



October 25, 2023

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Orange County Transportation Authority Investment and Debt Programs Report – September 2023

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, 2023.

Recommendation

Receive and file as an information item.

Discussion

As of September 30, 2023, the Orange County Transportation Authority's (OCTA) outstanding investments totaled \$2.5 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 (M2) transportation program needs. In addition to these portfolios, OCTA has funds invested in debt service reserve funds for the 91 Express Lanes Program.

Portfolio Compliance and Liquidity Requirements for the Next Six Months: The portfolio is in full compliance with OCTA's Investment Policy and the State of California Government Code. Additionally, OCTA has reviewed the liquidity requirements for the next six months and anticipates that OCTA's liquidity will be sufficient to meet projected expenditures during the next six months.

The weighted average book yield for the OCTA portfolio is 3.3 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.

OCTA's month-end balance in the Local Agency Investment Fund was \$6,683,889, with an average monthly effective yield of 3.53 percent. OCTA's month-end balance in the Orange County Investment Pool (OCIP) was \$636,719. For the month of August, the monthly gross yield for the OCIP was 3.89 percent. The yield for the month of September will be received in October.

During the month of September, no securities held within OCTA's investment portfolio were downgraded or placed on negative credit watch.

OCTA's debt program is separate from its investment program and is comprised of M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, and 2021 Transportation Infrastructure Finance and Innovation Act Loan. The debt program currently has an outstanding principal balance of \$1.3 billion as of September 30, 2023. Approximately 47.2 percent of the outstanding balance is comprised of M2 debt, 3.8 percent is associated with the 91 Express Lanes Program, and 49 percent is associated with the 405 Express Lanes.

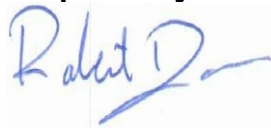
Summary

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, 2023.

Attachments

- A. Orange County Transportation Authority Investment and Debt Programs
– For the Period Ending September 30, 2023
- B. Orange County Transportation Authority Portfolio Listing as of
September 30, 2023

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