



City of Needles, California Request for City Council Action

CITY COUNCIL NPUA HACN

Regular Special

Meeting Date: May 26, 2026

Title: April 2026 Treasurer's Report

Background: Pursuant to California Government Code Section 53607, the City Treasurer is required to make a monthly report of the investment portfolio to the legislative body.

Attached is the April 2026 Treasurer's Report that contains information on the cash and investments held in the portfolio by the City of Needles, Needles Public Utility Authority, and Housing Authority of the City of Needles. In April, no additional investments were made into LAIF. At month-end, the combined LAIF balance for the City, NPUA, and Housing Authority remained at \$21,941,985. The most recent LAIF rate for the April 2026 month end was 3.81 percent.

A recent development affecting financial markets is the confirmation of Kevin Warsh as Chair of the Federal Reserve. Market participants will closely monitor future Federal Reserve policy decisions, which may influence short-term interest rates and future LAIF earnings.

A major factor affecting the LAIF interest rate is the Federal Open Market Committee (the "Fed"), which lowers or increases the federal funds rate to help maintain economic stability. Corresponding changes are generally reflected in the LAIF rate and overall market rates, although the impact on LAIF is typically moderated by previously purchased securities held in the portfolio. At its April meeting, the Federal Open Market Committee maintained the federal funds target range at 3.50% to 3.75%. Changes in federal interest rates directly influence LAIF earnings.

The Treasurer's Report shows the cash held by fiscal agents related to the All American Canal Trust Fund and the NPUA 2016 Refunding Revenue Bonds. The All American Canal Trust Fund was created by the US Bureau of Reclamation, the City of Needles and the Metropolitan Water District (MWD) for the maintenance, capital and operation of the All American Canal. In exchange, Needles received a local water allotment from the Colorado River since it has no formal water rights. The canal is owned by the US Bureau of Reclamation and operated and maintained by NPUA. The trust funds, managed by the NPUA in its fiduciary capacity, are held at Zions Bank as the third-party trustee, for canal capital and maintenance. The market value of the funds held at Zions Bank on April 30th was \$12,207,193.

US Bank acts as the trustee for the NPUA 2016 Revenue Refunding Bonds. The balances in the accounts at US Bank are usually small, unless funds have been sent to cover upcoming bond payments. These various bond accounts are used simply to receive scheduled bond payments from the NPUA, and then the payments to bondholders are initiated by US Bank; the NPUA does not repay bondholders directly. The total residual cash held by US Bank was slightly up this month at \$190, the next semi-annual debt service payments are not due again until August 2026.

The City's investment portfolio conforms to the City's Investment Policy in all respects. The City Treasurer certifies that the City has sufficient funds to meet its expenditure obligations during the next six months.

Fiscal Impact: LAIF interest is paid quarterly. Interest accrued on LAIF balances during April totaled \$68,730, compared to \$71,666 during March. Interest earned on the balance in the Arrowhead Credit Union money market account, which holds a portion of the City's Vehicle Replacement Funds, was \$29.

Recommended Action: Accept and file the April 2026 Treasurer's Report.

Submitted By: Mark C. DeMay, Director of Finance and Administrative Services

City Manager Approval: Patrick J. Martinez

Date: 5/21/2026

Other Department Approval (when required): _____

Date: _____