



AGENDA BILL

Agenda Item No. 6.B.

Date: January 17, 2023
To: El Cerrito City Council
From: Sandra Dalida, Finance Director/City Treasurer, Finance Department
Subject: FY 2022-23 Second Quarter Cash and Investment Report

ACTION PROPOSED

Receive and file the City's second quarterly cash and investment report covering the period of October 1, 2022 - December 31, 2022.

BACKGROUND

It is the policy of the City of El Cerrito ("City") to invest public funds in a manner which provides for the safety of principal while providing enough liquidity to cover the City's short and long-term needs while generating the appropriate yield. All investment activity will conform to the California Government Code, Sections 53601 through 53659.

ANALYSIS

The Quarterly Cash and Investment Report for October 1, 2022 through December 31, 2022 shows that the City's total cash and investments as of December 31, 2022, had a par value of \$28,052,440.76. These funds are available to meet operating expenses for the next six months.

- \$21,945,900.43 of the total cash and investment funds were invested in the pooled funds with the State Treasurer's Local Agency Investment Fund (LAIF). Interest earnings are not posted to LAIF accounts until the month following the close of the quarter. Accordingly, the total cash and investment funds include interest earnings of \$61,672.20 for the quarter ending September 30, 2022, which was posted to the City's account on October 15, 2022. Interest earnings for the quarter ending December 31, 2022, will be reflected in the subsequent report.
- \$6,104,190.33 of the total funds includes cash in accounts with Mechanics Bank. Monthly interest earnings posted to the City account, and included in the total funds with Mechanics Bank, for the quarter totaled \$124.11 as follows:
 - \$44.02 October 31, 2022
 - \$35.65 November 30, 2022
 - \$44.44 December 30, 2022
- \$2,350.00 is the total balance in Petty Cash Funds.

STRATEGIC PLAN CONSIDERATIONS

The City's Investment Policy, Comprehensive Financial Policy, and Strategic Plan sets form guidelines for the investment of City funds and aligns with California Government code, Section 53646 and Section 53600-53609. The purpose of the City's Investment Policy is to provide guidelines for prudent investment of the City's idle funds and ensure policies, procedures, systems, and best practices in fiscal management (Goal B).

ENVIRONMENTAL CONSIDERATIONS

This section is not applicable to this agenda item.

FINANCIAL CONSIDERATIONS

The Quarterly Cash and Investment Report is in compliance with the City of El Cerrito Investment Policy and California Government Code Section 53646. The City will have sufficient cash flow to meet the next six months of estimated expenditures as required by Code 53646.

LEGAL CONSIDERATIONS

The City's investments comply with standards reflected in the City of El Cerrito Investment Policy.

Reviewed by:



Karen Pinkos, City Manager

Attachments:

1. Qtr 2 FY 2022-23 Cash and Investment Report