



Report to City Council

TO: Mayor and City Council

FROM: Launa Jimenez, Chief Financial Officer

AGENDA DATE: November 19, 2024

TITLE: RECEIPT OF QUARTERLY INVESTMENT REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (REPORT OF: FINANCIAL & MANAGEMENT SERVICES)

TITLE SUMMARY: Quarterly Investment Report

Recommendation(s)

That the City Council:

1. Receive and file the Quarterly Investment Report for the quarter ended September 30, 2024, in compliance with the City's Investment Policy.

SUMMARY

The attached Quarterly Investment Report presents the City's cash and investments for the quarter that ended September 30, 2024. This report is in compliance with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City's Investment Policy and Government Code Section 53601 as to the types of investments allowed. It is recommended that the City Council receive and file the attached Quarterly Investment Report.

DISCUSSION

The City maintains a portfolio of investments in order to earn interest on cash balances that are not currently required to fund operations. California Government Code Sections 53601 and 53646 establish the types of investments allowed, the governing restrictions

on these investments, the third-party custodian arrangement for certain investments, and the reporting practices related to the portfolios of local agencies. In keeping with best practices, the City has implemented an Investment Policy, which was last reviewed by the City Council on May 21, 2024. The policy is in full compliance with the requirements of both of the above-mentioned Code Sections.

The attached Quarterly Investment Report presents the City’s cash and investments for the quarter that ended September 30, 2024. The report complies with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City’s Investment Policy and Government Code Section 53601 as to the types of investments allowed. As stated in the attached report, there is more than adequate liquidity within the portfolio for the City to meet its budgeted expenditures over the next six months.

The City’s investment policy has set the primary goals of portfolio management as Safety and Liquidity followed by Yield. The City’s cash flow requirements are evaluated on an ongoing basis, with short-term needs accommodated through the City’s pooled investment funds with Local Agency Investment Fund (LAIF) and California CLASS. LAIF is a pool of public funds managed by the State Treasurer of California, providing 24-hour liquidity while yielding a rate of return approximately equivalent to a one-year treasury bill. California CLASS is a Joint Powers Authority investment pool that provides public agencies with the opportunity to invest funds on a cooperative basis in rated pools managed in accordance with state laws. With the combined use of a conservative approach to evaluating cash flow needs, and LAIF and California CLASS liquidity, the City will not have to liquidate securities at current market rates that are intended to be held for longer-term investment.

The table below shows some of the key portfolio measures for the month.

	Portfolio Balance	Avg. Yield to Maturity Trends		
		<u>September 2024</u>	<u>August 2024</u>	<u>September 2023</u>
Investments	\$243,803,060	3.524%	3.516%	2.350%
LAIF	\$46,707,596	4.575%	4.579%	3.534%
California CLASS	\$123,809,968	5.260%	5.408%	N/A

Bond proceeds are held and invested by a Trustee. The investment of these funds is governed by an investment policy approved by the City Council as a part of the governing documents for each specific bond issue. Deferred Compensation Plan funds are not included in the report since these funds are held and invested by the respective plan administrators based on the direction of the participating employees. These funds are placed in a trust separate from City funds.

ALTERNATIVES

1. Receive and file the Quarterly Investment Report for September 30, 2024. **Staff**

recommends this alternative as it accomplishes timely investment reporting.

2. Do not accept and file the Quarterly Investment Report and provide staff with additional direction. ***Staff does not recommend this alternative as it will not accomplish timely investment reporting.***

FISCAL IMPACT

For additional information regarding the bond market, please see the attached Bond Market Review provided by Chandler Asset Management.

NOTIFICATION

Publication of the agenda

PREPARATION OF STAFF REPORT

Prepared By:
Annabelle Wang
Financial Operations Division Manager

Department Head Approval:
Launa Jimenez
Chief Financial Officer

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

1. 2024-09 Investment Report
2. CAM-Newsletter-September-2024

Report Approval Details

Document Title:	STAFFREPORT_QUARTERLYINVESTMENTREPORT_SEPT2024.docx
Attachments:	- 2024-09 - Cash and Investment Report.pdf - CAM Bond Newsletter September 2024.pdf
Final Approval Date:	Nov 12, 2024

This report and all of its attachments were approved and signed as outlined below:

No Signature found

Annabelle Wang

Natalia Lopez

Launa Jimenez

Brian Mohan

Mike Lee

Patty Rodriguez