



AGENDA NO: 6.d

MEETING DATE: November 12, 2025

Staff Report

TO: Honorable Mayor and Councilmembers

DATE: November 6, 2025

FROM: Emily Conrad, Finance Director

SUBJECT: First Quarter Investment Report (period ending September 30, 2025) for Fiscal Year (FY) 2025-26

RECOMMENDED ACTION

Receive the attached First Quarter Investment Report (period ending September 30, 2025) for FY 2025-26.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation.

DISCUSSION

The First Quarter Investment Report for FY 2025-26 is summarized below:

Cash and Pooled Investment Portfolio at September 30, 2025			
Institution	Par Value¹	Market Value²	WAM³
Mechanics Bank (interest earning accounts)	32,365,937	32,365,937	0
LAIF	40,168,661	40,246,170	0
Zions Bancorporation (CDs and Treasury Notes)	11,938,000	12,040,837	113
Subtotal Pooled Investment Portfolio	84,472,598	84,652,944	
Mechanics Bank (operating/non-interest earning)	4,451,780	4,451,780	0
TOTAL IN TREASURY	88,924,378	89,104,724	

(1) Par Value is the face value of investments.

(2) Market Value is the amount in which investments could be sold.

(3) WAM is the Weighted Average Maturity, the average time a security will mature.

The City's investments had interest earnings of \$885,414 during the period of July through September 2025. For comparison, the same period in 2024 saw interest earnings of \$462,702 whereas the most recent prior quarter (April through June 2025) earnings were \$888,015. Compared to last quarter, the earnings have very slightly dipped, which is not surprising given that interest rates have slightly decreased. The healthy earnings can be attributed to increased cash balances in Mechanics Bank Money Market and the LAIF account which each continue to earn over 4% on high cash balances.

Prepared By: <u>EC</u>	Dept Review: <u>EC</u>
City Manager Review: <u>AL</u>	City Attorney Review: <u>BS</u>

The City's portfolio averaged an interest rate slightly lower than LAIF by 0.27%. Over this first quarter, the Mechanics Bank interest rate dropped below LAIF due to a slight decrease from 4.52% to 4.26%. LAIF decreased as well from 4.40% to 4.34%. During this quarter, three certificates of deposit (CDs) matured and were replaced with three new CDs. Staff continues to monitor interest rates closely to maximize earnings.

CONCLUSION

Staff recommends that the City Council receive the First Quarter Investment Report (period ending September 30, 2025) for Fiscal Year 2025-26.

ATTACHMENT(S)

1. First Quarter Investment Report for FY 2025-26 (period ending September 30, 2025)