



October 23, 2019

To: Finance and Administration Committee
[Signature]
From: Darrell E. Johnson, Chief Executive Officer
Subject: Orange County Transportation Authority Investment and Debt Programs Report – September 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 September 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 September 30, 2019, the Orange County Transportation Authority's (OCTA) outstanding investments totaled \$2.06 billion. The portfolio is divided into three managed portfolios: the liquid portfolio for immediate cash needs, the short-term portfolio for future budgeted expenditures, and the bond proceeds portfolio to meet Measure (M2) transportation program needs. 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 2.2 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 \$10,678,071, with an average monthly effective yield of 2.3 percent. The OCTA's month-end balance in the Orange County Investment Pool (OCIP) was \$15,573,512. For the month of August, the monthly gross yield for the OCIP was 2.3 percent. Yields for the month of September will be received in October.

OCTA's debt portfolio had an outstanding principal balance of \$1.01 billion as of September 30, 2019. Approximately 63 percent of the outstanding balance is comprised of M2 debt, nine percent is associated with the 91 Express Lanes Program, and 28 percent is for the Transportation Infrastructure Finance and Innovation Act Loan.

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 September 30, 2019.

Attachment

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

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