



Agenda Report

Fullerton City Council

MEETING DATE: MAY 7, 2024

TO: CITY COUNCIL / CITY MANAGER

SUBMITTED BY: ELLIS CHANG, DIRECTOR OF ADMINISTRATIVE SERVICES

PREPARED BY: TONI SMART, DEPUTY DIRECTOR OF ADMINISTRATIVE SERVICES

SUBJECT: TREASURER'S REPORT FOR QUARTER ENDED MARCH 31, 2024

SUMMARY

Treasurer's Report for third quarter of Fiscal Year 2023-24 ended March 31, 2024.

PROPOSED MOTION

Receive and file.

ALTERNATIVE OPTIONS

- Approve Proposed Motion
- Do not receive and file report
- 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

Staff will use the information in this report to ensure continued oversight.

BACKGROUND AND DISCUSSION

The City operating portfolio ended the quarter with investments totaling \$207.86 million. Investments including:

- \$92.12 million in the State Local Agency Investment Fund and a Local Government Investment Pool
- \$95.87 million in U.S. Treasury Notes
- \$1.49 million in Federal Agency issues
- \$9.66 million in corporate notes
- \$6.84 million in money market funds
- \$1.75 million in municipal bonds
- \$0.13 million in cash.

The market yield equaled 4.654% on March 31 2024 and accrued interest income for the quarter totaled \$784,515.93.

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

- To protect the principal monies entrusted to this office
- To assure compliance with all federal, state and local laws governing the investment of public funds under the control of the City Treasurer
- To achieve a reasonable rate of return within the parameters of prudent risk management 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. The City Annual Comprehensive Financial Report accounts for these funds. Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies for investment pricing, safekeeping and administration. The City will allocate 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 March 31, 2024

cc: City Manager Eric J. Levitt