Do pulled this item to inquire on how staff will enhance the review procedures.

Janet Sutter, Executive Director of Internal Audit, responded that a secondary review on every line item will be performed.

Kirk Avila, Treasurer and General Manager of the 91 Express Lanes, responded that most of the process is automated through software and some is manual which is why the error occurred.

A motion was made by Committee Chairman Do, seconded by Director R. Murphy, and declared passed by those present, to direct staff to implement one recommendation provided in Investments: Compliance, Controls, and Reporting, January 1 through June 30, 2017, Internal Audit Report No. 18-501.

Board Chairman Hennessey and Director Pulido were not present to vote on this item.



**6. Communications by Independent Financial Statement Auditor**

A motion was made by Director R. Murphy, seconded by Committee Vice Chairman Jones, and declared passed by those present, to receive and file as an information item.

Board Chairman Hennessey and Director Pulido were not present to vote on this item.

**7. Local Agency Investment Fund - July 2017**

A motion was made by Director R. Murphy, seconded by Committee Vice Chairman Jones, and declared passed by those present, to receive and file as an information item.

Board Chairman Hennessey and Director Pulido were not present to vote on this item.

**8. Orange County Treasurer's Management Report - July 2017**

A motion was made by Director R. Murphy, seconded by Committee Vice Chairman Jones, and declared passed by those present, to receive and file as an information item.

Board Chairman Hennessey and Director Pulido were not present to vote on this item.

**9. Excess Liability Insurance Renewal**

A motion was made by Director R. Murphy, seconded by Committee Vice Chairman Jones, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A38039, not to exceed \$700,000, to Marsh Risk and Insurance Services, Inc., to purchase excess liability insurance on behalf of the Orange County Transportation Authority for the policy period of November 1, 2017 to November 1, 2018.

Board Chairman Hennessey and Director Pulido were not present to vote on this item.



**10. Excess Workers' Compensation Insurance Policy**

A motion was made by Director R. Murphy, seconded by Committee Vice Chairman Jones, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A38038, not to exceed \$500,000, to Marsh Risk and Insurance Services Inc., to purchase excess workers' compensation insurance on behalf of the Orange County Transportation Authority for the policy period of October 1, 2017 to October 1, 2018.

Board Chairman Hennessey and Director Pulido were not present to vote on this item.

**Regular Calendar**

**11. Contracted Fixed Route Operations, Internal Audit Report No. 17-508**

Janet Sutter, Executive Director of Internal Audit, provided an overview on the following:

- Undisclosed change to on-time performance (OTP) measurement standards not consistent with Agreement No. C-4-1737;
- Waived penalties related to required preventive maintenance inspections;
- Waived penalties for missed Orange County fair trips;
- Contract and amendment errors;
- Monitoring of contract performance bond and insurance requirements; and
- Monitoring and enforcement of contract requirements.

A lengthy discussion ensued regarding, transparency, review of middle management reporting, audit timing and staff cooperation, taxpayer assets, public safety, integrity of reporting, internal procedures for penalty waivers, and debundling future large scale contracts.

Committee Chairman Do requested information regarding what preventive maintenance inspections include and the average age of the bus fleet operated by First Transit.





**11. (Continued)**

A motion was made by Board Chairman Hennessey to include Recommendation "A" and add Recommendations "B" and "C", seconded by Director R. Murphy, and declared passed by those present, to:

- A. Direct staff to implement six recommendations provided in Contracted Fixed-Route Operations, Internal Audit Report No. 17-508.
- B. Direct staff to write an internal procedure governing penalty waivers and approvals, then return to the Finance and Administration Committee with an update.
- C. Include a schedule of all penalties, incentives, and penalty waivers in the "Transit Division Performance Measurements Report."

Committee Vice Chairman Jones and Director Spitzer were not present to vote on this item.

**Discussion Items**

**12. Chief Executive Officer's Report**

Darrell Johnson, Chief Executive Officer, reported on the following:

- On September 5<sup>th</sup>, the Orange County Transportation Authority (OCTA) launched the first Long-Range Transportation Plan (LRTP) survey. This survey allows the public to provide their thoughts and opinions and helps staff prioritize future transportation improvements.
- OCTA is hosting two planning workshops next week to discuss the 2018 LRTP. The first workshop will be on Tuesday, September 19<sup>th</sup> at 8:30 a.m. and will include planning directors from cities throughout Orange County. The second workshop will be for local elected officials and will take place on Wednesday, September 20<sup>th</sup> at 8:30 a.m. This is a follow-up to the elected officials' workshop OCTA hosted in May that focused on the Transit Master Plan.
- OCTA is hosting an event to promote the launch of the Santa Ana College Pass Program on Friday, September 15<sup>th</sup> at 11:30 a.m. at the Santa Ana College. Chairman Hennessey, Directors Do and Shaw will be attending, along with college executives and student body representatives.



**13. Committee Members' Reports**

Board Chairman Hennessey stated that if the auditors would like to speak to him in regards to agenda Item 6, he is available.

**14. Closed Session**

There were no Closed Session items scheduled.

**15. Adjournment**

The meeting adjourned at 11:30 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, September 27, 2017**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.

ATTEST

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Andrew Do  
Committee Chairman

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Gina Claridge  
Deputy Clerk of the Board



**September 27, 2017**

**To:** Finance and Administration Committee  
**From:** Darrell Johnson, Chief Executive Officer  
**Subject:** Orange County Treasurer's Management Report - August 2017

**Overview**

The Orange County Transportation Authority invests a portion of its liquid portfolio in the Orange County Investment Pool. Each month the Orange County Treasurer publishes a comprehensive report detailing the composition of the pool and the prevailing economic and market conditions. The attached Treasurer's Management Report for the Orange County Investment Pool is for the month ending August 31, 2017. The report has been reviewed and is consistent with the investment practices of the Orange County Treasurer.

**Recommendation**

Receive and file as an information item.

**Discussion**

As of August 31, 2017, the book value of the Orange County Investment Pool (OCIP) Money Market Fund was \$912,768,459 with a monthly gross yield of 1.03 percent and a month-end average days to maturity of 57 days. The OCIP Extended Fund book value was \$5,986,775,413 with a monthly gross yield of 1.13 percent and a month-end average days to maturity of 454 days. The Orange County Transportation Authority's month-end balance in the OCIP was \$50,142; the combined pool had a monthly gross yield of 1.11 percent and month-end average days to maturity of 361 days.

During August, there were two changes to the Treasurer's Approved Issuer List. On August 22, 2017, the long-term issuer credit rating of both Berkshire Hathaway Inc. and Berkshire Hathaway Finance were removed from CreditWatch Negative and placed on Stable Outlook by Standard & Poor's. The two issuers will remain on hold until reviewed by the Credit Investment Committee. Both the Money Market Fund and the Extended Fund were in compliance at month-end. Pages 26 through 82 containing investment inventory

are not included in the attachment. Copies of OCIP's investment inventory reports are available upon request.

***Summary***

The Orange County Transportation Authority is submitting a copy of the Orange County Treasurer's Management Report to the Finance and Administration Committee. The report is for the month ending August 31, 2017.

***Attachment***

- A. Treasurer's Monthly Investment Report – August 31, 2017

**Prepared by:**



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Rodney Johnson  
Deputy Treasurer  
Treasury/Toll Roads  
(714) 560-5675

**Approved by:**



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Andrew Oftelie  
Executive Director,  
Finance and Administration  
(714) 560-5649

*Treasurer's Monthly*  
**INVESTMENT**  
AUGUST 2017 **REPORT**

From the Office of  
SHARI L. FREIDENRICH, CPA, CCMT, CPFA, ACPFIM  
Orange County Treasurer



COUNTY OF ORANGE

**TREASURER'S INVESTMENT REPORT  
For August 31, 2017**

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OFFICE OF THE TREASURER-TAX COLLECTOR  
SHARI L. FREIDENRICH, CPA, CCMT, CPFA, ACPFIM



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**INTERDEPARTMENTAL COMMUNICATION**

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**Date:** September 18, 2017  
**To:** Supervisor Michelle Steel, Chairwoman  
Supervisor Andrew Do, Vice-Chair  
Supervisor Todd Spitzer  
Supervisor Shawn Nelson  
Supervisor Lisa Bartlett  
**From:** Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM   
**Subject:** Treasurer's Investment Report for the Month Ended August 31, 2017

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Attached please find the Treasurer's Investment Report for the County of Orange for the month ended August 31, 2017. The County Treasurer provides this report in compliance with California Government Code Sections 53607, 53646, and 27134 and the County's Investment Policy Statement (IPS). We have included some charts and other data for your information including charts on fund composition and the top ten pool participants. This report is also publicly available on our website at [ocgov.com/ocinvestments](http://ocgov.com/ocinvestments).

**INVESTMENT POOL COMPOSITION**

The investments contained within this report are as of August 31, 2017. The Investment Pool Statistics summary shows the total investment responsibility of the County Treasurer as delegated by the Board of Supervisors: the Orange County Investment Pool (OCIP) that includes the Voluntary Participants' funds, the Orange County Educational Investment Pool (OCEIP), the John Wayne Airport Investment Fund and various other non-Pooled investment funds. The investment practices and policies of the Treasurer are based on compliance with State law and prudent money management. The primary goal is to invest public funds in a manner which will provide maximum security of principal invested with secondary emphasis on providing adequate liquidity to Pool Participants and lastly to achieve a market rate of return within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds.

The County Treasurer established three Money Market Funds, the Orange County Money Market Fund, the Orange County Educational Money Market Fund, and the John Wayne Airport Investment Fund, which all are invested in cash-equivalent securities and provide liquidity for immediate cash needs. Standard & Poor's, on March 6, 2017, reaffirmed their highest rating of AAAM on the Orange County and the Educational Money Market Funds. The County Treasurer also established the Extended Fund that is invested to meet cash needs between one and five years out. The Orange County Investment Pool is comprised of the Orange County Money Market Fund and portions of the Extended Fund. The Orange County Educational Investment Pool is comprised of the Orange County Educational Money Market Fund and portions of the Extended Fund.

The maximum maturity of investments for the Orange County and Educational Money Market Funds is 13 months, with a maximum weighted average maturity (WAM) of 60 days, and they have a current WAM of 57 and 57, respectively. The maximum maturity of investments for the John Wayne Investment Fund is 15 months, with a maximum WAM of 90 days, and a current WAM of 79. The maximum maturity of the Extended Fund is five years, with duration not to exceed the Merrill Lynch 1-3 Year index +25% (2.36), and the duration is currently at 1.23. The investments in all of the funds are marked to market daily to determine the value of the funds. To further maintain safety, adherence to an investment strategy of only purchasing top-rated securities and diversification of instrument types and maturities is required.

**ECONOMIC UPDATE**

In August, the job market added 156,000 new jobs, and July's job numbers were revised downward by 20,000 to 189,000. The U.S. unemployment rate for August rose to 4.4%, up from 4.3% in July. U.S. gross domestic product

(GDP) rose at a 3.0% annualized rate in the second quarter of 2017, an increase from the July's rate of 2.6%. The Empire State Manufacturing Index rose to 25.2 from 9.8 in August, while the Philadelphia Fed Index decreased to 18.9 from 19.5 in August. The Federal Reserve uses these indexes as regional economic gauges, and a reading above zero signals economic expansion. With respect to housing, S&P/CaseShiller reported that housing prices continue to show positive momentum as year-over-year prices increased for the sixty-second consecutive month in June, up 5.77% from a year ago. The index for pending home sales decreased 0.5% on a year-over-year basis in July. The 10-year Treasury rate declined from 2.30% in July to 2.12% in August.

The short-term 90-day T-bill ended the month at 1.01%, down from 1.07% in July. The rate on the 2-year Treasury note was 1.33% at the end of August, down from 1.34% in July.

#### **INVESTMENT INTEREST YIELDS AND FORECAST**

The current gross interest yield year-to-date for fiscal year 2017/2018 is 1.10% for the OCIP and 1.09% for the OCEIP. The current net yield for fiscal year 2017/2018 is 1.04% and 1.03% respectively. The forecasted net yield for fiscal year 2017/2018 for both OCIP and OCEIP is 1.08%.

#### **APPORTIONMENT OF COMMINGLED POOL INTEREST EARNINGS**

Each month, the County Treasurer apportions the accrued interest earnings to each pool participant. As of the first business day of the following month accrued, but unpaid, interest earnings are added to pool participants' average balances in determining a participant's relative share of the pool's monthly earnings. The actual cash distribution will generally be paid in the month following. The August 2017 interest apportionment is expected to be paid by September 30, 2017. The investment administrative fee for fiscal year 2017/2018 is estimated at 6.0 basis points.

#### **TEMPORARY TRANSFERS**

The County Treasurer, as required by Constitution Article XVI, Section 6, and per the Board of Supervisor's Resolution 15-016, is authorized to make temporary transfers to school districts to address their short-term cash flow needs. The loans are secured by tax receipts to be received by the County Treasurer, as the banker for the school districts. There were no temporary transfers outstanding as of August 31, 2017.

#### **PORTFOLIO HOLDINGS OF DEBT ISSUED BY POOL PARTICIPANTS**

Under guidelines outlined in the current IPS, the County Treasurer may invest in "A" or above rated securities issued by municipalities. Municipal debt issued by the County of Orange is exempt from this credit rating requirement. The Investment Pools may invest no more than 5% of pool assets in any one issuer, with the exception of the County of Orange which has a 10% limit. The Investment Pools have a total market value of \$363.2 million in County of Orange debt, which represents approximately 4.4% of pooled assets. Prior to purchasing any pool participant debt, a standardized credit analysis is performed.

#### **COMPLIANCE SUMMARY**

The investment portfolios had no compliance exceptions for the month of August 2017. The Auditor-Controller issued their report on Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended June 30, 2017, which stated that no instances of noncompliance were identified.

#### **CREDIT UPDATE**

During August, there were two changes to the Treasurer's Approved Issuer List. S&P removed Berkshire Hathaway Inc. and Berkshire Hathaway Finance from CreditWatch Negative and placed them on Stable Outlook. An ongoing credit analysis of all issuers owned in the Investment Pools is reviewed on a daily, monthly, quarterly, and annual basis.

I certify that this report includes all pooled and non-pooled investments as of August 31, 2017 and is in conformity with all State laws and the IPS approved by the Board of Supervisors on November 22, 2016. The investments herein shown provide adequate liquidity to meet the next six months of projected cash flow requirements. I am available if you have any questions on this Investment Report at (714) 834-7625.

Enclosures

cc: Distribution List



ORANGE COUNTY TREASURER-TAX COLLECTOR  
SUMMARY OF INVESTMENT DATA  
INVESTMENT TRENDS

	AUGUST 2017	JULY 2017	INCREASE (DECREASE)	NET CHANGE %	AUGUST 2016	INCREASE (DECREASE)	NET CHANGE %
<b>Orange County Investment Pool (OCIP)</b>							
End Of Month Market Value <sup>1</sup>	\$ 3,887,687,886	\$ 3,747,344,022	\$ 140,343,864	3.75%	\$ 3,628,306,397	\$ 259,381,489	7.15%
End Of Month Book Value <sup>1</sup>	\$ 3,893,180,097	\$ 3,753,831,847	\$ 139,348,250	3.71%	\$ 3,623,106,533	\$ 270,073,564	7.45%
Monthly Average Balance <sup>2</sup>	\$ 3,811,920,907	\$ 3,959,368,022	\$ (147,447,115)	-3.72%	\$ 3,443,493,857	\$ 368,427,050	10.70%
Year-To-Date Average Balance <sup>2</sup>	\$ 3,885,644,464	\$ 3,959,368,022	\$ (73,723,556)	-1.86%	\$ 3,511,655,710	\$ 373,988,754	10.65%
Monthly Accrued Earnings <sup>3</sup>	\$ 3,597,928	\$ 3,646,310	\$ (48,383)	-1.33%	\$ 2,366,400	\$ 1,231,528	52.04%
Monthly Net Yield <sup>3</sup>	1.05%	1.02%	0.03%	2.93%	0.75%	0.31%	41.22%
Year-To-Date Net Yield <sup>3</sup>	1.04%	1.02%	0.01%	1.46%	0.73%	0.31%	41.75%
Annual Estimated Gross Yield <sup>4</sup>	1.14%	1.14%	0.00%	0.00%	0.87%	0.27%	31.03%
Weighted Average Maturity (WAM)	361	364	(3)	-0.82%	389	(28)	-7.20%
<b>Orange County Educational Investment Pool (OCEIP)</b>							
End Of Month Market Value <sup>1,2</sup>	\$ 4,343,104,770	\$ 4,624,742,969	\$ (281,638,199)	-6.09%	\$ 3,852,524,559	\$ 490,580,211	12.73%
End Of Month Book Value <sup>1,2</sup>	\$ 4,348,573,992	\$ 4,631,366,007	\$ (282,792,015)	-6.11%	\$ 3,847,579,575	\$ 500,994,417	13.02%
Monthly Average Balance <sup>2</sup>	\$ 4,502,682,483	\$ 4,739,317,357	\$ (236,634,874)	-4.99%	\$ 3,976,523,684	\$ 526,158,799	13.23%
Year-To-Date Average Balance <sup>2</sup>	\$ 4,620,999,920	\$ 4,739,317,357	\$ (118,317,437)	-2.50%	\$ 4,054,976,858	\$ 566,023,061	13.96%
Monthly Accrued Earnings <sup>3</sup>	\$ 4,225,782	\$ 4,335,290	\$ (109,507)	-2.53%	\$ 2,520,633	\$ 1,705,149	67.65%
Monthly Net Yield <sup>3</sup>	1.04%	1.02%	0.03%	2.76%	0.68%	0.36%	52.62%
Year-To-Date Net Yield <sup>3</sup>	1.03%	1.02%	0.01%	1.28%	0.66%	0.37%	55.52%
Annual Estimated Gross Yield <sup>4</sup>	1.14%	1.14%	0.00%	0.00%	0.87%	0.27%	31.03%
Weighted Average Maturity (WAM)	332	321	11	3.43%	349	(17)	-4.87%

<sup>1</sup> Market values provided by Bloomberg and Northern Trust. The OCIP and OCEIP market values in July and August 2017 are slightly lower than book values due to the recent Federal Reserve short-term rate increases, but both have a net asset value of 1.00 and have sufficient liquidity to meet projected cash flow needs.

<sup>2</sup> In August 2017, OCIP monthly and year-to-date average balances increased from the prior year primarily due to higher secured property tax receipts. OCEIP market value, book value, monthly and year-to-date average balances were higher than the prior year due to higher secured property tax receipts and a significant number of school and community college districts issuing bonds in 2017.

<sup>3</sup> In August 2017, OCIP and OCEIP monthly accrued earnings, monthly and year-to-date net yields were higher than the prior year primarily due to increases in the Federal Reserve short-term rate of 0.75 percent and higher average pool balances.

<sup>4</sup> The OCIP and OCEIP annual estimated gross yields for August 2016 are reported at the actual annual gross yields for FY 16/17, and their annual estimated gross yields for July 2017 are reported at the original forecasted gross yields of 1.14%. The OCIP and OCEIP annual estimated gross yields for FY 17/18 are higher than FY 16/17 primarily due to increases in the Federal Reserve short-term rate of 0.75 percent.

**ORANGE COUNTY TREASURER-TAX COLLECTOR**  
**INVESTMENT POOL STATISTICS**  
**FOR THE MONTH ENDED: August 31, 2017**

**INVESTMENT STATISTICS - By Investment Pool\***

DESCRIPTION	CURRENT BALANCES	Average Days to Maturity	Daily Yield as of 08/31/17	MONTHLY Gross Yield	Current NAV
<b>COMBINED POOL BALANCES (includes the Extended Fund)</b>					
Orange County Investment Pool (OCIP)	MARKET Value \$ 3,887,687,886 COST (Capital) \$ 3,899,745,848 MONTHLY AVG Balance \$ 3,811,920,907 BOOK Value \$ 3,893,180,097	361	1.13%	1.11%	1.00
Orange County Educational Investment Pool (OCEIP)	MARKET Value \$ 4,343,104,770 COST (Capital) \$ 4,355,019,114 MONTHLY AVG Balance \$ 4,502,682,483 BOOK Value \$ 4,348,573,992	332	1.12%	1.10%	1.00

**INVESTMENT STATISTICS - Non Pooled Investments \*\***

DESCRIPTION	CURRENT BALANCE	INVESTMENT BALANCES AT COST
<b>Specific Investment Funds:</b>		
100, 283, 505, 650 FVSD	MARKET Value \$ 86,539,582 COST (Capital) \$ 86,432,564 MONTHLY AVG Balance \$ 106,033,880 BOOK Value \$ 86,433,258	John Wayne Airport Investment Fund \$ 50,502,414 Fountain Valley School District Fund 40 34,848,650 Repurchase Agreement 1,081,500
		\$ 86,432,564

**MONTH END TOTALS**

INVESTMENTS & CASH		INVESTMENTS & CASH	
<b>COUNTY MONEY MARKET FUND (OCMMF)</b>			
County Money Market Fund	\$ 912,219,933	OCIP	\$ 3,907,214,218
County Cash	7,468,370	OCEIP	4,355,982,934
<b>EXTENDED FUND</b>	6,001,065,915	Specific Investment Funds	86,432,564
<b>EDUCATIONAL MONEY MARKET FUND (OCEMMF)</b>		Non-Pooled Cash	13,309,100
Educational Money Market Fund	1,341,479,114		
Educational Cash	963,820		
<b>NON-POOLED INVESTMENTS &amp; CASH</b>			
Non-Pooled Investments	86,432,564		
Non-Pooled Cash	13,309,100		
	\$ 8,362,938,816		\$ 8,362,938,816

**KEY POOL STATISTICS**

INTEREST RATE YIELD		WEIGHTED AVERAGE MATURITY (WAM)	
OCMMF - MONTHLY GROSS YIELD	1.03%	OCMMF	57
OCEMMF - MONTHLY GROSS YIELD	1.04%	OCEMMF	57
JOHN WAYNE AIRPORT - MONTHLY GROSS YIELD	1.03%	JOHN WAYNE AIRPORT WAM	79
OCIP - YTD NET YIELD***	1.04%	LGIP WAM (Standard & Poors)	42
OCEIP - YTD NET YIELD***	1.03%		
90-DAY T-BILL YIELD - MONTHLY AVERAGE	1.03%		

**ORANGE COUNTY TREASURER-TAX COLLECTOR**  
**INVESTMENT POOL STATISTICS**  
**FOR THE MONTH ENDED: August 31, 2017**

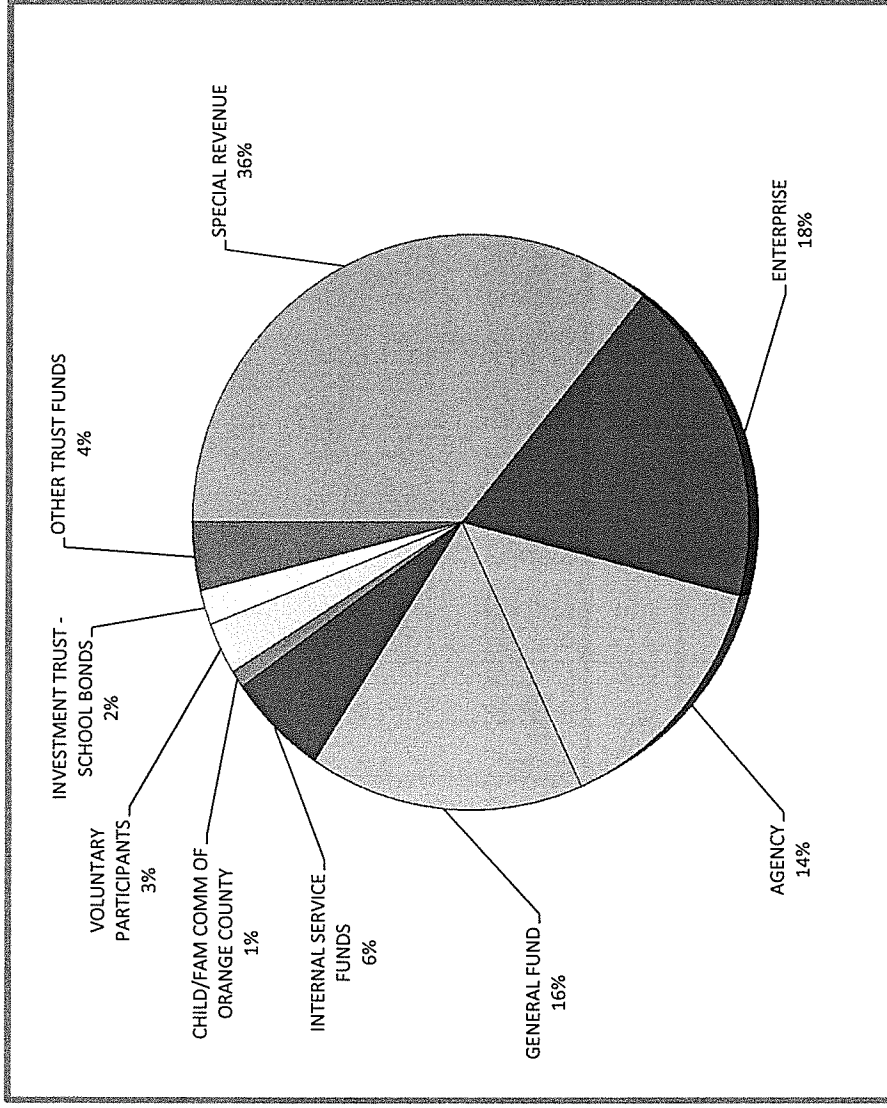
**INVESTMENT STATISTICS - By Investment Fund\*\*\*\***

DESCRIPTION	CURRENT BALANCES	Average Days to Maturity	Daily Yield as of 08/31/17	MONTHLY Gross Yield	Current NAV
<u>County Money Market Fund (OCMMF)</u>	MARKET Value \$ 912,746,691	57	1.03%	1.03%	1.00
	COST (Capital) \$ 912,219,933				
	MONTHLY AVG Balance \$ 855,300,237				
	BOOK Value \$ 912,768,459				
<u>Educational Money Market Fund (OCEMMF)</u>	MARKET Value \$ 1,342,259,072	57	1.04%	1.04%	1.00
	COST (Capital) \$ 1,341,479,114				
	MONTHLY AVG Balance \$ 1,489,142,483				
	BOOK Value \$ 1,342,210,217				
<u>Extended Fund</u>	MARKET Value \$ 5,975,786,893	454	1.16%	1.13%	1.00
	COST (Capital) \$ 6,001,065,915				
	MONTHLY AVG Balance \$ 5,970,160,670				
	BOOK Value \$ 5,986,775,413				
<b>ALLOCATION OF EXTENDED FUND</b>					
<u>Extended Fund</u> <i>OCIP Share</i>	MARKET Value \$ 2,974,941,195	454	1.16%	1.13%	1.00
	COST (Capital) \$ 2,987,525,915				
	MONTHLY AVG Balance \$ 2,956,620,670				
	BOOK Value \$ 2,980,411,638				
<i>OCEIP Share</i>	MARKET Value \$ 3,000,845,698	454	1.16%	1.14%	1.00
	COST (Capital) \$ 3,013,540,000				
	MONTHLY AVG Balance \$ 3,013,540,000				
	BOOK Value \$ 3,006,363,775				
<i>Modified Duration</i>	1.23				

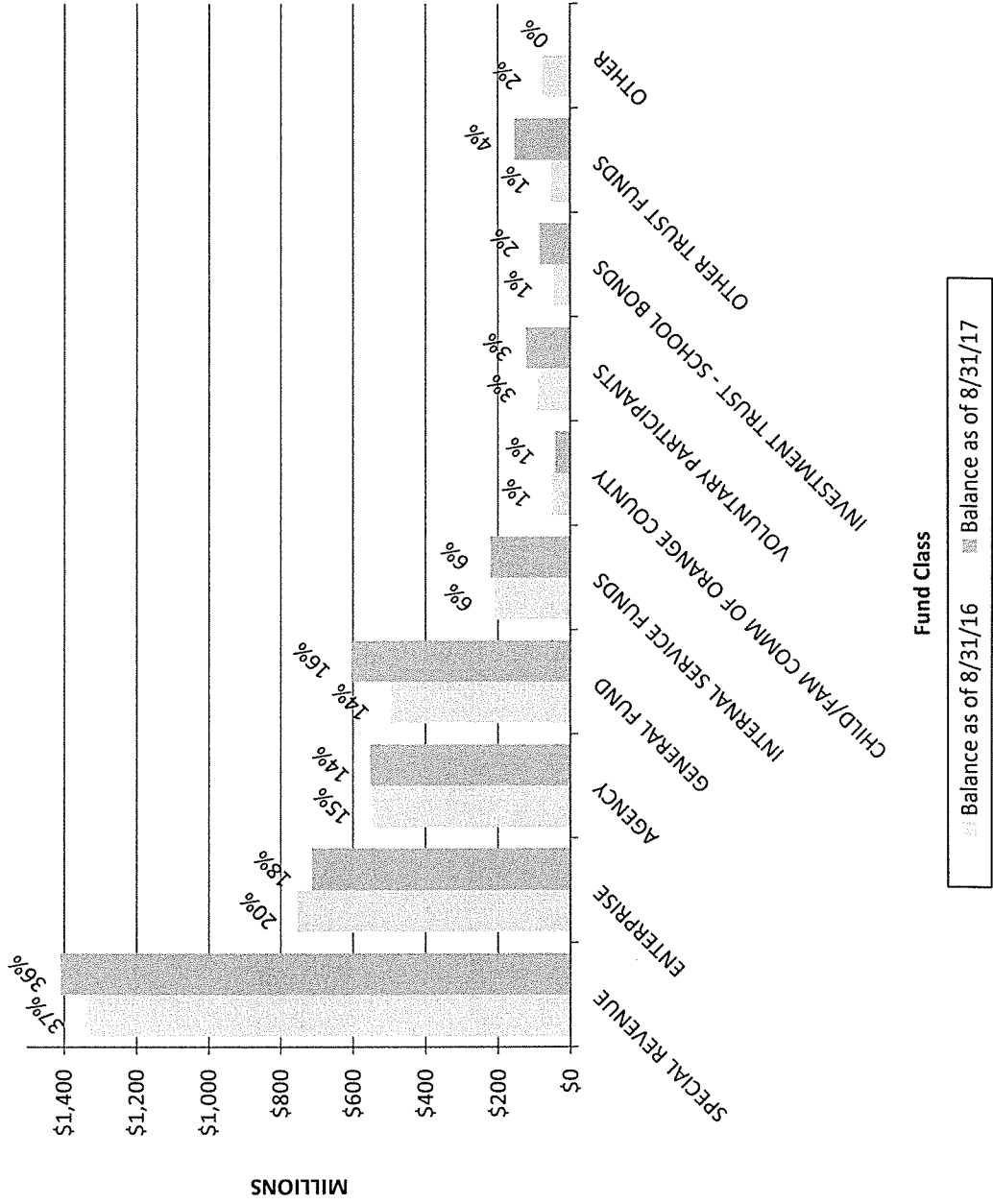
- \* The Combined Pool Balances include the County and Educational Money Market Funds and their respective portions of the Extended Fund.
- \*\* Specific non pooled investments are reported in compliance with Government Code Section 53646 (b)(1). Detailed descriptions are included in the inventory listing in Section VII of this report.
- \*\*\* The Net Yield differs from the monthly average yield as it includes the Treasury administrative fees.
- \*\*\*\* Book Value is computed as Cost reduced by amortization of premium and increased by the accretion of discount of the Investment Portfolio. Net Asset Value (NAV) is equal to Market Value divided by Book Value.

**ORANGE COUNTY INVESTMENT POOL  
COMPOSITION BY FUND  
AS OF AUGUST 31, 2017**

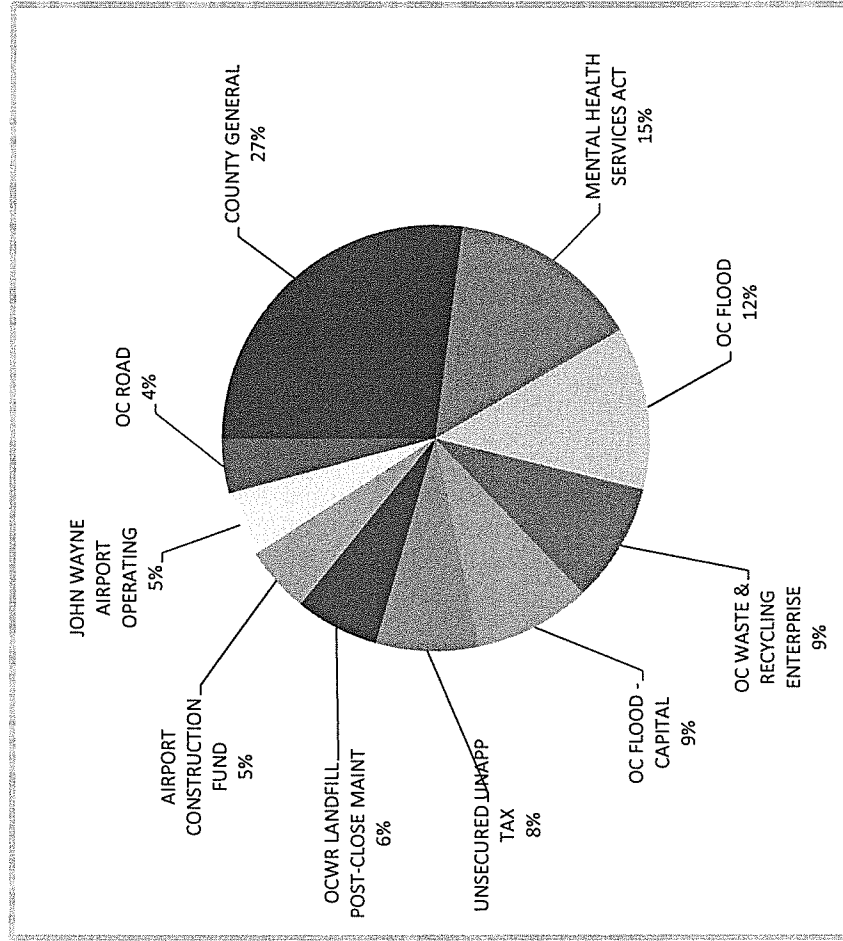
FUNDS	BALANCE
SPECIAL REVENUE	1,410,381,609
ENTERPRISE	713,427,105
GENERAL FUND	605,164,394
AGENCY	552,683,113
INTERNAL SERVICE FUNDS	221,521,124
VOLUNTARY PARTICIPANTS	122,445,842
INVESTMENT TRUST - SCHOOL BONDS	84,599,442
CHILD/FAM COMM OF ORANGE COUNTY	41,763,234
OTHER TRUST FUNDS	155,228,355
<b>TOTAL</b>	<b>\$ 3,907,214,218</b>



ORANGE COUNTY INVESTMENT POOL  
 COMPOSITION BY FUND  
 AS OF AUGUST 31



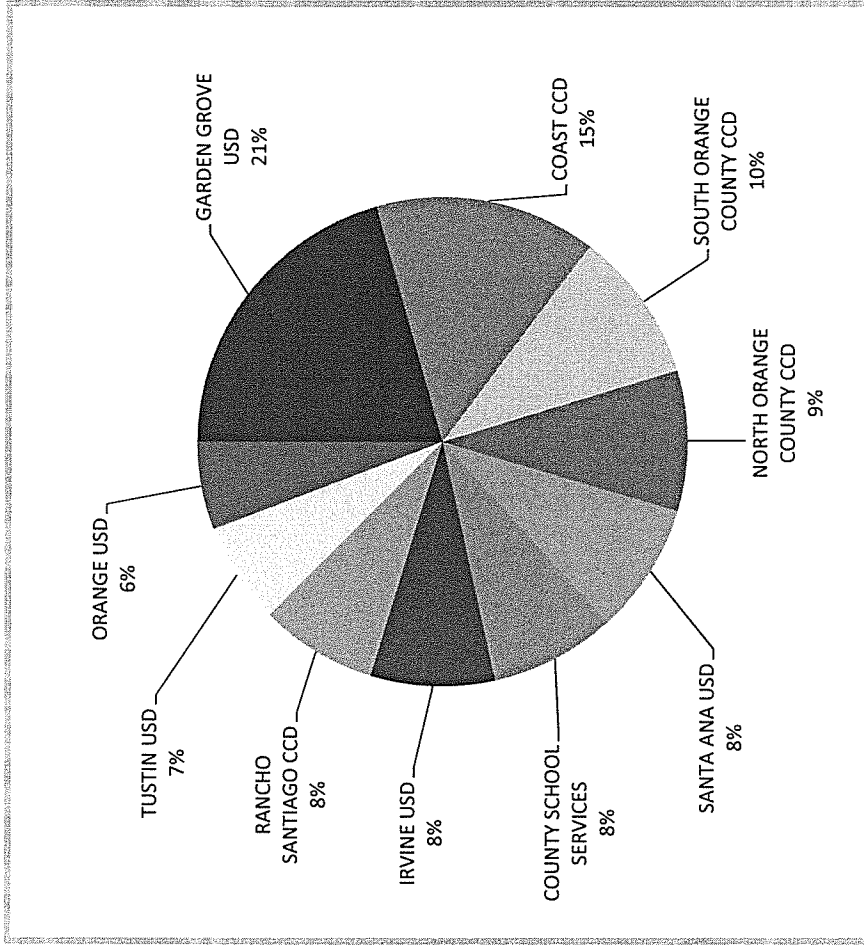
**ORANGE COUNTY INVESTMENT POOL  
TOP TEN POOL PARTICIPANTS  
AS OF AUGUST 31, 2017**



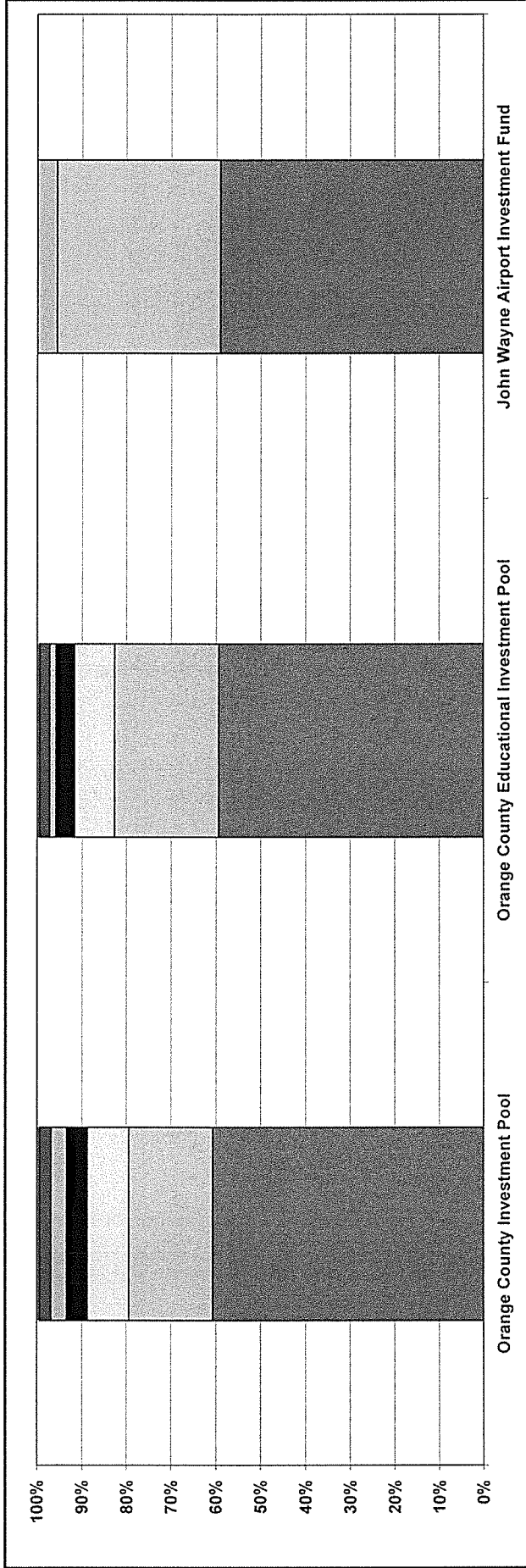
FUND #	FUND NAME	BALANCE
100	COUNTY GENERAL	\$ 559,589,084
13Y	MENTAL HEALTH SERVICES ACT	299,357,710
400	OC FLOOD	255,529,451
299	OC WASTE & RECYCLING ENTERPRISE	187,055,101
404	OC FLOOD - CAPITAL	181,772,795
674	UNSECURED UNAPP TAX	159,804,807
279	OCWR LANDFILL POST-CLOSE MAINT	132,611,883
281	AIRPORT CONSTRUCTION FUND	104,746,704
280	JOHN WAYNE AIRPORT OPERATING	101,970,974
115	OC ROAD	86,313,993
	<b>TOTAL</b>	<b>\$ 2,068,752,502</b>

**ORANGE COUNTY EDUCATIONAL INVESTMENT POOL  
TOP TEN POOL PARTICIPANTS  
AS OF AUGUST 31, 2017**

DISTRICT #	SCHOOL DISTRICT	BALANCE
72	GARDEN GROVE USD	\$ 577,638,573
90	COAST CCD	411,004,002
96	SOUTH ORANGE COUNTY CCD	279,995,608
88	NORTH ORANGE COUNTY CCD	260,952,041
84	SANTA ANA USD	241,035,765
94	COUNTY SCHOOL SERVICES	232,835,368
75	IRVINE USD	230,977,267
92	RANCHO SANTIAGO CCD	217,758,379
87	TUSTIN USD	186,971,221
80	ORANGE USD	163,276,034
	<b>TOTAL</b>	<b>\$ 2,802,444,258</b>



**ORANGE COUNTY TREASURER - TAX COLLECTOR**  
**BY INVESTMENT TYPE - By Percentage Holdings**  
**August 31, 2017**



**Orange County Investment Pool**

	In Thousands	%
U. S. GOVERNMENT AGENCIES	\$ 2,358,391	60.66%
U. S. TREASURIES	729,590	18.77%
MEDIUM - TERM NOTES	361,012	9.29%
MUNICIPAL DEBT	180,793	4.65%
MONEY MARKET MUTUAL FUNDS	134,786	3.47%
CERTIFICATES OF DEPOSIT	100,752	2.59%
LOCAL AGENCY INVESTMENT FUND	22,364	0.57%
<b>Total</b>	<b>\$ 3,887,688</b>	<b>100.00%</b>

**Orange County Educational Investment Pool**

	In Thousands	%
U. S. GOVERNMENT AGENCIES	\$ 2,580,338	59.43%
U. S. TREASURIES	1,010,173	23.26%
MEDIUM-TERM NOTES	389,475	8.97%
MUNICIPAL DEBT	182,367	4.20%
CERTIFICATES OF DEPOSIT	100,015	2.30%
MONEY MARKET MUTUAL FUNDS	58,178	1.34%
LOCAL AGENCY INVESTMENT FUND	22,559	0.50%
<b>Total</b>	<b>\$ 4,343,105</b>	<b>100.00%</b>

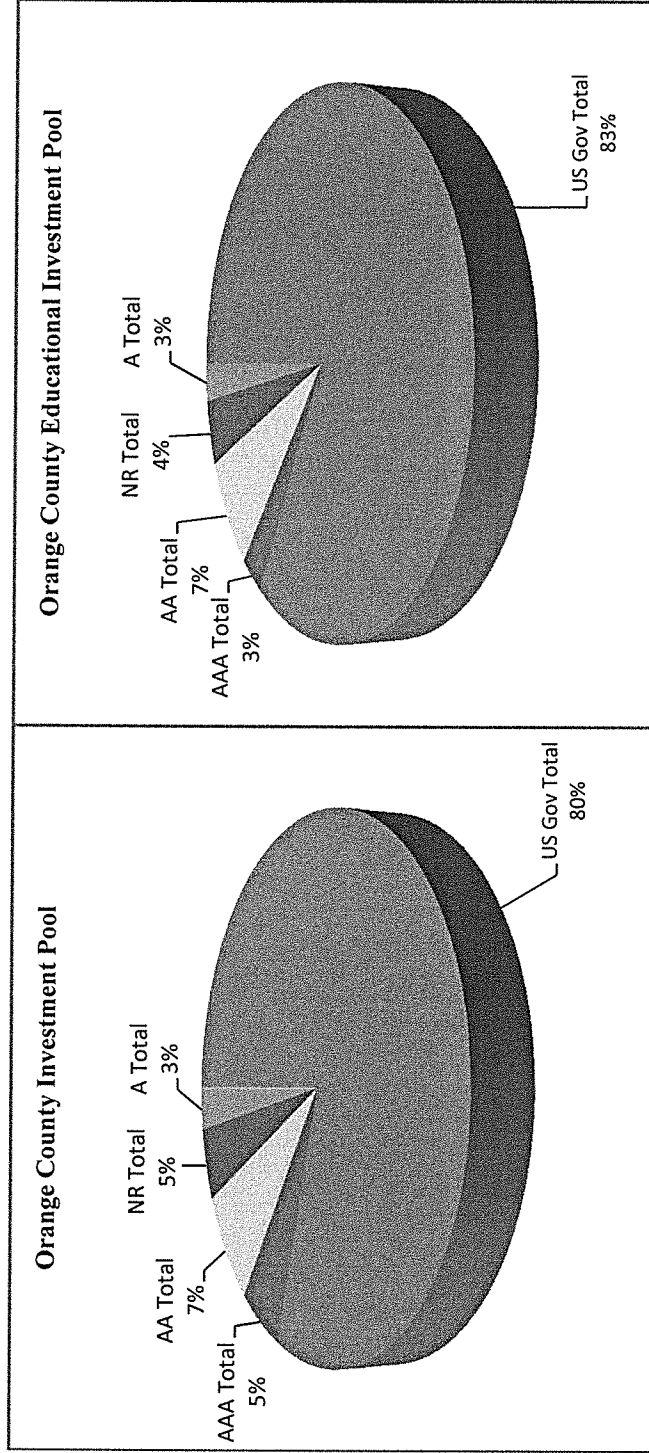
**John Wayne Airport Investment Fund**

	In Thousands	%
U. S. GOVERNMENT AGENCIES	\$ 29,879	59.10%
U. S. TREASURIES	18,481	36.55%
MONEY MARKET MUTUAL FUNDS	2,199	4.35%
<b>Total</b>	<b>\$ 50,559</b>	<b>100.00%</b>

Calculated Using Market Value at 8/31/17



**ORANGE COUNTY TREASURER - TAX COLLECTOR**  
**CREDIT QUALITY BY MARKET VALUE**  
 August 31, 2017



US GOV Includes Agency & Treasury Debt

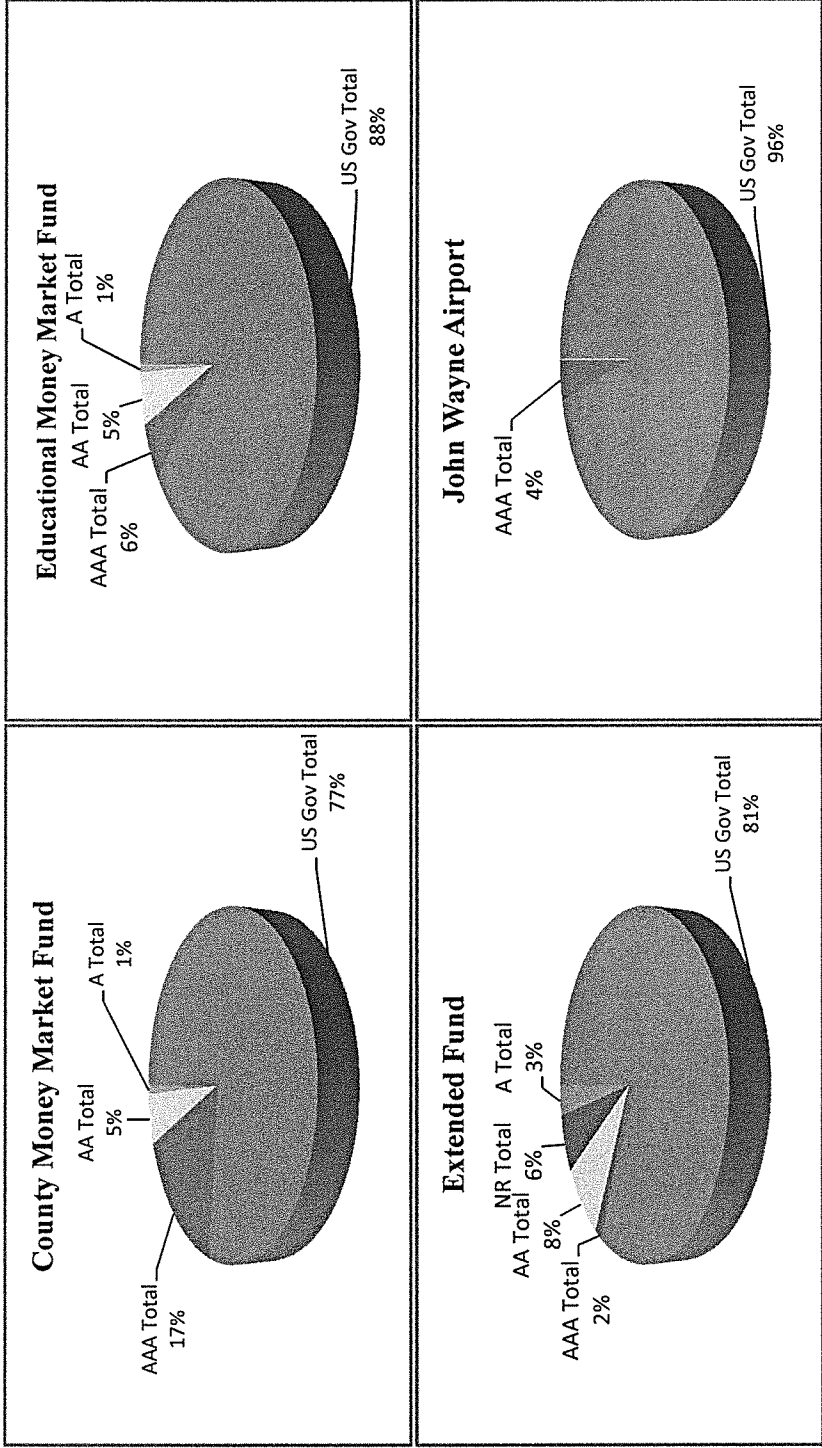
AA includes AA+, AA-, & AA

A includes A+, A-, & A

NR Includes LAIF and Orange County Pension Obligation Bonds Series 2017A

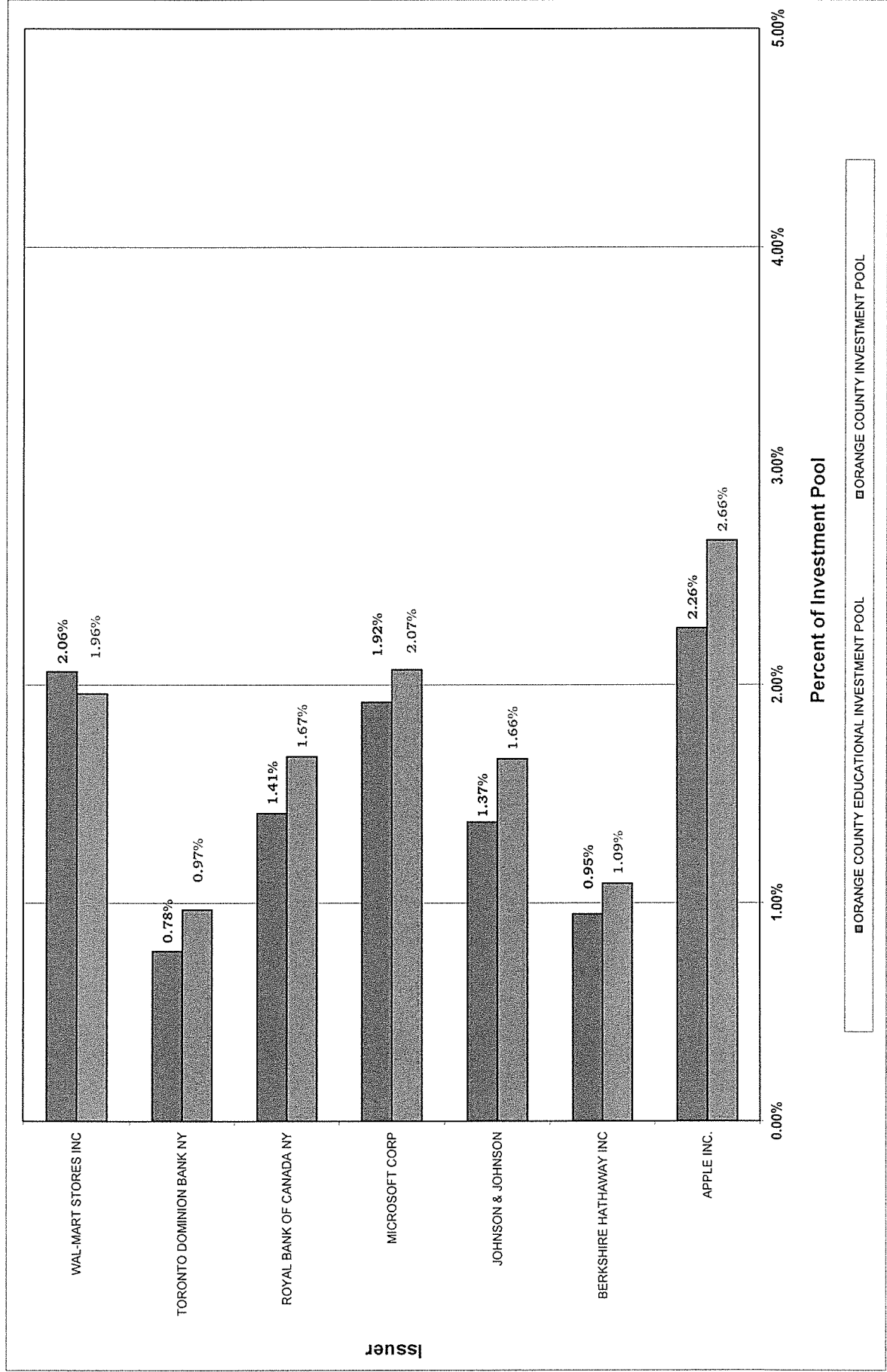
**ORANGE COUNTY TREASURER - TAX COLLECTOR**  
**CREDIT QUALITY BY MARKET VALUE**

August 31, 2017



US GOV Includes Agency & Treasury Debt  
 AA includes AA+, AA-, & AA  
 A includes A+, A-, & A  
 NR Includes LAIF and Orange County Pension Obligation Bonds Series 2017A

**ORANGE COUNTY TREASURER - TAX COLLECTOR**  
**ISSUER CONCENTRATION-By Investment Pool**  
 August 31, 2017



**ORANGE COUNTY TREASURER-TAX COLLECTOR**  
**APPROVED ISSUER LIST - OCIP, OCEIP, and JWA**

August 31, 2017

ISSUER	S/T RATINGS			L/T RATINGS		
	S&P	Moody's	Fitch	S&P	Moody's	Fitch
<b>U.S. TREASURY SECURITIES</b>						
U.S. GOVERNMENT	A-1+	P-1	F1+	AA+	Aaa	AAA
<b>U.S. GOVERNMENT AGENCY SECURITIES</b>						
FEDERAL NATIONAL MORTGAGE ASSOCIATION	A-1+	P-1	F1+	AA+	Aaa	AAA
FEDERAL HOME LOAN MORTGAGE CORPORATION	A-1+	P-1	F1+	AA+	Aaa	AAA
FEDERAL HOME LOAN BANKS	A-1+	P-1	NR	AA+	Aaa	NR
FEDERAL FARM CREDIT BANKS	A-1+	P-1	F1+	AA+	Aaa	AAA
<b>MEDIUM-TERM NOTES</b>						
APPLE INC	A-1+	P-1	NR	AA+	Aa1	NR
JOHNSON & JOHNSON	A-1+	P-1	F1+	AAA	Aaa	AAA
MICROSOFT CORPORATION *	A-1+	P-1	F1+	AAA	Aaa	AA+
WAL-MART STORES INC	A-1+	P-1	F1+	AA	Aa2	AA
<b>ISSUERS ON HOLD</b>						
ROYAL BANK OF CANADA NY (JULY, 2016) **	A-1+	P-1	F1+	AA-	A1	AA
TORONTO DOMINION BANK NY (MARCH, 2017) ***	A-1+	P-1	F1+	AA-	Aa2	AA-
BERKSHIRE HATHAWAY INC (JULY, 2017) ****	A-1+	P-1	NR	AA	Aa2	A+
BERKSHIRE HATHAWAY FINANCE (JULY, 2017) ****	NR	NR	NR	NR	Aa2	A+
<b>MUNICIPAL BONDS</b>						
ORANGE CNTY CA PENSION OBLG 2017 A	NR	NR	NR	NR	NR	NR
<b>STATE POOL - LOCAL AGENCY INVESTMENT FUND</b>						
LOCAL AGENCY INVESTMENT FUND	NR	NR	NR	NR	NR	NR
<b>MONEY MARKET MUTUAL FUNDS <sup>(1-1-2017)</sup></b>						
NAME OF FUND	S & P	Moody's	Fitch			
INVESCO GOVERNMENT & AGENCY SHORT-TERM INVESTMENTS TRUST (AIM)	AAAm	Aaa-mf	AAAmmf			
GOLDMAN SACHS FINANCIAL SQUARE GOVT FUND	AAAm	Aaa-mf	NR			
MORGAN STANLEY INSTITUTIONAL LIQUIDITY FUNDS - GOVT	AAAm	Aaa-mf	NR			
NORTHERN INSTITUTIONAL TREASURY PORTFOLIO	AAAm	NR	NR			

- \* On Negative Outlook (Moody's L/T rating - July 25, 2016).
- \*\* Moody's downgraded its L/T Rating from Aa3 to A1 on May 10, 2017 and kept the issuer rating Outlook on Negative. On Negative Outlook (S&P - June 6, 2016; Fitch - January 25, 2016, Moody's - June 11, 2014).
- \*\*\* Moody's downgraded its L/T Rating from Aa1 to Aa2 on May 10, 2017 and kept the issuer rating Outlook on Negative. On Negative Outlook (Moody's - June 11, 2014).
- \*\*\*\* S&P removed its CreditWatch Negative from its L/T Rating and was placed on Stable Outlook on August 22, 2017. The issuer will remain on hold until reviewed by the Credit Investment Committee.
- \*\*\*\*\* All money market funds are institutional money market funds investing in debt issued or guaranteed by the U.S. Government and its agencies.

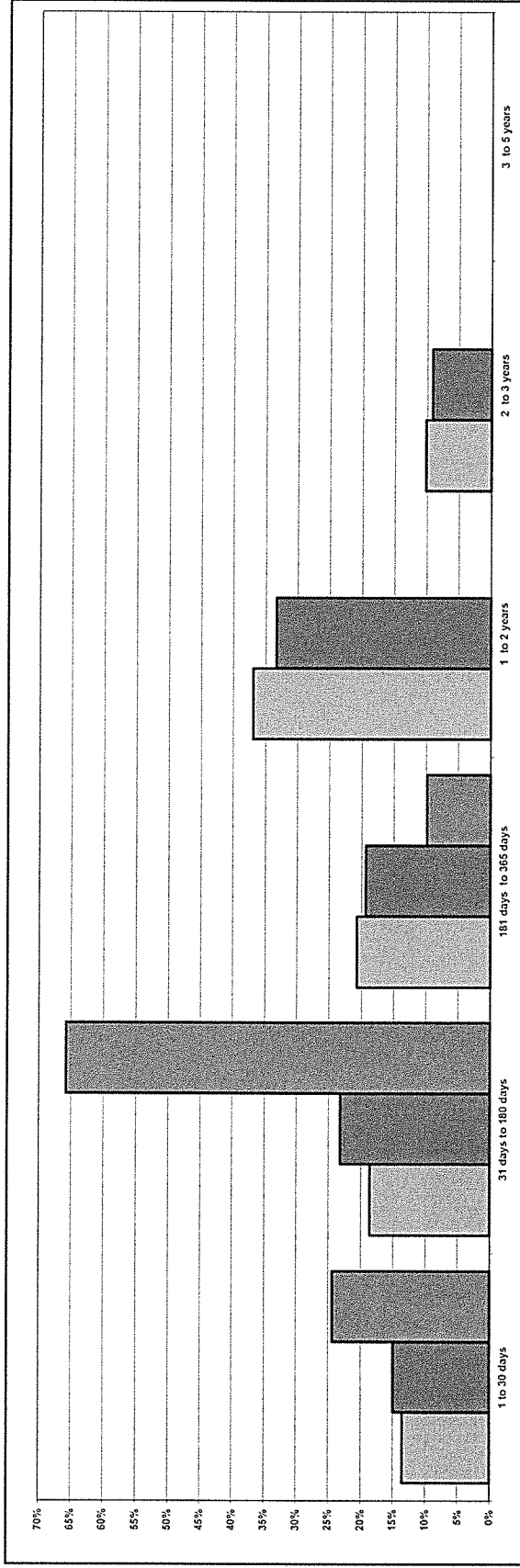
**Orange County Treasurer-Tax Collector**  
**Changes in Approved Issuer's List**  
**For the Month Ended August 31, 2017**

During August, there were two changes to the Treasurer's Approved Issuer List:

- On August 22, 2017, the L/T issuer credit rating of both Berkshire Hathaway Inc. and Berkshire Hathaway Finance were removed from CreditWatch Negative and placed on Stable Outlook by Standard & Poor's. The two issuers will remain on hold until reviewed by the Credit Investment Committee.

An ongoing credit analysis of all issuers owned in the Investment Pools is reviewed on a daily, monthly, quarterly, and annual basis.

**ORANGE COUNTY TREASURER - TAX COLLECTOR  
MATURITIES DISTRIBUTION  
August 31, 2017**



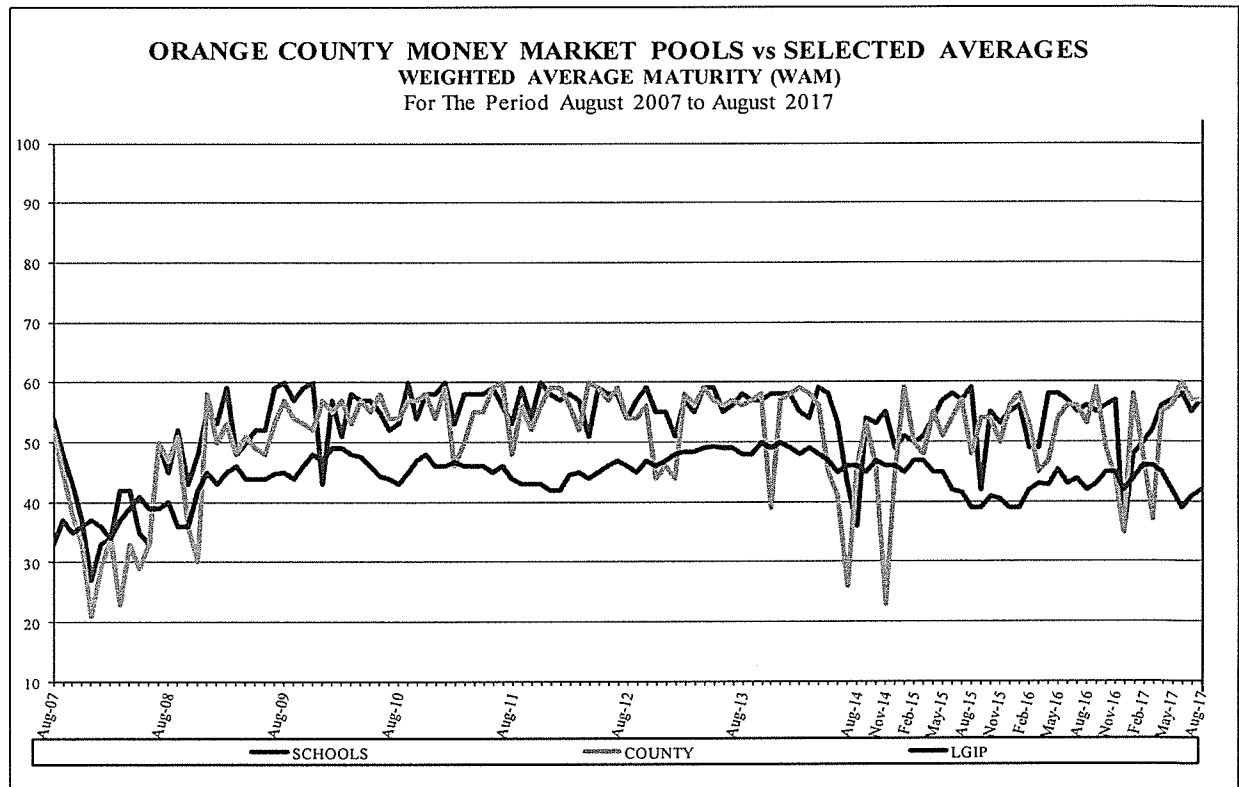
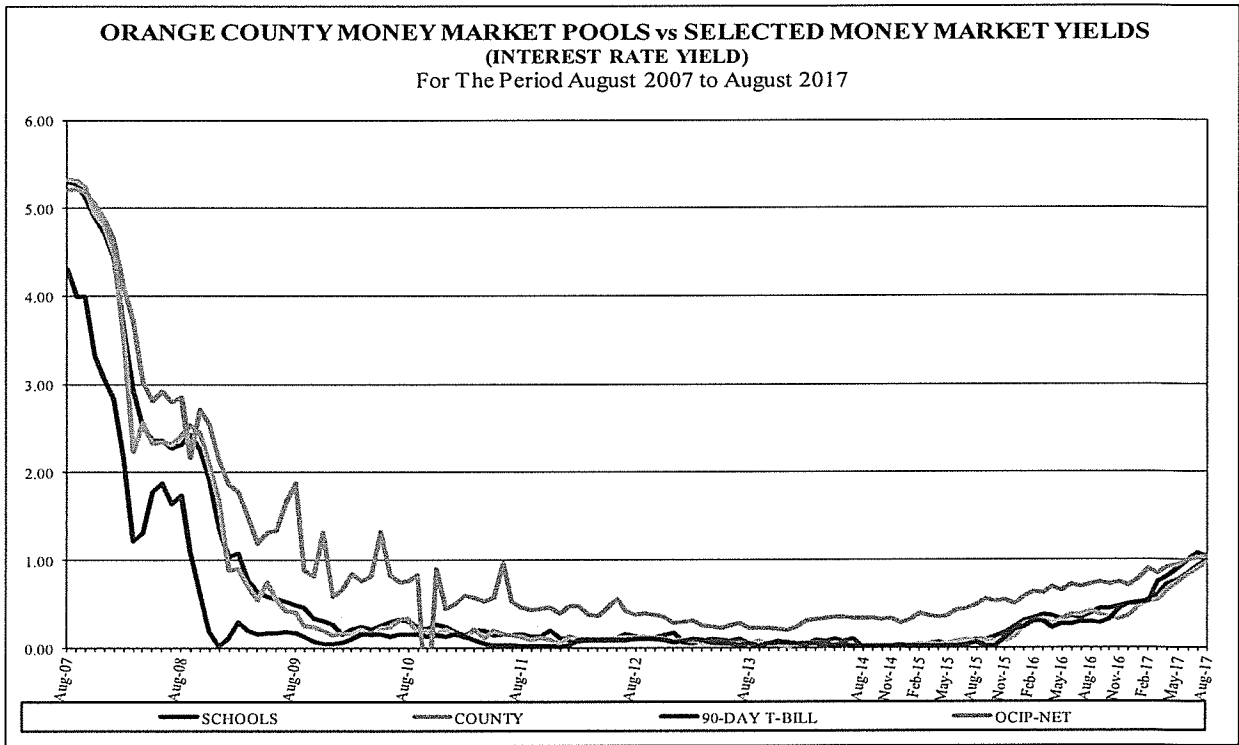
ORANGE COUNTY INVESTMENT POOL		In Thousands <sup>1,2</sup>	%
1 TO 30 DAYS	\$	527,443	13.56%
31 TO 180 DAYS	\$	724,382	18.61%
181 TO 365 DAYS	\$	806,043	20.72%
1 YEAR TO 2 YEARS	\$	1,436,904	36.93%
2 YEARS TO 3 YEARS	\$	395,923	10.18%
3 YEARS TO 5 YEARS	\$	-	0.00%
<b>TOTAL</b>	<b>\$</b>	<b>3,890,695</b>	<b>100.00%</b>

ORANGE COUNTY EDUCATIONAL INVESTMENT POOL		In Thousands <sup>1,2</sup>	%
1 TO 30 DAYS	\$	650,030	14.96%
31 TO 180 DAYS	\$	1,007,078	23.18%
181 TO 365 DAYS	\$	839,630	19.32%
1 YEAR TO 2 YEARS	\$	1,449,415	33.35%
2 YEARS TO 3 YEARS	\$	399,371	9.19%
3 YEARS TO 5 YEARS	\$	-	0.00%
<b>TOTAL</b>	<b>\$</b>	<b>4,345,524</b>	<b>100.00%</b>

JOHN WAYNE AIRPORT INVESTMENT FUND		In Thousands <sup>1,2</sup>	%
1 TO 30 DAYS	\$	12,324	24.34%
31 TO 180 DAYS	\$	33,300	65.78%
181 TO 365 DAYS	\$	5,000	9.88%
1 YEAR TO 2 YEARS	\$	-	0.00%
<b>TOTAL</b>	<b>\$</b>	<b>50,624</b>	<b>100.00%</b>

<sup>1</sup> Maturity Limits are calculated using face value. All final maturities are in compliance with the IPS during August.

<sup>2</sup> Floating Rate Notes are deemed to have a maturity date equal to their next interest reset date. At 8/31/2017, Floating Rate Notes comprise 0.00%, 0.02%, and 0.00% of the Orange County Investment Pool, Orange County Educational Investment Pool, and JWA Investment Fund respectively.



•As of August 31, 2017, S&P LGIP – 1.00; S&P LGIP WAM -42; 90-Day T-Bill – 1.03; OCIP – Net – 1.039

**ORANGE COUNTY TREASURER-TAX COLLECTOR**

**INVESTMENT POOL YIELDS**

September 1, 2016 - August 31, 2017

PERIOD ENDING - MONTH / YEAR	MONTH END MARKET VALUE	EARNINGS FOR MONTH	GROSS AVERAGE YIELD FOR MONTH	MONTH END WAM
<i>Current Month - August 2017</i>				
County Pool - Money Market Fund	\$ 912,746,691	\$ 748,603	1.03%	57
Educational Pool - Money Market Fund	\$ 1,342,259,072	\$ 1,320,805	1.04%	57
Extended Fund	\$ 5,975,786,893	\$ 5,754,302	1.13%	454
<i>July 2017</i>				
County Pool - Money Market Fund	\$ 925,588,577	\$ 869,951	0.96%	57
Educational Pool - Money Market Fund	\$ 1,625,874,675	\$ 1,449,778	0.99%	55
Extended Fund	\$ 5,820,623,739	\$ 5,661,871	1.13%	464
<i>June 2017</i>				
County Pool - Money Market Fund	\$ 1,127,901,842	\$ 1,015,069	0.90%	60
Educational Pool - Money Market Fund	\$ 1,821,324,948	\$ 1,188,057	0.91%	58
Extended Fund	\$ 5,876,238,402	\$ 5,545,780	1.14%	487
<i>May 2017</i>				
County Pool - Money Market Fund	\$ 1,559,912,721	\$ 1,190,993	0.81%	56
Educational Pool - Money Market Fund	\$ 1,631,429,543	\$ 1,157,267	0.82%	57
Extended Fund	\$ 5,888,812,000	\$ 5,545,463	1.10%	494
<i>April 2017</i>				
County Pool - Money Market Fund	\$ 1,928,898,078	\$ 1,427,058	0.72%	56
Educational Pool - Money Market Fund	\$ 1,810,058,617	\$ 946,118	0.78%	56
Extended Fund	\$ 5,884,169,552	\$ 5,396,950	1.11%	488
<i>March 2017</i>				
County Pool - Money Market Fund	\$ 1,742,756,895	\$ 707,012	0.60%	37
Educational Pool - Money Market Fund	\$ 1,278,498,097	\$ 590,948	0.66%	52
Extended Fund	\$ 5,874,437,878	\$ 5,301,507	1.06%	511
<i>February 2017</i>				
County Pool - Money Market Fund	\$ 1,420,356,645	\$ 588,259	0.58%	48
Educational Pool - Money Market Fund	\$ 1,036,250,434	\$ 539,611	0.60%	50
Extended Fund	\$ 5,876,196,444	\$ 5,010,710	1.11%	511
<i>January 2017</i>				
County Pool - Money Market Fund	\$ 1,243,000,623	\$ 626,367	0.53%	58
Educational Pool - Money Market Fund	\$ 1,309,895,173	\$ 772,307	0.57%	48
Extended Fund	\$ 5,872,382,548	\$ 4,846,757	0.99%	496
<i>December 2016</i>				
County Pool - Money Market Fund	\$ 1,787,873,393	\$ 656,440	0.43%	35
Educational Pool - Money Market Fund	\$ 1,995,546,428	\$ 627,945	0.56%	35
Extended Fund	\$ 5,491,524,471	\$ 4,550,093	0.96%	510
<i>November 2016</i>				
County Pool - Money Market Fund	\$ 1,263,748,930	\$ 397,303	0.38%	44
Educational Pool - Money Market Fund	\$ 1,123,417,366	\$ 433,001	0.53%	57
Extended Fund	\$ 5,538,702,888	\$ 4,384,832	0.96%	515
<i>October 2016</i>				
County Pool - Money Market Fund	\$ 1,262,431,238	\$ 351,585	0.41%	49
Educational Pool - Money Market Fund	\$ 978,305,500	\$ 469,767	0.51%	56
Extended Fund	\$ 5,497,309,348	\$ 4,298,117	0.92%	504
<i>September 2016</i>				
County Pool - Money Market Fund	\$ 751,801,815	\$ 278,284	0.46%	59
Educational Pool - Money Market Fund	\$ 1,220,526,096	\$ 498,234	0.46%	55
Extended Fund	\$ 5,494,463,600	\$ 4,191,758	0.93%	501
<b>Fiscal Year July 1, 2017 - June 30, 2018</b>				
	<b>Average Month End Market Value Balance</b>	<b>YTD Interest Income</b>	<b>YTD Gross Yield</b>	<b>YTD Average</b>
Orange County Investment Pool	\$ 3,817,515,954	\$ 7,244,238	1.10%	363
Orange County Educational Investment Pool	\$ 4,483,923,870	\$ 8,561,072	1.09%	326



**ORANGE COUNTY TREASURER-TAX COLLECTOR**  
**CASH AVAILABILITY PROJECTION**  
**FOR THE SIX MONTHS ENDING FEBRUARY 28, 2018**

Government Code Section 53646 (b) (3), effective on January 1, 1996, requires the Treasurer-Tax Collector to include a statement in the investment report, denoting the ability of the Orange County Investment Pool (OCIP) and the Orange County Educational Investment Pool (OCEIP) to meet their expenditure requirements for the next six months.

The OCIP and OCEIP consist of funds in the treasury deposited by various entities required to do so by statute, as well as those entities voluntarily depositing monies in accordance with Government Code Section 53684.

The Treasurer-Tax Collector is required to disburse monies placed in the treasury as directed by the Auditor-Controller and the Department of Education, except for the making of legal investments, to the extent funds are transferred to one or more clearing funds in accordance with Government Code Section 29808.

The Treasurer-Tax Collector, in her projection of cash availability to disburse funds as directed by the Auditor-Controller and the Department of Education, is primarily relying on historical trends involving deposits and withdrawals and known future cash flows. No representation is made as to an individual depositor's ability to meet their anticipated expenditures with anticipated revenues.

The Cash Availability Projection for the six months ending February 28, 2018, indicates the ability of the pools to meet projected cash flow requirements. However, there will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected and those differences may be material.

<b>ORANGE COUNTY INVESTMENT POOL</b>				
<b>Month</b>	<b>Investment Maturities</b>	<b>Projected Deposits</b>	<b>Projected Disbursements</b>	<b>Cumulative Available Cash</b>
August 2017 - Ending Cash				\$ 7,468,370
September	\$ 488,175,021	\$ 341,913,353	\$ 368,560,473	468,996,271
October	205,442,239	921,680,990	384,165,392	1,211,954,108
November	197,118,974	918,740,434	1,099,912,526	1,227,900,990
December	156,792,055	2,223,658,160	1,672,830,549	1,935,520,656
January	99,429,102	409,231,020	1,080,818,764	1,363,362,014
February 2018	154,718,614	404,572,553	273,332,807	1,649,320,374

<b>ORANGE COUNTY EDUCATIONAL INVESTMENT POOL</b>				
<b>Month</b>	<b>Investment Maturities</b>	<b>Projected Deposits</b>	<b>Projected Disbursements</b>	<b>Cumulative Available Cash</b>
August 2017 - Ending Cash				\$ 963,820
September	\$ 630,506,743	\$ 524,884,626	\$ 644,160,531	512,194,658
October	535,811,050	349,436,683	653,162,723	744,279,668
November	134,952,969	768,547,291	645,643,117	1,002,136,811
December	150,070,257	1,207,991,791	424,426,346	1,935,772,513
January	100,377,163	517,250,344	880,037,502	1,673,362,518
February 2018	152,063,531	250,602,011	646,872,842	1,429,155,218

**ORANGE COUNTY TREASURER-TAX COLLECTOR**  
**STATEMENT OF ACCOUNTABILITY**  
**For the Month Ended August 31, 2017**

	<b>Month</b>
<b>Treasurer's Accountability at the Beginning of the Period:</b>	<b><u>\$8,574,140,707</u></b>
<b>Cash Receipts:</b>	
County	576,026,918
School and Community College Districts	279,031,110
<b>Total Cash Receipts</b>	<b><u>855,058,028</u></b>
<b>Cash Disbursements:</b>	
County	432,611,774
School and Community College Districts	563,205,139
<b>Total Cash Disbursements</b>	<b><u>995,816,913</u></b>
<b>Net Change in Cost Value of Pooled Assets</b>	<b><u>(140,758,885)</u></b>
<b>Net (Decrease) in Non-Pooled Investments</b>	<b>(67,545,371)</b>
<b>Net (Decrease) in Non-Pooled Cash</b>	<b><u>(2,897,635)</u></b>
<b>Treasurer's Accountability at the End of the Period:</b>	<b><u>\$8,362,938,816</u></b>
<b>Assets in the Treasury at the End of the Period (at Cost Value):</b>	
<b>Pooled Investments:</b>	
O.C. Investment Pool	\$ 3,899,745,848
O.C. Educational Investment Pool	4,355,019,114
<b>Total Orange County Investment Pools</b>	<b><u>8,254,764,962</u></b>
<b>Non Pooled Investments:</b>	
Non-Pooled Investments - John Wayne Airport	50,502,414
Non-Pooled Investments - Fountain Valley School District Fund 40	34,848,650
Non-Pooled Investments - Other	1,081,500
<b>Total Non Pooled Investments</b>	<b><u>86,432,564</u></b>
<b>Cash:</b>	
Cash in banks - County	7,416,028
Cash in banks - Schools	963,820
Cash in banks - OC Sheriff	12,461,105
Cash in banks - John Wayne Airport	847,995
Cash - Other	52,342
<b>Total Cash</b>	<b><u>21,741,290</u></b>
<b>Total Assets in the Treasury at the End of the Period:</b>	<b><u>\$ 8,362,938,816</u></b>

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POLICY (IPS) COMPLIANCE SUMMARY  
August 31, 2017**

Investment Policy (IPS) Guidelines	Investment Type	County Money Market Fund		Extended Fund		Educational Money Market Fund		John Wayne Airport (JWA) Investment Fund	
		Market Value of Investments (1)	Percent of Portfolio	Market Value of Investments (1)	Percent of Portfolio	Market Value of Investments (1)	Percent of Portfolio	Market Value of Investments (1)	Percent of Portfolio
Diversification Limit									
30%	Negotiable Certificates of Deposit	\$ 1,600,232	0.18%	\$ 199,166,885	3.33%	\$ -	0.00%	\$ -	0.00%
40%	Commercial Paper	-	0.00%	-	0.00%	-	0.00%	-	0.00%
100%	U.S. Government Agencies	619,137,604	67.83%	3,493,650,775	58.46%	825,940,340	61.53%	29,878,583	59.10%
\$50MM	LAIF	-	0.00%	44,923,138	0.75%	-	0.00%	-	0.00%
30%	Medium-Term Notes	77,291,499	8.47%	569,911,776	9.54%	103,284,244	7.69%	-	0.00%
20%	Money Market Mutual Funds	134,785,673	14.77%	363,159,791	0.00%	58,177,672	4.33%	2,198,755	4.35%
30%	Municipal Debt	-	0.00%	-	0.00%	-	0.00%	-	0.00%
20%	Repurchase Agreement	-	0.00%	-	0.00%	-	0.00%	-	0.00%
30%	Supranationals	79,931,683	8.75%	1,304,974,528	21.84%	354,856,816	26.45%	18,480,934	36.55%
100%	U.S. Treasuries	\$ 912,746,691	100.00%	\$ 5,975,786,893	100.00%	\$ 1,342,259,072	100.00%	\$ 50,558,272	100.00%

Investment Policy (IPS) Guidelines	Compliance Category (Yes/No)	County Money Market Fund		Extended Fund		Educational Money Market Fund		John Wayne Airport (JWA) Investment Fund	
		Market Value of Investments (1)	Percent of Portfolio	Market Value of Investments (1)	Percent of Portfolio	Market Value of Investments (1)	Percent of Portfolio	Market Value of Investments (1)	Percent of Portfolio
5%	Percentage Limits								
20%	Issuer Limit	Yes		Yes		Yes		Yes	
50%	Money Market Mutual Fund Issuer Government Agencies Issuer	Yes (2)		N/A		Yes (2)		Yes (4)	
See Above	Diversification Limit	Yes		Yes		Yes		Yes	
60 Days	Maturity/Duration Limits	Yes/57.09		N/A		Yes/57.46		N/A	
90 Days	Weighted Average Maturity - Money Market Fund	N/A		N/A		N/A		Yes/78.86	
>Merrill 1-3 Year Index+25% (2.36)	Weighted Average Maturity - JWA Investment Fund	N/A		Yes/1.23		N/A		N/A	
13 Months/397 days	Duration (3)	N/A		N/A		Yes/318		N/A	
15 Months/456 days	Final Maturity - Money Market Fund	Yes/318		N/A		N/A		Yes/323	
5 Years/7826 days	Final Maturity - John Wayne Airport Investment Fund	N/A		Yes/1064		N/A		N/A	
A-1/≥ A	Quality Limits	Yes		N/A		Yes		Yes	
≥ A-1/P-1/F2	MMF Short Term/Long Term	Yes		N/A		Yes		Yes	
A-1/≥ AA (2)	Short Term Debt/No Split Ratings	Yes		N/A		Yes		Yes	
Approved Issuer List	Extended Fund Short Term/Long Term	N/A		Yes (6)		N/A		N/A	
Broker/Dealer List	Authorized Issuer	Yes		Yes		Yes		Yes	
0.995 - 1.005	Authorized Financial Dealer/Institution	Yes		Yes		Yes		Yes	
	Net Asset Value - Money Market Fund and JWA	Yes/1.0000		N/A		Yes/1.0000		Yes/1.0003	

(1) All investments are marked to market in compliance with the narrow valuation range prescribed by the IPS and market values are provided by Bloomberg Professional Services and Northern Trust.  
(2) Excludes US Government Debt per IPS policy approved by the Board of Supervisors on November 22, 2016.  
(3) Rating Agency requirements limit investment in each Money Market Mutual Fund to 10%.  
(4) GSE issuers rated 'AA-' or higher with final maturities of 30 days or less are excluded from the calculation of the 50% limit per IPS for the Extended Fund and the JWA Investment Fund and from the Rating Agency limit of 33% for the two Money Market Funds.  
(5) IPS states all pools, except short-term pools, shall have an effective duration not to exceed a leading 1-3 year index +25%. Duration provided above (1,23) is a modified duration which does not take into consideration all embedded options such as callable bonds or mortgage backed bonds. This presentation is not considered materially different from the effective duration requirement specified in IPS.  
(6) Securities issued by Royal Bank of Canada NY were rated above 'AA' at the time of purchase and are in compliance with IPS.  
NA Not applicable

Note: Compliance exceptions, if any, are noted by red shading for the specific IPS guideline and investment pool.

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY  
August 31, 2017**

COMPLIANCE CATEGORY	PERFORMED BY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	ACIA	Performance Evaluation-Cal Govt. Code 27134	Annual audit of calendar year 2015 completed.
Quarterly Schedule of Assets Review	ACIA	Performance Evaluation-Cal Govt. Code 26920(a)	March 31, 2017 completed.
Annual Schedule of Assets Audit	ACIA	Performance Evaluation-Cal Govt. Code 26920(b)	Annual audit as of June 30, 2016 completed.
Quarterly Continuous Compliance Auditing	ACIA	TOC Directive	June 30, 2017 completed.
Treasury Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	Annual review of fees for FY 14/15, FY 15/16 and FY 16/17 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Annual review of calendar year 2016 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	All 2017 IPS certifications received for active approved brokers (one broker removed).
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions/Form 700	FY 17/18 identified zero compliance incidents as of August 31, 2017.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made one change at the October 19, 2016 meeting. The BOS approved on November 22, 2016.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 19, 2016 meeting and did not make any additional changes. The BOS approved on November 22, 2016.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2016 Annual Report was presented to BOS on February 28, 2017.
Broker/Financial Institution List	TTC	OC Gift Ban Ordinance and Form 700	The TOC members were provided a list of active TTC Broker/Dealers and Financial Institutions at the TOC meeting on October 19, 2016.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance for calendar year 2017.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2016 (one submitted in January 2017).
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All TOC members and designated employees are in compliance for calendar year 2016. A designated employee submitted an Assuming Office Statement in calendar year 2017 late.

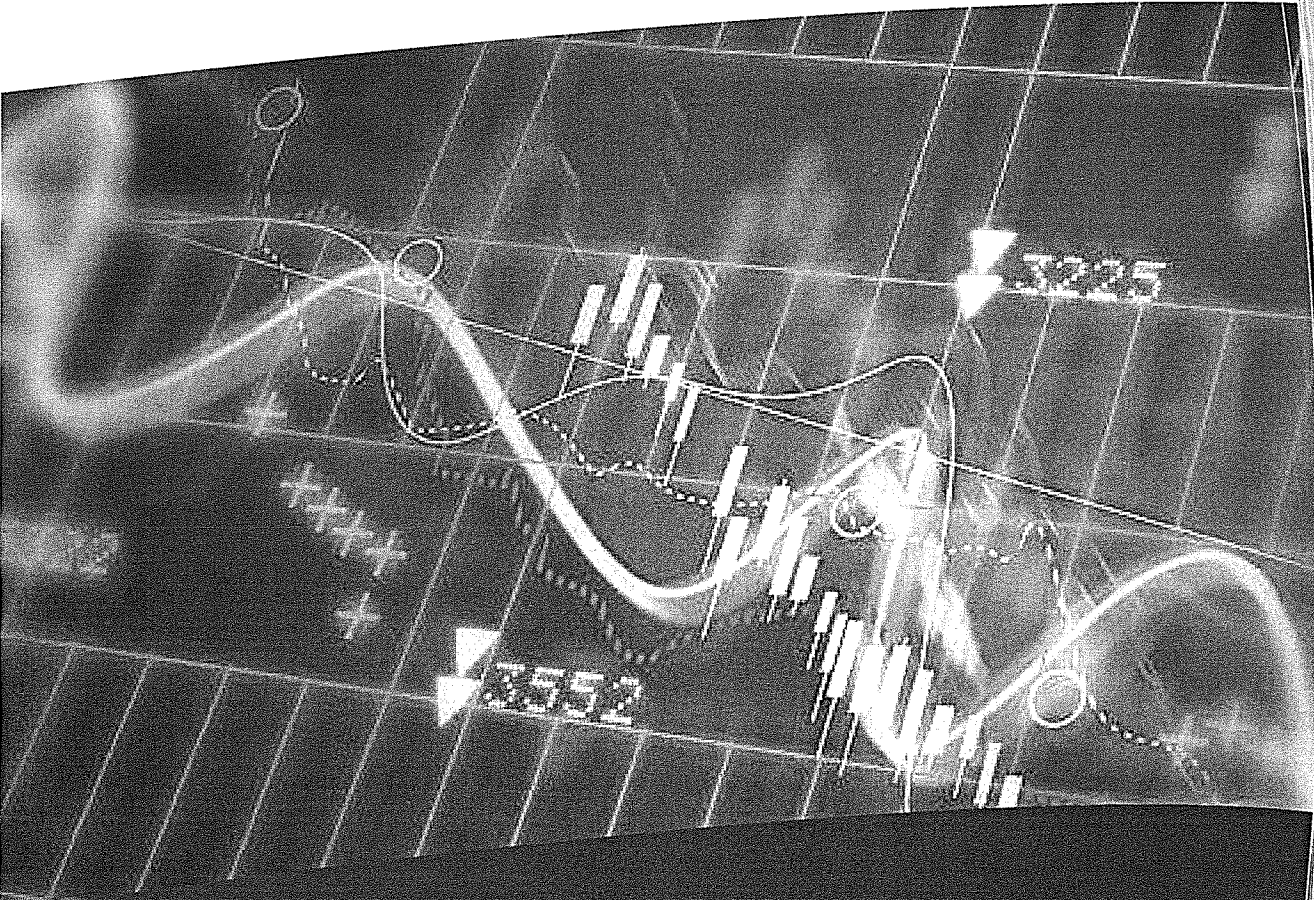
LEGEND	
Auditor-Controller Internal Audit	ACIA
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC

**Orange County Treasurer-Tax Collector  
Noncompliance Detail  
For the Month Ended August 31, 2017**

During August, the Orange County Investment Pool (OCIP), the Orange County Educational Investment Pool (OCEIP), and the John Wayne Airport Investment Fund were all free of noncompliance incidents.

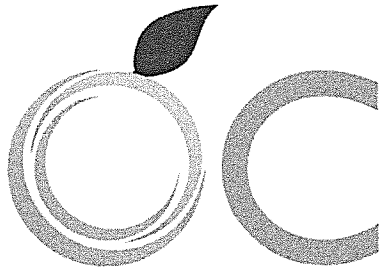


# Orange County Auditor-Controller Internal Audit



Compliance Monitoring of the  
Treasurer's Investment Portfolio for the  
Quarter Ended June 30, 2017

Audit Number 1618  
Report Date: August 8, 2017



O R A N G E C O U N T Y  
**AUDITOR-CONTROLLER**  
I N T E R N A L A U D I T

**Eric H. Woolery, CPA**  
**Orange County Auditor-Controller**

<b>Toni Smart, CPA</b>	<b>Director, Internal Audit</b>
<b>Scott Suzuki, CPA, CIA, CISA</b>	<b>Assistant Director</b>
<b>Carol Swe, CPA, CIA, CISA</b>	<b>Senior Audit Manager II</b>
<b>Michael Steinhaus, CPA, CGMA</b>	<b>Audit Manager I</b>
<b>Raquel Zubi, CPA</b>	<b>Auditor II</b>

**12 Civic Center Plaza, Room 200**  
**Santa Ana, CA 92701**

Auditor-Controller Website  
[www.ac.ocgov.com](http://www.ac.ocgov.com)





**ERIC H. WOOLERY, CPA**  
AUDITOR-CONTROLLER



**Transmittal Letter**

**Audit No. 1618**

**August 8, 2017**

**TO:** Members, Treasury Oversight Committee

**SUBJECT:** Compliance Monitoring of the Treasurer's Investment Portfolio  
For the Quarter Ended June 30, 2017

At the request of the Treasury Oversight Committee, we have completed the Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended June 30, 2017.

I submit an **Audit Status Report** quarterly to the Audit Oversight Committee (AOC) and a quarterly report to the Board of Supervisors (BOS) where I detail any critical or significant findings released in reports during the prior quarter and the implementation status of recommendations as disclosed by our Follow-Up Audits. Although there were no findings noted during this engagement, the results will be included in future status reports to the AOC and BOS.

Please feel free to call me should you wish to discuss any aspect of our report. Additionally, we request the department to complete a **Customer Survey** of Audit Services that will be sent shortly after the distribution of our final report.

Toni Smart, CPA, Director  
Auditor-Controller Internal Audit Division

**Attachment**

**Other recipients of this report:**

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Shari L. Freidenrich, Treasurer-Tax Collector
- Eric H. Woolery, Auditor-Controller
- Frank Kim, County Executive Officer
- Mark Malbon, Assistant Treasurer-Tax Collector
- Gary Nguyen, Director of Investments, Treasurer-Tax Collector – Treasury
- JC Squires, Financial Manager, Treasurer-Tax Collector – Treasury
- Jennifer Han, Accounting/Compliance Manager, Treasurer-Tax Collector – Treasury
- Robin Stieler, Clerk of the Board of Supervisors
- Foreperson, Grand Jury
- Macias Gini & O'Connell LLP, County External Auditor





# Table of Contents

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Treasurer's Investment Portfolio  
For the Quarter Ended June 30, 2017  
Audit No. 1618*

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# Internal Auditor's Report

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Audit No. 1618

August 8, 2017

Gary G. Capata, CPA, Chair, Public Member  
Treasury Oversight Committee  
625 North Ross Street, Building 11  
Santa Ana, California 92701

We have completed the compliance monitoring of the Treasurer's Investment Portfolio for the Quarter Ended June 30, 2017. The purpose of our engagement was to determine whether the Orange County Investment Pool (OCIP), Orange County Educational Investment Pool (OCEIP), and various other non-pooled investments managed by the Treasurer, such as John Wayne Airport Investment Fund, were in compliance with the applicable provisions of its Investment Policy Statement (IPS) and that instances of noncompliance, including technical incidents, were properly reported in the Treasurer's Monthly Investment Report. It is important to note that the Treasurer further invests pooled funds from the OCIP and OCEIP into three funds: the Orange County Money Market Fund (OCMMF), the Orange County Educational Money Market Fund (OCEMMF) (collectively referred to as Money Market Funds), and the Extended Fund.

We perform the compliance monitoring of the Treasurer's investment portfolio at the request of the Treasury Oversight Committee. The monitoring is designed to provide limited assurance to the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector that the Treasurer's investment portfolio is in compliance with specific provisions of the IPS, and that instances of noncompliance, technical incidents, and required disclosures are properly reported.

Our compliance procedures included judgmentally selecting five business days for testing from each month and importing the selected electronic downloads from the Treasurer's Quantum system into ACL, a computer-assisted audit technique software, to perform calculations and determine whether investment purchases were in compliance with the IPS.

Based on the procedures performed, **no instances of noncompliance were identified.** When applicable, our report also includes information regarding the Treasurer's reporting of technical incidents in the Treasurer's Monthly Investment Reports. The Treasurer defines a technical incident as an event, other than the purchase of a security, which causes an IPS limit to be exceeded. The most common cause of a technical incident is when the total investment pool holdings decrease causing the relative percentage of holdings to increase.



# Internal Auditor's Report

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The following lists the procedures performed and results achieved:

1. **Authorized Investments (IPS Section VI, VII, VIII, IX, XI):** We judgmentally selected a sample of 15 investments purchased during the quarter (one investment for each of the 15 business days selected for testing). For the samples selected, we confirmed that the investments conform to authorized investment requirements in accordance with the IPS. We also confirmed that the investments were purchased from issuers or brokers on the Treasurer's authorized lists.

**Results:** We found no exceptions.

2. **Diversification Compliance (IPS Section VIII.1):** We performed calculations to determine that the Money Market and Extended Fund portfolios met the diversification limits for investment types in accordance with the IPS, and that the John Wayne Airport Investment Fund met those diversification limits as well.

**Results:** We found no exceptions.

3. **Weighted Average Maturity (WAM) Limitations (IPS Section VIII.2):** We performed calculations to determine that WAM did not exceed 60 days for the Money Market Funds in accordance with the IPS and that WAM did not exceed 90 days for the John Wayne Airport Investment Fund.

**Results:** We found no exceptions.

4. **Maximum Maturity Limitations (IPS Section VIII.2):** We confirmed that the maximum maturity of any portfolio instrument purchased did not exceed 13 months (397 days) for the Money Market Funds, 5 years (1,826 days) for US treasury, government sponsored enterprise, and municipal debt securities, and 3 years (1,095 days) for medium-term notes and negotiable certificates of deposits for the Extended Fund, in accordance with the IPS, and that the maximum maturity did not exceed 15 months (456 days) for the John Wayne Airport Investment Fund.

**Results:** We found no exceptions.

5. **Investment Type Maximum Maturity Limitations (IPS Section VIII.1):** We confirmed that the maximum maturity of investments purchased for commercial paper, bankers' acceptances, and repurchase agreements did not exceed 270 days for commercial paper, 180 days for bankers' acceptances, or one year (365 days) for repurchase agreements in accordance with the IPS.

**Results:** We found no exceptions.

6. **Issuer Limitations (IPS Section VIII.1):** We performed calculations to determine that the Money Market and Extended Fund portfolios did not exceed the investment limits for issuers in accordance with the IPS, and that the John Wayne Airport Investment Fund did not exceed those investment limits.

**Results:** We found no exceptions.



# Internal Auditor's Report

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7. **Financial Reporting (IPS Section XXI):** We reviewed the investment portfolio for a sample of 15 business days to determine that any instances of non-compliance or technical incidents were properly reported in the Treasurer's Monthly Investment Report in accordance with the IPS.

**Results:** We found no exceptions.

This report is intended solely for the information and use of the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector; however, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Toni Smart", is positioned above the printed name.

Toni Smart, CPA, Director  
Auditor-Controller Internal Audit Division

# MONTHLY TREASURER'S INVESTMENT REPORT

## Distribution List

### County of Orange Elected Officials

Honorable Sandra Hutchens, Sheriff-Coroner  
Honorable Hugh Nguyen, Clerk-Recorder  
Honorable Claude Parrish, Assessor  
Honorable Anthony J. Rackauckas, Jr., District  
Attorney/Public Administrator  
Honorable Eric Woolery, Auditor-Controller

### Treasury Oversight Committee

Gary Capata  
William "Andy" Dunn  
Frank Kim  
Al Mijares  
Laura Parisi  
Richard Rohm  
Eric Woolery

### County of Orange Departments

Assessor  
Auditor-Controller  
Child Support Services  
Clerk of the Board  
Clerk-Recorder  
County Counsel  
County Executive Office  
District Attorney/Public Administrator  
Health Care Agency  
Human Resources Services  
John Wayne Airport  
OC Community Resources  
OC Dana Point Harbor  
OC Public Works  
OC Waste & Recycling  
Independent Review  
Performance Audit  
Probation  
Public Defender  
Registrar of Voters  
Sheriff-Coroner  
Social Services Agency

### County Agencies

Children & Families Commission  
Civic Center Commission  
Law Library  
Orange County Employees Retirement System  
Orange County Cemetery District  
Orange County Fire Authority  
Orange County Transportation Authority  
Transportation Corridor Agencies

### State of California

CDIAC  
Superior Court

### Orange County School Districts

Orange County Department of Education  
Anaheim City School District  
Anaheim Union High School District

Brea-Olinda Unified School District  
Buena Park School District  
Capistrano Unified School District  
Centralia School District  
Cypress School District  
Fountain Valley School District  
Fullerton School District  
Fullerton Joint Union High School District  
Garden Grove Unified School District  
Huntington Beach City School District  
Huntington Beach Union High School District  
Irvine Unified School District  
Laguna Beach Unified School District  
La Habra City School District  
Los Alamitos Unified School District  
Lowell Joint School District  
Magnolia School District  
Newport-Mesa Unified School District  
Ocean View School District  
Orange Unified School District  
Placentia-Yorba Linda Unified School District  
Saddleback Valley Unified School District  
Santa Ana Unified School District  
Savanna School District  
Tustin Unified School District  
Westminster School District

### Orange County Community College Districts (CCD)

Coast Community CCD  
North Orange County CCD  
Rancho-Santiago CCD  
South Orange County CCD

### Orange County Regional Occupational Programs (ROP)

Capistrano-Laguna Beach ROP  
Coastline ROP  
North Orange County ROP

### Voluntary Pool Participants (date approved)

Serrano Water District (6-22-99)  
City of Villa Park (10-2-01)  
City of Tustin (5-21-02)  
Mesa Water District (8-9-02)  
Orange County Water District (3-30-04)  
Municipal Water District of OC (7-27-04)  
Orange County Mosquito and Vector Control District (11-14-06)  
Buena Park Library District (2-9-10)  
Local Agency Formation Commission (10-5-10)  
Villa Park Community Services Foundation (4-5-11)  
City of Laguna Niguel (3-13-14)  
City of Lake Forest (12-16-15)  
Foothill/Eastern TCA (10-14-16)  
San Joaquin Hills TCA (10-14-16)  
Foothill/Eastern TCA/RCC (11-17-16)  
City of Laguna Woods (5-10-17)



**September 27, 2017**

**To:** Finance and Administration Committee  
**From:** Darrell Johnson, Chief Executive Officer *[Signature]*  
**Subject:** Local Agency Investment Fund - August 2017

**Overview**

The Orange County Transportation Authority invests a portion of its liquid portfolio in the State of California Local Agency Investment Fund. Each month, the State Treasurer's office publishes a report detailing the composition of the pool. The attached summary statements from the report are for the month ending August 31, 2017. The report has been reviewed and is consistent with the investment practices of the State Treasurer's Office.

**Recommendation**

Receive and file as an information item.

**Discussion**

As of August 31, 2017, the fair value including accrued interest of the Pooled Money Investment Account (PMIA) was \$75,257,904,068 with a month-average yield of 1.08 percent and a month-end weighted average maturity of 179 days. The Local Agency Investment Fund (LAIF) is a component of the State of California PMIA. The month-end balance of LAIF was \$20,655,605,026. The Orange County Transportation Authority's month-end balance in LAIF was \$10,277,367.

**Summary**

The Orange County Transportation Authority is submitting a copy of the Local Agency Investment Fund statements and summary reports to the Finance and Administration Committee. The statements are for the month ending August 31, 2017.

**Attachment**

- A. Local Agency Investment Fund – As of August 31, 2017

**Prepared by:**



---

Rodney Johnson  
Deputy Treasurer  
Treasury/Toll Roads  
(714) 560-5675

**Approved by:**



---

Andrew Oftelie  
Executive Director,  
Finance and Administration  
(714) 560-5649

Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

[www.treasurer.ca.gov/pmia-laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)  
September 08, 2017

ORANGE COUNTY TRANSPORTATION AUTHORITY

MANAGER, TREASURY/PUBLIC FINANCE  
550 SOUTH MAIN STREET  
P.O. BOX 14184  
ORANGE, CA 92613-1584

PMIA Average Monthly Yields

Account Number:  
80-30-001

Tran Type Definitions

August 2017 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	10,277,366.91
Total Withdrawal:	0.00	Ending Balance:	10,277,366.91





**JOHN CHIANG  
TREASURER  
STATE OF CALIFORNIA**



**PMIA Performance Report**

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
08/14/17	1.08	1.06	187
08/15/17	1.08	1.06	186
08/16/17	1.08	1.06	188
08/17/17	1.08	1.06	189
08/18/17	1.09	1.06	187
08/19/17	1.09	1.06	187
08/20/17	1.09	1.06	187
08/21/17	1.09	1.06	185
08/22/17	1.09	1.06	183
08/23/17	1.09	1.06	181
08/24/17	1.09	1.06	181
08/25/17	1.09	1.06	180
08/26/17	1.09	1.07	180
08/27/17	1.09	1.07	180
08/28/17	1.09	1.07	178
08/29/17	1.09	1.07	178
08/30/17	1.09	1.07	177
08/31/17	1.10	1.07	179
09/01/17	1.10	1.07	187
09/02/17	1.10	1.07	187
09/03/17	1.10	1.07	187
09/04/17	1.10	1.07	187
09/05/17	1.10	1.07	184
09/06/17	1.10	1.07	182
09/07/17	1.10	1.07	180
09/08/17	1.10	1.07	181
09/09/17	1.10	1.07	181
09/10/17	1.10	1.07	181
09/11/17	1.10	1.07	179
09/12/17	1.10	1.07	177
09/13/17	1.11	1.07	176

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

**LAIF Performance Report**

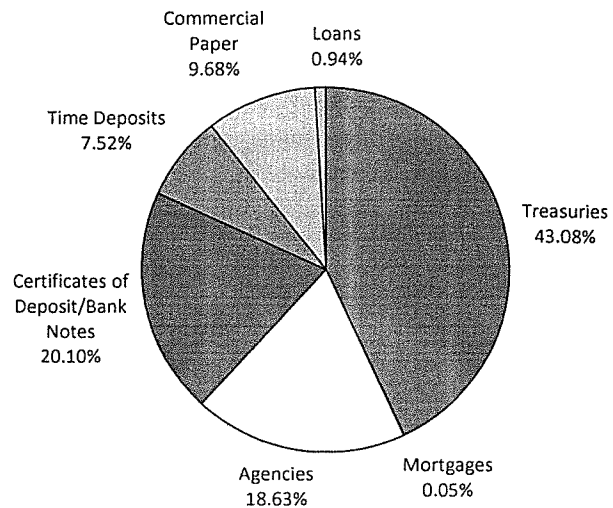
Quarter Ending 06/30/17

Apportionment Rate: 0.92%  
 Earnings Ratio: .00002531309414880  
 Fair Value Factor: 0.998940671  
 Daily: 1.03%  
 Quarter to Date: 0.93%  
 Average Life: 194

**PMIA Average Monthly Effective Yields**

Aug 2017 1.084%  
 July 2017 1.051%  
 June 2017 0.978%

**Pooled Money Investment Account  
Portfolio Composition  
08/31/17  
\$75.1 billion**





**State of California**  
**Pooled Money Investment Account**  
**Market Valuation**  
**8/31/2017**

Description	Carrying Cost Plus Accrued Interest Purch.	Fair Value	Accrued Interest
<b>United States Treasury:</b>			
Bills	\$ 12,640,985,332.44	\$ 12,685,145,000.00	NA
Notes	\$ 19,724,870,888.39	\$ 19,700,096,500.00	\$ 28,550,338.00
<b>Federal Agency:</b>			
SBA	\$ 890,893,140.28	\$ 881,357,578.92	\$ 940,960.41
MBS-REMICs	\$ 37,538,927.77	\$ 39,203,368.02	\$ 176,145.80
Debentures	\$ 1,414,303,546.45	\$ 1,411,152,000.00	\$ 4,517,750.05
Debentures FR	\$ -	\$ -	\$ -
Debentures CL	\$ 150,000,000.00	\$ 150,033,000.00	\$ 466,736.00
Discount Notes	\$ 11,142,008,485.84	\$ 11,171,756,000.00	NA
GNMA	\$ -	\$ -	\$ -
Supranational Debentures	\$ 349,845,968.23	\$ 348,794,000.00	\$ 1,549,479.50
Supranational Debentures FR	\$ 50,000,000.00	\$ 50,077,000.00	\$ 97,465.28
CDs and YCDs FR	\$ 625,000,000.00	\$ 625,000,000.00	\$ 1,758,732.68
Bank Notes	\$ 900,000,000.00	\$ 899,836,372.88	\$ 3,597,861.11
CDs and YCDs	\$ 13,575,000,000.00	\$ 13,573,694,501.39	\$ 38,666,444.42
Commercial Paper	\$ 7,276,002,152.74	\$ 7,290,266,833.32	NA
<b>Corporate:</b>			
Bonds FR	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -
Time Deposits	\$ 5,646,740,000.00	\$ 5,646,740,000.00	NA
AB 55 & GF Loans	\$ 704,430,000.00	\$ 704,430,000.00	NA
<b>TOTAL</b>	<b>\$ 75,127,618,442.14</b>	<b>\$ 75,177,582,154.53</b>	<b>\$ 80,321,913.25</b>

Fair Value Including Accrued Interest

\$ 75,257,904,067.78

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).



**September 27, 2017**

**To:** Finance and Administration Committee

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

A handwritten signature in black ink, appearing to read "Darrell Johnson for", is written over the printed name of the Chief Executive Officer.

**Subject:** Amendment to Purchase Order for Cloud-Based Recruitment Software

### **Overview**

On June 12, 2017, the Board of Directors approved sole source procurements for software and hardware licensing, maintenance, and emergency support. A one-year purchase order was issued to iCIMS, Inc. as part of the approved sole source procurements list. A 12-month purchase order with iCIMS, Inc. is to provide cloud-based recruitment software licensing, maintenance, and support services for the Human Resources Department. Board of Directors' approval is requested to amend the current purchase order to extend the contract term and increase the maximum cumulative payment obligation.

### **Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Purchase Order A36775 between the Orange County Transportation Authority and iCIMS, Inc., in the amount of \$77,107, for continued use of cloud-based recruitment software, for an additional two years through October 31, 2019. This will increase the maximum cumulative payment obligation to a total of \$115,661.

### **Discussion**

In 2008, the Orange County Transportation Authority (OCTA) issued a request for proposals for cloud-based recruitment software. iCIMS, Inc. (iCIMS) was awarded the contract for initial design, implementation, and software maintenance services. Purchase orders for annual maintenance and user licenses to continue using the software are approved by the Board of Directors (Board) as part of the annual sole source vendor list. iCIMS provides a cloud-based recruitment software for the Human Resources (HR) Department.

The software is a hosted web-based Applicant Tracking System (ATS) that OCTA uses for talent acquisition to create and source job postings on customizable, OCTA-branded, internal and external job portals. The ATS provides online completion of user registration with a unique encrypted password, applicant profiles, and applications on any internet-based enabled computer or mobile device, including tablets and smart phones, through any browser.

Historically, iCIMS has provided OCTA's HR Department with annual renewal agreements for twelve-month periods to be effective during the relevant fiscal year (FY). In September 2016, the HR Department proceeded to execute a service order form for the addition of three user licenses, one additional portal, and one additional product at an increase of \$5,435 per year, for three years. However, the amount of the three-year term exceeded the Board's authorized amount on the annual sole source vendor list.

OCTA issued Purchase Order A36775 for the first of the three-year term to be able to continue providing services while OCTA staff worked with iCIMS to revert to invoicing for services on an annual basis. However, iCIMS was not agreeable and continued to require a three-year commitment from OCTA to continue providing the services.

***Procurement Approach***

The procurement was originally handled in accordance with OCTA's Board-approved policies and procedures. The Board approved the annual sole source vendor list on June 13, 2016 for FY 2016-17. The original purchase order was issued on February 10, 2017, in the amount of \$38,554, for a one-year term.

It has become necessary to amend the agreement to add funds to the existing purchase order, and to include the additional two years for the maintenance renewal and the additional users. In accordance with OCTA's policy, Board approval is required for all amendments exceeding 15 percent of the original contract amount.

Proposed Amendment No. 1 to Purchase Order A36775, in the amount of \$77,107, will bring the total purchase order value to \$115,661.

Historically, iCIMS includes a five percent annual increase for maintenance and support services. By extending Purchase Order A36775 an additional two years, OCTA will not pay the five percent annual increase. This will allow OCTA to save an estimated \$5,880 over the next two years. Based on the estimated savings, the amount of \$77,107 is considered fair and reasonable as there is no annual increase.

**Fiscal Impact**

The software renewal is budgeted on an annual basis by the Information Systems Department, Account 1282-A5352-9RS-7612. The request for additional contract authority has no additional fiscal impact to OCTA's FY 2017-18 Budget. The entire amount is funded through the general fund.

**Summary**

Staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Purchase Order A36775 with iCIMS in the amount of \$77,107, and to extend the contract term of the purchase order an additional two years through October 31, 2019, to provide continued cloud-based recruitment software maintenance and support services for the HR Department.

**Attachment**

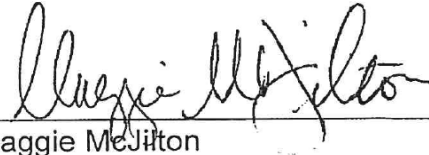
- A. ICIMS, Inc., Purchase Order A36775 Fact Sheet

**Prepared by:**

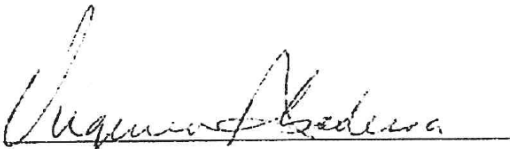


Karen DeCrescenzo  
Department Manager,  
Human Resources  
714-560-5547

**Approved by:**



Maggie McJilton  
Executive Director,  
Human Resources and Organizational  
Development Division  
714-560-5824



Virginia Abadessa  
Director, Contracts Administration  
and Materials Management  
714-560-5623

**iCIMS, Inc.  
Purchase Order A36775 Fact Sheet**

1. On February 10, 2017, Purchase Order A36775, \$38,554, issued by the Contracts Administration and Materials Management Department.
  - To provide annual maintenance and support for iCIMS E-Recruiting Application.
  - Term of the agreement is effective through October 31, 2017.
2. On October 9, 2017, Amendment No. 1 to Purchase Order A36775, \$77,107, pending approval by the Board of Directors.
  - Amendment to extend the purchase order an additional two years and increase the maximum obligation to cover the subscription fees through October 31, 2019.

Total committed to iCIMS, Inc., Purchase Order A36775 is \$115,661.



**September 27, 2017**

**To:** Finance and Administration Committee  
**From:** Darrell Johnson, Chief Executive Officer  
**Subject:** Fiscal Year 2017-18 Budget Amendment

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is written over the "From:" line of the header.

**Overview**

The Southern California Regional Rail Authority recently informed the Orange County Transportation Authority that \$6,000,000 in Federal Transit Administration funds is unavailable to offset the fiscal year 2017-18 member agency contribution due to the timing of the grant application processes.

**Recommendation**

Amend the Orange County Transportation Authority Fiscal Year 2017-18 Budget by \$6,000,000, to enable Orange County Transportation Authority to pay its fiscal year 2017-18 member agency contribution to Southern California Regional Rail Authority.

**Background**

On June 12, 2017, the Board of Directors approved the fiscal year (FY) 2017-18 Orange County Transportation Authority (OCTA) member agency contribution to the Southern California Regional Rail Authority (SCRRA) in an amount up to \$28,238,881, including authorization of Federal Transit Administration (FTA) funds, in the amount of \$6,000,000, to be drawn down directly by SCRRA. As a result, OCTA's FY 2017-18 budget included a member agency contribution of \$22,238,881.

On September 6, 2017, OCTA received a letter from SCRRA outlining the timing of the grant application process and how it would be unable to draw down the \$6,000,000 in FTA funds in the current fiscal year and apply it to OCTA's current FY member agency contribution. The SCRRA did note that the funds could be applied to OCTA's member agency contribution for FY 2018-19.

**Discussion**

Under the Joint Powers Agreement that governs the SCRRA, each member agency must approve its financial contribution to the SCRRA budget. The FY 2017-18 SCRRA budget estimates the OCTA operating funding allocation to be \$28,238,881, including authorization of FTA funds, in the amount of \$6,000,000, to be drawn down directly by SCRRA.

As a result of the \$6,000,000 in FTA funds not being able to be applied in the current FY, a budget amendment to the FY 2017-18 budget is required in the amount of \$6,000,000 to fully accommodate for OCTA's member agency contribution to SCRRA, \$28,238,881, without a federal funding offset.

**Fiscal Impact**

Amend the OCTA FY 2017-18 Budget by \$6,000,000, account 0018-7629-A0001-DS2, to accommodate for the timing of the grant application process and funding related to OCTA's member agency contribution to SCCRA. This change in funding will be accommodated and paid for by Measure M2 High Frequency Metrolink Project R.

**Summary**

The Southern California Regional Rail Authority recently informed the Orange County Transportation Authority that \$6,000,000 in Federal Transit Administration funds would be drawn down in FY 2018-19 as opposed to the current year due to the timing of the grant application processes. As a result, an amendment of \$6,000,000 to OCTA's FY 2017-18 Budget is required to enable OCTA to pay its member agency contribution to SCRRA without a federal funding offset.

**Attachment**

- A. SCRRA/Metrolink Letter dated September 6, 2017, "Request to Amend Operating Susidy Obligation"

**Prepared by:**



Victor Velasquez  
Department Manager,  
Financial Planning and Analysis  
(714) 560-5592

**Approved by:**



Andrew Oftelie  
Executive Director,  
Finance and Administration  
(714) 560-5649





**METROLINK.**

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY  
One Gateway Plaza Twelfth Floor Los Angeles, CA 90012

metrolinktrains.com

September 6, 2017

Andy Oftelie  
Director of Finance  
Orange County Transportation Authority  
550 South Main Street  
Orange, CA 92863

Re: Request to Amend Operating Subsidy Obligation

Dear Mr. Oftelie:

Southern California Regional Rail Authority (SCRRA) has worked with select staff from each of our Member Agencies in the form of a Use of Federal Funds Working Group. Following Board approval of our guiding principles for use of FTA funds, this Working Group was tasked with developing a plan of implementation beginning FY17/18.

Working through the logistics of implementation, staff identified the following:

- The Annual Grant Application process will result in an initial 9 to 10 month lag in SCRRA's ability to obtain reimbursement from the FTA.
- Once the Annual Grant Application is approved, we will process draw-downs on a monthly basis.
- We are unable to submit multi-year grant applications due to FTA restrictions.
- The payment process for these select vendors can range from 60 to 90 days from date of service. SCRRA staff will work to ensure contract compliance with invoice submissions from these vendors and subsequent payments to minimize delays.

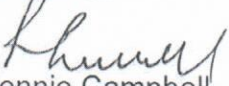
As a result we note the following:

- We anticipate FTA approval will occur in March of every year.
- Eligible expenditures in FY17/18 will receive credit beginning the first quarter of FY18/19. Eligible expenditures in FY18/19 will receive credit beginning the first quarter of FY19/20 and so forth.

We kindly request that you obtain an amendment to your previous Board action which authorized an offset of \$6,000,000 in federal funds being applied in FY17/18 to now reflect payment of OCTA's entire FY17/18 operating subsidy obligation of \$28,238,881, payable over four quarters, without any federal funding offset.

Should you have any questions or concerns, please contact me at (213) 452-0285 or [campbellr@scrra.net](mailto:campbellr@scrra.net).

Sincerely,

  
Ronnie Campbell  
Chief Financial Officer

cc: Tom Schamber, SCRRA Controller  
Megan LeMaster, TAC Member  
Dinah Minter, TAC Member