



Council Agenda Report

From: Catherine Piatti, Finance Manager
Ryan Cornell, Administrative Services Director/City Treasurer

Subject: Receipt of Treasurer's Report for June 2025 and Delegating Investment Authority

CEQA Determination: The city finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

Date: September 16, 2025

Facts

1. The City has a fiduciary responsibility to maximize the productive use of its assets entrusted to its care and to manage those public funds wisely and prudently. To achieve this responsibility, the City has an adopted [Investment Policy](#) to guide the investment of idle City funds.
2. California Government Code Sections 41004 and 53607 require the City to report certain investment and financial activity each month. As a result, this report presents the fund balances, receipts, and disbursements for the City's operating cash, investment portfolio, and restricted investments for the month of June 2025. Total investment portfolio assets are shown in the attachment and reflect all investments under the care and control of the city.
3. The investment portfolio contains three components: liquidity funds, short-term and long-term portfolios. The liquidity funds are monies that are generally available to the City with little-to-no notice and include funds held in the Local Agency Investment Fund (LAIF), money markets, and California Asset Management Program (CAMP). The short-term portfolio is made up of fixed income securities that mature in less than one year and the long-term portfolio is made up of fixed income securities whose maturities are greater than one year, but less than five years.
4. PFM Asset Management LLC provides advisory services to the City for the short-term and long-term portfolios; liquidity funds are managed by the Administrative Services Director/City Treasurer.
5. The investment portfolio complies with all State laws and Council policy and provides sufficient liquidity to meet the City's needs over the next six months.
6. Government Code Section 53607 also states the authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

Options

1. Take no action.
2. Receive and file the Treasurer's Report for the month of June 2025 and approve delegating investment authority to the City Treasurer.
3. Provide alternative direction to staff.

Analysis and Conclusions

Government Code Section 53607 requires the city to report on investment activity monthly. Additionally, Government Code Section 41004 requires that the City Treasurer submit to the City Clerk and the legislative body a written report and accounting of all receipts, disbursements, and fund balances. As a result, this report presents the fund balances, receipts, and disbursements for the City’s operating cash, investment portfolio, and restricted investments for the month of June 2025. Total investment portfolio assets are shown in the attachment and reflect all investments under the care and control of the city. In an effort to provide greater transparency relating to adherence to the City’s adopted investment policy, the attached report reflects the categories of investment instruments currently held, the maximum percentage of portfolio the policy allows for each instrument, where applicable, and the current percentage of portfolio held in each category.

The City’s total investment funds on hand as of June 30, 2025, are shown below. The City Treasurer has certified that all City investments provide sufficient liquidity to meet the City’s cash flow requirements for the next six months and follow all State and Council laws and policies.

	As of 6/30/25				
Investments	Beginning Fund Balance	Receipts	Disbursements	Ending Fund Balance	Market Value
Operating Cash	\$1,128,092	\$25,487,321	\$25,277,886	\$1,337,526	\$1,337,526
Liquidity	37,819,855	16,084,514	29,948,853	23,955,517	23,955,517
Short / Long Term	130,939,828	16,913,141	3,338,112	144,514,856	145,873,685
Total Investments	169,887,775	58,484,975	58,564,851	169,807,899	171,166,728

	As of 6/30/25				
Restricted Investments	Beginning Fund Balance	Receipts	Disbursements	Ending Fund Balance	Market Value
Section 115 Trust*	11,070,517	14,575	2,631	11,082,461	11,740,395
OPEB Trust	11,012,424	475,569	52,055	11,435,938	11,435,938
Bond Trust	1,865,435	1,322,067	628,903	2,558,599	2,558,599
Total Restricted	\$23,948,376	\$1,812,210	\$683,588	\$25,076,998	\$25,734,932

*Beginning March 2024, Section 115 balances will be reported based on custodial bank statements. Prior balances were reported based on fiduciary statements.

Additionally, Government Code Section 53607 states the authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year. This delegation used to be approved annually in conjunction with the annual review of the Investment Policy. With the most recent updates to the Investment Policy, the requirement of an annual review of the policy was updated with the criteria of “from time-to-time”. This was because generally speaking, the Investment Policy does not

need to change (and had not changed) from one year to the next, but rather changes should be made when needed and necessary, such as in the instance when the State updates the Government Code regarding investments. The delegation of investment authority will now be brought before the City Council in conjunction with the June Treasurer's Report, typically towards the beginning of each fiscal year.

Fiscal Impact

None

CEQA

The city finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

Recommendation

Receive and file the Monthly Treasurer's Report for June 2025 and approve Resolution 25-XXX, delegating investment authority to the City Treasurer.

Attachments

1. June 2025 Treasurer's Report
2. Resolution 25-XXX – Delegation of Investment Authority