



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

May 13, 2025

SUBJECT: Investment Report for the Quarter Ended March 31, 2025

PREPARED BY: Susan Mahoney, Finance Director

Recommendation

Receive and file the Quarterly Investment Report for the quarter ended March 31, 2025.

Background

The City's investment objectives are governed by State law and by the City's adopted Investment Policy. The Quarterly Investment Report provides information regarding the City's investments in accordance with the Investment Policy.

Discussion

The attached report is a summary of all cash and investment activity for the quarter ended March 31, 2025. The City follows the practice of combining cash and investments for all funds. Except for the Pool Operations Fund, interest earned on combined cash and investments is allocated quarterly to the various funds based on the respective fund's cash balance. Interest earned on the cash balance in the Pool Operations Fund is calculated solely on LAIF (State of California Local Agency Investment Fund) earnings.

Cash

Total cash for all funds increased \$1,716,469 in the quarter ending March 31, 2025. The funds with the largest change in cash balance were the General Fund and the HOME First Street Senior Housing project fund. General Fund cash increased \$478,055 which is normal for this time of year as property tax revenue is received twice a year, in January and May. The HOME First Street Senior Housing project fund is a pass-through fund for HOME Grant monies received from the State. In March 2025, \$946,487 was received from the state. That amount was "passed-through" to the developer in April 2025.

Interest Earnings

Total interest earnings for the quarter were \$184,022; an increase of \$24,614 over the same quarter in 2024. Most of the City's idle cash is invested in LAIF. The LAIF interest rate for the quarter ending March 31, 2025, was 4.48%, down from 4.62% in December 2024. The average rate of return for the City's investments in CDs and federal securities was 4.60% for the quarter.

Investment Activity

The City uses a CD Ladder investment strategy with a maximum duration of three years. During the quarter two CDs matured, one government security matured, and one government security was called. Two CDs were purchased. As interest rates continue to drop, the City will invest the

majority of matured CDs in LAIF as their rates will be higher than market rates. Details are included in the accompanying report.

Fiscal Impact

This report is for information only.

Attachments

1. Quarterly Investment Report as of March 31, 2025.