



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: DECEMBER 9, 2025
DEPARTMENT: FINANCE
FROM: SELINA ANDREWS, FINANCE DIRECTOR
TITLE: TREASURER'S REPORT – QUARTER ENDED SEPTEMBER 30, 2025

RECOMMENDED MOTION:

A motion to 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

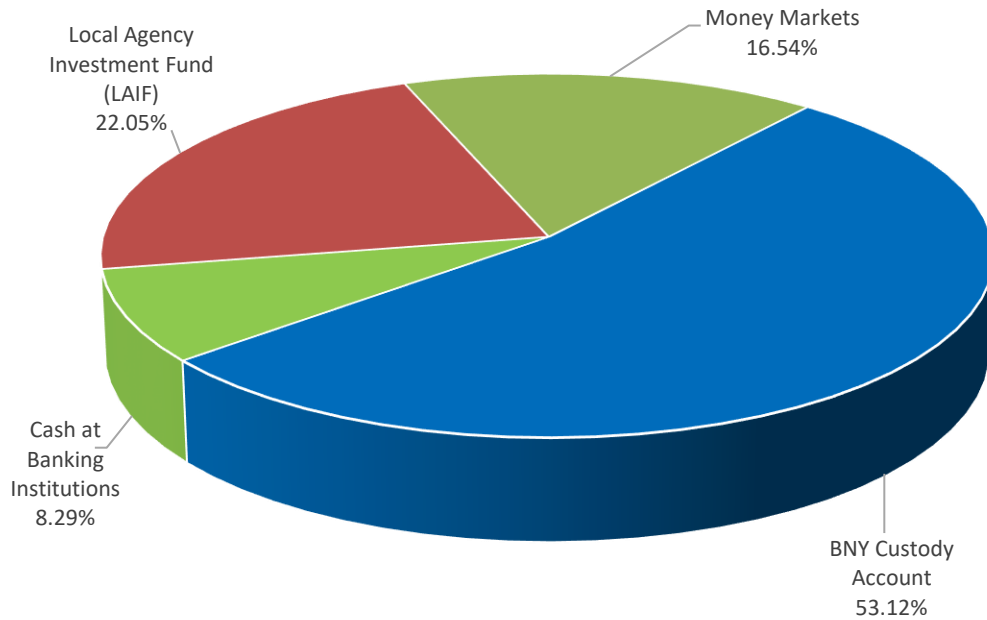
The book value represents the culmination of previously appropriated and unspent capital improvement projects, reserves, and estimated fund balances at September 30, 2025 for all funds. The reserves include Economic Contingency, Facilities Maintenance, Infrastructure, Other Post Employment Benefits (OPEB), 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

On December 2, 2025, staff presented the Treasurer's Report to the Finance Committee. Of note, the \$115 million CIP Carryover identified in the Summary of Pooled Investment Portfolio by Type includes \$41 million in encumbered and \$74 million in unencumbered projects. There was discussion about both encumbered and unencumbered projects and examples were provided from both categories. Staff will continue to review projects and timelines and present them to the Finance Committee for further discussion. Committee members had clarifying questions and deemed the report received.

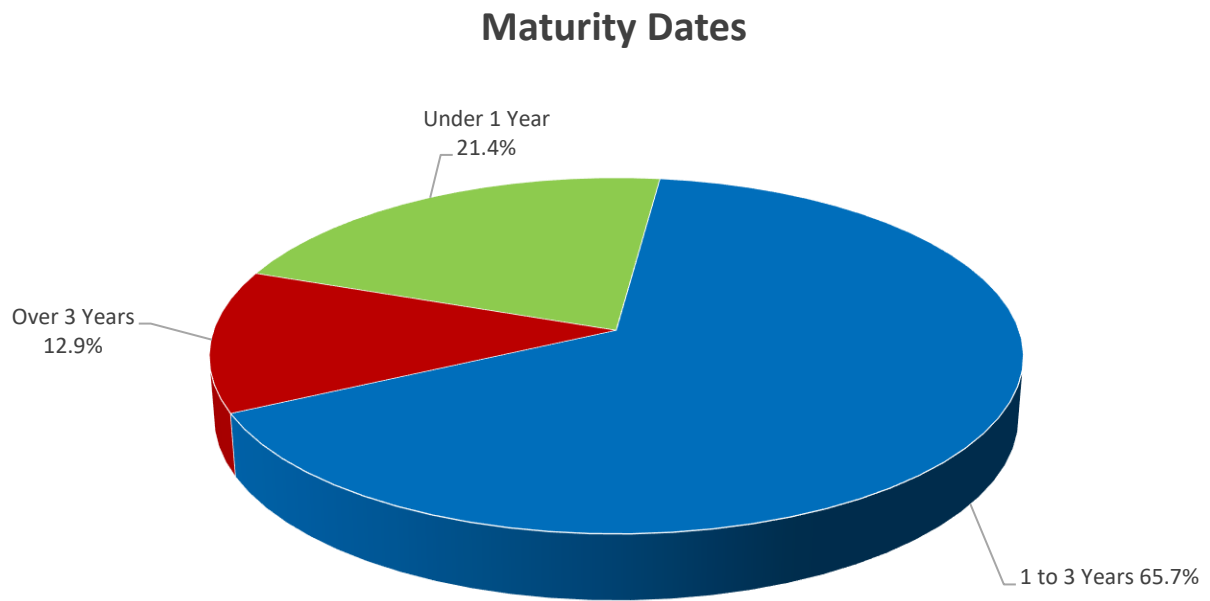
Investment Portfolio



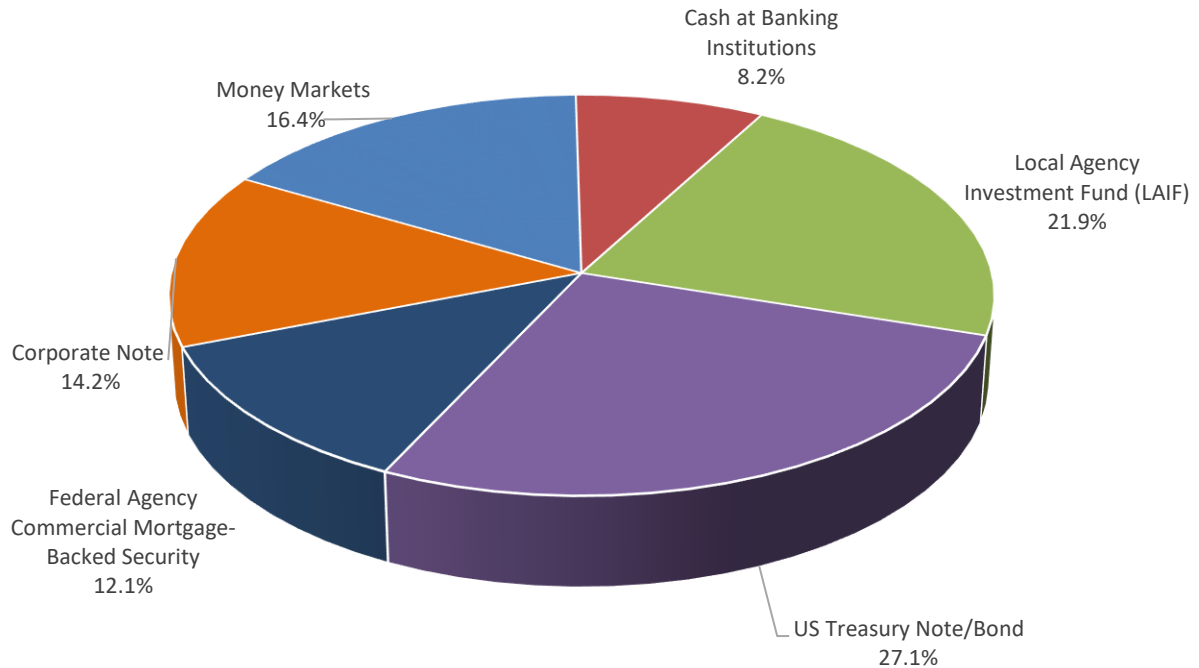
The overall portfolio is well diversified with \$108.6 million invested in marketable securities, \$45.1 million is invested in LAIF, \$33.8 Million invested in money markets that are considered liquid (Money markets and cash held in investment accounts), and \$16.9 million held in banking institutions. 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.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

This item achieves the City Council 2025 Strategic Goal of City Services ensuring fiscal responsibility and finance management.

DEPARTMENTAL COORDINATION:

This staff report was coordinated with the City Manager's Office and City Attorney's Office.

FISCAL AND SUSTAINABILITY IMPACT:

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Remaining Budget Appropriation	Amount Requested
n/a	n/a	n/a	n/a	n/a

ATTACHMENTS:

Treasurer's Report – Quarter ended September 30, 2025