



STAFF REPORT

Meeting Type: Finance & Administration Committee/Board of Directors
Title: Quarterly Investment Report
From: Bret Uppendahl, Finance Director *BU*
Through: Ben Horenstein, General Manager *BH*
Meeting Date: May 23, 2024

TYPE OF ACTION: Action X Information Review and Refer

RECOMMENDATION: Receive staff update on the District's investment portfolio

SUMMARY: Pursuant to District Investment Policy No. 33, the quarterly investment report is submitted to the Board for the quarter ending March 31, 2024. Fiscal year to date investment earnings on the District's portfolio have totaled \$1,827,638. Investment earnings in the first quarter of 2024 totaled \$739,336.

DISCUSSION: The District's investment portfolio (pooled cash) carried a market value of \$86.5 million as of the end of March. The investments held included \$71.4 million on deposit in the Local Agency Investment Fund (LAIF), \$3.7 million on deposit in the Fidelity Government Money Market Fund, and \$11.3 million in the District's general checking account. Fiscal year to date interest earned as of March on the District's portfolio totaled \$1,827,638. The average monthly effective yield for LAIF investments in March 2024 was 4.23 percent, which represents a significant increase compared to 2.83 percent average effective yield for the month of March 2023. The increased yield is largely driven by increased interest rates for US Treasuries as they comprise approximately 65 percent of the LAIF portfolio.

Pursuant to provision (2) of California Government Code section 53646, the District portfolio complies with the District's investment policy. Pursuant to provision (3) of California Government code section 53646, the District establishes that it is able to meet its pooled expenditure requirements for the next six months.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: Investment earnings account for approximately 2 percent of the district's revenue. Assuming interest rates remain relatively unchanged, the District's investment earnings will be approximately \$2.5 million.

ATTACHMENT(S):

1. Schedule of Investments and Yield Curve as of March 31, 2024