



CITY COUNCIL
Staff Report

Meeting Date: Jan. 13, 2026

To: Mayor and City Council

From: Geoff Patnoe, City Manager

Staff Contact: Christian Peacox, City Treasurer
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Subject: Report on City Investments as of Nov. 30, 2025

Districts: All

Recommended Action

Accept and file Report on City Investments as of Nov. 30, 2025.

Executive Summary

The city's Investment Policy requires the City Treasurer to report on the status of the city's pooled investment portfolio to the City Council each month.

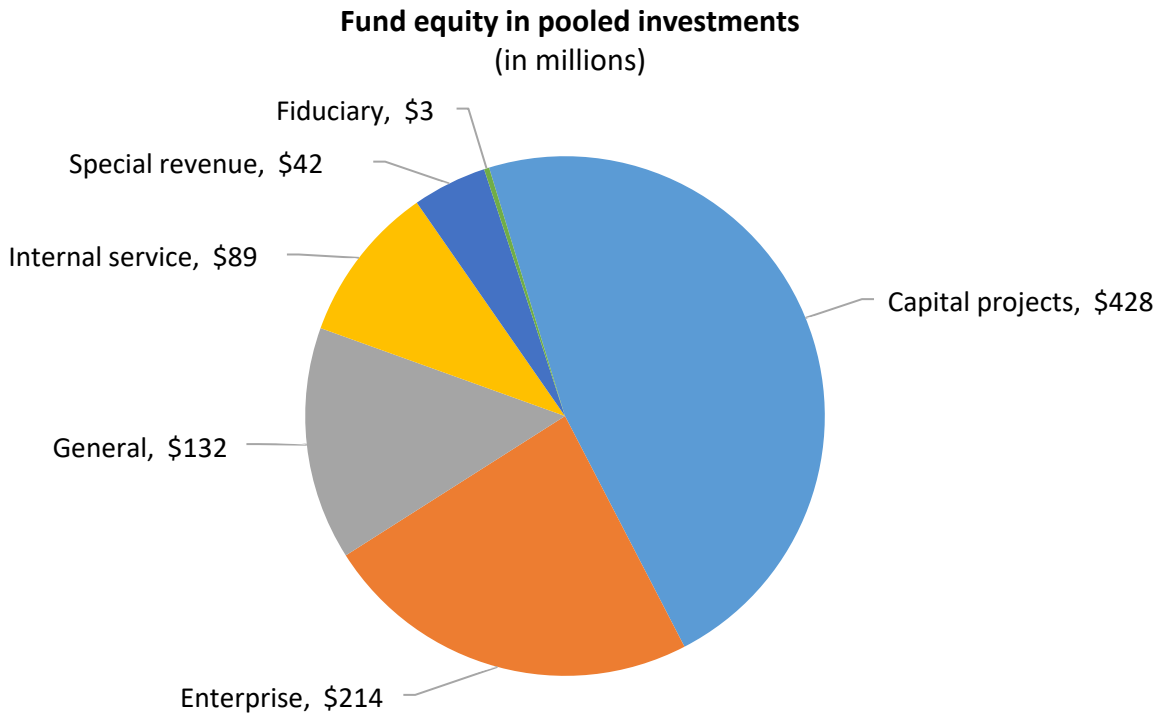
Discussion & Fiscal Analysis

The city's pooled investment portfolio as of the month ending Nov. 30, 2025, is summarized below.

Pooled investment portfolio (cash and securities)		
	Current month	Prior month
Par value ¹	\$918,731,626	\$913,667,794
Investment cost	\$907,171,748	\$902,368,568
Amortized cost ²	\$910,618,435	\$905,347,398
Market value ³	\$913,995,695	\$906,993,371

- (1) The face value of the investments.
- (2) The cost of investments adjusted for amortized premiums and discounts.
- (3) The amount at which the investments could be sold. Source of market value is Principal custodial report.

The equity portion of the various funds in the total portfolio, that is, the part of the total investment portfolio assigned to each fund, is summarized in the following graph. Fund balances are restricted for various purposes (see Exhibit 6 for a more detailed breakdown).



Pooled investment interest income⁴

	Fiscal year to date	Current month	Prior month
Cash income	\$11,305,426	\$1,398,814	\$2,318,415

(4) The cash income received is adjusted for any interest received previously purchased.

Pooled investment performance

	Average life (years)	Yield ⁵	Modified duration
Sept. 2025	1.98	3.46%	1.69
Oct. 2025	2.01	3.50%	1.72
Nov. 2025	2.00	3.52%	1.71

(5) Yield is computed by totaling the weighted average of each investment's return less any costs.

The city's Investment Policy was first adopted Jan. 2, 1985, and last revised May 13, 2025. Except as noted below, all pooled investments have been made in accordance with the Investment Policy in effect at the time of purchase. Events after the purchase might result in perceived non-compliance with the current policy. These events are typically a change in the credit rating after a purchase, a change in the city's Investment Policy, or a temporary reduction in total portfolio assets.

Exhibit 7 shows the investments out of compliance with the current policy. Six municipal bond investments are outside the Investment Policy's requirement that issuing local agencies be within California. The Investment Policy allows for the purchase of municipal bonds issued by any state authority outside California but limits the purchase of municipal bonds issued by local agencies to those within California. In addition, one of those municipal bonds is no longer rated by two of the credit rating agencies. The rating of the remaining credit agency has maintained the same double A rating.

The city's Investment Policy allows the City Treasurer to determine the course of action that would correct exceptions to the policy. All investments are paying interest at the required times and their principal is considered secure. It is the intent of the City Treasurer to hold the noncompliant municipal bonds in the portfolio until maturity unless events indicate they should be sold.

Not less than two-thirds (66.67%) of the current fiscal year operating budget shall mature within one year. The maturity value within one year is \$325,993,272, which is 71.0% of the current year operating budget. The investment portfolio has the ability to meet the city's anticipated cash flow demands for the next six months.

Next Steps

The report on city investments will continue to be produced monthly by the City Treasurer.

Environmental Evaluation

The proposed action is not a "project" as defined by California Environmental Quality Act Section 21065 and CEQA Guidelines Section 15378(b)(5) and does not require environmental review under CEQA Guidelines Section 15060(c)(3) and 15061(b)(3) because the proposed action to report on the monthly update of city investments is an organizational or administrative government activity that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. Any subsequent action or direction stemming from the proposed action may require preparation of an environmental document in accordance with CEQA or the CEQA Guidelines.

Exhibits

1. Investments by cost, market value, cash income and average yield by class
2. Maturities by classification and length of time at par value
3. Yield comparison & market yield curve
4. Cash income by month & cumulative cash income
5. Maturities, calls and purchases this quarter
6. Fund equity in pooled investments
7. Security ratings
8. Portfolio allocation at amortized cost by issuer
9. Investment detail
10. Section 115 Trust activity

City of Carlsbad investment portfolio
Investments by cost, market value, cash income and average yield by class
Nov. 30, 2025

Exhibit 1

Class	Investment cost		Market value		YTD net income	Average yield		Percent of total (market value)	Policy limitation
	Current month	Prior month	Current month	Prior month		Current month	Prior month		
Certificate of deposit	\$ 13,315,876.92	\$ 13,564,876.92	\$ 13,402,015.14	\$ 13,652,307.61	\$ 182,877.05	3.06%	3.01%	1.47%	30%
Corporate notes	\$ 196,787,679.21	\$ 183,591,279.21	\$ 197,312,595.00	\$ 183,589,994.00	\$ 1,859,419.16	3.64%	3.63%	21.59%	30%
Federal agency	\$ 252,306,557.04	\$ 259,819,517.04	\$ 254,037,331.33	\$ 261,003,492.00	\$ 3,403,155.37	2.87%	2.80%	27.79%	100%
Mortgage passthrough securities (agency)	\$ 101,549,389.20	\$ 102,425,545.50	\$ 103,026,674.88	\$ 103,542,573.09	\$ 1,697,732.71	4.23%	4.22%	11.27%	100%
Municipal bonds	\$ 107,795,716.62	\$ 107,795,716.62	\$ 109,492,863.25	\$ 109,232,675.55	\$ 1,126,040.54	3.63%	3.63%	11.98%	15%
Supranational securities	\$ 29,735,795.00	\$ 31,986,015.00	\$ 30,086,928.00	\$ 32,019,772.00	\$ 211,770.00	3.54%	3.33%	3.29%	10%
US Treasury	\$ 91,432,630.19	\$ 91,432,630.19	\$ 92,389,183.30	\$ 92,199,569.30	\$ 743,549.13	3.62%	3.62%	10.11%	100%
General cash account	\$ 2,047,651.00	\$ 2,390,435.00	\$ 2,047,651.00	\$ 2,390,435.00	\$ -	0.00%	0.00%	0.22%	N/A
Sweep account	\$ 14,915,949.44	\$ 8,029,691.08	\$ 14,915,949.44	\$ 8,029,691.08	\$ 244,906.63	3.88%	3.97%	1.63%	N/A
Investment cash account	\$ 115,403.73	\$ 480,061.32	\$ 115,403.73	\$ 480,061.32	\$ 52,284.81	1.95%	2.10%	0.01%	N/A
California Asset Mgmt Program (CAMP)	\$ 95,193,876.43	\$ 98,877,576.77	\$ 95,193,876.43	\$ 98,877,576.77	\$ 1,741,171.78	4.10%	4.26%	10.42%	N/A
Local Agency Investment Fund (LAIF)	\$ 1,975,223.61	\$ 1,975,223.61	\$ 1,975,223.61	\$ 1,975,223.61	\$ 42,518.63	4.10%	4.15%	0.22%	N/A
Total	\$ 907,171,748.39	\$ 902,368,568.26	\$ 913,995,695.11	\$ 906,993,371.33	\$ 11,305,425.81	3.52%	3.50%	100.00%	

City of Carlsbad investment portfolio
Maturities by classification and length of time at par value
Nov. 30, 2025

Exhibit 2

Class	Overnight	Within 12 months	13-36 months	37-60 months	Total
Certificate of deposit	-	\$ 3,980,000.00	\$ 8,123,000.00	\$ 1,220,000.00	\$ 13,323,000.00
Corporate notes	-	\$ 31,000,000.00	\$ 79,250,000.00	\$ 89,750,000.00	\$ 200,000,000.00
Federal agency	-	\$ 98,774,000.00	\$ 81,200,000.00	\$ 75,435,000.00	\$ 255,409,000.00
Mortgage passthrough securities	-	\$ 7,611,167.68	\$ 32,196,445.98	\$ 63,178,907.74	\$ 102,986,521.40
Municipal bonds	-	\$ 37,380,000.00	\$ 56,980,000.00	\$ 16,275,000.00	\$ 110,635,000.00
Supranational securities	-	\$ 7,000,000.00	\$ 7,950,000.00	\$ 15,000,000.00	\$ 29,950,000.00
US Treasury	-	\$ 26,000,000.00	\$ 43,680,000.00	\$ 22,500,000.00	\$ 92,180,000.00
General cash account	\$ 2,047,651.00	-	-	-	\$ 2,047,651.00
Sweep account	\$ 14,915,949.44	-	-	-	\$ 14,915,949.44
Investment cash account	\$ 115,403.73	-	-	-	\$ 115,403.73
California Asset Mgmt Program (CAMP)	\$ 95,193,876.43	-	-	-	\$ 95,193,876.43
Local Agency Investment Fund (LAIF)	\$ 1,975,223.61	-	-	-	\$ 1,975,223.61
Totals	\$ 114,248,104.21	\$ 211,745,167.68	\$ 309,379,445.98	\$ 283,358,907.74	\$ 918,731,625.61
Percent Total	12.44%	23.05%	33.67%	30.84%	100.00%
Funds maturing within one year	\$ 325,993,271.89				
Percentage of the budget	71.01%				

Policy:

Not less than \$305,055,224.67 to mature within one year, two-thirds of FY 25-26 operating budget of \$459,082,837.

Maximum term for all securities is five years.

City of Carlsbad investment portfolio

Investment detail

Nov. 30, 2025

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Anticipated Interest	Return
13067WSW3	03/29/22	12/01/26	California, State of	1,425,000.00	1,322,001.00	2.708%	84,523.29	1,509,523.29
13067WSW3	04/18/22	12/01/26	California, State of	2,705,000.00	2,475,237.30	3.035%	90,565.95	2,795,565.95
79623PSA4	09/18/24	02/01/27	San Antonio TX, City of	500,000.00	500,000.00	4.160%	49,260.75	549,260.75
016249FQ2	10/30/23	02/15/27	Alief Independent TX School District	1,980,000.00	1,969,209.00	5.380%	360,360.00	2,340,360.00
544646A77	06/13/22	05/01/27	Los Angeles CA Unified School District	3,500,000.00	3,883,600.00	3.822%	15,705.20	3,515,705.20
68608VDX9	10/13/23	05/01/27	Oregon, State of	1,000,000.00	943,330.00	5.080%	132,640.00	1,132,640.00
91412HGF4	05/15/23	05/15/27	University of California	1,000,000.00	908,270.00	3.810%	52,640.00	1,052,640.00
91412HGF4	05/20/24	05/15/27	University of California	2,500,000.00	2,266,050.00	4.712%	98,700.00	2,598,700.00
91412HGF4	05/13/24	05/15/27	University of California	1,000,000.00	904,080.00	4.780%	46,060.00	1,046,060.00
544495VX9	04/27/23	07/01/27	Los Angeles CA Dept of Water & Power	1,500,000.00	1,580,685.00	4.102%	345,669.33	1,845,669.33
419794F72	06/06/23	07/01/27	Hawaii, State of	1,125,000.00	1,004,962.50	4.720%	82,624.50	1,207,624.50
438701Y40	06/28/23	07/01/27	Honolulu HI Wastewater System Revenue	1,500,000.00	1,392,885.00	4.460%	168,412.50	1,668,412.50
544647KX7	05/13/25	07/01/27	Los Angeles CA Unified School District	2,000,000.00	2,000,000.00	4.380%	186,965.33	2,186,965.33
796720NT3	02/22/23	08/01/27	San Bernardino CA Community College Dist	1,500,000.00	1,328,325.00	4.476%	107,266.25	1,607,266.25
357155BA7	05/09/23	08/01/27	Fremont CA Unified School District	2,000,000.00	1,795,450.00	3.750%	94,110.34	2,094,110.34
68609TU22	08/22/23	08/01/27	Oregon State Dept of Transportation	1,585,000.00	1,394,070.90	4.740%	85,843.60	1,670,843.60
212204JH5	08/31/23	08/01/27	Contra Costa CA Community College Dist	1,000,000.00	909,510.00	4.720%	86,520.00	1,086,520.00
797272RP8	10/25/23	08/01/27	San Diego CA Community College	2,290,000.00	2,016,551.10	5.161%	149,582.80	2,439,582.80
072031AP2	08/01/23	10/01/27	Bay Area CA Water Supply & Consv. Agency	1,250,000.00	1,185,562.50	4.742%	189,281.25	1,439,281.25
032556FB3	10/17/23	10/01/27	Anaheim CA, City of	1,670,000.00	1,487,068.20	5.090%	133,466.40	1,803,466.40
68607DVD4	06/16/23	11/15/27	Oregon State Dept of Transportation	2,000,000.00	1,738,740.00	4.370%	97,560.00	2,097,560.00
13063DC48	12/14/23	02/01/28	California, State of	1,440,000.00	1,289,520.00	4.500%	110,160.00	1,550,160.00
13063DGC6	07/23/24	04/01/28	California, State of	3,000,000.00	2,901,480.00	4.474%	420,000.00	3,420,000.00
544647KY5	05/13/25	07/01/28	Los Angeles CA Unified School District	1,180,000.00	1,180,000.00	4.421%	163,533.05	1,343,533.05
54438CYM8	12/19/23	08/01/28	Los Angeles CA Community College Dist	2,250,000.00	2,020,005.00	4.350%	180,675.00	2,430,675.00
802385SN5	11/17/23	08/01/28	Santa Monica CA Community College Dist	1,000,000.00	940,860.00	4.950%	176,350.00	1,176,350.00
798170AL0	08/09/23	08/01/28	San Jose CA Redevelopment	1,000,000.00	948,450.00	4.750%	189,281.25	1,189,281.25
83412PHS4	01/22/24	08/01/28	Solano County CA Community College Dist	2,000,000.00	1,775,780.00	4.227%	147,900.00	2,147,900.00
7994082H1	08/24/23	08/01/28	San Ramon CA Valley School District	1,000,000.00	861,870.00	4.850%	83,500.00	1,083,500.00
695802NN4	12/07/23	08/01/28	Pajaro Valley CA Unified School District	805,000.00	793,314.52	5.150%	180,562.70	985,562.70
882723B40	11/21/23	10/01/28	Texas, State of	1,500,000.00	1,410,330.00	4.700%	248,325.00	1,748,325.00
882724RD1	11/21/23	10/01/28	Texas PFA, State of	2,000,000.00	1,787,400.00	4.750%	227,600.00	2,227,600.00
13063DL22	11/15/23	10/01/28	California, State of	1,000,000.00	860,500.00	5.008%	87,500.00	1,087,500.00
13077DQGO	02/08/24	11/01/28	California State University	2,500,000.00	2,209,350.00	4.260%	190,125.00	2,690,125.00
59320A30	05/01/24	05/01/29	Miami Beach FL, City of	1,400,000.00	1,396,640.00	4.728%	327,180.00	1,727,180.00
769036BR4	06/03/24	06/01/29	Riverside CA, City of	1,375,000.00	1,250,136.25	4.895%	194,081.25	1,569,081.25
91412HFG3	10/10/24	07/01/29	University of California	2,500,000.00	2,421,325.00	4.087%	395,600.62	2,895,600.62
91412HFG3	09/11/24	07/01/29	University of California	1,000,000.00	987,240.00	3.640%	167,450.00	1,167,450.00
13063EHU3	09/09/25	09/01/30	California, State of	5,000,000.00	5,264,900.00	3.700%	1,213,333.33	6,213,333.33
544647LD0	10/01/25	10/01/30	Los Angeles CA Unified School District	5,000,000.00	5,106,850.00	4.001%	1,119,250.00	6,119,250.00
Total municipal bonds				\$ 110,635,000.00	\$ 107,795,716.62	3.633%	\$ 12,528,220.08	\$ 123,163,220.08

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Anticipated Interest	Return
Cash and pooled investments								
N/A	N/A	N/A	Wells Fargo Bank - General	2,047,651.00	2,047,651.00	0.000%	-	2,047,651.00
N/A	N/A	N/A	Wells Fargo Sweep account	14,915,949.44	14,915,949.44	3.875%	56,972.94	14,915,949.44
N/A	N/A	N/A	Principal - Custody	115,403.73	115,403.73	1.950%	3,479.88	115,403.73
N/A	N/A	N/A	CAMP	95,193,876.43	95,193,876.43	4.100%	316,299.66	95,510,176.09
N/A	N/A	N/A	LAIF City	225,882.49	225,882.49	4.096%		225,882.49
N/A	N/A	N/A	LAIF CMWD	912,999.58	912,999.58	4.096%		912,999.58
N/A	N/A	N/A	LAIF CPFA	836,341.54	836,341.54	4.096%		836,341.54
Total cash and pooled investments				\$ 114,248,104.21	\$ 114,248,104.21	3.995%	\$ 376,752.48	\$ 114,564,403.87
GRAND TOTAL				\$ 918,731,625.61	\$ 907,171,748.39	3.5225%	\$ 92,681,537.11	\$ 1,011,352,709.90

City of Carlsbad investment portfolio
 115 Trust Activity
 Nov. 30, 2025

The city's Section 115 Trust is a post-employment benefit trust that was established by City Council on September 12, 2023 (Resolution 2023-240). In connection with City Council Policy No. 86 and 98, the trust allows the city to stabilize pension cost volatility, maintain local control over the city's assets and earn a potentially higher rate of return than if the assets were kept in the General Fund. These funds are restricted and not pooled with other investment funds.

Period Ending	Contributions	Net Earnings	Fees	Distributions	Ending Balance	Period Return
Fiscal year 2023-24	\$ 10,000,000.00	\$ 865,953.87	\$ (16,540.91)	\$ -	\$ 10,849,412.96	8.66%
*Fiscal year 2024-25	\$ 7,500,000.00	\$ 1,889,845.41	\$ (48,596.23)	\$ -	\$ 20,190,662.14	10.30%
07/31/25	\$ -	\$ 123,533.86	\$ (4,763.19)	\$ -	\$ 20,309,432.81	0.61%
08/31/25	\$ -	\$ 448,711.36	\$ (4,766.11)	\$ -	\$ 20,753,378.06	2.21%
09/30/25	\$ -	\$ 485,088.62	\$ (4,834.68)	\$ -	\$ 21,233,632.00	2.34%
10/31/25	\$ 7,500,000.00	\$ 345,687.85	\$ (5,264.54)	\$ -	\$ 29,074,055.31	1.21%
11/30/25	\$ -	\$ 154,119.30	\$ (6,323.96)	\$ -	\$ 29,221,850.65	0.53%
Current year summary	\$ 7,500,000.00	\$ 1,557,140.99	\$ (25,952.48)	\$ -	\$ 29,221,850.65	5.62%
Grand total	\$ 25,000,000.00	\$ 4,312,940.27	\$ (91,089.62)	\$ -	\$ 29,221,850.65	17.25%

*The period return calculation for "Fiscal Year Summary" is prospectively modified in this reporting period. The calculation factors the net earnings fiscal year-to-date divided by the fiscal year beginning balance plus contributions to date in the respective fiscal year. No modifications were made to monthly period return calculations.