

YOUR MUNICIPAL INVESTMENT ADVISOR FOR SUCCESS



Most public agencies need more revenue, but they don't have the time to focus on obtaining better investment returns. At Optimized Investment Partners, we will actively manage your investment portfolio, so you get more revenue and have more time to focus on what truly matters to you.



Portfolio Management Styles

PASSIVE MANAGEMENT

- ❖ Significant portion of cash kept in checking account
- ❖ Some funds invested in county or state investment pools
- ❖ No investment consultant/advisor or dedicated staff
- ❖ Safe, but very low yields

ACTIVE MANAGEMENT

- ❖ Cash flow modeling increase funds available to invest while leaving sufficient funds in checking account for day-to-day operations
- ❖ Invest over five-year horizon to guarantee investment returns over time
- ❖ Requires some dedicated staff time or consultant/advisor
- ❖ Safe, with increased yields
- ❖ Utilize investment types that support the District's investment policy

Three Steps To Our Success

1

Our unique experience in managing a variety of government projects allows us to create a customized cash-flow model that includes items such as grants, capital projects, and one-time revenues and expenses. This enables us to actively invest more of your cash.

2

By combining our cash flow model with our laddering strategy, we can invest in longer term securities (up to five years) without the risk of running out of cash for operations.

3

Our strategic investment selection approach can be especially effective for smaller agencies. We focus on conservative, extremely low-risk investment options.



What are Public Agency Investment Requirements?

- ❖ **Investment of Surplus: Government agencies must comply with California Government Code (GC) Section 53600**
- ❖ Monthly (or quarterly) report to the governing body outlining cash assets invested, investment types, purchases, sales, market conditions, and affirming agency projection of sufficient cash availability to meet operating needs. (GC Section 53607)
- ❖ Annual Investment Policy update (GC Section 53646)
- ❖ Compliance with GC Section 53600.3
 - ❖ Prudent Investor Standard – Safeguarding of principal and liquidity
- ❖ Compliance with GC Section 53600.5
 - ❖ Safety of Principal
 - ❖ Liquidity
 - ❖ Yield

*Requirements include but are not limited to other governmental compliance and regulatory provisions.

Permitted Investments (GC 53601)

Government Code Permitted Investments	CCSD Policy Permitted Investment (Y/N)
US Treasury Notes, Bonds, Bills	Yes
Federal or US Government Sponsored Enterprises (GSE's)	Yes
Negotiable Certificates of Deposit (CD's)	Yes
JPA Pool	Yes
County Pool	Yes
LAIF	Yes
Placement Service Deposits	Yes
Trustee Held Funds	Yes
Other Investments as approved by Board/Council	Yes
Local Agency Bonds	No
State Treasury Notes & Bonds	No
Bonds of other 49 states	No

Permitted Investments (GC 53601)

Government Code Permitted Investments	CCSD Policy Permitted Investment (Y/N)
Other local agency bonds	No
Banker's Acceptance	No
Commercial Paper	No
Repurchase Agreements	No
Medium Term Notes	No
Collateralized Securities	No
Mortgage-Backed Securities	No
Supranationals	No
Public Bank Securities	No

Initial Portfolio Analysis: Cambria CSD

*** Total Cash - \$9M ***



Checking- \$1.7M (Yielding near 0%)

LAIF- \$5.3M (Yielding near 3%)

Money Market- \$1.8M (Yielding TBD%)



Updated Revenue Projection

- Original Cash Balance 6/30/2022 - \$9,000,000 (estimated)
- Updated Cash Balance 6/23/2023 - \$8,833,596
- Long-Term Portfolio size - \$6,000,000
- Long-Term Average Portfolio Yield - 4.4%
- Short-Term Average Portfolio size - \$1,700,000
- Short-Term Average Portfolio Yield - 5.25%
- Average Checking Account Balance - \$500,000
- Estimated Revenue Projection - \$360,000 (Annual)

Next Steps

- Educate Board as necessary
- District contract with OIP for Investment Advisory Services
- District contract with Custodial Bank (BNY, US Bank, etc.)
- District contract with Broker/Dealer (TVI, Mutual, Piper, etc.)
- OIP recommend initial investments, District execute trade tickets
- OIP provide ongoing investment recommendations
- OIP provide quarterly cash flow update and investment reporting
- OIP provide annual investment policy update

Our Team



David Bilby, MSBA

President, CEO, & Chief Compliance Officer

David's work has covered all areas of District finance, including budgeting, municipal debt management, accounting, user fee studies, fiscal impact analysis, asset management, public/private partnerships, and procurement. He has completed dozens of public financings, together totaling over \$1 billion, including CFDs, ADs, COPs, RDA, POBs, and LRBs. As an integral part of a team, he helped complete two successful sales tax measures. The municipal investment portfolios he has directly managed ranged from \$50M to \$400M.

Credentials:

- ▶ M.S., Business Administration, Finance concentration, San Diego State University
- ▶ B.S., Business Administration, Finance concentration, San Diego State University
- ▶ Certified Public Finance Officer (CPFO), Government Finance Officers Association
- ▶ Series 50 Municipal Advisor Representative, Municipal Securities Rulemaking Board (MSRB)
- ▶ Series 65 Registered Investment Adviser Representative, North American Securities Administrators Association (NASAA)

Our Team



Robert Michalik, BSBA

Executive Vice President & Chief Operating Officer

Robert is a savvy, results-oriented, strategic executive leader and change agent with over 24 years of experience driving and optimizing business operations and services for large and diverse organizations, including J.P. Morgan Chase, Caliber Home Loans, and First American. He has led teams of up to 300 employees across international locations, tightly managed operating budgets exceeding \$14M, and has an impeccable track record in internal- and external-facing audits.

Credentials:

- ▶ B.S., Business Management, University of Phoenix
- ▶ Series 65 Registered Investment Adviser Representative, North American Securities Administrators Association (NASAA)

THANK YOU



Contact Us

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