City Council Meeting Staff Report

Meeting Date: August 11, 2026

SUBJECT: **Council Receive and File Investment Report for the Quarter Ended June 30, 2026**

PREPARED BY: **Susan Mahoney, Finance Director**

RECOMMENDATION:

Receive and file the Quarterly Investment Report for the quarter ended June 30, 2026.

DISCUSSION:

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

The attached report is a summary of all cash and investment activity for the quarter ending June 30, 2026. The City follows the practice of combining cash and investments for all funds. Interest earned on combined cash and investments is allocated quarterly to the various funds based on the respective funds' cash balance.

Cash - Total cash for all funds decreased $1,421,122 from the quarter ending March 31, 2026. The decrease is mainly due to the receipt of the second installment of property tax revenue offset by the reimbursement of the Pool Operations Fund to the David Kreps Trust and the outstanding receivables for the Regional Sewer Project.

Interest Earnings - Total interest earnings for the quarter were $185,151; a decrease of $12,719 over the same quarter in 2025. Most of the City's idle cash is invested in LAIF. The LAIF interest rate for the quarter ending June 30 was 3.92%, down from 3.98% in March 2026. The average rate of return for the City's investments in CDs and federal securities was 4.11% for the quarter.

Investment Activity - The City uses a laddered investment strategy with a current maximum duration of two years. During the quarter three CDs matured. As interest rates continue to drop, the City will invest the majority of matured CDs in LAIF. Details are included in the accompanying report.

FISCAL IMPACT:

This report is for information only.

ATTACHMENT:

A. Quarterly Investment Report as of June 30, 2026.