



## **CITY OF MENIFEE**

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SUBJECT: Treasurer's Report - September 2024

MEETING DATE: December 4, 2024

TO: Mayor and City Council

PREPARED BY: Ann-Marie Etienne, Finance Manager

REVIEWED BY: Travis Hickey, Chief Financial Officer

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Receive and file the Quarterly Treasurer's Report as of September 30, 2024.

### **DISCUSSION**

Attached is the signed monthly Treasurer's Report for Cash and Investments as of September 30, 2024, and 3<sup>rd</sup> Quarter (July 2024 – September 2024) Quarterly Investment Review as summarized below.

This Treasurer's Report is distinguished from the regular monthly report in that it includes more in-depth disclosure and review of investment activities over the past three months. The City of Menifee's investment objectives in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program. To achieve these objectives, the city invests in high quality fixed income securities consistent with the current investment policy (*Investment Policy CC-11*) and California Government Code.

#### **Quarterly Review: 3<sup>rd</sup> Quarter (July 2024 - September 2024) Investment Summary**

With a favorable interest market throughout the period in review, the City's investment portfolio continued to perform strongly during the 3<sup>rd</sup> quarter of 2024, yielding additional interest revenue to support municipal services. The City's investment approach balances its investments between short-term investment portfolio to long-term investments. Beginning with the designation of the Chief Financial Officer as the City Treasurer in the fall of 2023, the City has taken some additional efforts to maximize the City's investments opportunities in a fiscally prudent, but proactive manner.

#### **Overall Investment Portfolio Composition**

During the 3<sup>rd</sup> quarter of 2024, the City continued to participate in the California Asset Management Program (CAMP) investment pool program. Staff identified an opportunity to further

diversify the current investment portfolio, and thereby maximize investment opportunities by participating in this program. Also, during the 3<sup>rd</sup> Quarter period, the City maintained long-term investments through the support of investment consulting firm Chandler Asset Management.

**Overall Investment Portfolio Performance**

With respect to the City’s short-term investments, LAIF and/or CAMP investment pools, on September 30, 2024 CAMP’s rate was 5.29% while LAIF’s rate was 4.575%. The quarter ending September 30, 2024 produced the following results: CAMP accrued \$1,110,212.49 in cash dividends and income. LAIF accrued \$126,552.31 interest. On the longer-term investment component of the portfolio, Chandler accrued \$884,950.60 interest during the quarter ending September 30, 2024. As is the case with most of the current fiscal year, the short-term investment yields have been providing higher returns than long-term investments as the Federal Reserve has sustained higher interest rates thus far. However, future changes in interest rates would most immediately impact the short-term rates received.

**TABLE 1: QUARTER 1 OVERALL INVESTMENT PORTFOLIO PERFORMANCE**

Investment Portfolio	Investment Type/ Investment Category	Beginning Market Value 7/1/2024	Ending Market Value 9/30/2024	Investment Returns (Cash Dividends/ Interest)
<b>CAMP</b>	Pool/ Short-Term	77,125,117.40	81,235,260.45	1,110,212.49
<b>LAIF</b>	Pool/ Short-Term	11,250,317.08	11,376,869.39	126,552.31
<b>Chandler Asset Management</b>	City Investments/ Long-Term	126,369,305.46	130,857,091.43	884,950.60

**Cash Held Outside City Funds**

As noted in the monthly Treasurer’s Report there are some specific funds held outside the City’s custody, and held instead by Wilmington Trust, designated trustee. These funds relate to the TRIP and Streetlight Retrofit debt service payments, as well as the bonded CFDs bond proceeds and debt service payments. Pursuant to the Trustee agreements in place, Wilmington Trust oversees the investment of these funds. The average yield return of these funds is summarized within the corresponding section of the Treasurer’s Report.

**STRATEGIC PLAN OBJECTIVE**

Thriving Economy

**FISCAL IMPACT**

There is no fiscal impact associated with the recommended action.

**ATTACHMENTS**

1. Treasurer’s Report
2. CAMP Statement - July 2024
3. CAMP Statement – August 2024

4. CAMP Statement - September 2024
5. LAIF Investment Statement - July 2024
6. LAIF Investment Statement - August 2024
7. LAIF Investment Statement - September 2024
8. Chandler Investment Statements - July 2024
9. Chandler Investment Statements - August 2024
10. Chandler Investment Statements - September 2024