

## Authority Board **STAFF REPORT**

**Meeting Date:** November 16, 2022

|                               |   |
|-------------------------------|---|
| <b>Subject</b>                | <b>Accept Quarterly Cash and Investment Report for the Period Ended September 30, 2022</b>  |
| <b>Summary of Issues</b>      | The Authority's Investment Policy calls for a quarterly report on investment activity to be prepared and submitted to the Executive Director, Administration and Projects Committee (APC), and Authority Board. The accompanying report covers transactions from July 1, 2022 through September 30, 2022. |
| <b>Recommendations</b>        | Staff seeks acceptance of the quarterly cash and investment report for the period ended September 30, 2022.   |
| <b>Staff Contact</b>          | Brian Kelleher  |
| <b>Financial Implications</b> | None  |
| <b>Options</b>                | N/A   |
| <b>Attachments</b>            | <p><b>A.</b> Quarterly Investment Report for Period Ended September 30, 2022</p> <p><b>B.</b> Economic Update - prepared by Public Trust Advisors, LLC (PTA)</p>  |
| <b>Changes from Committee</b> | N/A   |

### **Background**

The Authority's Investment Policy calls for a quarterly investment report to be submitted to the Executive Director, APC, and the Authority Board. The report summarizes investment balances, transactions, returns and other pertinent investment matters. The Authority's cash and securities are invested in separate portfolios depending upon the objectives for the

assets being managed. As of September 30, 2022, the combined balance for all cash, investments and holdings was \$122,173,871, an increase of \$12,404,158 from the prior quarter end due primarily to sales tax distribution and accounts receivable invoices.

Checking Account – \$661,677

The Authority’s commercial banking account, Wells Fargo, is utilized for accounts payable, payroll, deposits, and electronic activity.

Local Agency Investment Fund (LAIF) – \$54,160,880

LAIF is a pooled investment fund managed by the State Treasurer’s office for public agencies. The LAIF return was 1.35% at the end of the quarter. An increase in the amount of \$15.8 million was mostly derived from the sales tax distribution and accounts receivable invoices.

Investment Portfolio – \$67,351,314

The investment portfolio is actively managed with assistance from PTA, a registered and independent investment advisor. The portfolio includes individual securities, such as treasury notes, Federal Agency securities, high-quality corporate notes, and other securities permitted by the Authority’s Investment Policy.

| <b>Performance Factors</b>  | <b>June 30, 2022<br/>Ending Balance</b> | <b>September 30, 2022<br/>Ending Balance</b> | <b>Quarter<br/>Change</b> |
|-----------------------------|---|--|---------------------------|
| Market Value Plus Accrued   | \$68,341,793                            | \$67,351,314                                 | \$(990,478)               |
| Book Yield                  | 0.91%                                   | 1.33%  | 0.42%                     |
| Yield to Maturity           | 2.96%                                   | 4.27%  | 1.31%                     |
| 1-3 Year Treasury Benchmark | 2.95%                                   | 4.29%  | 1.34%                     |

Economic Update. Attachment B is a report prepared by PTA, the Authority’s investment advisor. The report contains slides of commonly referenced economic indicators and trends, including Gross Domestic Product, inflation, unemployment, and the Treasury yield curve.

**Certification:** The investment portfolio is in compliance with the Authority's adopted investment policy. Furthermore, as required by State regulation, it is certified that the Authority has sufficient cash liquidity to meet expected expenditure requirements over the next six months for fiscal operations. Certified by the following:

A handwritten signature in black ink, appearing to read "Brian Kelleher", written over a horizontal line.

Brian Kelleher

Chief Financial Officer

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