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City Manager's Report

October 10, 2023 City Council Meeting

Prepared by: Dave Warren, Assistant City Manager/Director of Finance

Item #: 7.6

Subject: Consider acknowledging and filing the quarterly investment report for the period ended December 31, 2022.

Recommendation:

Acknowledge and file the quarterly investment report for the period ended December 31, 2022.

Purpose: To report the City's quarterly investment activities in accordance with California Government Code, Section 53646.

Strategic Plan Strategies:

Fiscal Stability /Sustainability: 1. Identify financial risks and opportunities. 6. Meet financial commitments and reporting requirements.

Background:

Section 5 of the City's investment policy requires the Finance Department to submit a quarterly investment report to the City Council as prescribed by California Government Code, Section 53646. This report presents the City's investment portfolio as of December 31, 2022. It includes all investments managed by the City as well as those held by the City's trustees and provides information on the institution, investment type, value, and yield for all securities. As of December 31, 2022 the investment portfolio complied with all State laws and the City's investment policy.

Analysis:

Short-term excess cash is currently invested in the Local Agency Investment Fund (LAIF) which is a money market fund that is administered by the State Treasurer. LAIF is a high quality investment in terms of safety, liquidity and yield which are the primary objectives of the City's investment policy.

The City's trustee, US Bank, has invested the remaining proceeds from the Wastewater Revenue Refunding Bonds, Series 2022 in the First American Money Market Funds-Government Obligations Fund-D Class. The proceeds from the 2019 Equipment Lease were deposited in an interest bearing checking account with Pacific Premier Bank (previously Opus Bank).

The following is a summary of all investments held by the City and its trustees:

INVESTMENTS HELD BY THE CITY					
Investment	Percent of Portfolio	Current Yield	Accrued Quarterly Interest	Market Value	Recorded Value
Local Agency Investment Fund	100.00%	2.07%	\$ 79,284.25	\$ 15,177,021.19	\$ 15,177,021.19
Total investments held by the City	100.00%	2.07%	\$ 79,284.25	\$ 15,177,021.19	\$ 15,177,021.19
INVESTMENTS HELD BY TRUSTEE					
Investment	Percent of Portfolio	Current Yield	Accrued Quarterly Interest	Market Value	Recorded Value
First American Money Market Funds- Government Obligations Fund-D Class	1.47%	2.36%	\$ 22.91	\$ 3,848.97	\$ 3,848.97
Pacific Premier Bank Checking Account	98.53%	0.01%	6.52	258,489.66	258,489.66
Total investments held by trustee	100.00%	0.04%	\$ 29.43	\$ 262,338.63	\$ 262,338.63

Staff believes the City has adequate cash flow liquidity to meet anticipated expenditures for the next six month's obligations. Staff apologizes to the City Council for this report being late.

Options:

1. Acknowledge and file the report.
2. Take no action.

Environmental:

The acknowledgment and filing of this report is not a project pursuant to the California Environmental Quality Act.

Cost:

This is an informational item only, and there are no costs associated with the recommended action.

Budget Impact:

There are no budget impacts associated with the recommended action.



M. Cleve Morris, City Manager



Dave Warren, Assistant City Manager/
Director of Finance