



# AGENDA REPORT


**TO:** Jestin D. Johnson  
City Administrator

**FROM:** Bradley Johnson  
Director of Finance

**SUBJECT:** Cash Management Report For FY  
2025-2026 Third Quarter Ended  
March 31, 2026

**DATE:** May 4<sup>th</sup>, 2026

City Administrator Approval

  
Jestin Johnson (May 14, 2026 09:46:31 PDT)

Date: May 14, 2026

## **RECOMMENDATION**

**Staff Recommends That The City Council Receive The Informational Cash Management Report For Fiscal Year 2025-2026 Third Quarter Ended March 31, 2026.**

## **EXECUTIVE SUMMARY**

As a continued best practice and in accordance with the City's Investment Policy, the Finance Department submits a quarterly informational cash management report to the City Council. For Fiscal Year 2025-2026 Third Quarter ending March 31, 2026, the City's Operating Pool Portfolio had a balance of \$2.25 billion and yielded 3.65 percent, while the Successor Agency's Portfolio had a balance of \$16.96 million and yielded 3.65 percent.

## **BACKGROUND / LEGISLATIVE HISTORY**

The Cash Management Report summarizes the characteristics of the investment portfolios for the quarter. The City and Successor Agency's Portfolio composition includes safety, creditworthiness, liquidity, and diversity. As of March 31, 2026, the portfolios comply with the Investment Policy of the City for Fiscal Year (FY) 2025-26. The portfolios' credit quality remains high and well within Investment Policy parameters. Liquidity remains sufficient to meet projected cash flow needs for the next six months.

**Attachment A** provides each portfolio's current market value and yield as of March 31, 2026, as well as comparisons to other market benchmarks. This report confirms that no leverage (use of debt to supplement investments) was utilized, nor were derivatives (such as interest rate swaps, futures, or options) held during the reporting period. Also included are reviews of key economic factors that may affect the portfolio's potential investment results.

## **ANALYSIS AND POLICY ALTERNATIVES**

### ***Cash Position***

The City's Operating Pool Portfolio balances increased from \$2.17 billion as of December 31, 2025, to \$2.25 billion as of March 31, 2026. This net balance increase was mainly due to the following: receipt of approximately \$105.02 million in business tax revenues, receipt of \$91.86 million in property tax revenues, offset by debt service payments of approximately \$26.45 million. The remaining balance decrease of approximately \$90.61 million is due to receipt of other revenues, such as Sales Tax offset by operational expenses such as payroll and vendor payments.

The Successor Agency's portfolio increased from a balance of \$16.94 million as of December 31, 2025, to a balance of \$16.96 million as of March 31, 2026. The portfolio increased due to receipt of \$16.34 million for Recognized Obligation Payment Schedule ("ROPS"), offset by debt service/transfer payments of approximately \$14.98 million, and other vendor payments.

The City's and Successor Agency's investment portfolios are effectively managed for safety, liquidity, and yield in compliance with the City's Investment Policy, which supports the Citywide priority of a **responsive and trustworthy government**.

### ***Yield Comparison***

The effective rate of return on total assets in the City's Operating Pool Portfolio for the month March 31, 2026, was 3.65 percent. The effective rate of return on total assets in the Successor Agency's Portfolio for the month ending March 31, 2026, was 3.65 percent. The yields typically differ between the City and Successor Portfolios because the Successor Portfolio has a lower fund balance and a shorter investment horizon due to cash flow needs. The City Portfolio has typically a more stable long-term investment horizon, allowing for longer-term securities that typically have higher yields. .

The City Portfolio similar performance to the one-year government agency benchmark, which had a yield of 3.65 percent, as the 1-year government agency yield has already priced in future interest rate expectations, and City Portfolio underperformed the Local Agency Investment Fund (LAIF), which had a yield of 3.83 percent.

The performance comparison to LAIF should be considered in the context of LAIF's historical tendency to lag market changes in rising and falling interest rate environments. Moreover, the City does not actively sell securities in the portfolio to take advantage of cyclical swings in the market, which could result in the loss of principal. Rather, the primary investment objective of the City for the portfolio is to maximize safety, liquidity, and return in that respective order.

## **RELATED PLANNING EFFORTS**

This agenda item is a routine item and does not relate to any Oakland strategic planning efforts.

**FISCAL IMPACT**

This item is for informational purposes only and does not have a direct fiscal impact or cost.

**PUBLIC OUTREACH / INTEREST**

This item did not require additional public outreach other than posting on the City's website.

**COORDINATION**

This report was prepared by the Finance Department and the Treasury Bureau.

**RACE AND EQUITY**


There are no race & equity opportunities associated with this report.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Receive The Informational Cash Management Report For Fiscal Year 2025-2026 Third Quarter Ended March 31, 2026.

For questions regarding this report, please contact David Jones, Treasury Administrator, at (510) 238-6508.

Respectfully submitted,

  
[Bradley Johnson \(May 13, 2026 16:05:33 PDT\)](#)

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BRADLEY JOHNSON  
Director, Finance Department

Reviewed by:  
David Jones, Treasury Administrator  
Max Kumar, Investment & Operations Manager  
Treasury Bureau

Prepared by:  
Jason Lu, Treasury Analyst III  
Treasury Bureau

Attachments (1):

A: Cash Management Report for Fiscal Year 2025-2026 Third Quarter Ended March 31, 2026