



STAFF REPORT

May 8, 2024
File Number 0490-55

SUBJECT

TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED MARCH 31, 2024

DEPARTMENT

City Treasurer

RECOMMENDATION

Request that the City Council approve the Quarterly Investment Report for the quarter ended March 31, 2024.

Staff Recommendation: Approve (Douglas Shultz, City Treasurer)

Presenter: Douglas Shultz, City Treasurer

FISCAL ANALYSIS

From January 1, 2024 to March 31, 2024, the City's investment portfolio increased from \$187 million to \$205 million. The adjusted average annual yield increased from 2.454 percent to 2.723 percent with the portfolio duration at 1.815. We have continued taking advantage of higher yield investments, specifically CAMP, maturing short term investments, and excess receipt inflows over cash payment outflows resulted in an increase of \$15.7 million in the book value of the investment portfolio.

PREVIOUS ACTION

The Investment Report for the quarter ended December 31, 2023, was filed with the City Clerk's office on January 31, 2023 and presented to the City Council on March 6, 2023.

BACKGROUND

The City of Escondido's ("City") Investment Policy requires the City Treasurer to submit a quarterly investment report to the City Council and City Manager. The quarterly investment report should include the type of investment, issuer, date of maturity, par and dollar amount invested and market value for each security held by the City. Details of the City's investment portfolio are included in the attached reports that are listed below:

- Summary of Investment Allocation as of March 31, 2023 (Attachment "1")
- Summary of Investment Portfolio Yields for the last 12 months (Attachment "2")



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- Schedule of Funds Managed by Outside Parties as of March 31, 2023 (Attachment “3”)

The Investment Performance Review (attachment “4”) provides a Market Update, the City’s Portfolio Strategy and Performance, Issuer Distributions, Portfolio Distributions and Portfolio Holdings. The Summary of Investment Allocation (attachment “1”) and the Summary of Investment Portfolio Yield for the last 12 months (attachment “2”) shows the total investment portfolio including funds in LAIF, CAMP, Stone Castle, and the City’s money market account with BNY.

There are adequate funds to meet the next six-month’s expected expenditures. As of March 31, 2024, the City complies with all requirements of the City’s Investment Policy.

The increased cash flow has been and will continue to be deployed out on the investment maturity ladder, specifically targeting the next 3-5 years to lock in the current high rates in anticipation of short-term rates coming down in the near future. We continue to take advantage of CAMP’s high interest rates, which allow us one of the highest yields in the market while allowing the liquidity the City needs to maintain cash flows.

ATTACHMENTS

- a. Attachment “1” – Summary of Investment Allocation as of March 31, 2024
- b. Attachment “2” – Summary of Investment Portfolio Yields for the last 12 months
- c. Attachment “3” – Schedule of Funds Managed by Outside Parties as of March 31, 2024
- d. Attachment “4” – Investment Performance Review for the Quarter End Q1 Y2024