

May 12, 2025

Item No. **10j(2)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of May 20, 2025

Honorable Chairperson and Members
of the Successor Agency to Marina Redevelopment Agency

Successor Agency Meeting
of May 20, 2025

Chair and Board Members of
Preston Park Sustainable Community Non-Profit Corporation

Corporation Meeting
of May 20, 2025

CITY COUNCIL OF THE CITY OF MARINA, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY BOARD, AND PRESTON PARK SUSTAINABLE COMMUNITY NPC BOARD TO RECEIVE INVESTMENT REPORTS FOR THE CITY OF MARINA, CITY OF MARINA AS SUCCESSOR AGENCY TO THE MARINA REDEVELOPMENT AGENCY, AND PRESTON PARK SUSTAINABLE COMMUNITY NON-PROFIT CORPORATION AND ABRAMS B NON-PROFIT CORPORATION FOR THE QUARTER ENDED MARCH 2025

REQUEST:

It is requested that the City Council and Boards:

1. Consider receiving Investment Reports for the City of Marina, City of Marina as Successor Agency to the Marina Redevelopment Agency, and Preston Park Sustainable Community Non-Profit Corporation (PPSC-NPC) and Abrams B Non-Profit Corporation for the quarter ended March 31, 2025.

BACKGROUND:

Cash Management

At the end of the third quarter, the City’s aggregate cash and investments were \$168.6 million. This represents a decrease of \$8.4 million when compared to the prior quarter. This variance can be attributed to more than \$5.5 million in construction and capital outlay payments, as well as routine operating patterns.

The City’s fiduciary funds, which consist of the Successor Agency to the Marina Redevelopment Agency and the Fort Ord Reuse Authority (FORA) bond reserve account, were \$7.1 million and \$2.4 million, respectively. The \$593,000 increase primarily reflects the receipt of property tax revenues, net of debt service payments.

The combined Preston and Abrams cash and investment balances were \$18.0 million. The quarterly increase of approximately \$650,000 reflects on-going revenues and timing differences associated with expenditure.

Consistent with the City’s investment strategy of capital preservation, the City has continued to maintain significant cash with the Local Agency Investment Fund (LAIF), US Treasury Bills, US Agency Bonds.

An overview of City investments is presented below, with detailed information included in the attached reports.

Table I: Cash and Investments

Summary of Cash and Investments

Amounts in Millions

Quarter Ended March 31, 2025

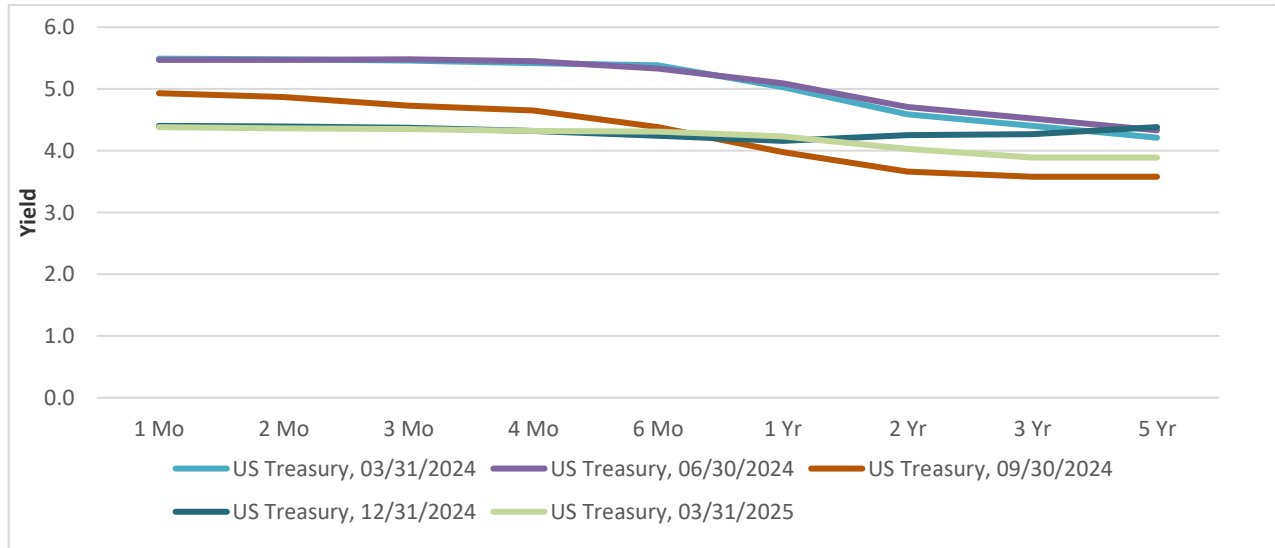
<u>City</u>	<u>December</u>		<u>March</u>		<u>Change (Curr - Prev)</u>	
	<u>Yield</u>	<u>Amount</u>	<u>Yield</u>	<u>Amount</u>	<u>Yield</u>	<u>Amount</u>
Cash	0.00%	17.93	0.00%	1.68	0.00%	(16.25)
LAIIF	4.48%	41.78	4.34%	60.49	-0.14%	18.71
US Treasury Bills	4.73%	96.24	4.38%	83.16	-0.35%	(13.08)
US Agency Bonds	4.50%	6.99	4.50%	9.00	0.00%	2.01
Municipal Bonds	4.24%	3.99	4.24%	4.04	0.00%	0.05
Restricted Money Market - Bond Proceeds/Reserv	4.01%	10.10	3.90%	10.27	-0.12%	0.16
<i>Subtotal</i>		177.03		168.63		(8.40)
<u>Fiduciary</u>						
Cash	0.00%	0.17	0.00%	0.20	0.00%	0.03
LAIIF	4.48%	2.44	4.34%	3.47	-0.14%	1.03
Restricted Money Market - Bond Proceeds/Reserv	4.03%	6.38	3.91%	5.92	-0.12%	(0.47)
<i>Subtotal</i>		8.99		9.58		0.59
<u>Preston</u>						
Cash	1.99%	13.53	1.97%	14.06	-0.02%	0.53
Money Market	0.65%	0.25	0.65%	0.25	0.00%	0.00
<i>Subtotal</i>		13.78		14.31		0.53
<u>Abrams</u>						
Cash	0.00%	0.35	0.00%	0.31	0.00%	(0.04)
Money Market	0.83%	3.22	0.83%	3.37	0.00%	0.16
<i>Subtotal</i>		3.57		3.69		0.12
Total Cash		203.37		196.21		(7.15)

Interest Rate / Economy

The Federal Open Committee (FOMC) is the monetary policy making body of the Federal Reserve. Their goal is to achieve maximum employment, with a targeted 2% inflation rate. While the FOMC met twice during the calendar year, there were no changes made to the federal funds interest rate. The rates remained at a range between 4.25% and 4.50%. Although there is continuing economic uncertainty, the FOMC members speculate that interest rates could fall in calendar year 2025 to between 3.75% - 4.00%.

The following chart shows the treasury yield curve and its shift from March 2024 to March 2025, as well as the decrease in interest rates when compared to the prior quarter.

Chart 1 Treasury Yield Curve



Investment Performance

The quarterly LAIF interest rate was 4.34%, which represents a 0.14% decrease from the previous quarter. Changes in LAIF rates typically follow or are in close alignment with the federal funds lending rate. A history of how LAIF closely tracks with the upper federal funds limit is provided in Chart II. The City’s investment portfolio includes US Treasuries and a US Agency Bond with maturity dates of one year or more. Their current combined market yield is close to 4.33%, which is relatively consistent with the LAIF rate. While the return rates fluctuate with economic conditions, Chart I shows that the six-month and one-year treasury bill had a yield of 4.31% and 4.23%, respectively at March 31, 2025. The City’s Mid-Cycle budget amendment reflects a potential reduction in interest earnings.

Chart II: LAIF Compared to Federal Funds Upper Limit Interest Rates

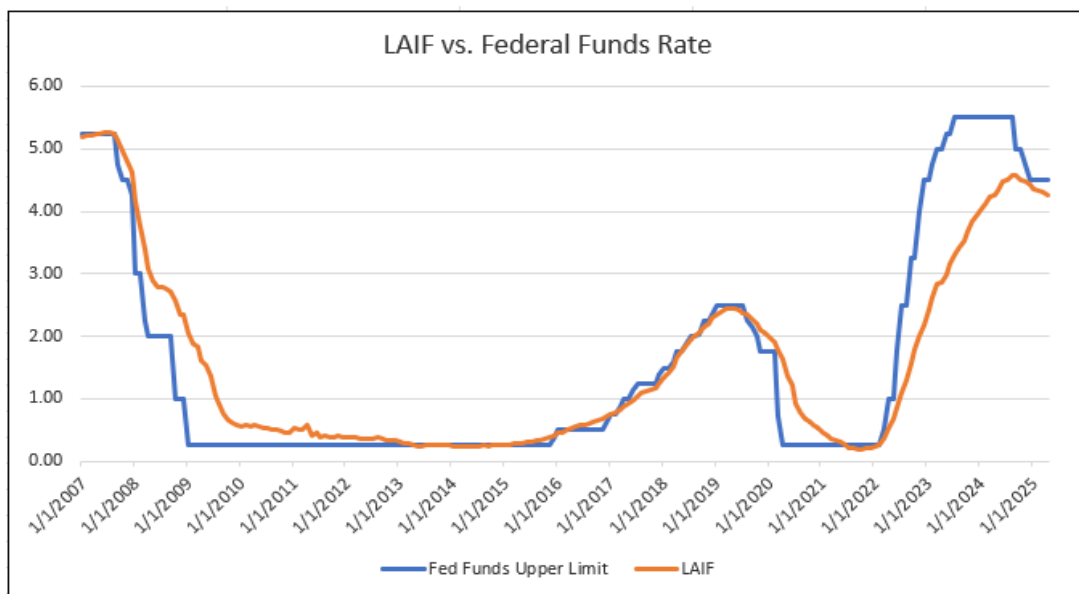


Chart provided by Time Value Investments, with source data from the Federal Reserve and the California State Treasury, Presentation dated March 2025.

Portfolio Strategy

The prior fiscal year investment goal was to match or outperform LAIF. While LAIF and US Treasury Bills are becoming more in alignment, attention will be given to cash flow needs to determine if it is prudent to purchase approved investments with terms of two to five years. This would allow the City to lock-in higher interest rates for a greater time horizon. This could be beneficial if there are continuing signs that interest rates will fall in calendar year 2025.

ANALYSIS:

The attached investment reports include the City of Marina's and the City of Marina as Successor Agency to the Marina Redevelopment Agency's and Preston & Abrams Non-Profit Corporation reports (“**EXHIBIT A**”). These include balances of City, Successor Agency and Preston Park / Abrams Park, and restricted FORA bond reserves that are held by financial institutions, as reported in their monthly statements.

FISCAL IMPACT:

There is no fiscal impact. This report is for informational purposes.

CONCLUSION:

This report is submitted for City Council consideration and possible action.



Roger Sattoof
Financial Analyst
City of Marina

Tori Hannah
Finance Director
City of Marina

REVIEWED/CONCUR:

Layne P. Long
City Manager
City of Marina

EXHIBIT A-1

To: Honorable Mayor and City Council Members

From: Roger Sattoof, Financial Analyst

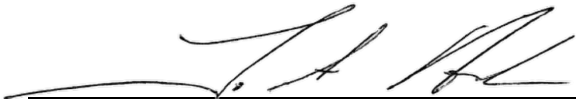
RE: Investment Report for **City of Marina** Funds
Quarter Ended March 31, 2025

Cash and Investment Summary:

	<u>Market Value</u>
Cash	\$ 1,678,920
Local Agency Investment Fund (LAIF)	60,490,318
US Treasury Bills	83,155,718
US Agency Bonds	8,998,191
Municipal Bonds	4,038,440
Restricted Money Market Account - Bond Proceeds or Bond Reserves	10,268,982
	\$ 168,630,569

Cash not earning interest	\$ 1,678,920
Non earning cash as a percentage of total cash	1%

I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City of Marina's anticipated expenditure requirements for the next six (6) months.
(California Government Code Section 53646)



Tori Hannah, Finance Director



Roger Sattoof, Financial Analyst

EXHIBIT A-1

CITY OF MARINA
 INVESTMENT REPORT
 Quarter Ended March 31, 2025

Institution/Type of Investment	Additional Identifiers/CUSIP #	Purchase Date	Maturity	Rate (%)	Face Value	Market Value	Cost Basis	Unrealized Gain/Loss	
Cash									
Petty Cash	-	-	-	-	\$ 2,000	\$ 2,000	\$ 2,000	-	
Chase Checking Account	-	-	-	-	1,634,150	1,634,150	1,634,150	-	
Total Cash					\$ 1,636,150	\$ 1,636,150	\$ 1,636,150	-	
Investments									
Local Agency Investment Fund (LAIF)									
Pooled money investment	-	-	-	4.34%	\$ 60,490,318	\$ 60,490,318	\$ 60,490,318	\$ -	
JP Morgan Investments									
US Agency Bond	Federal Farm Credit Bank	3133ERPC9	08/08/24	08/12/26	4.50%	5,000,000	4,997,431	5,000,000	(2,569.00)
US Treasury Bill	US Treasury Bill	912797PV3	03/20/25	03/19/26	4.02%	10,000,000	9,621,844	9,614,723	7,121.20
US Treasury Bill	US Treasury Bill	912797MG9	02/06/25	08/07/25	4.20%	6,124,000	6,033,406	5,999,247	34,158.33
US Treasury Bill	US Treasury Bill	91282CMH1	02/04/25	01/31/27	4.20%	5,000,000	5,016,992	4,992,383	24,609.40
US Treasury Bill	US Treasury Bill	912797LN5	06/28/24	06/12/25	5.04%	2,485,000	2,464,176	2,369,160	95,015.80
US Treasury Bill	US Treasury Bill	912797MS3	10/17/24	10/02/25	4.16%	9,607,000	9,407,104	9,236,325	170,779.40
US Treasury Bill	US Treasury Bill	91282CLY5	12/20/24	11/30/26	4.26%	2,500,000	2,512,012	2,499,414	12,597.68
US Treasury Bill	US Treasury Bill	91282CMB4	12/20/24	12/15/27	4.26%	2,500,000	2,507,324	2,483,477	23,847.33
Total JP Morgan Investments					\$ 43,216,000	\$ 42,560,289	\$ 42,194,729	\$ 365,560	
Citizens Bank LPL									
Cash	-	-	-	1.98%	\$ 2,083	\$ 2,083	\$ 2,083	\$ -	
US Treasury Bill	US Treasury Bill	912797PN1	02/21/25	08/14/25	4.31%	\$ 15,308,000	\$ 15,069,471	\$ 15,000,004	\$ 69,467
US Treasury Bill	US Treasury Bill	912797PX9	03/24/25	09/18/25	4.17%	\$ 5,357,000	\$ 5,253,406	\$ 5,250,250	\$ 3,156
US Treasury Bill	US Treasury Bill	91282CFW6	01/23/25	11/15/25	4.24%	\$ 2,065,000	\$ 2,068,872	\$ 2,068,192	\$ 680
US Treasury Bill	US Treasury Bill	912797KS5	04/18/24	04/17/25	5.20%	\$ 5,252,000	\$ 5,242,079	\$ 4,999,788	\$ 242,291
US Treasury Bill	US Treasury Bill	912797LN5	06/13/24	06/12/25	5.07%	\$ 10,500,000	\$ 10,411,905	\$ 10,003,342	\$ 408,563
Total Citizens Bank LPL					\$ 38,484,083	\$ 38,047,815	\$ 37,323,659	\$ 724,157	

EXHIBIT A-1

CITY OF MARINA

INVESTMENT REPORT

Quarter Ended March 31, 2025

Institution/Type of Investment	Additional Identifiers/CUSIP #	Purchase Date	Maturity	Rate (%)	Face Value	Market Value	Cost Basis	Unrealized Gain/Loss	
Time Value Investments									
Money Market	-	-	-	3.97%	\$ 40,687	\$ 40,687	\$ 40,687	\$ -	
US Treasury Bill	US Treasury Bill	91282CFZ9	11/12/24	11/30/27	4.15%	1,500,000	1,498,425	1,488,272	\$ 19,322
US Treasury Bill	US Treasury Bill	91282CGL9	02/12/25	02/15/26	4.17%	2,000,000	1,997,640	1,996,670	\$ 9,724
US Treasury Bill	US Treasury Bill	91282CJR3	01/13/25	12/31/28	4.43%	2,610,000	2,592,252	2,546,073	\$ 24,334
US Treasury Bill	US Treasury Bill	9128285M8	11/12/24	11/15/28	4.16%	1,500,000	1,458,810	1,443,222	\$ 17,611
US Agency Bond	Federal Home Loan Banks	3130B3XQ1	12/04/24	12/04/26	4.50%	2,000,000	1,998,900	2,000,000	\$ 29,250
US Agency Bond	Federal Home Loan Banks	3130B4NK3	02/12/25	01/16/26	4.20%	2,000,000	2,001,860	2,000,846	\$ 17,708
Municipal Bonds	California State GO Bonds	13063EGT7	11/07/24	08/01/29	4.24%	4,000,000	4,038,440	4,043,916	\$ 30,000
Total Time Value Investments					\$ 15,650,687	\$ 15,627,014	\$ 15,559,686	\$ 147,948	
Restricted Bond Reserve Accounts									
US Bank									
Money Market	Abrams B Debt Service	-	-	3.97%	\$ 477,024	\$ 477,024	\$ 477,024	-	
Money Market	2022 COPS - Transportation Improvements	-	-	3.82%	\$ 9,791,958	\$ 9,791,958	\$ 9,791,958	-	
Total Bond Reserve Accounts					\$ 10,268,982	\$ 10,268,982	\$ 10,268,982	-	
Total Cash and Investments					\$ 169,746,221	\$ 168,630,569	\$ 167,473,524	\$ 1,237,665	

EXHIBIT A-2

To: Honorable Mayor and City Council Members

From: Roger Sattoof, Financial Analyst

RE: Investment Report for **Fiduciary Funds: Successor Agency and the FORA Bond Reserve Account**
Quarter Ended March 31, 2025

Cash and Investment Summary:


	<u>Market Value</u>
Cash	\$ 197,502
Local Agency Investment Fund (LAIF)	\$ 3,465,235
Restricted Money Market - Bond Proceeds/Bond Reserves	\$ 5,915,736
Total	\$ 9,578,473

Cash not earning interest	\$ 197,502
Non earning cash as a percentage of total cash	2%

I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the Successor Agency's anticipated expenditure requirements for the next six (6) months.
(California Government Code Section 53646)



Tori Hannah, Finance Director



Roger Sattoof, Financial Analyst

EXHIBIT A-2

City of Marina
Investment Report for **Fiduciary** Funds
Quarter Ended March 31, 2025

Successor Agency

Institution/Type of Investment	Additional Identifiers/CUSIP#	Purchase Date	Maturity	Rate (%)	Face Value	Market Value	Cost Basis	Unrealized Gain /Loss
<i>Cash</i>								
Checking Account	Chase Bank	-	-	0.00%	\$ 197,502	\$ 197,502	\$ 197,502	-
<i>Investments</i>								
Local Agency Investment Fund (LAIF)								
Pooled money investment				4.34%	\$ 3,465,235	\$ 3,465,235	\$ 3,465,235	-
<i>Restricted Bond Reserve Accounts</i>								
US Bank								
Money Market	2018 Housing Tax Allocation Bonds Series A&B	-	-	4.02%	\$ 1,171,257	\$ 1,171,257	\$ 1,171,257	-
Money Market	2020 Housing Tax Allocation Bonds Series A&B	-	-	4.00%	\$ 979,875	\$ 979,875	\$ 979,875	-
Money Market	2023 Housing Tax Allocation Bonds Series A&B	-	-	3.80%	\$ 1,308,000	\$ 1,308,000	\$ 1,308,000	-
Total Bond Reserve Accounts					\$ 3,459,132	\$ 3,459,132	\$ 3,459,132	-
Total Successor Agency					\$ 7,121,869	\$ 7,121,869	\$ 7,121,869	-

FORA

Institution/Type of Investment	Additional Identifiers/CUSIP#	Purchase Date	Maturity	Rate (%)	Face Value	Market Value	Cost Basis	Unrealized Gain/Loss
<i>Restricted Bond Reserve Accounts</i>								
US Bank								
Money Market	2020 Tax Allocation Bonds	-	-	3.82%	\$ 2,456,604	\$ 2,456,604	\$ 2,456,604	-

Total Cash and Investments \$ 9,578,473

EXHIBIT A-3

To: Honorable Mayor and City Council Members

From: Roger Sattoof, Financial Analyst

RE: Investment Report for **Abrams and Preston** Funds
Preston Park Sustainable Community Non-Profit Corporation & Abrams B Non-Profit Corporation
Quarter Ended March 31, 2025

Cash and Investment Summary:

	<u>Market Value</u>
Cash	\$ 14,377,046
Money Market	3,624,947
Total	\$ 18,001,994

Cash not earning interest	\$ 896,354
Non earning cash as a percentage of total cash	5%

I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City of Marina's anticipated expenditure requirements for the next six (6) months.
(California Government Code Section 53646)



Tori Hannah, Finance Director



Roger Sattoof, Financial Analyst

EXHIBIT A-3

CITY OF MARINA
 INVESTMENT REPORT
 Quarter Ended March 31, 2025

Preston Park

Institution/Type of Investment	Additional Identifiers /CUSIP#	Purchase Date	Maturity	Rate (%)	Face Value	Market Value	Cost Basis	Unrealized Gain /Loss
<i>Cash</i>								
<i>Chase Bank</i>								
Checking Account	Operations	-	-	2.20%	\$ 563,755	\$ 563,755	\$ 563,755	-
Checking Account	Security Deposit	-	-	0.00%	\$ 584,087	\$ 584,087	\$ 584,087	-
<i>Bridge Bank</i>								
High-Yield Checking Account	Capital Reserve Account	-	-	3.71%	\$ 12,916,938	\$ 12,916,938	\$ 12,916,938	-
Total Cash					\$ 14,064,780	\$ 14,064,780	\$ 14,064,780	-
<i>Investments</i>								
<i>Bridge Bank</i>								
Money Market	Capital Reserve Account	-	-	0.65%	\$ 250,138	\$ 250,138	\$ 250,138	-
Total Investments					\$ 250,138	\$ 250,138	\$ 250,138	-
Total Cash and Investments - Preston Park					\$ 14,314,918	\$ 14,314,918	\$ 14,314,918	-

Abrams Park

Institution/Type of Investment	Additional Identifiers /CUSIP#	Purchase Date	Maturity	Rate (%)	Face Value	Market Value	Cost Basis	Unrealized Gain /Loss
<i>Cash</i>								
<i>Bridge Bank</i>								
Checking Account	Operations	-	-	0.00%	\$ 312,267	\$ 312,267	\$ 312,267	-
Total Cash					\$ 312,267	\$ 312,267	\$ 312,267	-
<i>Investments</i>								
<i>Bridge Bank</i>								
Money Market	Trust - Security Deposits	-	-	0.65%	\$ 276,793	\$ 276,793	\$ 276,793	-
Money Market	Trust - Reserves	-	-	1.00%	\$ 3,098,016	\$ 3,098,016	\$ 3,098,016	-
Total Investments					\$ 3,374,809	\$ 3,374,809	\$ 3,374,809	-
Total Cash and Investments - Abrams Park					\$ 3,687,076	\$ 3,687,076	\$ 3,687,076	-

Total Cash and Investments \$ 18,001,994