



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1502

Agenda Date: 6/3/2026

Agenda #: 16.

DATE: June 3, 2026

TO: Honorable Mayor and City Councilmembers

FROM: City Treasurer's Office

TITLE: CITY TREASURER'S REPORT - QUARTER ENDED MARCH 31, 2026 AND ADOPTION OF THE CITY OF OCEANSIDE INVESTMENT POLICY

RECOMMENDATION

The City Treasurer and staff recommend that the City Council accept the City Treasurer's Report for the quarter ended March 31, 2026, and adopt a resolution approving the City of Oceanside Investment Policy.

BACKGROUND AND ANALYSIS

The City's Investment Policy requires the City Treasurer to submit a quarterly investment report to the City Council which provides full disclosure of the City's investment activities.

The goal of the City Treasurer's Office is to make investments in conformity with the investment policy adopted by the City Council on June 18, 2025. The quarterly City Treasurer's report is intended to provide an awareness of the activity and performance of the City's investment portfolio.

As of March 31, 2026, the City had \$16,372,825 in its operating account, \$53,080,939 in Local Agency Investment Fund (LAIF), and \$20,465,688 in California Asset Management Program (CAMP). The City has adequate funds to meet its cash flow requirements for the next six months.

The book value of the City's investment portfolio at the quarter ended March 31, 2026, was \$580,344,647 (book value is the cost of the security plus any amortization or accumulation of premiums or discounts). The March 31, 2026, portfolio book value increased by \$56.7 million (or 10.8%) over the March 31, 2025, portfolio book value. As shown in the following table, the book value of the City's primary investment portfolio has increased by \$5.6 million from the prior quarter ended December 31, 2025. As of March 31, 2026, the average purchase yield to maturity was 4.10%.

**City of Oceanside
Rolling Quarterly Comparison**

	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025
Book Value	\$580,344,647	\$574,730,794	\$570,242,859	\$537,673,753	\$523,558,450
Market Value	586,729,851	585,070,584	578,548,606	543,362,200	525,561,294
Unrealized Gain / (Loss)	6,385,203	10,339,790	8,305,746	5,688,447	2,002,844
Unrealized Gain / (Loss) as a % of Book Value	1.10%	1.80%	1.46%	1.06%	0.38%
Average Purchase YTM	4.10%	4.03%	3.88%	3.71%	3.57%
Quarterly Earnings	5,818,988	5,683,155	5,272,914	4,770,309	4,508,196

Funds Managed by Treasury Staff:

	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025
LAIF deposits	\$53,080,939	\$1,058,071	\$1,046,605	\$1,035,196	\$1,023,296
CAMP deposits	20,465,688	28,041,569	79,504,569	67,661,808	40,984,666
Operating Account (U.S. Bank)	16,372,825	20,444,394	34,512,893	19,960,271	20,532,676
TOTAL	\$89,919,452	\$49,544,035	\$115,064,067	\$88,657,275	\$62,540,637

The LAIF deposits ended the quarter with a yield of 3.826 percent, representing a decrease from the prior quarter yield of 3.871 percent. LAIF is part of a Pooled Money Investment Account which gives local agencies the opportunity to participate in a major portfolio using the State Treasurer's Office at no additional cost to the taxpayer.

The CAMP deposits ended the quarter with a yield of 3.80 percent, representing a decrease from the prior quarter yield of 4.73 percent. CAMP is a California Joint Powers Authority ("JPA") established in 1989 to provide California public agencies with professional investment services. These investments

are permitted for all local agencies under California Government Code Section 53601(p).

Q3 Banking activity performed by the City Treasurer’s Office (over \$5M):

- 1/5/2026: Transferred \$15M to LAIF
- 1/21/2026: Received \$12M in property tax revenue
- 1/22/26: Transferred \$10M to LAIF
- 1/30/26: Received \$13.7M in VLF Funds
- 2/2/2026: Transferred \$22M to LAIF
- 3/5/26: Transferred \$5M to LAIF

In accordance with our Investment Policy, the City receives a monthly report from U.S. Bank listing all securities with current market data. The City reconciles this report against a monthly ClearWater holdings report provided by Chandler Asset Management.

The City’s total Rate of Return (ROR), over the last 3 years, against the benchmark return:

Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS	3YRS
Oceanside Investment Portfolio	(0.71%)	0.29%	0.29%	4.26%	5.01%	4.56%
Benchmark Return	(0.75%)	0.20%	0.20%	3.87%	4.68%	3.93%

REVIEW OF INVESTMENT POLICY (Attachment 3)

As required, the annual review of the City’s Investment Policy was conducted by the City Treasurer, and Investment Consultant, in conjunction with the Citizen Investment Oversight Committee. Based on CMTA guidance, the following updates were made to the investment policy:

1. Section 2 (Objectives): Per CMTA guidance, added “comparative” to market rate of return objective.
2. Section 10 (Authorized Investments): Per SB595 we updated the commercial paper provision from 2026 to 2031; additionally, we extended the maximum maturity date for commercial paper investments from 270 to 397 days.
3. Section 13 (Collateralization): Per CMTA reviewers, we added collateralization to third-party custodian to repurchase agreement description.
4. Glossary: California now permits multiple placement services beyond CDARS. The CDARS description was removed.

As written, the policy complies with all applicable investment of public funds statutes, and incorporates industry best practices from sources such as California Municipal Treasurers Association (CMTA), California Debt Investment Advisory Commission (CDIAC) and the Association of Public Treasurers (APT). The City Treasurer and staff are recommending changes in compliance with the Government Code for Council approval.

COMMISSION OR COMMITTEE REPORT

The members of the Citizen Investment Oversight Committee (CIOC) reviewed the quarterly report for the quarter ended March 31, 2026, and changes to the investment policy at the May 12, 2026, CIOC meeting and accepted its contents. The members of the CIOC confirm that the investments are in compliance with California State Code and the City's adopted Investment Policy, and that the portfolio is managed in a satisfactory manner.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Silvia Twardy, Senior Accountant
Reviewed by: Jill Moya, Financial Services Director
Submitted by: Phyllis Dominguez, City Treasurer

ATTACHMENTS:

1. Quarterly Report
2. Resolution Policy Year 26-27
3. Investment Policy Redline