



CITY OF SALINAS FINANCE COMMITTEE STAFF REPORT

DATE: DECEMBER 2, 2025
DEPARTMENT: FINANCE
FROM: SELINA ANDREWS, FINANCE DIRECTOR
TITLE: TREASURER'S REPORT – QUARTER ENDED SEPTEMBER 30, 2025

RECOMMENDED MOTION:

Accept the Treasurer's Report for FY 2025-26 first quarter ended September 30, 2025.

EXECUTIVE SUMMARY:

The Treasurer's Report is required to be submitted to the City Council at least quarterly in accordance with California Government Code Section 53600 et. seq. The purpose of the Treasurer's Report is to update the City Council and the public on the status of the City's cash balances and investments. The scope of this report covers the first quarter of the 2025-26 fiscal year ending September 30, 2025, and is in compliance with the State's reporting requirements. Going forward, staff will present a Treasurer's Report to Council and highlight material changes between reporting periods.

BACKGROUND:

In February 2022, the City contracted with Chandler Asset Management to provide non-discretionary investment advisory services. Staff is working in conjunction with Chandler to ensure cash and investments adhere to the principles of safety, liquidity, and yield.

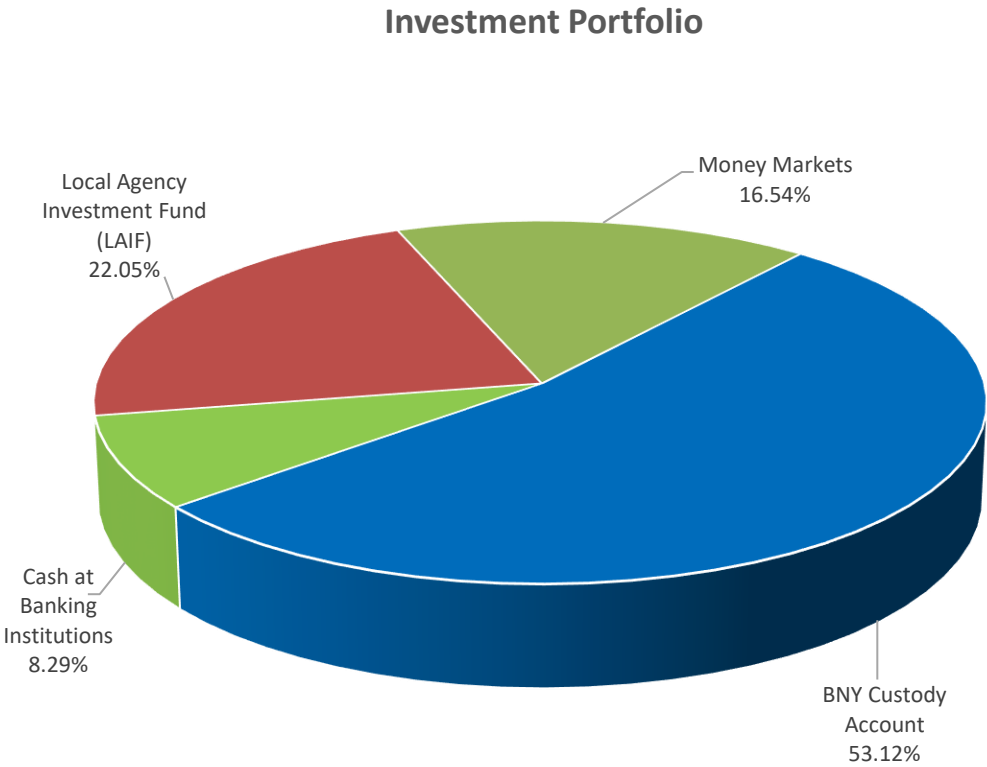
At September 30, 2025, the value of the City's total portfolio is \$204.4 million. The City's market value balances increased by \$1.3 million from the prior quarter with an ending balance of \$205.8 million. The funds are held as follows:

Cash & Investments Distribution	Book Value	Market Value
Cash at Banking Institutions	16,946,496	16,946,496
BNY Custody	108,586,164	109,895,081
Money Markets	33,809,588	33,809,588
Local Agency Investment Fund (LAIF)	45,078,313	45,165,296
Total	204,420,561	205,816,461

The book value represents the culmination of previously appropriated and unspent capital improvement projects, reserves, and estimated fund balances at September 30, 2025 for all funds. The reserves include Economic Contingency, Facilities Maintenance, Infrastructure, Other Post Employment Benefits (OPEB), and Enterprise Reserve Funds (Airport and Permit). Currently, the Economic Contingency is maintained at 12%, or \$22,114,549, of the Adopted General Fund Budget. Per Government Financial Officers Association (GFOA) it is best practice to maintain reserves at 17% - 25% of the current year operating expenditure budget. The table below summarizes the pooled investments by type at September 30, 2025.

Summary of Pooled Investment Portfolio by Type*	
September 30, 2025	
CIP Carryover	\$ 115,000,000
Reserves	40,600,000
Estimated Fund Balances at 9/30/25	48,821,000
Total	\$ 204,421,000

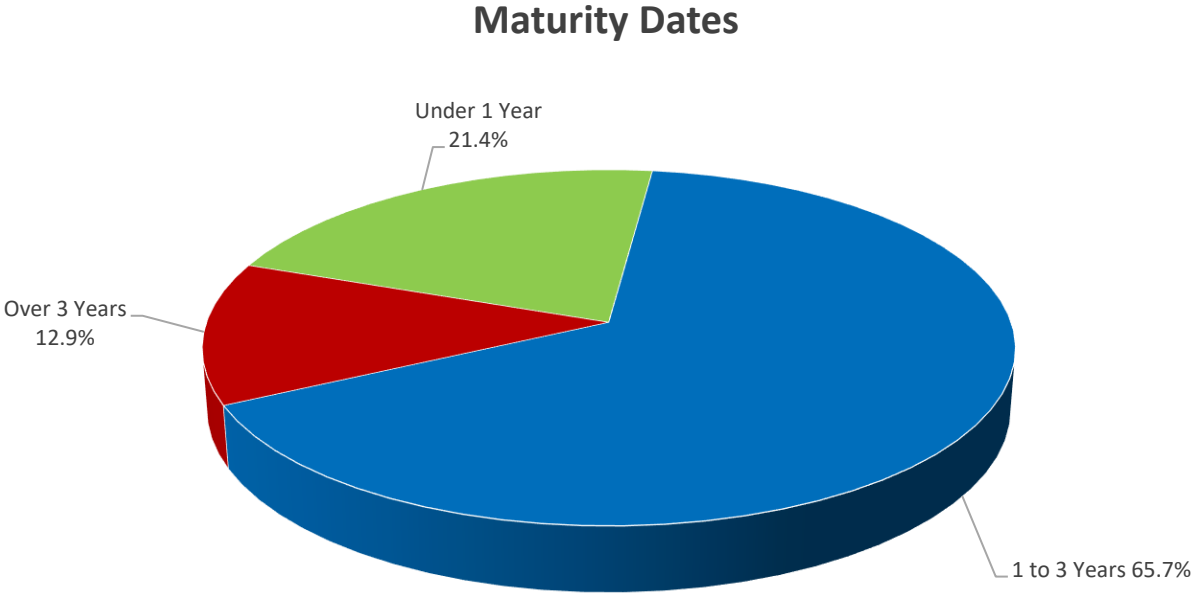
* Balances are unaudited



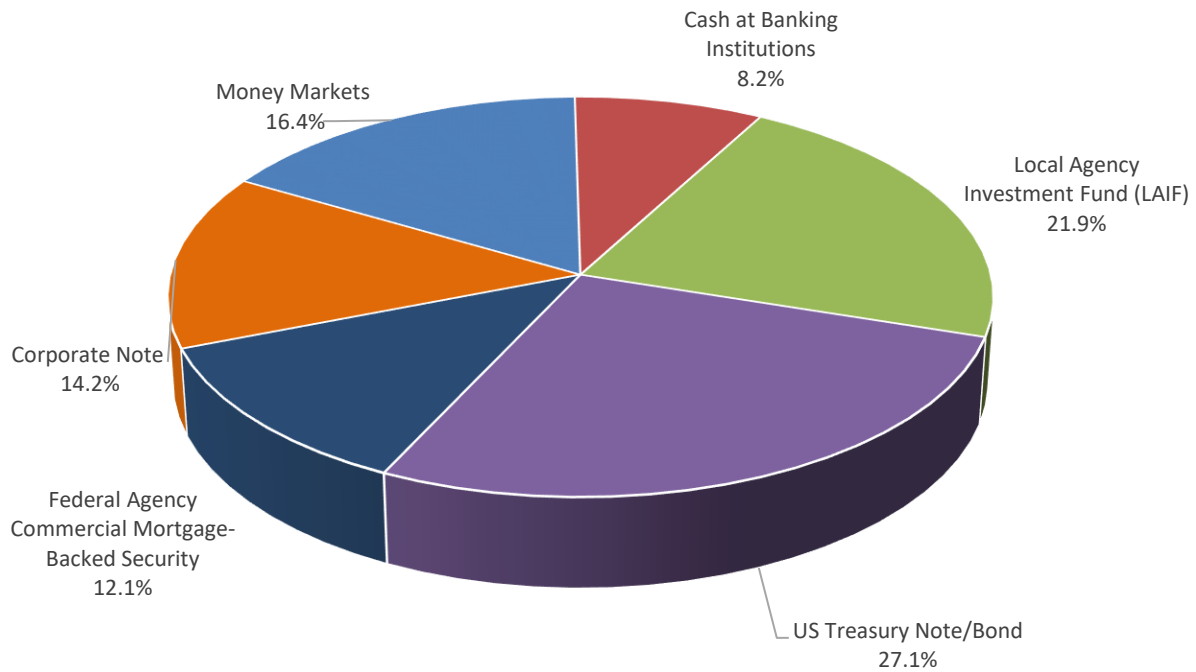
The overall portfolio is well diversified with \$108.6 million invested in marketable securities, \$45.1 million is invested in LAIF, \$33.8 Million invested in money markets that are considered liquid (Money markets and cash held in investment accounts), and \$16.9 million held in banking institutions. Staff, in conjunction with our financial advisors, periodically review the mix of liquid and long-term investments and adjusts the portfolio according to the market conditions and our short-term cash needs.

Staff review investment statements and make appropriate inquiries of its investment advisors to confirm the existence and viability of the City’s assets. The City invests conservatively in investment policy options in accordance with California State Government Code. The long-term assets are in securities that can be held to maturity, thus are less vulnerable to the fluctuations of the market. All securities are in compliance with the City’s investment policy. There are sufficient funds to meet the City’s expenditure requirements for the next six months.

The distribution of investments is displayed in the charts below.



Allocation By Security Type



The first quarter Treasurer's Report for the period ended September 30, 2025 containing detailed information is attached.

ATTACHMENTS:

Treasurer's Report – Quarter ended September 30, 2025