City of Needles, California
Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☐ HACN ☒ Regular ☐ Special

Meeting Date: September 23, 2025

Title: August 2025 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 August 2025 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.

During August, there were no investments made in LAIF since the balances in the City's bank accounts was needed to meet current financial obligations and ensure minimum required compensating balances necessary to offset fees from being charged to the various bank accounts.

The most recent LAIF quarterly apportionment rate for the June quarter was 4.40 percent. At its July meeting, the Federal Open Market Committee (the "Fed") decided to leave the Fed Funds Rate unchanged at the current range of 4.25 percent to 4.50 percent; as such, we expect this favorable interest rate at LAIF to continue through September. However, at the most recent Fed meeting on September 17, 2025, the Fed Funds Rate was lowered by one quarter percent. We anticipate this to be reflected in the LAIF quarterly apportionment rate in the next quarter.

Page 2 of 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 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 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 Zion Bank on August 31 was $12,345,932.

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 an upcoming bond payment, as was the case at the end of July. These various bond accounts are used simply to receive scheduled bond payments from the NPUA, and then the payments to bondholders are made by US Bank. NPUA does not repay bondholders directly. The total cash held by US Bank was $188 at month end after the August debt service payments were made by US Bank.

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: Accrued interest on the LAIF investments was $59,690 compared to $39,330 last month, reflecting a full month of interest on the $6 million invested at the very end of July. The City's portfolio cumulatively has earned an additional $78,043 in interest income since May 2025, before Finance began actively investing idle cash balances with LAIF. Interest earnings are shared by the General Fund, NPUA and HACN and apportioned based on each fund's respective balance at LAIF.

Total portfolio income in August 2025 was $60,091, including interest on the LAIF investments and a small amount of interest on cash balances in interest-bearing bank accounts. This is a $20,326 increase in portfolio income from July 2025.

Environmental Impact: None.

Recommended Action: Accept and file the August 2025 Treasurer's Report.

Submitted By: Jill Taura, Interim Finance Director

City Manager Approval: Patrick J Martinez Date: 9/16/2025

Other Department Approval (when required): ______________ Date: ______________

Approved: ☐	Not Approved: ☐	Tabled: ☐	Other: ☐