



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 25-1140

Agenda Date: 12/17/2025

Agenda #: 17.

DATE: December 17, 2025

TO: Honorable Mayor and City Councilmembers

FROM: City Treasurer's Office

TITLE: **CITY TREASURER'S REPORT - QUARTER ENDED SEPTEMBER 30, 2025**

RECOMMENDATION

The City Treasurer and staff recommend that the City Council accept the City Treasurer's Report for the quarter ended September 30, 2025.

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 September 30, 2025, the City had \$20,444,394 in its operating account, \$1,058,071 in Local Agency Investment Fund (LAIF), and \$28,041,569 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 September 30, 2025, was \$570,242,859 (book value is the cost of the security plus any amortization or accumulation of premiums or discounts). The September 30, 2025, portfolio book value increased by \$54.5 million (or 10.6 percent) over September 30, 2024, portfolio book value. As shown in the following table, the book value of the City's primary investment portfolio has increased by \$32 million from the prior quarter ended June 30, 2025. As of September 30, 2025, the average purchase yield to maturity was 3.88 percent.

City of Oceanside Rolling Quarterly Comparison

Funds Managed by Chandler Asset Management:

	Sept 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
Book Value	\$ 570,242,859	\$ 537,673,753	\$ 523,558,450	\$ 519,311,383	\$ 515,693,539
Market Value	578,548,606	543,362,200	525,561,294	515,393,716	518,331,278
Unrealized Gain / (Loss)	8,305,746	5,688,447	2,002,844	(3,917,667)	2,637,738
Unrealized Gain / (Loss) as a % of Book Value	1.46%	1.06%	0.38%	-0.75%	0.51%
Average Purchase YTM	3.88%	3.71%	3.57%	3.48%	3.31%
Quarterly Earnings	5,272,914	4,770,309	4,508,196	4,443,140	4,809,296

Funds Managed by Treasury Staff:

	Sept 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
LAIF	\$ 1,058,071	\$ 1,046,605	\$ 1,035,197	\$ 1,023,296	\$ 1,011,303
CAMP	28,041,569	79,504,569	67,661,808	40,984,666	24,688,669
Operating Account	20,444,394	34,512,893	19,960,271	20,532,676	14,613,423
Total	\$ 49,544,035	\$ 115,064,067	\$ 88,657,276	\$ 62,540,637	\$ 40,313,394
Quarterly Earnings	\$ 775,614	\$ 1,106,218	\$ 890,119	\$ 551,196	\$ 689,060

The LAIF deposits ended the quarter with a yield of 4.212 percent, representing a decrease from the prior quarter yield of 4.269 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 4.36 percent, representing a decrease from the prior quarter yield of 4.40 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).

Q1 highlights and banking activity performed by the City Treasurer's Office:

- July 7, 2025: Transferred \$8M from Operating account to the City's investment portfolio for long-term investing.
- July 15, 2025: Transferred \$24M from CAMP to the City's operating account to cover the annual CALPERS unfunded liability payment, approved by City Council on June 4, 2025.
- July 17, 2025: Made annual CALPERS payment for \$24.7M.
- August 26, 2025: Transferred \$28M from CAMP into the City's Operating account to cover September debt service payments and \$20M was transferred to the city's investment portfolio for long-term investing.
- September 17, 2025: Federal Reserve cuts interest rate by 0.25%.

- September 30, 2025: Congress failed to pass an appropriations bill, or approve a continuing resolution, which led to a Government shutdown on October 1, 2025. Federal funds passed down by Housing and Urban Development (HUD), have been delayed due to the Government shutdown.

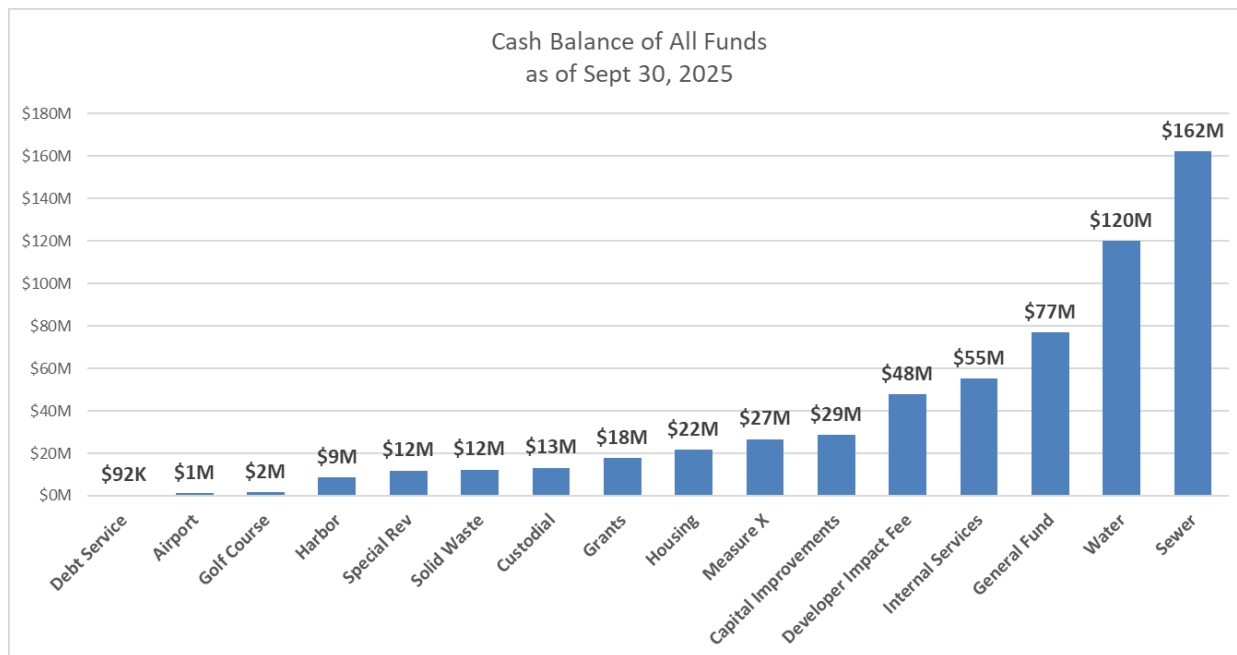
In accordance with our Investment Policy, the City receives a monthly report from the Bank of New York Mellon listing all securities with current market data. The City reconciles this report against a monthly ClearWater holdings report provided by Chandler Asset Management.

The City's total Rate of Return (ROR), over the last two years, exceeds the benchmark return:

Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS
Oceanside Investment Portfolio	0.30%	1.29%	4.83%	4.21%	6.06%
Benchmark Return	0.24%	1.14%	4.57%	3.77%	5.58%

All cash for the City's various funds is pooled and managed by the City Treasurer's Office in accordance with the City's Investment Policy. Pooling allows the City to maximize investment opportunities while ensuring adequate liquidity for operational needs across all departments and programs. Treasury manages these funds collectively to achieve the objectives of safety, liquidity, and yield, while maintaining compliance with State law and Council-adopted investment guidelines. The chart below provides a summary of the cash balances by fund type, illustrating the distribution of resources held across the City's General Fund, special revenue funds, enterprise funds, capital projects, and other restricted funds.



Custody Service Changes

The City has had various challenges with the current account Custodian, Bank of New York (BNY), that have affected our reporting and service levels. Most notably, the accounting system used by BNY does not have the ability to generate monthly statements in Excel or CSV format. Having data in Excel is crucial for month-end reconciliations. The City contacted Zions Bank, Huntington National Bank, and U.S. Bank to obtain Custodial service fee schedules. After reviewing alternative custodians based on service quality, cost, reporting capabilities, and overall fit, staff have decided to move forward with transitioning the City's investment portfolio to U.S. Bank. This contract will be presented separately to the City Council at its December 17 meeting for approval.

FISCAL IMPACT

No fiscal impact.

COMMISSION OR COMMITTEE REPORT

The members of the Citizen Investment Oversight Committee (CIOC) reviewed the quarterly report for the quarter ended September 30, 2025, at the November 18, 2025, 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

Not applicable.

Prepared by: Silvia Twardy, Supervising Accountant

Reviewed by: Jill Moya, Financial Services Director

Submitted by: Phyllis Dominguez, City Treasurer

ATTACHMENTS:

1. Quarterly Report