



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

February 25, 2025

SUBJECT: Investment Report for the Quarter Ended December 31, 2024

PREPARED BY: Susan Mahoney, Finance Director

Recommendation

Receive and file the Quarterly Investment Report for the quarter ended December 31, 2024.

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 December 31, 2024. 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 \$128,083 in the quarter ending December 31, 2024. The funds with the largest change in cash balance were the General Fund and the Caliterra Development Impact Fund. General Fund cash decreased \$369,715 which is normal for this time of year as property tax revenue is received twice a year, in January and May. The Caliterra Development Impact Fund increased \$324,505 due to building activity.

Interest Earnings

Total interest earnings for the quarter were \$192,123; an increase of \$65,362 over the same quarter in 2023. Most of the City's idle cash is invested in LAIF. The LAIF interest rate for the quarter ending December 31, 2024, was 4.62%, down from 4.71% in September 2024. The average rate of return for the City's investments in CD's and federal securities was 4.76% for the quarter.

Investment Activity

The City uses a CD Ladder investment strategy with a maximum duration of three years. During the quarter three CD's matured and two CD's were called. One CD was purchased with a maturity of December 2027. As interest rates continue to drop, the City will invest the majority of matured

CD's 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 December 31, 2024.