



CITY OF MENIFEE

SUBJECT: Treasurer's Report - March 2025

MEETING DATE: May 21, 2025

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

RECOMMENDED ACTION

1. Receive and file the Quarterly Treasurer's Report as of March 31, 2025.

DISCUSSION

Attached is the signed monthly Treasurer's Report for Cash and Investments as of March 31, 2025, and 1st Quarter (January 2025 – March 2025) 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: 1st Quarter (January 2025 – March 2025) Investment Summary

With a favorable interest market throughout the period in review, the City's investment portfolio continued to perform strongly during the 1st quarter of 2025, 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 CFO 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 1st quarter of 2025, 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 1st 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 March 31, 2025 CAMP’s rate was 4.47% while LAIF’s rate was 4.313%. The quarter ending March 31, 2025 produced the following results: CAMP accrued \$790,807.92 in cash dividends and income. LAIF accrued \$133,885.23 interest. In February 2025, \$24,000,000.00 was transferred to the City’s LAIF account. On the longer-term investment component of the portfolio, Chandler accrued \$947,435.84 interest during the quarter ending March 31, 2025. 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 01/01/2025	Ending Market Value 03/31/2025	Investment Returns (Cash Dividends/ Interest)
CAMP	Pool/ Short-Term	72,153,237.90	66,944,045.82	790,807.92
LAIF	Pool/ Short-Term	11,511,787.68	35,645,672.91	133,885.23
Chandler Asset Management	City Investments/ Long-Term	129,720,974.05	132,409,064.71	947,435.84

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 as of March 31, 2025
2. CA Asset Management Program Statements January 2025

3. CA Asset Management Program Statements February 2025
4. CA Asset Management Program Statements March 2025
5. LAIF Investment Statements January 2025
6. LAIF Investment Statements February 2025
7. LAIF Investment Statements March 2025
8. U.S. Bank Chandler Investment Statements January 2025
9. U.S. Bank Chandler Investment Statements February 2025
10. U.S. Bank Chandler Investment Statements March 2025