



Agenda Report

Fullerton City Council

MEETING DATE: FEBRUARY 3, 2026

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: STEVEN AVALOS, INTERIM DIRECTOR OF ADMINISTRATIVE SERVICES

PREPARED BY: TONI SMART, DEPUTY DIRECTOR OF ADMINISTRATIVE SERVICES

SUBJECT: TREASURER'S REPORT FOR QUARTER ENDED DECEMBER 31, 2025

SUMMARY

Treasurer's Report for quarter ended December 31, 2025, Second Quarter (Q2) of Fiscal Year 2025-26.

PROPOSED MOTION

Receive and file.

ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Other options brought by City Council.

STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

CITY MANAGER REMARKS

None.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Fiscal and Organizational Stability.

FISCAL IMPACT

City operating portfolio investments totaled \$175.04 million for the quarter ending December 31, 2025. The market yield equaled 3.983% on December 31, 2025 and the

accrued interest income for the quarter totaled \$1,599,905.53. The City of Fullerton bases its investment practices and policies on state law, prudent money management and its Statement of Investment Policy. Staff will use the information provided in this report to ensure continued oversight over investment of its idle funds and cash.

BACKGROUND AND DISCUSSION

The City Treasurer / Director of Administrative Services provides quarterly Treasurer's Reports to City Council and the Investment Advisory Committee (IAC) per the City financial and treasury policies, to review the City investment portfolio of idle funds and cash. Staff presented the Investment Report for quarter ended December 31, 2025, Second Quarter (Q2) of Fiscal Year 2025-26 to the IAC on January 15, 2026 and now presents to City Council.

The City operating portfolio ended the quarter with investments totaling \$175.04 million including:

- \$55.42 million in the State Local Agency Investment Fund and a Local Government Investment Pool
- \$104.39 million in U.S. Treasury Notes
- \$13.04 million in corporate notes
- \$1.01 million in money market funds
- \$1.18 million in municipal bonds
- \$0.002 million in cash.

The market yield equaled 3.983% on December 31, 2025 and the accrued interest income for the quarter totaled \$1,599,905.53.

Cash balances attributable to various City Funds comprise the City's temporarily idle cash invested in these portfolios. The invested cash is not discretionary and restricted to support each Funds' purpose and thus not transferable between Funds. The City collectively invests and draws upon these funds to support working capital as needed. The City bases investment practices and policies on state law, prudent money management and the Statement of Investment Policy. The following describes the primary goals of these practices:

- Protect the principal monies entrusted to the City Treasurer
- Assure compliance with all federal, state and local laws governing public fund investments under City Treasurer control
- Achieve a reasonable rate of return within prudent risk management parameters while minimizing the potential for capital losses arising from market changes or issuer default.

The City Treasurer controls all investable funds including, but not limited to, the General Fund, special revenue funds, debt service funds, capital project funds, enterprise funds and trust and successor agency funds accounted for in the City Annual Comprehensive Financial Report. The City consolidates cash and reserve balances from all funds to

maximize investment earnings and increase efficiencies for investment pricing, safekeeping and administration, except for cash in certain restricted and special funds.

The City usually generates a nominal yield above set benchmarks in accordance with the Investment Policy and allocates investment income to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Attachments:

- Attachment 1 – Quarterly Investment Report for Quarter Ended December 31, 2025.

cc: Interim City Manager Eddie Manfro