



CITY COUNCIL Agenda

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

Sept. 10, 2024, 5 p.m.

Welcome to Your City Council Meeting

We welcome your interest and involvement in the city's legislative process. This agenda includes information about topics coming before the City Council and the action recommended by city staff. You can read about each topic in the staff reports, which are available on the city website and in the Office of the City Clerk. The City Clerk is also available to answer any questions you have about City Council meeting procedures.

How to Watch

In Person



City Council Chamber
1200 Carlsbad Village Drive

On TV



Watch the city's cable channel
Spectrum 24 and AT&T U-verse 99

Online



Watch the livestream at
carlsbadca.gov/watch

How to Participate

If you would like to provide comments to the City Council, please:

- Fill out a speaker request form, located in the foyer.
- Submit the form to the City Clerk before the item begins.
- When it's your turn, the City Clerk will call your name and invite you to the podium.
- For non-agenda public comment, speakers must confine their remarks to matters within the City Council's subject matter jurisdiction.
- For public comment on agenda items, speakers must confine their remarks to the question or matter under consideration.
- Speakers have three minutes, unless the presiding officer (usually the Mayor) changes that time.
- You may not give your time to another person, but can create a group. A group must select a single speaker as long as three other members of your group are present. All forms must be submitted to the City Clerk before the item begins and will only be accepted for items listed on the agenda (not for general public comment at the beginning of the meeting). Group representatives have 10 minutes unless that time is changed by the presiding officer or the City Council.
- Failure to comply with the rules for public participation is disruptive conduct. Continuing disruptive conduct after being asked by the presiding official to cease may result in removal from the meeting.

Reasonable Accommodations

Reasonable Accommodations Persons with a disability may request an agenda packet in appropriate alternative formats as required by the Americans with Disabilities Act of 1990. Reasonable accommodations and auxiliary aids will be provided to effectively allow participation in the meeting. Please contact the City Manager's Office at 442-339-2821 (voice), 711 (free relay service for TTY users), 760-720-9461 (fax) or manager@carlsbadca.gov by noon on the Monday before the meeting to make arrangements. City staff will respond to requests by noon on Tuesday, the day of the meeting, and will seek to resolve requests before the start of the meeting in order to maximize accessibility.

More information about City Council meeting procedures can be found at the end of this agenda and in the Carlsbad Municipal Code chapter 1.20.

The City Council also sits as the Carlsbad Municipal Water District Board, Public Financing Authority Board, Community Development Commission and Successor Agency to the Redevelopment Agency. When considering items presented to the Carlsbad Municipal Water District Board, each member receives an additional \$100 per meeting (max \$300/month). When considering items presented to the Community Development Commission each member receives an additional \$75 per meeting (max \$150/month).

CALL TO ORDER:

ROLL CALL:

ANNOUNCEMENT OF CONCURRENT MEETINGS: None.

PLEDGE OF ALLEGIANCE:

APPROVAL OF MINUTES:

Minutes of the Regular Meeting held July 23, 2024

Minutes of the Special Meeting held Aug. 20, 2024

Minutes of the Special Meeting held Aug. 27, 2024

PRESENTATIONS:

Proclamation in Recognition of Hispanic Heritage Month

Proclamation in Recognition of National Preparedness Month

PUBLIC REPORT OF ANY ACTION TAKEN IN CLOSED SESSION:

PUBLIC COMMENT: *The Brown Act allows any member of the public to comment on items not on the agenda, provided remarks are confined to matters within the City Council's subject matter jurisdiction. Please treat others with courtesy, civility, and respect. Members of the public may participate in the meeting by submitting comments as provided on the front page of this agenda. The City Council will receive comments as requested up to a total of 15 minutes in the beginning of the meeting. All other non-agenda public comments will be heard at the end of the meeting. In conformance with the Brown Act, no action can occur on these items.*

CONSENT CALENDAR: *The items listed under Consent Calendar are considered routine and will be enacted by one motion as listed below. There will be no separate discussion on these items prior to the time the Council votes on the motion unless members of the Council, the City Manager, or the public request specific items be discussed and/or removed from the Consent Calendar for separate action.*

1. **REPORT ON CITY INVESTMENTS AS OF JULY 31, 2024** – Accept and file Report on City Investments as of July 31, 2024. (Staff contact: Zach Korach, Administrative Services Department)
2. **ANNUAL REPORT OF INVESTMENTS FOR FISCAL YEAR 2023-24** – Accept and file the Annual Report of Investments for Fiscal Year 2023-24. (Staff contact: Zach Korach, Administrative Services Department)
3. **ADVERTISE FOR BIDS FOR THE CANNON LIFT STATION IMPROVEMENTS PROJECT (CIP PROJECT NO. 5552)** – Adoption of a resolution approving the plans, specifications and contract documents and authorizing the City Clerk to advertise for bids for the Cannon Lift Station Improvements Project. (Staff contact: Dave Padilla and Neil Irani, Public Works Department)
4. **AMENDMENT TO AN AGREEMENT WITH GLENN A. RICK ENGINEERING DEVELOPMENT AND COMPANY FOR THE DRAINAGE MASTER PLAN UPDATE** – Adoption of a resolution authorizing an amendment to an agreement with Glenn A. Rick Engineering Development and Company to extend the agreement term to update the Drainage Master Plan. (Staff contact: Hossein Ajideh, Public Works Department)

5. AWARD OF CONTRACT TO DICK MILLER, INC. FOR THE EL CAMINO REAL WIDENING FROM SUNNY CREEK ROAD TO JACKSPAR DRIVE PROJECT (CIP PROJECT NO. 6094) – Adoption of a resolution accepting the bids and awarding a contract to Dick Miller, Inc. for the El Camino Real Widening from Sunny Creek Road to Jackspar Drive Project in an amount not to exceed \$3,882,738 and authorizing an additional appropriation in an amount of \$600,000 from TransNet funds and \$250,000 from Gas Tax funds to Capital Improvement Program Project No. 6094. (Staff contact: Brandon Miles and Hossein Ajideh, Public Works Department)

BOARD AND COMMISSION MEMBER APPOINTMENTS: None.

ORDINANCES FOR INTRODUCTION: None.

ORDINANCES FOR ADOPTION: None.

PUBLIC HEARING: None.

DEPARTMENTAL AND CITY MANAGER REPORTS:

6. INVESTMENT REVIEW COMMITTEE UPDATE – Receive the update and provide direction to staff. (Staff contact: Zach Korach, Administrative Services Department)

City Manager’s Recommendation: Receive the update and provide direction to staff.

7. TRAFFIC SAFETY AND MOBILITY COMMISSION WORK PLAN FOR FISCAL YEAR 2024-25 – Adoption of a resolution approving the Traffic Safety and Mobility Commission Work Plan for fiscal year 2024-25. (Staff contact: Nathan Schmidt, Public Works Department)

City Manager’s Recommendation: Adopt the resolution.

8. ADVERTISE FOR BIDS FOR THE MONROE STREET POOL RENOVATION AND REPLACEMENT PROJECT AND APPROPRIATE CONSTRUCTION FUNDING (CIP PROJECT NO. 4724) – Adoption of a resolution approving the Monroe Street Pool Renovation and Replacement Project’s plans, specifications and contract documents, appropriating \$18,158,361 in construction funding and authorizing the City Clerk to advertise the project for construction bids. (Staff contact: Steven Stewart, Public Works Department and Kyle Lancaster, Community Services Department)

City Manager’s Recommendation: Adopt the resolution.

COUNCIL COMMENTARY AND REQUESTS FOR CONSIDERATION OF MATTERS: *This portion of the agenda is for the City Council Members to make brief announcements, brief reports of their activities and requests for future agenda items.*

City Council Regional Assignments (Revised 12/12/23)

Keith Blackburn
Mayor

Buena Vista Lagoon JPC
Chamber of Commerce Liaison (alternate)
Encina Joint Powers JAC
Encina Wastewater Authority Board of Directors
Economic Development Subcommittee
SANDAG Board of Directors (2nd alternate)
SANDAG Shoreline Preservation Work Group (alternate)
City/School Committee

Priya Bhat-Patel

Mayor Pro Tem – District 3	Clean Energy Alliance JPA Economic Development Subcommittee League of California Cities – SD Division (alternate) North County Transit District SANDAG Board of Directors (1 st alternate)
Melanie Burkholder Council Member – District 1	City Council Legislative Subcommittee North County Dispatch Joint Powers Authority (alternate) SANDAG Board of Directors
Teresa Acosta Council Member – District 4	Chamber of Commerce Liaison City Council Legislative Subcommittee City/School Committee Clean Energy Alliance JPA (alternate) Encina Joint Powers JAC (alternate) Encina Wastewater Authority Board of Directors (alternate) League of California Cities – SD Division North County Dispatch Joint Powers Authority San Diego County Water Authority
Carolyn Luna Council Member – District 2	Buena Vista Lagoon JPC Encina Joint Powers JAC Encina Wastewater Authority Board of Directors North County Transit District (alternate) SANDAG Shoreline Preservation Work Group

PUBLIC COMMENT: Continuation of the Public Comments

This portion of the agenda is set aside for continuation of public comments, if necessary, due to exceeding the total time allotted in the first public comments section. In conformance with the Brown Act, no Council action can occur on these items.

ANNOUNCEMENTS:

This section of the Agenda is designated for announcements to advise the community regarding events that Members of the City Council have been invited to, and may participate in.

CITY MANAGER COMMENTS:

CITY ATTORNEY COMMENTS:

CITY CLERK COMMENTS:

ADJOURNMENT:

City Council Meeting Procedures (continued from page 1)

Written Materials

Written materials related to the agenda that are submitted to the City Council after the agenda packet has been published will be available for review prior to the meeting during normal business hours at the City Clerk’s office, 1200 Carlsbad Village Drive and on the city website. To review these materials during the meeting, please see the City Clerk.

Visual Materials

Visual materials, such as pictures, charts, maps or slides, are allowed for comments on agenda items, not general public comment. Please contact the City Manager’s Office at 442-339-2820 or manager@carlsbadca.gov to make arrangements in advance. All materials must be received by the City Manager’s Office no later than noon the day before the meeting. The time

spent presenting visual materials is included in the maximum time limit provided to speakers. All materials exhibited to the City Council during the meeting are part of the public record. **Please note that video presentations are not allowed.**

Decorum

All participants are expected to conduct themselves with mutual respect. Loud, boisterous and unruly behavior can interfere with the ability of the City Council to conduct the people's business. That's why it is illegal to disrupt a City Council meeting. Following a warning from the presiding officer, those engaging in disruptive behavior are subject to law enforcement action.

City Council Agenda

The City Council follows a regular order of business that is specified in the Carlsbad Municipal Code. The City Council may only make decisions about topics listed on the agenda.

Presentations

The City Council often recognizes individuals and groups for achievements and contributions to the community. Well-wishers often fill the chamber during presentations to show their support and perhaps get a photo. If you don't see an open seat when you arrive, there will likely be one once the presentations are over.

Consent Items

Consent items are considered routine and may be enacted together by one motion and vote. Any City Council member may remove or "pull" an item from the "consent calendar" for a separate vote. Members of the public may pull an item from the consent calendar by requesting to speak about that item. A speaker request form must be submitted to the clerk prior to the start of the consent portion of the agenda.

Public Comment

Members of the public may speak on any city related item that does not appear on the agenda, provided remarks are confined to matters within the City Council's subject matter jurisdiction. State law prohibits the City Council from taking action on items not listed on the agenda. Comments requiring follow up will be referred to staff and, if appropriate, considered at a future City Council meeting. Members of the public are also welcome to provide comments on agenda items during the portions of the meeting when those items are being discussed, provided remarks are confined to the question or matter under consideration. In both cases, a request to speak form must be submitted to the clerk in advance of that portion of the meeting beginning.

Public Hearing

Certain actions by the City Council require a "public hearing," which is a time within the regular meeting that has been set aside and noticed according to different rules.

Departmental Reports

This part of the agenda is for items that are not considered routine and do not require a public hearing. These items are usually presented to the City Council by city staff and can be informational in nature or require action. The staff report about each item indicates the purpose of the item and whether or not action is requested.

Other Reports

At the end of each meeting, City Council members and the City Manager, City Attorney and City Clerk are given an opportunity to share information. This usually includes reports about recent meetings, regional issues, and recent or upcoming meetings and events.

City Council Actions

Resolution

A resolution is an official statement of City Council policy that directs administrative or legal action or embodies a public City Council statement. A resolution may be introduced and adopted at the same meeting. Once adopted, it remains City Council policy until changed by subsequent City Council resolution.

Ordinance

Ordinances are city laws contained in the Carlsbad Municipal Code. Enacting a new city law or changing an existing one is a two-step process. First, the ordinance is "introduced" by city staff to the City Council. If the City Council votes in favor of the introduction, the ordinance will be placed on a subsequent City Council meeting agenda for "adoption." If the City Council votes to adopt the ordinance, it will usually go into effect 30 days later.

Motion

A motion is used to propose City Council direction related to an item on the agenda. Any City Council member may make a motion. A motion must receive a "second" from another City Council member to be eligible for a City Council vote.



CITY COUNCIL
Minutes

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

July 23, 2024, 5 p.m.

CALL TO ORDER: 5 p.m.

ROLL CALL: Blackburn, Bhat-Patel, Acosta, Burkholder, Luna.

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Bhat-Patel led the Pledge of Allegiance.

ANNOUNCEMENT OF CONCURRENT MEETINGS: Mayor Blackburn announced that the City Council is serving as the Carlsbad Municipal Water District Board of Directors on Consent Calendar Item No. 5.

APPROVAL OF MINUTES:

Minutes of the Regular Meeting Held on May 14, 2024
Minutes of the Regular Meeting Held on May 21, 2024
Minutes of the Special Meeting Held on June 11, 2024
Minutes of the Regular Meeting Held on June 11, 2024
Minutes of the Regular Meeting Held on June 18, 2024

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, to approve the minutes as presented. Motion carried unanimously, 5/0.

PRESENTATIONS: None.

PUBLIC REPORT OF ANY ACTION TAKEN IN CLOSED SESSION:

City Attorney Cindie McMahon announced that the City Council authorized the City Attorney's office to initiate litigation in one case. City Attorney McMahon added that once the litigation is formally commenced, the litigation, the defendants and the other particulars will be disclosed upon request unless disclosure would jeopardize the city's ability to serve the litigation or the city's ability to conclude existing settlement negotiations to its advantage.

PUBLIC COMMENT:

Lynda Daniels spoke regarding the Climate Action Plan, complimented staff member Katie Schroeder on a job well done and made a few suggestions.

Carlsbad Community Gardens Club representative Paige DeCino spoke regarding the club's work on the community gardens.

Vanessa Forsythe spoke regarding greenhouse gas emissions.

CONSENT CALENDAR:

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, to approve Consent Calendar Item Nos. 1 through 12. Motion carried unanimously, 5/0.

1. REPORT ON CITY INVESTMENTS AS OF MAY 31, 2024 – Accept and file Report on City Investments as of May 31, 2024. (Staff contact: Zach Korach, Administrative Services Department)
2. ANNUAL SUBSCRIPTION RENEWAL OF TABLEAU SOFTWARE – Adoption of Resolution No. 2024-178 authorizing the City Manager or designee to purchase the Tableau software subscription renewal from Solutions Simplified, Inc. for an amount not to exceed \$232,789 for a one-year term ending July 31, 2025. (Staff contact: Maria Callander and David van Gilluwe, Administrative Services Department)
3. PURCHASE OF EXCESS WORKERS’ COMPENSATION COVERAGE FOR POLICY YEAR 2024-25 – Adoption of Resolution No. 2024-179 authorizing the purchase of excess workers’ compensation coverage through Safety National Casualty Corporation for policy year 2024-25. (Staff contact: Sarah Reiswig and Judy von Kalinowski, Administrative Services Department)
4. SETTLEMENT OF WORKERS’ COMPENSATION CLAIM OF KEVIN LEHAN – Adoption of Resolution No. 2024-180 authorizing settlement of the workers’ compensation claim of Kevin Lehan. (Staff contact: Sarah Reiswig and Judy von Kalinowski, Administrative Services Department)
5. QUITCLAIMING A WATER EASEMENT AT THE VALLEY MIDDLE SCHOOL CAMPUS, PD2023-012, VAC2023-0004 – Adoption of Carlsbad Municipal Water District Board of Director’s Resolution No. 1745 quitclaiming a water easement over Tract No. 246 of Map No. 1681, located at the Valley Middle School Campus, 1645 Magnolia Avenue, PD2023-012, VAC2023-0004. (Staff contact: Dave Padilla and Neil Irani, Public Works Department)
6. GRANT OF EASEMENT TO SAN DIEGO GAS & ELECTRIC AND PURCHASE OF ELECTRIC VEHICLE CHARGERS FROM WESTSIDE SOLUTIONS INC. FOR THE STATE STREET PARKING LOT ELECTRIC VEHICLE CHARGING STATIONS PROJECT, CIP PROJECT NO. 4090 – 1) Adoption of Resolution No. 2024-181 authorizing execution of a grant of easement to San Diego Gas & Electric for the State Street Parking Lot Electric Vehicle Charging Stations Project, CIP Project No. 4090; and
2) Adoption of Resolution No. 2024-182 authorizing the purchase of electric vehicle chargers from Westside Solutions Inc. for an amount not to exceed \$128,365 for the State Street Parking Lot Electric Vehicle Charging Stations Project, CIP Project No. 4090. (Staff contact: John Maashoff, Public Works Department)

BOARD AND COMMISSION MEMBER APPOINTMENTS:

This item was continued to a date certain of July 30, 2024.

7. MAYORAL APPOINTMENT OF TWO MEMBERS TO THE LIBRARY BOARD OF TRUSTEES – 1) Adoption of a resolution appointing one member to the Library Board of Trustees; and
2) Adoption of a resolution appointing one member to the Library Board of Trustees. (Staff contact: Tammy McMinn, City Clerk Department)

City Manager's Recommendation: Adopt the resolutions.

8. MAYORAL APPOINTMENT OF THREE MEMBERS TO THE BEACH PRESERVATION COMMISSION
– 1) Adoption of Resolution No. 2024-183 appointing one member to the Beach Preservation Commission; and
2) Adoption of Resolution No. 2024-184 appointing one member to the Beach Preservation Commission; and
3) Adoption of Resolution No. 2024-185 appointing one member to the Beach Preservation Commission. (Staff contact: Tammy McMinn, City Clerk Department)

City Manager's Recommendation: Adopt the resolutions.

Motion by Mayor Blackburn, adopting Resolution No. 2024-183 to reappoint Brian Colby to the Beach Preservation Commission, adopting Resolution No. 2024-184 appointing Liam Ferguson to the Beach Preservation Commission, and adopting Resolution 2024-185 reappointing Chris Woolsey to the Beach Preservation Commission. Motion carried unanimously, 5/0.

ORDINANCES FOR INTRODUCTION: None.

ORDINANCES FOR ADOPTION:

9. ORDINANCE NO. CS-471 – RESTRICTING OVERNIGHT PARKING ON BABILONIA STREET – Adoption of Ordinance No. CS-471 amending Title 10, Chapter 10.40 of the Carlsbad Municipal Code by adding Section 10.40.303 to restrict parking along the west and east curb lines of Babilonia Street, from the south property line of 7151 Babilonia Street to the north property line of 7233 Babilonia Street between the hours of 11 p.m. and 5 a.m. (Staff contact: Faviola Medina, City Clerk Department)

City Manager's Recommendation: Adopt Ordinance No. CS-471.

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, adopting Ordinance No. CS-471. Motion carried unanimously, 5/0.

PUBLIC HEARING:

10. DISESTABLISHING THE CARLSBAD GOLF LODGING BUSINESS IMPROVEMENT DISTRICT UNDER THE PARKING AND BUSINESS IMPROVEMENT AREA LAW OF 1989 – 1) Hold a public hearing; and
2) Introduction of Ordinance No. CS-472 repealing Chapter 3.38 of the Carlsbad Municipal Code and disestablishing the Carlsbad Golf Lodging Business Improvement District. (Staff contact: Matt Sanford, Administrative Services Department)

City Manager's Recommendation: Take public input, close the public hearing and introduce the ordinance.

Economic Development Manager Matt Sanford reviewed the report and presented a PowerPoint presentation (on file in the Office of the City Clerk).

Mayor Blackburn opened the duly noticed public hearing at 5:14 p.m.

Seeing no one wishing to speak, Mayor Blackburn closed the duly noticed public hearing at 5:14 p.m.

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, adopting Ordinance No. CS-472. Motion carried unanimously, 5/0.

DEPARTMENTAL AND CITY MANAGER REPORTS:

11. ADVERTISE FOR BIDS FOR THE ALGA NORTE AQUATIC CENTER RESTROOM AND LOCKER ROOM RENOVATION PROJECT AND THE POOL REPLASTERING PROJECT AND AUTHORIZING AN ADDITIONAL APPROPRIATION, CIP PROJECT NOS. 4756 AND 4733 – 1) Adoption of Resolution No. 2024-186 approving the plans, specifications and contract documents and authorizing the City Clerk to advertise for bids for the Alga Norte Aquatic Center Restroom and Locker Room Renovation Project; and
2) Adoption of Resolution No. 2024-187 approving the plans, specifications and contract documents and authorizing the City Clerk to advertise for bids for the Alga Norte Aquatic Center Pool Replastering Project and authorizing an additional appropriation in the amount of \$1,487,464 from the Infrastructure Replacement Fund. (Staff contact: John Maashoff, Public Works Department)

City Manager's Recommendation: Adopt the resolutions.

Parks & Recreation Director Kyle Lancaster and Public Works Manager John Maashoff reviewed the report and presented a PowerPoint presentation (on file in the Office of the City Clerk).

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, adopting Resolution No. 2024-186 and Resolution No. 2024-187. Motion carried unanimously, 5/0.

12. AWARD OF A CONSTRUCTION CONTRACT TO ACE CAPITAL ENGINEERING FOR THE STAGECOACH COMMUNITY GARDEN PROJECT, CIP PROJECT NO. 4611 – Adoption of Resolution No. 2024-188 accepting bids received and awarding a construction contract to ACE Capital Engineering for the Stagecoach Community Park - Community Garden Project, Capital Improvement Program Project No. 4611, in an amount not-to-exceed \$464,353 and appropriating \$25,000 from the Park Development Capital Project Fund (Park-In-Lieu SE) to the Fiscal Year 2024-25 Capital Improvement Program Budget. (Staff contact: Nick Stupin, Community Services Department)

City Manager's Recommendation: Adopt the resolution.

Parks & Recreation Director Kyle Lancaster and Parks Planning Manager Nick Stupin reviewed the report and presented a PowerPoint presentation (on file in the Office of the City Clerk).

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, adopting Resolution No. 2024-188. Motion carried unanimously, 5/0.

13. **RECOMMENDED ROBERTSON RANCH PARK MASTER PLAN** – Adoption of Resolution No. 2024-189 approving the recommended Robertson Ranch Park Master Plan and directing staff to proceed with the necessary environmental permitting and entitlements for the park project. (Staff contact: Todd Reese, Community Services Department)

City Manager’s Recommendation: Adopt the resolution.

Council Member Luna left the dais due to a potential conflict of interest at 5:37 p.m.

Parks & Recreation Director Kyle Lancaster and Parks Planning Manager Nick Stupin reviewed the report and presented a PowerPoint presentation (on file in the Office of the City Clerk).

Vanessa Forsythe expressed her concern regarding the materials that will be used in the park asking that synthetic turf not be used due to the methane gas that is omitted.

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, adopting Resolution No. 2024-189. Motion carried, 4/0/1 (Luna – Absent).

COUNCIL REPORTS AND COMMENTS: Mayor Blackburn and the City Council Members reported on activities and meetings of some committees and subcommittees of which they are members.

ANNOUNCEMENTS: None.

CITY MANAGER COMMENTS: None.

CITY ATTORNEY COMMENTS: None.

CITY CLERK COMMENTS: None.

ADJOURNMENT: Mayor Blackburn adjourned the duly noticed meeting at 6:11 p.m.

Tamara R. McMinn, CPMC, CMC
Senior Deputy City Clerk



CITY COUNCIL
Special Meeting

Minutes

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

Aug. 20, 3:30 p.m.

CALL TO ORDER: 3:30 p.m.

ROLL CALL: Blackburn, Bhat-Patel, Acosta, Burkholder, Luna.

ANNOUNCEMENT OF CONCURRENT MEETINGS: None.

PUBLIC COMMENT ON AGENDA ITEM: None.

CLOSED SESSION:

City Attorney Cindie McMahon read the City Council into Closed Session.

Council adjourned into Closed Session at 3:30 p.m. pursuant to the following:

1. **CONFERENCE WITH LEGAL COUNSEL REGARDING INITIATING LITIGATION:** That the City Council, by motion, authorize a closed session to consider initiation of litigation of one case pursuant to Government Code Section 54956.9(d)(4).

Council Action:

2. **PERFORMANCE EVALUATION OF APPOINTED PUBLIC EMPLOYEES AND CONFERENCE WITH LABOR NEGOTIATORS:** That the City Council, by motion, authorize a closed session regarding personnel matters pursuant to Government Code Sections 54957 and 54957.6 as follows:

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Titles: City Manager and City Attorney

CONFERENCE WITH LABOR NEGOTIATORS

City Representatives: Judy Von Kalinowski, Human Resources Director
Alison Alpert, Best Best & Krieger

Unrepresented Employees: City Manager and City Attorney

Council Action:

ADJOURNMENT:

By proper motion, the Special Meeting of Aug. 20, 2024, was adjourned at 4:47 p.m.

Tamara R. McMinn, CPMC, CMC
Senior Deputy City Clerk



CITY COUNCIL
Special Meeting
Minutes

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

Aug. 27, 3:30 p.m.

CALL TO ORDER: 3:30 p.m.

ROLL CALL: Blackburn, Bhat-Patel, Acosta, Burkholder, Luna.

ANNOUNCEMENT OF CONCURRENT MEETINGS: None.

PUBLIC COMMENT ON AGENDA ITEM: None.

CLOSED SESSION:

City Attorney Cindie McMahon read the City Council into Closed Session.

Council adjourned into Closed Session at 3:30 p.m. pursuant to the following:

1. **PERFORMANCE EVALUATION OF APPOINTED PUBLIC EMPLOYEES AND CONFERENCE WITH LABOR NEGOTIATORS:** That the City Council, by motion, authorize a closed session regarding personnel matters pursuant to Government Code Sections 54957 and 54957.6 as follows:

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Titles: City Manager and City Attorney

CONFERENCE WITH LABOR NEGOTIATORS

City Representatives: Judy Von Kalinowski, Human Resources Director
Alison Alpert, Best Best & Krieger

Unrepresented Employees: City Manager and City Attorney

Council Action: No reportable action.

ADJOURNMENT:

By proper motion, the Special Meeting of Aug. 27, 2024, was adjourned at 4:33 p.m.

Ana Marie Alarcon, CMC
Deputy City Clerk



CITY COUNCIL
Staff Report

Meeting Date: Sept. 10, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Zach Korach, Finance Director
 zach.korach@carlsbadca.gov, 442-339-2127

Subject: Report on City Investments as of July 31, 2024

District: All

Recommended Action

Accept and file Report on City Investments as of July 31, 2024.

Executive Summary

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

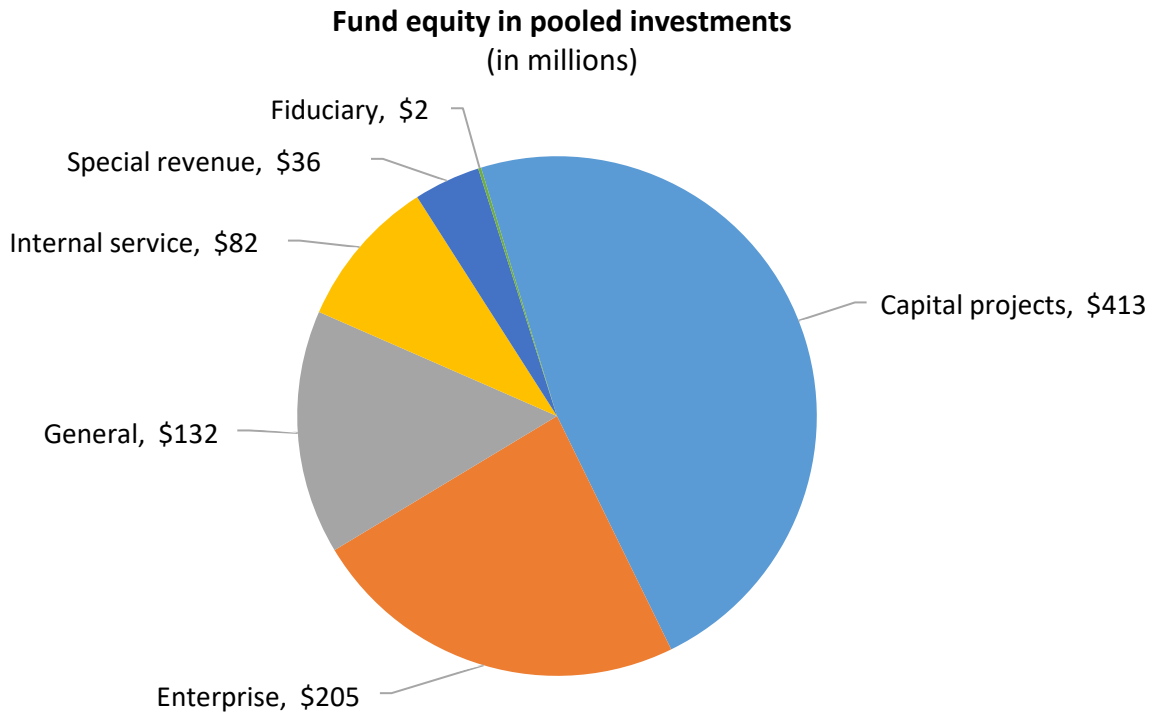
Discussion & Fiscal Analysis

The city's pooled investment portfolio as of the month ending July 31, 2024, is summarized below.

Pooled investment portfolio (cash and securities)		
	Current month	Prior month
Par value ¹	\$882,114,141	\$902,855,260
Investment cost	\$877,922,449	\$899,340,193
Amortized cost ²	\$876,134,515	\$897,056,042
Market value ³	\$857,825,951	\$871,929,110

- (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 graph below. 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	\$2,469,114	\$2,469,114	\$1,785,272

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

Pooled investment performance

	Average life (years)	Yield ⁵	Modified duration
May 2024	1.83	2.83%	1.57
June 2024	1.85	2.88%	1.59
July 2024	1.95	2.89%	1.68

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

All pooled investments have been made in accordance with the city's Investment Policy, which was adopted Jan. 2, 1985, and last revised Mar. 12, 2024; however, 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 that experienced a subsequent change in credit rating. Ratings on one investment has dropped to less than the rating required by the Investment Policy since the initial purchase. In addition, one investment was refunded and collateralized by the US Treasury since the initial purchase and is therefore not rated. Corporate notes and municipal bonds require a “split rating” of AA from one rating company and an A rating from a second. Mortgage-backed securities require an AA rating from one rating company.

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 these assets 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 \$298,713,748 which is 71.29% 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

This action does not require environmental review because it does not constitute a project within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change or a reasonably foreseeable indirect physical change in the environment.

Exhibits

1. Investments by cost, market value, cash income and average yield by class
2. Maturities by classification and length of time at market 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 and outlooks
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

Exhibit 1

July 31, 2024

Class	Investment cost		Market value		YTD net income	Average yield		Percent of total
	Current month	Prior month	Current month	Prior month		Current month	Prior month	
Certificate of deposit	\$ 22,473,876.92	\$ 22,472,876.92	\$ 21,897,207.84	\$ 21,681,219.08	\$ 36,956.12	2.16%	2.13%	2.55%
Corporate notes	125,390,796.00	124,920,256.00	119,824,080.96	118,114,446.81	317,247.22	2.51%	2.45%	13.97%
Federal agency	348,750,195.97	348,792,389.47	339,295,953.39	336,219,140.00	838,919.04	2.12%	2.00%	39.55%
Mortgage passthrough securities	79,615,433.10	76,555,994.97	78,618,748.89	74,537,656.97	220,380.49	3.90%	3.85%	9.16%
Municipal bonds	102,017,450.40	99,115,970.40	99,896,286.60	95,882,866.75	213,690.03	2.77%	2.72%	11.65%
Supranational securities	22,183,412.00	22,183,412.00	21,526,337.10	21,264,562.30	5,800.00	1.99%	1.99%	2.51%
US Treasury	51,068,515.85	54,471,925.29	50,344,567.50	53,401,850.00	161,485.23	2.63%	2.55%	5.87%
General cash account	2,220,949.00	2,413,725.00	2,220,949.00	2,413,725.00	-	0.00%	0.00%	0.26%
Sweep account	7,690,448.45	12,841,166.63	7,690,448.45	12,841,166.63	72,533.73	5.18%	5.19%	0.90%
Investment cash account	2,856,382.02	1,502,826.10	2,856,382.02	1,502,826.10	16,763.12	2.95%	2.95%	0.33%
California Asset Mgmt Program (CAMP)	111,787,474.33	132,222,971.75	111,787,474.33	132,222,971.75	564,502.58	5.43%	5.43%	13.03%
Local Agency Investment Fund (LAIF)	1,867,514.89	1,846,678.87	1,867,514.89	1,846,678.87	20,836.02	4.52%	4.48%	0.22%
Total	\$ 877,922,448.93	\$ 899,340,193.40	\$ 857,825,950.97	\$ 871,929,110.26	\$ 2,469,113.58	2.89%	2.88%	100.00%

Policy:

Certificates of deposit and corporate notes are limited to 30% of total portfolio at the time of purchase.

Municipal bonds are limited to 15% of total portfolio at the time of purchase.

Supranational securities are limited to 10% of total portfolio at the time of purchase.

City of Carlsbad investment portfolio
Maturities by classification and length of time at market value
July 31, 2024

Exhibit 2

Class	Overnight	Within 12 months	13-36 months	37-60 months	Total
Certificate of deposit	\$ -	\$ 5,815,709.25	\$ 9,152,228.15	\$ 6,929,270.44	\$ 21,897,207.84
Corporate notes	-	33,027,506.96	53,900,020.50	32,896,553.50	119,824,080.96
Federal agency	-	83,743,609.14	153,657,561.20	101,894,783.05	339,295,953.39
Mortgage passthrough securities	-	6,323,235.11	14,081,191.08	58,214,322.70	78,618,748.89
Municipal bonds	-	19,334,281.50	45,074,157.70	35,487,847.40	99,896,286.60
Supranational securities	-	5,400,957.60	8,587,120.00	7,538,259.50	21,526,337.10
US Treasury	-	18,645,680.00	23,503,605.00	8,195,282.50	50,344,567.50
General cash account	2,220,949.00	-	-	-	2,220,949.00
Sweep account	7,690,448.45	-	-	-	7,690,448.45
Investment cash account	2,856,382.02	-	-	-	2,856,382.02
California Asset Mgmt Program (CAMP)	111,787,474.33	-	-	-	111,787,474.33
Local Agency Investment Fund (LAIF)	1,867,514.89	-	-	-	1,867,514.89
Totals	\$ 126,422,768.69	\$ 172,290,979.56	\$ 307,955,883.63	\$ 251,156,319.09	\$ 857,825,950.97
Percent Total	14.74%	20.08%	35.90%	29.28%	100.00%

Funds maturing within one year \$ 298,713,748.25
Percentage of the budget 71.29%

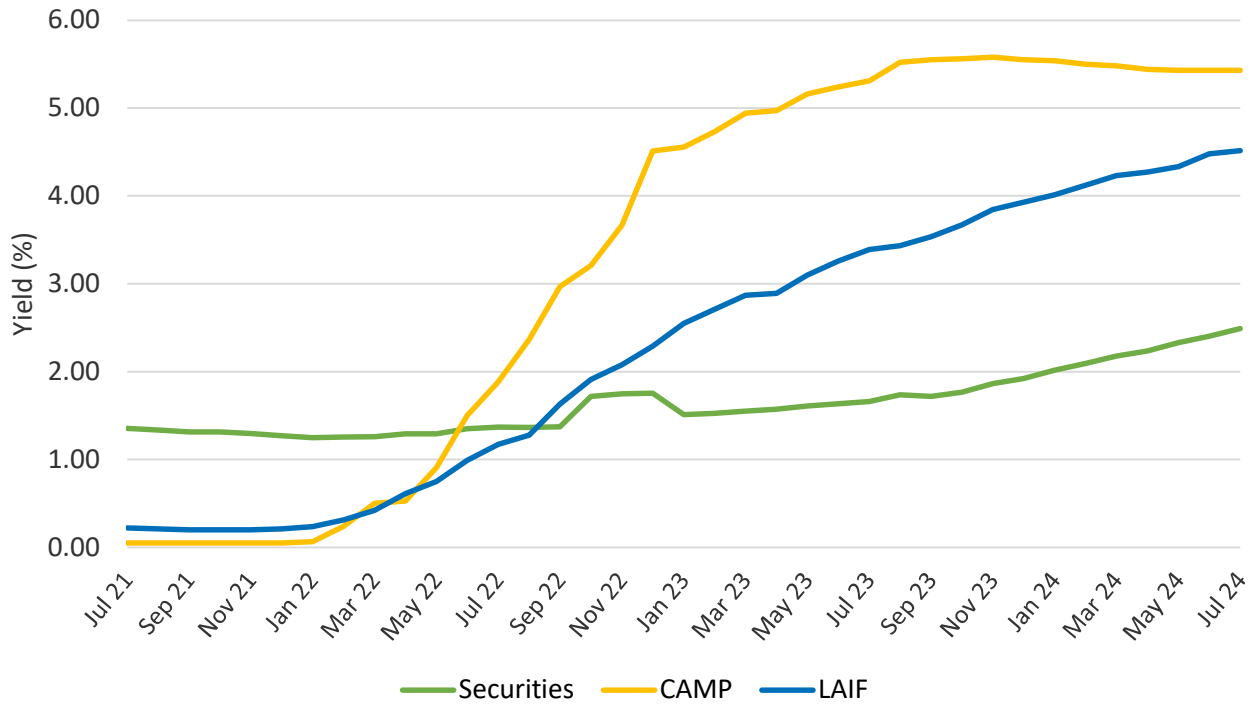
Policy:

*Not less than \$279,333,609 to mature within one year, two-thirds of FY 24-25 operating budget of \$419,000,413.
Maximum term for all securities is five years.*

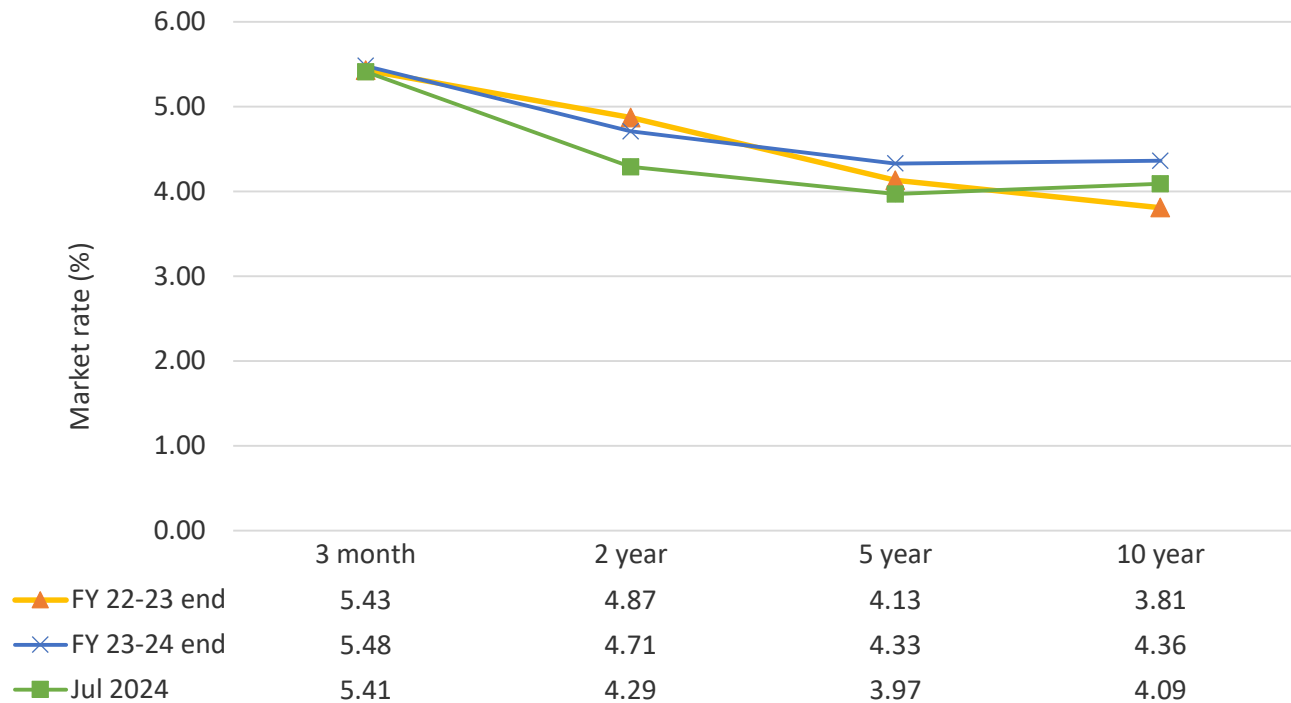
Yield comparisons

July 31, 2024

Yield comparison: Securities vs CAMP vs LAIF
Three year comparison



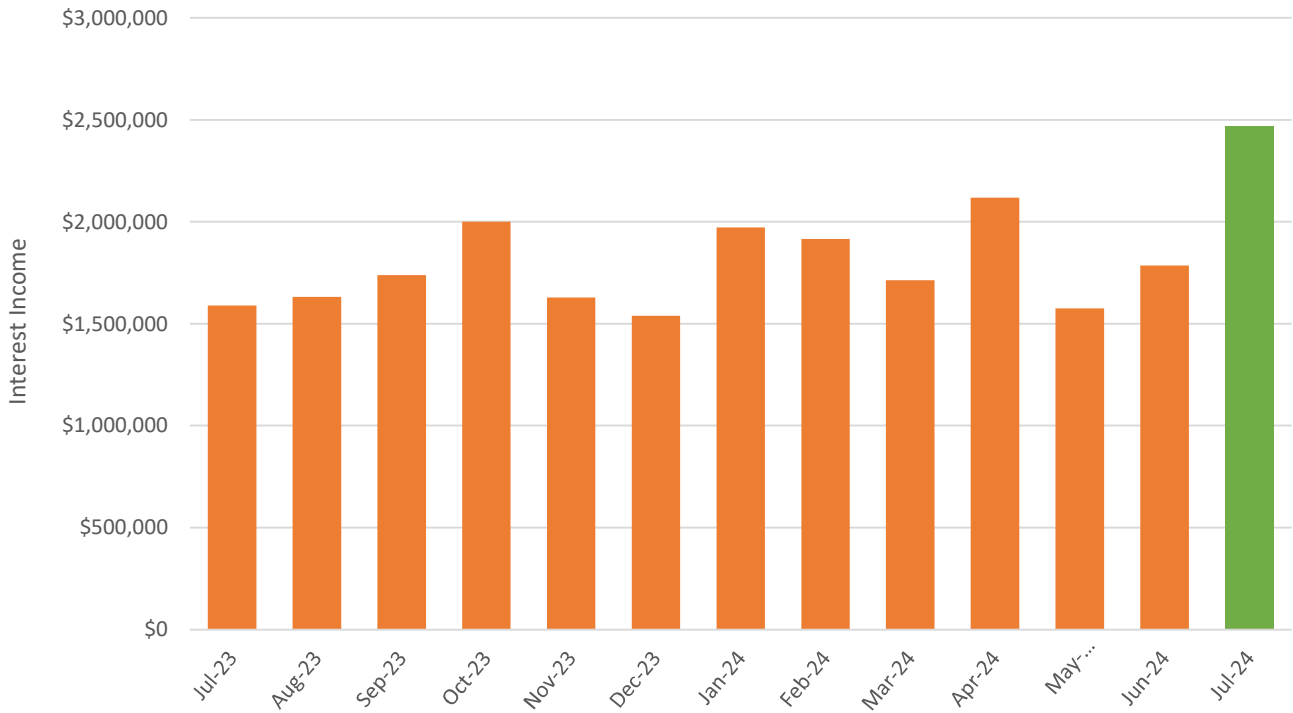
Yield comparison: market yields
Fiscal year ends compared to current



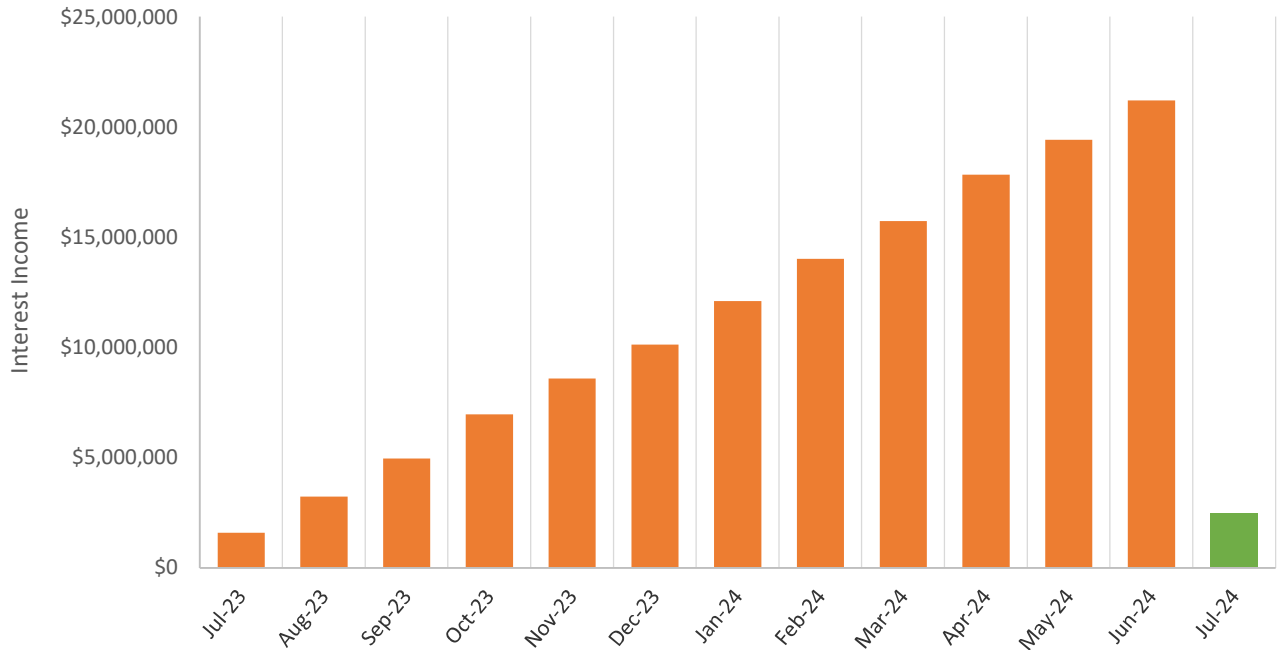
Cash income

July 31, 2024

Cash income by month
13-month comparison



Cumulative cash income
13-month comparison, by fiscal year



Fiscal year 2023-24

Fiscal year 2023-24

City of Carlsbad investment portfolio
Maturities, calls and purchases this quarter

Exhibit 5

July 31, 2024

Maturities

CUSIP	Issuer	Settled	Maturity	Yield	Par value	Book value	Total Interest	Total
Certificate of deposit								
14042RMN8	Capital One	07/31/19	07/31/24	2.25%	\$ 247,000.00	\$ 247,000.00	\$ 27,817.96	\$ 274,817.96
Corporate notes								
742651DP4	Private Export Funding	06/28/19	07/15/24	2.45%	\$ 2,500,000.00	\$ 2,565,850.00	\$ 309,142.36	\$ 2,809,142.36
Federal agency								
3133ELQ56	Federal Farm Credit Banks	03/21/22	07/02/24	0.57%	\$ 2,005,000.00	\$ 1,942,243.50	\$ 26,063.33	\$ 2,031,063.33
3130AP7D1	Federal Home Loan Banks	12/10/21	07/19/24	0.45%	2,000,000.00	1,978,000.00	26,063.33	2,026,063.33
3133ELX66	Federal Farm Credit Banks	07/24/20	07/22/24	0.44%	2,000,000.00	2,000,000.00	35,151.11	2,035,151.11
3133EKVV4	Federal Farm Credit Banks	08/08/19	07/26/24	1.85%	2,500,000.00	2,532,125.00	229,708.33	2,729,708.33
3134GW4X1	Federal Home Loan Mortgage Corp	10/29/20	07/29/24	0.38%	3,000,000.00	3,000,000.00	42,187.50	3,042,187.50
Mortgage passthrough securities								
30311SAA7	FRESB - 2022-SB97 A5F	04/22/22	07/25/24	2.80%	\$ 5,252.06	\$ 5,043.91	\$ 4,894.21	\$ 10,146.27
30315EAA4	FRESB - MFM	07/24/20	07/25/24	0.83%	1,467.29	1,474.47	607.40	2,074.69
30318NAA1	FRESB - 2021-SB83	02/19/21	07/25/24	0.51%	2,246.73	2,257.28	630.68	2,877.41
30321CAQ5	FRESB - 2021-SB88 A5F	07/23/21	07/25/24	0.75%	2,994.08	3,008.14	1,219.35	4,213.43
30324QAC2	FRESB - 2022-SB94	01/21/22	07/25/24	1.50%	7,250.00	7,283.53	5,381.01	12,631.01
30329MAA0	FRESB - 2022-SB103 A5F	10/28/22	07/25/24	4.99%	2,122.02	1,901.09	2,547.05	4,669.07
30329QAA1	FRESB - 2022-SB104 A5F	11/18/22	07/25/24	2.60%	4,955.63	4,523.69	8,405.73	13,361.36
30332EAA3	FRESB - 2023-SB107 A5F	07/20/23	07/25/24	4.09%	990.32	968.79	10,208.62	11,198.94
30333AAA0	FRESB - 2023-SB108 A5F	08/17/23	07/25/24	4.79%	1,961.43	1,919.16	12,364.01	14,325.44
30334CAA5	FRESB - 2023-SB111 A5F	11/16/23	07/25/24	5.28%	171.61	167.77	10,789.44	10,961.05
30336BAA5	FRESB - 2024-SB113	04/25/24	07/25/24	5.22%	117.93	116.94	14,640.78	14,758.71
30337MAA0	FRESB - 2024-SB114	06/27/24	07/26/24	4.99%	403.27	405.27	12,475.00	12,878.27
3132XGRH1	FRESB - WN2287	01/27/23	07/25/24	3.93%	4,022.67	3,986.21	9,143.13	13,165.80
3137BL6J2	FHLM - FHMS K048 A1	07/22/22	07/25/24	3.43%	76,733.60	75,966.26	643.05	77,376.65
3137BM7B6	FHMS - K051 A1	06/30/22	07/25/24	3.30%	98,529.11	97,759.35	4,062.78	102,591.89
3137BP4J5	FHLM - FHMS K1R1	08/20/21	07/25/24	0.41%	45,535.77	47,691.60	1,980.86	47,516.63
3137F32A1	FHLM - KHG1 A1	04/15/20	07/25/24	0.99%	91,816.92	98,416.26	1,239.57	93,056.49
3137FBTA4	FHLM - FHMS K728	03/10/21	07/25/24	3.06%	473,244.90	510,457.48	4,693.89	477,938.79
3138L7D60	FHLM - AM6424	12/16/22	07/25/24	4.21%	2,571.60	2,489.63	2,766.52	5,338.12
35564CAA5	FHLM - SLST 2018	01/11/24	07/25/24	5.37%	10,133.15	9,725.05	2,842.13	12,975.28
U.S. Treasury								
9128286Z8	US Treasury	03/01/21	07/01/24	3.70%	\$ 2,500,000.00	\$ 2,614,215.00	\$ 145,873.62	\$ 2,645,873.62
91282CCL3	US Treasury	10/21/22	07/15/24	0.38%	3,000,000.00	2,789,648.44	19,504.08	3,019,504.08
Maturities Total					\$ 20,584,520.09	\$ 20,544,643.82	\$ 973,046.83	\$ 21,557,566.92

City of Carlsbad investment portfolio
Maturities, calls and purchases this quarter

July 31, 2024

Purchases

CUSIP	Issuer	Settled	Maturity	Yield	First Coupon	Par value	Book value
Certificate of deposit							
06652CHX2	Bankwest Inc	07/31/24	07/31/29	4.90%	08/31/24	\$ 248,000.00	\$ 248,000.00
Corporate notes							
64952WFG3	New York Life Global	07/16/24	06/06/29	4.72%	12/06/24	\$ 3,000,000.00	\$ 3,036,390.00
Federal agency							
3134H16A6	Federal Home Loan Mortgage Corp	07/30/24	07/30/29	5.11%	01/30/25	\$ 2,000,000.00	\$ 1,990,300.00
3133ERLM1	Federal Farm Credit Bank	07/24/24	07/24/28	5.10%	01/24/25	2,500,000.00	2,500,000.00
3134H15T6	Federal Home Loan Mortgage Corp	07/16/24	07/16/29	5.07%	01/16/25	2,500,000.00	2,491,875.00
3134HAAN3	Federal Home Loan Mortgage Corp	07/30/24	07/30/29	4.64%	01/30/25	3,000,000.00	2,965,500.00
3133ENUR9	Federal Farm Credit Bank	07/22/24	04/18/29	4.29%	10/18/24	2,000,000.00	1,950,000.00
Mortgage passthrough securities							
3132XFQN1	FHLMC WN1360	07/02/24	04/01/29	4.57%	08/25/24	\$ 2,000,000.00	\$ 1,950,000.00
3132XG3G9	FHLMC WN3598	07/23/24	06/01/29	4.59%	08/25/24	2,000,000.00	1,985,000.00
Municipal bonds							
13063DGC6	State of California	07/23/24	04/01/28	4.47%	10/01/24	\$ 3,000,000.00	\$ 2,901,480.00
U.S. Treasury							
91282CHQ7	US Treasury	07/18/24	07/31/28	4.12%	07/31/24	\$ 2,000,000.00	\$ 2,000,454.00
Purchases total						\$ 24,248,000.00	\$ 24,018,999.00

City of Carlsbad investment portfolio
Fund equity in pooled investments

Exhibit 6

July 31, 2024

Cash balance by fund:

General	132,211,288.34
Special revenue	36,018,674.06
Capital projects:	
Infrastructure replacement	119,374,996.26
Special districts	113,459,893.89
General capital construction	63,936,310.85
Public facilities fees	33,760,202.24
Traffic impact fees	18,449,622.27
Gas tax	19,461,187.85
Park development	15,731,406.30
Technology investment	19,359,884.99
TransNet taxes	4,454,031.26
Drainage fees	5,183,112.17
Capital project subtotal	413,170,648.08
Enterprise:	
Carlsbad Municipal Water District	138,367,328.44
Sewer fund	50,371,623.33
Storm water	5,198,242.83
Solid waste	4,169,123.27
Golf course	7,381,029.07
Enterprise subtotal	205,487,346.94
Internal service	81,744,458.87
Fiduciary	1,608,840.12
 Total general ledger balance **	 870,241,256.00
Reconciling adjustments (1)	5,893,259.00
Total treasurer's investment portfolio at amortized cost	876,134,515.03

**Figures based on best estimate at the time report run on 08/15/2024.

(1) The reconciling adjustments consist of differences between the general ledger which is prepared on an accrual basis and the treasurer's report which is prepared on a cash basis.

City of Carlsbad investment portfolio
Security ratings and outlooks

Exhibit 7

July 31, 2024

All investments were in compliance with the city's investment policy at the time of purchase.

Issuer	Moody's	S&P	Fitch	Outlook
Corporate notes				
Amazon.com Inc	A1	AA	AA-	Stable/Stable/Stable
Apple Inc	AAA	AA+		Stable/Stable/
Bank of America	A1	A-	AA-	Positive/ /Stable
Bank of Montreal	A2	N/A	AA-	Stable
Bank of New York Mellon Corp	A1	A	AA-	Neg/Stable/Stable
BLC Community Bank	A2	N/A	AA-	Stable
CME Group Inc	AA3	AA-	AA-	Stable/Stable/Stable
Colgate-Palmolive	AA3	A+		Stable/Negative
Florida Power and Light Co	AA2	A+	AA-	Stable/Stable/Stable
Johnson & Johnson	AAA	AAA		Stable/Neg
JP Morgan Chase Bank	A1	A-	AA-	Stable/Stable/Stable
MassMutual Global Funding	AA3	AA+	AA+	/Stable/
Merck & Co*	A1	A+		Positive/Stable/
Met Life Global	AA3	AA-	AA-	/Stable/
Microsoft	AAA	AAA		Stable/Stable/
New York Life	AAA	AA+	AAA	Stable
Nike Inc.	A1	AA-		Stable/Stable/
Novartis Capital Corp	AA3	AA-	AA-	Positive/Stable
Pacific Life Global	AA3	AA-	AA-	Stable
Procter & Gamble	AA3	AA-		Stable/Stable/
Roche Holdings Inc	AA2	AA	AA	Stable
Royal Bank of Canada	A1	A	AA-	Stable/Stable/Stable
Seattle Children's Hospital	AA2	N/A	AA	Stable
Visa Inc.	AA3	AA-		Stable/Stable/
Wal-Mart	AA2	AA	AA	Stable/Stable/Stable

Ratings of corporate notes must be AA or better by one and A or better by another of the three: Moody's, S&P, or Fitch.

Mortgage passthrough securities

FAMCA	AAA	AA+		Stable
FHLMC	AAA	AA+		Stable
FNMA	AAA	AA+		Stable
FRESB	AAA	AA+		Stable

Ratings of mortgage passthrough securities must be AA or better by one of the three: Moody's, S&P, or Fitch.

Municipal Bonds

Ada/Canyon Cty SD	AA1	AA+		Stable
Alief Independent School Dist	AAA	AAA		
Amarillo Independent SD	AAA	AAA		Stable
Bay Area Water & Utl	AA3	AA-		
California State University	AA2	AA-		
City of Riverside	N/A	AA	AA-	Stable
City of Anaheim	N/A	AA+	AA+	

City of Carlsbad investment portfolio
Security ratings and outlooks

July 31, 2024

All investments were in compliance with the city's investment policy at the time of purchase.

Issuer	Moody's	S&P	Fitch	Outlook
Contra Costa Cmty College	AA1	AA+		
County of Multnomah OR	AAA	AAA		Stable
Fremont CA Unified	AA2	AA-		Stable
Honolulu Wastewater	AA3	N/A	AA-	Stable
Los Angeles Cmty Clg Dist	AAA	AA+		
Los Angeles Unified SD	AA2	AA-		Stable
Los Angeles Water & Power	AA2	AA-		Stable
Marion County SD	AA1	N/A	AA+	Stable
Mason/Kitsap Cty SD	AAA	N/A	AA+	Stable
Miami Beach FL	AA2	AA+		
Minnesota State	AAA	AAA	AAA	Stable
Oregon State Dept Admin Serv	AA2	AA		
Oregon State Dept of Transp	AA1	AAA	AA+	Stable
Pajaro Valley Unified SD	AA3	A+		
Portland Cmty College	AA1	N/A	AA+	Stable
San Bernardino CCD	AA1	AA		Stable
San Diego Cmty College	AA1	AAA		Stable
San Diego Public Finance	AA2	N/A	AA	Stable
San Francisco City Pub Utl ¹	N/A	N/A		
San Jose Evergreen CC	AA1	AA+		Stable
San Jose Redevelopment	N/A	AA	AA+	Stable
San Ramon Valley USD	AA1	AA+		
Santa Barbara CA USD	AA1	AA		Stable
Santa Monica Cmty College	AA2	AA+		
Solano County Cmty College	AA2	AA		Stable
Southern CA Public Power	N/A	AA-	AA-	Stable
State of California	AA2	AA-	AA	Stable/positive/stable
State of Connecticut	AA3	AA-		
State of Hawaii	AA2	AA+	AA	Stable
Texas Tech University	AA1	AA+		Stable
University of California	AA2	AA	AA	Stable

Ratings of municipal bonds must be AA or better by one and A or better by another of the three: Moody's, S&P, or Fitch.

¹San Francisco City Public Utility refunded and is collateralized by State and Local Government Series Securities (SLGS). The security is backed by the US Treasury and is therefore not rated.

*Investments with subsequent changes in credit rating

Corporate notes	Moody's	S&P	Fitch	Maturity date	Purchased	Book value
Merck & Co	A1	A+	N/R	02/24/26	04/12/21	\$ 1,494,689
						<u>\$ 1,494,689</u>

The city's Investment Policy allows the City Treasurer to determine the course of action that would correct exceptions to the policy. The current exception is paying interest at the required times. The principal of the investment is considered secure. It is the intent of the City Treasurer to hold the asset in the portfolio until maturity unless events indicate they should be sold.

City of Carlsbad investment portfolio
Portfolio allocation at amortized cost by issuer

Exhibit 8

July 31, 2024

Issuer	Amortized cost	Portfolio allocation
Corporate notes		
Amazon.com Inc.	4,502,282.34	0.51%
Apple Inc.	1,513,485.06	0.17%
Bank of America	10,995,888.13	1.26%
Bank of Montreal	2,000,000.00	0.23%
Bank of New York Mellon	3,056,907.00	0.35%
BLC Community Bank (Bank of Montreal)	5,950,000.00	0.68%
CME Group	2,807,420.40	0.32%
Colgate-Palmolive	1,966,823.88	0.22%
Florida Power & Light	3,709,807.53	0.42%
Johnson & Johnson	17,209,464.57	1.96%
JP Morgan Chase Bank	14,800,000.00	1.69%
Massmutual Global	3,763,572.43	0.43%
Merck & Co	1,495,420.80	0.17%
Met Life Global	5,122,142.45	0.58%
Microsoft	4,118,229.54	0.47%
New York Life	6,419,163.07	0.73%
Nike Inc.	2,901,602.10	0.33%
Novartis Capital Corp	3,317,712.93	0.38%
Pacific Life Global	1,005,780.99	0.11%
Procter & Gamble	10,855,085.66	1.24%
Roche Holdings Inc	4,831,279.14	0.55%
Royal Bank of Canada	6,997,421.33	0.80%
Seattle Children's Hospital	893,787.57	0.10%
Visa Inc.	1,285,470.86	0.15%
Wal-Mart	2,005,135.03	0.23%
Mortgage passthrough securities		
FAMCA	3,536,892.23	0.40%
FHLMC	29,745,276.46	3.40%
FNMA	15,696,143.68	1.79%
FRESB	30,637,120.73	3.50%
Federal agencies		
Federal Agricultural Mortgage Corp.	23,148,056.94	2.64%
Federal Farm Credit Bank	77,256,103.53	8.82%
Federal Home Loan Bank	143,994,545.90	16.44%
Federal Home Loan Mortgage Corp.	67,786,355.81	7.74%
Federal National Mortgage Assoc.	35,898,785.41	4.10%
Tennessee Valley Authority	1,003,128.04	0.11%

City of Carlsbad investment portfolio
Portfolio allocation at amortized cost by issuer

July 31, 2024

Issuer	Amortized cost	Portfolio allocation
Municipal Bonds		
Ada/Canyon Cty SD	1,502,588.46	0.17%
Alief Independent SD	1,971,676.82	0.23%
Amarillo Independent SD	1,794,633.69	0.20%
Bay Area Water	1,201,027.50	0.14%
California State University	2,238,875.81	0.26%
City of Anaheim	1,523,551.79	0.17%
City of Riverside	1,254,164.11	0.14%
Contra Costa Cmty College	930,688.51	0.11%
County of Multnomah OR	2,001,205.70	0.23%
Fremont CA Unified	1,854,916.69	0.21%
Honolulu Wastewater	1,422,057.69	0.16%
Los Angeles Cmty College	2,050,726.35	0.23%
Los Angeles Unified SD	3,665,287.20	0.42%
Los Angeles Water & Power	1,556,329.29	0.18%
Marion County SD	1,882,169.88	0.21%
Mason/Kitsap Cty SD	640,000.00	0.07%
Miami Beach FL	1,396,808.00	0.16%
Minnesota State	1,215,000.00	0.14%
Oregon State Dept of Admin Services	956,100.70	0.11%
Oregon State Dept of Transp	3,245,013.22	0.37%
Pajaro Valley USD	1,176,774.19	0.13%
Portland CC	1,101,169.73	0.13%
San Bernardino CCD	1,384,032.00	0.16%
San Diego Cmty College	5,156,544.22	0.59%
San Diego Public Finance	1,882,953.85	0.21%
San Francisco City Pub Utl	1,000,305.29	0.11%
San Jose Evergreen CC	770,054.11	0.09%
San Jose Redevelopment	4,039,110.95	0.46%
San Ramon Valley SD	888,065.73	0.10%
Santa Barbara CA USD	949,727.51	0.11%
Santa Monica Cmty College	504,847.24	0.06%
Solano County Cmty College	1,801,794.48	0.21%
Southern CA Public Power	2,454,711.47	0.28%
State of California	18,294,947.66	2.09%
State of Connecticut	2,854,565.72	0.33%
State of Hawaii	8,007,518.53	0.91%
Texas Tech University	5,744,347.57	0.66%
University of California	9,437,414.07	1.08%

City of Carlsbad investment portfolio
Portfolio allocation at amortized cost by issuer

July 31, 2024

Issuer	Amortized cost	Portfolio allocation
<hr/>		
<i>Other</i>		
<hr/>		
Supranational	21,894,286.72	2.50%
US Treasury	51,361,370.63	5.86%
Certificate of deposits	22,478,091.72	2.57%
Cash	126,422,768.69	14.43%
Total portfolio amortized cost	<hr/> <hr/> 876,134,515.03	<hr/> <hr/> 100.00%

Policy:

Corporate notes, non-agency mortgage passthrough securities, municipal bonds, and supranational securities may have no more than 5% invested with a single issuer.

Certificates of deposit may have no more than 10% invested with any single issuer.

Federal agencies, U.S. Treasury and agency-backed mortgage passthrough securities do not have issuer limitations.

City of Carlsbad investment portfolio

Exhibit 9

Investment detail

July 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
Federal investments							
3130AGWK7	11/10/20	08/15/24	Federal Home Loan Banks	4,000,000.00	1.500%	255,833.33	4,255,833.33
3133EKQA7	08/30/19	09/10/24	Federal Farm Credit Banks	2,500,000.00	1.480%	261,444.44	2,761,444.44
880591ER9	02/19/21	09/15/24	Tennessee Valley Authority	1,000,000.00	0.300%	102,701.39	1,102,701.39
3134GWVM	10/22/20	09/30/24	Federal Home Loan Mortgage Corp	3,000,000.00	0.350%	41,358.33	3,041,358.33
3134GWVM	11/06/20	09/30/24	Federal Home Loan Mortgage Corp	1,170,000.00	0.350%	15,970.50	1,185,970.50
3130ALRK2	03/30/21	09/30/24	Federal Home Loan Banks	1,500,000.00	0.520%	27,300.00	1,527,300.00
31422XMV1	10/04/21	10/04/24	Federal Agricultural Mortgage Corp	2,000,000.00	0.500%	30,000.00	2,030,000.00
3133EK3B0	11/25/20	10/16/24	Federal Farm Credit Banks	1,400,000.00	0.280%	81,725.00	1,481,725.00
31422BPG9	11/15/19	11/01/24	Federal Agricultural Mortgage Corp	2,000,000.00	1.793%	177,607.78	2,177,607.78
3133EC2D5	07/10/20	11/13/24	Federal Farm Credit Banks	1,621,000.00	0.390%	159,055.22	1,780,055.22
3135G06E8	11/18/20	11/18/24	Federal National Mortgage Assoc	2,000,000.00	0.420%	33,600.00	2,033,600.00
3130APVZ5	12/02/21	12/02/24	Federal Home Loan Banks	1,900,000.00	1.050%	59,850.00	1,959,850.00
3130AQ5L3	12/16/21	12/16/24	Federal Home Loan Banks	2,000,000.00	0.500%	70,000.00	2,070,000.00
3130AKLQ7	12/30/20	12/30/24	Federal Home Loan Banks	4,000,000.00	0.310%	49,600.00	4,049,600.00
3134GXKX6	07/07/22	12/30/24	Federal Home Loan Mortgage Corp	2,500,000.00	3.348%	207,746.53	2,707,746.53
3130AJSF7	05/27/21	01/08/25	Federal Home Loan Banks	2,000,000.00	0.648%	46,980.56	2,046,980.56
3130ASLP2	07/21/22	01/21/25	Federal Home Loan Banks	2,000,000.00	3.500%	175,000.00	2,175,000.00
3130AN7L8	07/28/21	01/28/25	Federal Home Loan Banks	1,750,000.00	0.520%	31,850.00	1,781,850.00
3133EMPV8	02/03/21	02/03/25	Federal Farm Credit Banks	2,000,000.00	0.320%	25,600.00	2,025,600.00
3134GWMN	08/27/20	02/27/25	Federal Home Loan Mortgage Corp	2,500,000.00	0.520%	58,500.00	2,558,500.00
3130A4CH3	04/09/20	03/14/25	Federal Home Loan Banks	3,000,000.00	0.778%	351,302.08	3,351,302.08
3130A4CH3	02/18/21	03/14/25	Federal Home Loan Banks	1,500,000.00	0.389%	145,072.92	1,645,072.92
3134GWP2E	06/07/21	03/28/25	Federal Home Loan Mortgage Corp	1,000,000.00	0.540%	19,041.67	1,019,041.67
3130AMRJ3	06/28/21	03/28/25	Federal Home Loan Banks	3,120,000.00	0.500%	70,200.00	3,190,200.00
3133EMWH	04/21/21	04/21/25	Federal Farm Credit Banks	1,500,000.00	0.710%	42,600.00	1,542,600.00
3130APA39	09/30/22	04/21/25	Federal Home Loan Banks	1,055,000.00	4.287%	17,813.67	1,072,813.67
3135GAA43	12/23/20	04/23/25	Federal National Mortgage Assoc	3,000,000.00	0.500%	65,000.00	3,065,000.00
3134GWYW	10/30/20	04/30/25	Federal Home Loan Mortgage Corp	2,000,000.00	0.500%	45,111.12	2,045,111.12
3133ELC28	06/03/20	05/27/25	Federal Farm Credit Banks	3,500,000.00	0.734%	127,324.17	3,627,324.17
3134GVB31	06/03/20	05/28/25	Federal Home Loan Mortgage Corp	2,000,000.00	0.750%	74,791.66	2,074,791.66
3135GA556	12/16/20	06/16/25	Federal National Mortgage Assoc	2,000,000.00	0.450%	40,500.00	2,040,500.00
3135G04Z3	01/11/21	06/17/25	Federal National Mortgage Assoc	3,000,000.00	0.389%	66,500.00	3,066,500.00
3135G04Z3	05/20/21	06/17/25	Federal National Mortgage Assoc	2,000,000.00	0.600%	40,750.00	2,040,750.00
3136G4XZ1	07/01/20	06/30/25	Federal National Mortgage Assoc	2,500,000.00	0.740%	92,448.61	2,592,448.61
3133EMMP4	01/15/21	07/14/25	Federal Farm Credit Banks	2,225,000.00	0.457%	39,024.65	2,264,024.65
3137EAEU9	09/14/20	07/21/25	Federal Home Loan Mortgage Corp	1,500,000.00	0.380%	27,296.87	1,527,296.87
3133ELZ80	07/29/20	07/29/25	Federal Farm Credit Banks	3,000,000.00	0.580%	87,000.00	3,087,000.00
3133EMFC1	10/29/20	07/29/25	Federal Farm Credit Banks	3,000,000.00	0.530%	75,525.00	3,075,525.00
3134GWXM	10/01/20	07/30/25	Federal Home Loan Mortgage Corp	2,000,000.00	0.510%	49,271.67	2,049,271.67
3133EL3P7	08/12/20	08/12/25	Federal Farm Credit Banks	3,500,000.00	0.530%	92,750.00	3,592,750.00
3136G4C43	08/14/20	08/14/25	Federal National Mortgage Assoc	2,000,000.00	0.650%	65,000.00	2,065,000.00
3136G4H71	11/06/20	08/18/25	Federal National Mortgage Assoc	2,000,000.00	0.500%	47,833.33	2,047,833.33
3136G4K77	08/21/20	08/21/25	Federal National Mortgage Assoc	2,000,000.00	0.450%	45,000.00	2,045,000.00
3136G4X24	08/31/20	08/29/25	Federal National Mortgage Assoc	3,000,000.00	0.600%	89,900.00	3,089,900.00
3137EAEX3	10/22/20	09/23/25	Federal Home Loan Mortgage Corp	4,000,000.00	0.430%	73,791.67	4,073,791.67
3137EAEX3	12/28/20	09/23/25	Federal Home Loan Mortgage Corp	3,000,000.00	0.400%	53,281.25	3,053,281.25
3133EMCP5	10/14/20	10/14/25	Federal Farm Credit Banks	1,500,000.00	0.520%	39,000.00	1,539,000.00
3132X0CK5	11/01/22	10/14/25	Federal Agricultural Mortgage Corp	1,650,000.00	2.153%	184,415.59	1,834,415.59
3134GWXXE	10/15/20	10/15/25	Federal Home Loan Mortgage Corp	3,000,000.00	0.550%	82,500.00	3,082,500.00
3135G06A6	12/11/20	10/20/25	Federal National Mortgage Assoc	2,410,000.00	0.590%	67,909.78	2,477,909.78
3133EMDZ2	12/09/20	10/21/25	Federal Farm Credit Banks	3,000,000.00	0.560%	75,920.00	3,075,920.00
3133EMFR8	11/03/20	11/03/25	Federal Farm Credit Banks	4,500,000.00	0.540%	121,500.00	4,621,500.00
3135G06G3	12/29/20	11/07/25	Federal National Mortgage Assoc	3,000,000.00	0.410%	72,833.34	3,072,833.34
3130ALFF6	03/10/21	12/10/25	Federal Home Loan Banks	1,750,000.00	0.650%	54,031.25	1,804,031.25
31422XAT9	03/02/21	12/15/25	Federal Agricultural Mortgage Corp	3,000,000.00	0.520%	74,663.33	3,074,663.33
3134GXFV1	12/17/20	12/17/25	Federal Home Loan Mortgage Corp	5,000,000.00	0.625%	156,250.00	5,156,250.00
3134GXHD9	03/24/21	12/23/25	Federal Home Loan Mortgage Corp	1,500,000.00	0.700%	49,845.83	1,549,845.83

City of Carlsbad investment portfolio

Investment detail

July 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
3135G06Q1	12/30/20	12/30/25	Federal National Mortgage Assoc	2,500,000.00	0.474%	80,000.00	2,580,000.00
3130AKMZ6	01/14/21	01/14/26	Federal Home Loan Banks	4,000,000.00	0.510%	102,000.00	4,102,000.00
3130AKMZ6	01/14/21	01/14/26	Federal Home Loan Banks	1,750,000.00	0.540%	44,625.00	1,794,625.00
31422B6K1	01/25/21	01/15/26	Federal Agricultural Mortgage Corp	1,500,000.00	0.480%	35,800.00	1,535,800.00
3130AKN69	01/28/21	01/28/26	Federal Home Loan Banks	3,000,000.00	0.500%	75,000.00	3,075,000.00
3130AKRF5	02/09/21	02/09/26	Federal Home Loan Banks	2,050,000.00	0.350%	14,575.00	2,064,575.00
3130AKVR4	02/12/21	02/12/26	Federal Home Loan Banks	2,000,000.00	0.550%	55,000.00	2,055,000.00
3130AKVV5	02/18/21	02/18/26	Federal Home Loan Banks	4,000,000.00	0.500%	100,000.00	4,100,000.00
3133EMSH6	03/03/21	03/03/26	Federal Farm Credit Banks	674,000.00	0.790%	26,623.00	700,623.00
3133EMSU7	03/09/21	03/09/26	Federal Farm Credit Banks	3,500,000.00	0.800%	140,000.00	3,640,000.00
3130ALH56	03/18/21	03/18/26	Federal Home Loan Banks	3,000,000.00	0.750%	112,500.00	3,112,500.00
3130ALUQ5	03/30/21	03/30/26	Federal Home Loan Banks	1,500,000.00	0.300%	22,500.00	1,522,500.00
31422XCX8	04/20/21	04/20/26	Federal Agricultural Mortgage Corp	2,000,000.00	1.000%	100,000.00	2,100,000.00
3130ALVB7	04/21/21	04/21/26	Federal Home Loan Banks	2,000,000.00	0.915%	90,000.00	2,090,000.00
3130AM4L3	04/29/21	04/29/26	Federal Home Loan Banks	4,000,000.00	0.500%	100,000.00	4,100,000.00
31422XFP2	05/04/21	05/04/26	Federal Agricultural Mortgage Corp	2,500,000.00	0.950%	118,750.00	2,618,750.00
3130AMCL4	09/30/22	05/19/26	Federal Home Loan Banks	1,100,000.00	4.300%	40,797.17	1,140,797.17
3130AMHN!	05/26/21	05/26/26	Federal Home Loan Banks	2,500,000.00	0.500%	112,500.00	2,612,500.00
31422XGL0	05/27/21	05/27/26	Federal Agricultural Mortgage Corp	2,000,000.00	0.920%	92,000.00	2,092,000.00
3130AMQK1	06/16/21	06/16/26	Federal Home Loan Banks	2,000,000.00	0.500%	94,000.00	2,094,000.00
3130AMQK1	06/16/21	06/16/26	Federal Home Loan Banks	2,500,000.00	0.500%	117,500.00	2,617,500.00
3133EML67	06/22/21	06/22/26	Federal Farm Credit Banks	2,000,000.00	0.870%	80,000.00	2,080,000.00
3130AMTW	06/30/21	06/30/26	Federal Home Loan Banks	4,500,000.00	0.500%	186,750.00	4,686,750.00
3130AMWN	06/30/21	06/30/26	Federal Home Loan Banks	2,000,000.00	0.550%	88,000.00	2,088,000.00
3130ANCH1	07/27/21	07/27/26	Federal Home Loan Banks	2,500,000.00	1.000%	125,000.00	2,625,000.00
3130ANL57	08/25/21	08/25/26	Federal Home Loan Banks	3,500,000.00	0.906%	153,125.00	3,653,125.00
31422XLY6	09/01/21	09/01/26	Federal Agricultural Mortgage Corp	4,000,000.00	0.900%	180,000.00	4,180,000.00
3133EM3T7	09/07/21	09/01/26	Federal Farm Credit Banks	3,000,000.00	0.885%	130,065.00	3,130,065.00
31422XNB4	09/30/21	09/30/26	Federal Agricultural Mortgage Corp	2,500,000.00	0.860%	107,798.60	2,607,798.60
3133ENAF7	12/27/21	10/07/26	Federal Farm Credit Banks	2,500,000.00	1.268%	119,444.44	2,619,444.44
3133ENT26	10/19/22	10/19/26	Federal Farm Credit Banks	3,000,000.00	5.300%	636,000.00	3,636,000.00
3134GW6C5	02/15/22	10/28/26	Federal Home Loan Mortgage Corp	4,500,000.00	1.958%	169,300.00	4,669,300.00
3130APJZ9	02/25/22	10/28/26	Federal Home Loan Banks	3,500,000.00	1.979%	210,000.00	3,710,000.00
3130B1DC8	05/16/24	11/09/26	Federal Home Loan Banks	1,500,000.00	5.249%	196,875.00	1,696,875.00
3133ENFP0	12/09/21	11/30/26	Federal Farm Credit Banks	2,950,000.00	1.408%	167,958.25	3,117,958.25
3130AQF65	01/14/22	12/21/26	Federal Home Loan Banks	1,550,000.00	1.483%	95,637.15	1,645,637.15
3130AQMX8	02/07/22	01/26/27	Federal Home Loan Banks	1,250,000.00	1.331%	112,070.31	1,362,070.31
3130AQJR5	12/14/23	01/27/27	Federal Home Loan Banks	2,000,000.00	4.631%	105,000.00	2,105,000.00
3130AQLD3	03/29/22	01/28/27	Federal Home Loan Banks	2,500,000.00	2.776%	211,336.81	2,711,336.81
3130ARAB7	06/24/22	03/25/27	Federal Home Loan Banks	2,000,000.00	3.420%	260,791.67	2,260,791.67
3134GXNM:	02/20/24	03/25/27	Federal Home Loan Mortgage Corp	2,000,000.00	4.419%	186,700.00	2,186,700.00
3130ARL58	06/10/22	04/26/27	Federal Home Loan Banks	4,000,000.00	3.198%	589,235.56	4,589,235.56
3133EPJP1	05/12/23	05/12/27	Federal Farm Credit Banks	2,000,000.00	3.620%	290,000.00	2,290,000.00
3130ASCT4	06/28/22	06/28/27	Federal Home Loan Banks	2,500,000.00	3.250%	406,250.00	2,906,250.00
3130ASF46	06/30/22	06/30/27	Federal Home Loan Banks	2,500,000.00	3.500%	437,500.00	2,937,500.00
3130ASLA5	09/13/23	07/26/27	Federal Home Loan Banks	1,915,000.00	4.850%	344,700.00	2,259,700.00
3133ENL99	09/30/22	09/15/27	Federal Farm Credit Banks	2,500,000.00	3.983%	418,359.37	2,918,359.37
3133EPXB6	09/28/23	09/28/27	Federal Farm Credit Banks	2,000,000.00	4.625%	370,000.00	2,370,000.00
3134GX3H5	05/15/24	09/29/27	Federal Home Loan Mortgage Corp	2,500,000.00	5.048%	415,625.00	2,915,625.00
3133EP3D5	04/30/24	11/22/27	Federal Farm Credit Banks	2,500,000.00	5.558%	517,500.00	3,017,500.00
3133EPJ30	12/06/23	12/06/27	Federal Farm Credit Banks	2,000,000.00	5.380%	430,400.00	2,430,400.00
3133EN3S7	12/07/22	12/07/27	Federal Farm Credit Banks	3,000,000.00	3.780%	562,500.00	3,562,500.00
3134H1GH0	10/30/23	12/30/27	Federal Home Loan Mortgage Corp	1,500,000.00	5.201%	312,500.00	1,812,500.00
3130AYPJ9	01/29/24	01/26/28	Federal Home Loan Banks	2,000,000.00	4.500%	359,500.00	2,359,500.00
3130AUQA5	02/02/23	02/02/28	Federal Home Loan Banks	2,500,000.00	4.050%	506,250.00	3,006,250.00
3130AYVC7	02/13/24	02/09/28	Federal Farm Credit Banks	2,000,000.00	4.625%	370,000.00	2,370,000.00
3130AUW59	03/08/23	02/17/28	Federal Home Loan Banks	1,500,000.00	4.240%	318,000.00	1,818,000.00
3133EP3Z6	02/28/24	02/28/28	Federal Farm Credit Banks	2,000,000.00	4.375%	350,000.00	2,350,000.00

City of Carlsbad investment portfolio

Investment detail

July 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
3130B0EE5	04/23/24	03/06/28	Federal Home Loan Banks	2,000,000.00	5.000%	384,000.00	2,384,000.00
313382GT4	11/15/23	03/10/28	Federal Home Loan Banks	2,500,000.00	4.720%	337,500.00	2,837,500.00
3133EPDC6	03/13/23	03/13/28	Federal Farm Credit Banks	1,000,000.00	5.350%	267,500.00	1,267,500.00
3133EPFU4	04/12/23	04/12/28	Federal Farm Credit Banks	2,500,000.00	3.530%	437,500.00	2,937,500.00
3130AVK50	04/24/23	04/24/28	Federal Home Loan Banks	1,500,000.00	5.000%	375,000.00	1,875,000.00
3130ALZW7	12/14/23	04/28/28	Federal Home Loan Banks	1,000,000.00	4.362%	76,500.00	1,076,500.00
3130AVZQ8	04/12/23	05/17/28	Federal Home Loan Banks	1,880,000.00	5.150%	460,600.00	2,340,600.00
3133EPMA0	06/09/23	06/09/28	Federal Farm Credit Banks	1,500,000.00	4.690%	351,750.00	1,851,750.00
3130B0NE5	05/01/24	07/06/28	Federal Home Loan Banks	2,400,000.00	4.969%	478,773.33	2,878,773.33
3134H1GL1	10/18/23	07/18/28	Federal Home Loan Mortgage Corp	2,500,000.00	5.002%	593,750.00	3,093,750.00
3134H1GL1	11/01/23	07/18/28	Federal Home Loan Mortgage Corp	2,000,000.00	5.210%	475,000.00	2,475,000.00
3133ERLM1	07/24/24	07/24/28	Federal Farm Credit Banks	2,500,000.00	5.100%	510,000.00	3,010,000.00
3134GYX5	09/12/23	07/26/28	Federal Home Loan Mortgage Corp	1,750,000.00	5.650%	494,375.00	2,244,375.00
3133EPTA3	09/07/23	08/14/28	Federal Farm Credit Banks	1,000,000.00	5.108%	255,500.00	1,255,500.00
3134H1BP7	10/13/23	09/11/28	Federal Home Loan Mortgage Corp	1,000,000.00	5.148%	252,500.00	1,252,500.00
3134H1BP7	09/11/23	09/11/28	Federal Home Loan Mortgage Corp	3,000,000.00	5.245%	757,500.00	3,757,500.00
3134GWS23	05/17/24	09/14/28	Federal Home Loan Mortgage Corp	2,000,000.00	4.610%	90,000.00	2,090,000.00
3134H1CM3	11/17/23	09/25/28	Federal Home Loan Mortgage Corp	1,500,000.00	4.843%	327,750.00	1,827,750.00
3130B0PR4	04/02/24	10/02/28	Federal Home Loan Banks	2,000,000.00	5.000%	450,000.00	2,450,000.00
3130AP6J9	12/06/23	10/05/28	Federal Home Loan Banks	2,000,000.00	4.300%	135,000.00	2,135,000.00
3130APSR7	01/08/24	11/16/28	Federal Farm Credit Banks	1,500,000.00	4.107%	127,500.00	1,627,500.00
3130APTC9	01/19/24	11/22/28	Federal Home Loan Banks	1,000,000.00	4.193%	90,000.00	1,090,000.00
3130B0M89	03/28/24	12/28/28	Federal Home Loan Banks	3,000,000.00	4.402%	570,000.00	3,570,000.00
3130AYE51	01/08/24	01/02/29	Federal Home Loan Banks	2,500,000.00	4.947%	623,958.34	3,123,958.34
3130AYCV6	01/11/24	01/03/29	Federal Home Loan Banks	2,700,000.00	5.000%	675,000.00	3,375,000.00
3135GAM81	02/01/24	01/17/29	Federal National Mortgage Assoc	2,500,000.00	5.000%	624,305.56	3,124,305.56
3130AYJR8	02/20/24	01/17/29	Federal Home Loan Banks	2,000,000.00	4.714%	460,000.00	2,460,000.00
3130AYRG3	02/05/24	02/05/29	Federal Home Loan Banks	2,500,000.00	4.400%	550,000.00	3,050,000.00
3130AYWQ5	02/20/24	02/07/29	Federal Home Loan Banks	2,500,000.00	4.572%	568,118.05	3,068,118.05
3134H1SK0	02/09/24	02/09/29	Federal Home Loan Mortgage Corp	2,500,000.00	4.375%	546,875.00	3,046,875.00
3133ENUR9	07/22/24	04/18/29	Federal Farm Credit Banks	2,000,000.00	4.287%	370,000.00	2,370,000.00
3130B14U8	04/24/24	04/27/29	Federal Home Loan Banks	1,500,000.00	5.250%	393,093.75	1,893,093.75
3135GASP7	05/28/24	05/22/29	Federal National Mortgage Assoc	2,000,000.00	4.819%	462,500.00	2,462,500.00
3134H15T6	07/16/24	07/16/29	Federal Home Loan Mortgage Corp	2,500,000.00	4.074%	625,000.00	3,125,000.00
3134HAAN3	07/30/24	07/30/29	Federal Home Loan Mortgage Corp	3,000,000.00	4.635%	656,250.00	3,656,250.00
3134H16A6	07/30/24	07/30/29	Federal Home Loan Mortgage Corp	2,000,000.00	5.111%	500,000.00	2,500,000.00
Total federal investments				\$ 351,020,000.00	2.116%	\$ 32,382,163.89	\$ 383,402,163.89

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
Supranationals							
459056HV2	08/29/19	08/28/24	International Bank for Recon & Devel	2,000,000.00	1.428%	149,916.67	2,149,916.67
45818WCW	11/03/21	10/15/24	Inter-American Development Bank	1,440,000.00	0.828%	14,443.20	1,454,443.20
45950KCR9	02/04/21	10/16/24	International Finance Corporation	2,000,000.00	0.290%	101,750.00	2,101,750.00
45905U6L3	01/14/21	11/20/25	International Bank for Recon & Devel	2,000,000.00	0.510%	303,125.00	2,303,125.00
45950VPJ9	01/25/21	01/15/26	International Finance Corporation	2,000,000.00	0.500%	57,677.78	2,057,677.78
4581X0DV7	04/23/21	04/20/26	Inter-American Development Bank	3,000,000.00	0.870%	131,031.25	3,131,031.25
45950VPY6	05/28/21	05/15/26	International Finance Corporation	2,000,000.00	0.500%	49,638.89	2,049,638.89
45906M4E8	07/31/23	06/26/28	International Bank for Recon & Devel	1,250,000.00	4.684%	281,250.00	1,531,250.00
45906M4E8	09/07/23	06/26/28	International Bank for Recon & Devel	1,700,000.00	4.500%	382,500.00	2,082,500.00
459058KW2	09/28/23	08/01/28	International Bank for Recon & Devel	2,000,000.00	4.720%	448,368.06	2,448,368.06
45818WFE1	03/01/24	03/01/29	Inter-American Development Bank	2,500,000.00	4.400%	550,000.00	3,050,000.00
Total supranationals				\$ 21,890,000.00	1.993%	\$ 2,469,700.85	\$ 24,359,700.85

City of Carlsbad investment portfolio

Investment detail

July 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
U.S. Treasury							
912828YH7	01/14/21	09/30/24	U.S. Treasury	2,000,000.00	1.500%	111,263.74	2,111,263.74
912828Y5	10/21/22	09/30/24	U.S. Treasury	2,000,000.00	4.511%	82,548.08	2,082,548.08
912828YV6	06/07/21	11/30/24	U.S. Treasury	2,000,000.00	0.436%	104,426.23	2,104,426.23
91282CDS7	10/21/22	01/15/25	U.S. Treasury	4,000,000.00	4.548%	100,516.30	4,100,516.30
912828ZC7	07/15/21	02/28/25	U.S. Treasury	2,000,000.00	0.563%	81,623.64	2,081,623.64
912828ZL7	02/19/21	04/30/25	U.S. Treasury	2,000,000.00	0.400%	31,450.28	2,031,450.28
912828ZT0	02/19/21	05/31/25	U.S. Treasury	2,000,000.00	0.400%	21,387.36	2,021,387.36
91282CEU1	10/21/22	06/15/25	U.S. Treasury	3,000,000.00	4.530%	228,586.07	3,228,586.07
91282CAM3	01/11/21	09/30/25	U.S. Treasury	2,500,000.00	0.250%	29,481.46	2,529,481.46
91282CAZ4	01/11/21	11/30/25	U.S. Treasury	2,500,000.00	0.375%	45,793.27	2,545,793.27
91282CGA3	10/17/23	12/15/25	U.S. Treasury	2,000,000.00	4.930%	199,992.72	2,199,992.72
91282CBQ3	03/01/21	02/28/26	U.S. Treasury	3,000,000.00	0.740%	74,959.24	3,074,959.24
91282CBQ3	03/02/21	02/28/26	U.S. Treasury	2,000,000.00	0.750%	49,945.65	2,049,945.65
912828U24	12/27/21	11/15/26	U.S. Treasury	2,500,000.00	1.200%	244,198.90	2,744,198.90
91282CDK4	01/14/22	11/30/26	U.S. Treasury	1,500,000.00	1.463%	91,432.01	1,591,432.01
912828Z78	05/08/23	01/31/27	U.S. Treasury	1,500,000.00	3.500%	83,970.99	1,583,970.99
91282CKJ9	05/06/24	04/15/27	U.S. Treasury	3,000,000.00	4.710%	404,870.90	3,404,870.90
91282CFB2	04/21/23	07/31/27	U.S. Treasury	2,500,000.00	3.770%	294,181.63	2,794,181.63
91282CFB2	05/03/24	07/31/27	U.S. Treasury	1,500,000.00	4.600%	144,375.00	1,644,375.00
91282CFU0	09/08/23	10/31/27	U.S. Treasury	1,500,000.00	4.491%	278,437.50	1,778,437.50
91282CGC9	01/25/23	12/31/27	U.S. Treasury	500,000.00	3.570%	96,393.30	596,393.30
91282CGC9	01/31/23	12/31/27	U.S. Treasury	750,000.00	3.647%	144,108.25	894,108.25
91282CGC9	09/08/23	12/31/27	U.S. Treasury	1,500,000.00	4.472%	261,562.50	1,761,562.50
91282CHA2	12/14/23	04/30/28	U.S. Treasury	1,000,000.00	4.265%	157,452.99	1,157,452.99
9128284N7	07/17/23	05/15/28	U.S. Treasury	1,000,000.00	3.952%	143,750.00	1,143,750.00
91282CHQ7	07/18/24	07/31/28	U.S. Treasury	2,000,000.00	4.118%	371,250.00	2,371,250.00
Total U.S. Treasury				\$ 51,750,000.00	2.629%	\$ 3,877,958.01	\$ 55,627,958.01

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
Corporate notes							
023135AZ9	08/22/19	08/22/24	Amazon.com Inc	2,000,000.00	2.800%	279,377.78	2,279,377.78
023135AZ9	10/17/19	08/22/24	Amazon.com Inc	2,500,000.00	1.860%	339,305.56	2,839,305.56
06406RAL1	02/18/20	10/24/24	Bank of NY Mellon	3,055,000.00	1.816%	300,459.25	3,355,459.25
06368G3W5	11/15/21	11/15/24	Bank of Montreal	2,000,000.00	1.000%	60,000.00	2,060,000.00
931142DV2	01/16/20	12/15/24	Wal-Mart	2,000,000.00	1.900%	260,436.11	2,260,436.11
478160CJ1	01/15/20	01/15/25	Johnson & Johnson	1,820,000.00	1.586%	238,875.00	2,058,875.00
478160CJ1	04/08/20	01/15/25	Johnson & Johnson	3,000,000.00	0.906%	375,593.75	3,375,593.75
478160CJ1	07/13/20	01/15/25	Johnson & Johnson	1,000,000.00	0.510%	118,270.83	1,118,270.83
037833AZ3	09/10/21	02/09/25	Apple Inc	1,500,000.00	0.753%	128,020.83	1,628,020.83
66989HAP3	04/13/20	02/14/25	Novartis Capital Corp	3,310,000.00	1.300%	280,131.74	3,590,131.74
12572QAG0	06/03/20	03/15/25	CME Group Inc	2,771,000.00	0.730%	397,638.50	3,168,638.50
654106AH6	12/31/20	03/27/25	Nike Inc.	2,867,000.00	0.500%	291,669.47	3,158,669.47
341081FZ53	05/13/20	04/01/25	Florida Power & Light	3,667,000.00	1.020%	509,193.51	4,176,193.51
78015K7H1	12/07/21	06/10/25	Royal Bank of Canada	2,000,000.00	1.304%	80,691.67	2,080,691.67
478160CN2	04/23/21	09/01/25	Johnson & Johnson	1,250,000.00	0.705%	29,944.44	1,279,944.44
742718FL8	09/20/21	10/29/25	Procter & Gamble	1,500,000.00	0.757%	33,893.75	1,533,893.75
92826CAD4	05/17/21	12/14/25	Visa Inc	1,250,000.00	0.910%	180,140.62	1,430,140.62
06048WK82	08/23/21	01/26/26	Bank of America	1,000,000.00	1.000%	33,550.00	1,033,550.00
58933YAY1	04/12/21	02/24/26	Merck & Co	1,500,000.00	0.950%	54,750.00	1,554,750.00
48128G2Q2	03/01/21	02/26/26	JP Morgan Chase Bank	2,000,000.00	0.800%	80,000.00	2,080,000.00
478160BY9	03/01/21	03/01/26	Johnson & Johnson	2,500,000.00	0.750%	306,250.00	2,806,250.00
48128G3A6	03/03/21	03/03/26	JP Morgan Chase Bank	2,000,000.00	1.000%	100,000.00	2,100,000.00
48128G3V0	06/11/21	06/11/26	JP Morgan Chase Bank	2,000,000.00	1.150%	115,000.00	2,115,000.00
06048WM6	07/12/21	06/25/26	Bank of America	3,000,000.00	1.210%	178,300.00	3,178,300.00
57629WDE7	07/22/21	07/16/26	Massmutual Global	3,750,000.00	1.010%	224,250.00	3,974,250.00

City of Carlsbad investment portfolio

Investment detail

July 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
594918BR4	08/11/21	08/08/26	Microsoft	4,000,000.00	0.900%	293,040.00	4,293,040.00
48128G5A4	08/25/21	08/25/26	JP Morgan Chase Bank	2,000,000.00	1.200%	120,000.00	2,120,000.00
06048WN63	09/10/21	09/10/26	Bank of America	2,000,000.00	1.150%	115,000.00	2,115,000.00
06048WP20	09/24/21	09/24/26	Bank of America	2,000,000.00	1.250%	125,000.00	2,125,000.00
59217GBY4	01/19/22	12/18/26	Met Life Global	4,000,000.00	1.940%	678,116.67	4,678,116.67
06368GC39	12/30/21	12/30/26	Bank of Montreal (BLC)	2,450,000.00	2.000%	245,000.00	2,695,000.00
742718FV6	02/04/22	02/01/27	Procter & Gamble	2,000,000.00	1.331%	189,683.33	2,189,683.33
742718FV6	05/11/23	02/01/27	Procter & Gamble	1,000,000.00	3.620%	76,000.00	1,076,000.00
48128G6F2	02/25/22	02/25/27	JP Morgan Chase Bank	5,000,000.00	2.550%	197,283.33	5,197,283.33
478160CE2	04/18/22	03/03/27	Johnson & Johnson	1,750,000.00	2.850%	251,671.87	2,001,671.87
742718FG9	07/08/22	03/25/27	Procter & Gamble	2,500,000.00	3.200%	329,972.22	2,829,972.22
64952WEQ2	06/23/23	04/07/27	New York Life Global	1,500,000.00	4.630%	195,000.00	1,695,000.00
64952WEQ2	07/18/23	04/07/27	New York Life Global	2,000,000.00	4.610%	260,000.00	2,260,000.00
06048WW6	06/23/22	06/22/27	Bank of America	3,000,000.00	5.000%	750,000.00	3,750,000.00
194162AN3	05/09/23	08/15/27	Colgate-Palmolive	2,000,000.00	3.694%	223,408.33	2,223,408.33
81257VAA9	03/10/23	10/01/27	Seattle Children Hosp	1,000,000.00	5.000%	222,581.34	1,222,581.34
78014RHK9	10/18/22	10/18/27	Royal Bank of Canada	2,500,000.00	5.700%	712,500.00	3,212,500.00
592179KF1	10/17/23	01/06/28	Met Life Global	1,000,000.00	5.050%	227,250.00	1,227,250.00
78014RKF6	01/18/23	01/18/28	Royal Bank of Canada	2,500,000.00	5.450%	691,090.22	3,191,090.22
742718FZ7	11/01/23	01/26/28	Procter & Gamble	2,000,000.00	4.979%	355,500.00	2,355,500.00
48130CDL6	11/03/23	11/03/28	JP Morgan Chase Bank	1,800,000.00	6.150%	553,500.00	2,353,500.00
771196BW1	12/22/23	12/13/28	Roche Holdings Inc	2,000,000.00	4.330%	193,000.00	2,193,000.00
6944PLZ21	01/12/24	01/11/29	Pacific Life Global	1,000,000.00	4.752%	245,000.00	1,245,000.00
742718GF0	02/20/24	01/29/29	Procter & Gamble	2,000,000.00	4.530%	435,241.67	2,435,241.67
771196CJ9	03/28/24	03/08/29	Roche Holdings Inc	3,000,000.00	4.640%	718,500.00	3,718,500.00
478160CU6	06/13/24	06/01/29	Johnson & Johnson	3,000,000.00	4.800%	724,400.00	3,724,400.00
478160CU6	06/03/24	06/01/29	Johnson & Johnson	2,750,000.00	4.895%	664,033.34	3,414,033.34
64952WFG3	07/16/24	06/06/29	New York Life Global	3,000,000.00	4.718%	750,000.00	3,750,000.00
06376A5W6	06/18/24	06/18/29	Bank of Montreal (BLC)	3,500,000.00	5.750%	1,006,250.00	4,506,250.00
Total corporate notes				\$ 123,490,000.00	2.514%	\$ 16,543,765.13	\$ 140,033,765.13

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
Certificate of deposit							
938828BM1	08/30/19	08/30/24	Washington Federal	249,000.00	2.000%	24,900.00	273,900.00
29278TLH1	09/13/19	09/13/24	Enerbank Usa	249,000.00	1.750%	21,787.50	270,787.50
15118RSC2	09/18/19	09/30/24	Celtic Bank	249,000.00	1.700%	20,956.25	269,956.25
75472RAN1	11/26/19	11/26/24	Raymond James Bank NA	247,000.00	1.850%	22,872.54	269,872.54
61690URM4	01/09/20	01/09/25	Morgan Stanley Bank NA	247,000.00	1.900%	23,490.72	270,490.72
07815AAZ0	02/27/20	02/27/25	Bell Bank Corp	249,000.00	1.600%	19,941.88	268,941.88
02554BDA6	03/13/20	03/13/25	American Eagle bank	249,000.00	1.100%	13,702.54	262,702.54
17037TEN3	03/13/20	03/13/25	Choice Financial Group	248,000.00	1.100%	13,647.47	261,647.47
73319FAF6	03/18/20	03/18/25	Poppy Bank	249,000.00	1.100%	13,702.54	262,702.54
835104BZ2	03/19/20	03/19/25	Somerset Trust	249,000.00	1.000%	12,456.88	261,456.88
45083ANS7	03/20/20	03/20/25	Iberia Bank	248,000.00	1.000%	12,406.79	260,406.79
02519TAZ9	03/27/20	03/27/25	American Commerce Bank	249,000.00	0.950%	11,834.03	260,834.03
072727BF6	03/27/20	03/27/25	Baycoast Bank	248,000.00	0.950%	11,786.45	259,786.45
14042TDD6	04/08/20	04/08/25	Capital One	248,000.00	1.600%	19,850.88	267,850.88
29260MBF1	05/15/20	05/15/25	Encore Bank	249,000.00	0.800%	9,965.41	258,965.41
33847E3H8	05/15/20	05/15/25	Flagstar Bank	248,000.00	0.850%	10,545.77	258,545.77
404730CR2	05/26/20	05/27/25	Haddon Savings Bank	248,000.00	0.750%	9,310.19	257,310.19
43719LAE5	05/29/20	05/29/25	Home Loan Inv Bank	249,000.00	0.800%	9,965.41	258,965.41
56102AAJ5	05/29/20	05/29/25	Malaga Bank	249,000.00	0.700%	8,719.87	257,719.87
69506YRT8	05/29/20	05/29/25	Pacific Western Bank	249,000.00	0.700%	8,719.77	257,719.77
86128QCF3	06/10/20	06/10/25	Stockman Bank	249,000.00	0.600%	7,474.10	256,474.10
740367MA2	07/17/20	07/17/25	Preferred Bank	249,000.00	0.500%	6,228.46	255,228.46
89235MJZ5	07/16/20	07/28/25	Toyota Financial Savings Bank	249,000.00	0.650%	8,096.93	257,096.93

City of Carlsbad investment portfolio

Investment detail

July 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
211163KQ2	07/29/20	07/29/25	Continental Bank	249,000.00	0.500%	6,228.46	255,228.46
02007GXF5	08/09/22	08/04/25	Ally Bank	201,000.00	3.400%	20,427.10	221,427.10
549104RV1	08/14/20	08/14/25	Luana Savings Bank	249,000.00	0.450%	5,605.57	254,605.57
32022RNT0	08/19/20	08/19/25	1st Financial Bank	249,000.00	0.450%	5,605.82	254,605.82
31944MBB0	08/20/20	08/20/25	1st Carolina Bank	249,000.00	0.450%	5,605.82	254,605.82
664122AF5	08/20/20	08/20/25	Northeast Community Bank	249,000.00	0.450%	5,605.82	254,605.82
228212AQ9	09/04/20	09/04/25	Crown Bank	249,000.00	0.400%	4,982.62	253,982.62
59013KKJ4	09/15/20	09/15/25	Merrick	249,000.00	0.400%	4,982.62	253,982.62
2027506P5	10/22/20	09/25/25	Commonwealth Bus Bank	249,000.00	0.400%	4,908.94	253,908.94
51507LBY9	09/29/20	09/29/25	Landmark Community	249,000.00	0.400%	4,982.58	253,982.58
538036LQ5	10/22/20	10/08/25	Live Oak Bank	249,000.00	0.400%	4,944.42	253,944.42
560390AS5	10/15/20	10/15/25	Maine Comm Bank	249,000.00	0.350%	4,359.94	253,359.94
33625CDS5	10/16/20	10/16/25	First Security Bank Wash	249,000.00	0.350%	4,359.94	253,359.94
780684AJ5	11/06/20	10/23/25	Royal Savings Bank	249,000.00	0.400%	4,944.42	253,944.42
33744AAW5	11/18/20	11/18/25	First US Bank	249,000.00	0.400%	4,982.62	253,982.62
88413QCU0	12/18/20	12/18/25	Third Federal Savings and Loan	249,000.00	0.450%	5,605.56	254,605.56
91330ACR6	12/18/20	12/18/25	Unity Bank	249,000.00	0.400%	4,982.72	253,982.72
08016PDV8	12/23/20	12/23/25	Belmont Savings Bank	249,000.00	0.400%	4,982.62	253,982.62
634116CW5	12/28/20	12/23/25	National Bank of NY City	249,000.00	0.400%	4,968.98	253,968.98
882214AA7	01/08/21	12/23/25	Texas Bank Henderson	249,000.00	0.450%	5,556.70	254,556.70
06424KBH2	01/08/21	01/08/26	Bank of Santa Clarita	249,000.00	0.400%	4,982.62	253,982.62
38522ABP0	01/08/21	01/08/26	Grand Bank Tulsa	249,000.00	0.400%	4,982.62	253,982.62
20143PEH9	01/26/21	01/26/26	Commercial Bank	249,000.00	0.471%	5,605.82	254,605.82
15258RAV9	01/27/21	01/27/26	Central Bank Storm Lake	249,000.00	0.471%	5,605.82	254,605.82
43786UAJ2	02/18/21	01/29/26	Hometown Bk of Alabama	249,000.00	0.400%	4,928.04	253,928.04
909242AN9	02/26/21	02/26/26	United Rep Bk Omaha	249,000.00	0.400%	4,982.61	253,982.61
12527CDV1	03/03/21	03/03/26	CFG Community Bk	249,000.00	0.400%	4,982.73	253,982.73
110087AS2	03/10/21	03/10/26	Bristol Morgan Bank	249,000.00	0.450%	5,605.82	254,605.82
87164XA30	09/03/21	09/03/26	Syncrony Bank	249,000.00	0.900%	11,205.00	260,205.00
90348JS92	09/09/21	09/09/26	UBS Bank USA	249,000.00	0.950%	11,834.03	260,834.03
795451BH5	04/05/22	02/23/27	Sallie May Bank	247,000.00	2.564%	26,574.50	273,574.50
598580AM0	03/08/23	03/08/27	Mifflinburg Bank and Trust Company	249,000.00	4.650%	46,345.77	295,345.77
27004PCN1	03/09/22	03/09/27	Eaglemark Savings	247,000.00	2.000%	24,713.53	271,713.53
64034KBF7	03/09/22	03/09/27	Nelnet Bank Inc	247,000.00	1.950%	24,095.69	271,095.69
07371CN21	03/16/22	03/10/27	Beal Bank NV	247,000.00	1.800%	22,169.09	269,169.09
07371AB28	03/16/22	03/10/27	Beal Bank TX	247,000.00	1.800%	22,169.09	269,169.09
02589ABW1	03/23/22	03/23/27	American Exp Bank	247,000.00	2.200%	27,184.89	274,184.89
31938QW34	02/15/22	04/15/27	First Business Bank	245,000.00	3.900%	33,790.69	278,790.69
254673D94	05/18/22	05/19/27	Discover Bank	246,000.00	3.200%	39,403.14	285,403.14
910286GS6	07/14/23	07/14/27	United Fidelity Bank	249,000.00	4.600%	45,847.38	294,847.38
78577TMR3	11/06/23	08/06/27	Saco & Biddeford Savings Institution	244,000.00	5.000%	45,750.00	289,750.00
68405VAU3	09/15/23	09/13/27	Optum Bank	244,000.00	4.700%	45,872.00	289,872.00
20347MAS0	10/20/23	10/20/27	Community Bank and Trust	244,000.00	4.900%	47,824.00	291,824.00
37173RAJ2	12/13/23	12/13/27	Genesee Regional Bank	244,000.00	4.400%	42,944.00	286,944.00
34520LAY9	12/15/22	12/15/27	Forebright Bank	249,000.00	4.031%	49,827.34	298,827.34
84229LBJ0	12/16/22	12/16/27	Southern Bank	245,000.00	4.000%	49,026.84	294,026.84
32026U4X1	01/17/24	01/18/28	First Foundation Bank	245,000.00	4.000%	38,689.86	283,689.86
70212YBE1	02/22/23	02/22/28	Partners Bank California	245,000.00	3.850%	47,188.34	292,188.34
062119BH4	03/08/23	03/07/28	Bank Five Nine	249,000.00	4.550%	56,678.44	305,678.44
05580AW59	03/10/23	03/10/28	BMW Bank North America	244,000.00	4.600%	56,181.50	300,181.50
108622NK3	03/29/23	03/29/28	Bridgewater Bk	249,000.00	4.800%	59,825.54	308,825.54
178180GY5	03/31/23	03/31/28	City Natl Bk - Los Angeles	243,000.00	5.000%	60,816.56	303,816.56
914098DQ8	04/03/23	04/03/28	University Bank NA	249,000.00	4.800%	59,825.53	308,825.53
61768E3D3	05/08/24	05/08/28	Morgan Stanley Bank NA	244,000.00	4.700%	45,903.42	289,903.42
05600XQE3	05/16/23	05/16/28	BMO Harris Bank NA	244,000.00	4.500%	54,960.16	298,960.16
23204HPB8	06/06/23	06/14/28	Customers Bank	244,000.00	4.500%	53,365.81	297,365.81
91527PCD7	06/06/23	06/21/28	Univest Bank & Trust	249,000.00	4.500%	56,546.88	305,546.88
501798UJ9	07/18/23	07/18/28	LCA Bank Corporation	243,000.00	4.500%	54,734.92	297,734.92

City of Carlsbad investment portfolio

Investment detail

July 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
58404DTG6	09/19/23	09/19/28	Medallion Bank	249,000.00	4.600%	57,332.81	306,332.81
59936MAA4	09/25/23	09/25/28	Milford Building & Loan	244,000.00	4.550%	55,510.00	299,510.00
84287PJB9	10/17/23	10/17/28	Southern First Bank	244,000.00	4.850%	59,170.00	303,170.00
949765HZ0	11/21/23	11/21/28	Wells Fargo Bank NA	248,000.00	5.050%	62,898.31	310,898.31
523343AA9	12/29/23	12/29/28	Ledyark National Bank	244,000.00	4.050%	49,464.16	293,464.16
227563EX7	03/12/24	03/07/29	Cross River Bank	244,000.00	4.250%	51,736.36	295,736.36
04518XAH7	03/14/24	03/14/29	Asian Bank	244,000.00	4.200%	51,268.08	295,268.08
38150VUH0	05/21/24	05/21/29	Goldman Sachs Bank	244,000.00	4.500%	54,930.08	298,930.08
93883MAZ1	05/22/24	05/22/29	Washington Financial Bank	244,000.00	4.450%	54,319.75	298,319.75
06652CHX2	07/31/24	07/31/29	Bankwest Inc	248,000.00	4.900%	60,760.00	308,760.00
Total certificate of deposit				\$ 22,481,000.00	2.162%	\$ 2,301,345.22	\$ 24,782,345.22

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
Mortgage backed securities (agency)							
3137FBTA4	03/10/21	08/25/24	FHLM - FHMS K728	1,365,094.80	3.064%	5,221.56	1,370,316.36
3137F32A1	04/15/20	11/25/24	FHLM - KHG1 A1	353,405.40	0.999%	2,937.05	356,342.45
3137BL6J2	07/22/22	12/25/24	FHLM - FHMS K048 A1	210,236.65	3.425%	1,637.85	211,874.50
3137BM7B6	06/30/22	04/25/25	FHMS - K051 A1	1,602,474.97	3.299%	20,954.75	1,623,429.72
30315EAA4	07/24/20	05/25/25	FRESB - MFM	876,694.69	0.830%	3,580.70	880,275.39
3137BJQ71	03/15/21	05/25/25	FHLM - FHMS KPLB A	2,000,000.00	2.770%	27,334.06	2,027,334.06
30318NAA1	02/19/21	01/25/26	FRESB - 2021-SB83	1,199,052.62	0.505%	7,185.36	1,206,237.98
3137BPW21	03/25/21	03/25/26	FHLM - KHMS K055	2,500,000.00	2.673%	59,636.80	2,559,636.80
3137BP4J5	08/20/21	03/25/26	FHLM - FHMS K1R1	926,265.28	0.414%	20,206.96	946,472.24
30321CAQ5	07/23/21	04/25/26	FRESB - 2021-SB88	1,659,762.15	0.746%	13,540.06	1,673,302.21
30324QAC2	01/21/22	11/25/26	FRESB - 2022-SB94	3,930,076.54	1.500%	77,306.69	4,007,383.23
30311SAA7	04/22/22	04/25/27	FRESB - 2022-SB97	3,294,217.43	2.803%	79,064.79	3,373,282.22
30329MAAC	10/28/22	06/25/27	FRESB - 2022-SB103	1,467,330.98	4.989%	45,015.95	1,512,346.93
30329QAA1	11/18/22	09/25/27	FRESB - 2022-SB104	3,874,611.08	2.600%	160,584.56	4,035,195.64
3138L7D60	12/16/22	10/01/27	FHLM - AM6424	959,695.09	4.212%	52,660.23	1,012,355.32
3132XGRH1	01/27/23	11/01/27	FRESB - WN2287	2,969,351.76	3.929%	180,280.07	3,149,631.83
3132XFGC6	01/08/24	03/01/28	FHLM - WN1094	1,000,000.00	4.476%	25,320.13	1,025,320.13
3140LBSE4	01/09/24	03/01/28	FNMA - BS1416	1,000,000.00	4.300%	19,127.78	1,019,127.78
3140LJJC1	01/17/24	04/01/28	FNMA - BS7458	2,000,000.00	4.780%	176,564.32	2,176,564.32
3140LKEG4	01/09/24	05/01/28	FNMA - BS8234	1,381,540.00	4.448%	114,302.49	1,495,842.49
3132XFMP0	02/06/24	05/01/28	FHLM - WN1265	2,000,000.00	4.611%	178,924.69	2,178,924.69
30332EAA3	07/20/23	05/25/28	FRESB - 2023-SB107	2,994,204.59	4.090%	237,055.86	3,231,260.45
35564CAA5	01/11/24	06/25/28	FHLM - SLST 2018	964,310.48	5.366%	66,561.79	1,030,872.27
30333AAA0	08/17/23	06/25/28	FRESB - 2023-SB108	3,489,052.26	4.793%	293,599.26	3,782,651.52
3132XGYJ9	03/07/24	09/01/28	FHLM - WN2512	1,550,000.00	4.800%	136,687.70	1,686,687.70
30334CAA5	11/16/23	09/25/28	FRESB - 2023-SB111	2,748,729.40	5.284%	273,829.18	3,022,558.58
3132XGYR1	03/18/24	11/01/28	FHLM - WN2519	2,500,000.00	4.797%	254,258.51	2,754,258.51
3132XFNX2	02/13/24	11/01/28	FHLM - WN1305	2,000,000.00	4.350%	187,826.65	2,187,826.65
3132XGYU4	03/15/24	12/01/28	FHLM - WN2522	3,000,000.00	4.530%	297,782.72	3,297,782.72
3140NUFX2	01/30/24	12/01/28	FNMA - BZ0181	3,000,000.00	4.920%	324,833.04	3,324,833.04
30336BAA5	04/25/24	12/25/28	FRESB - 2024-SB113	3,499,669.07	5.217%	397,701.07	3,897,370.14
3132XGZE9	03/13/24	01/01/29	FHLM - WN2540	3,500,000.00	4.900%	321,986.93	3,821,986.93
3140NUN54	01/29/24	01/01/29	FNMA - BZ0411	2,000,000.00	4.400%	187,433.31	2,187,433.31
3140HRZ55	01/17/24	01/01/29	FNMA - BL0752	1,500,000.00	3.650%	117,723.22	1,617,723.22
3140NUUA5	03/19/24	03/01/29	FNMA - BZ0576	2,000,000.00	4.561%	210,462.28	2,210,462.28
3140NUUL1	03/13/24	03/01/29	FNMA - BZ0586	2,000,000.00	4.371%	197,991.82	2,197,991.82
30337MAAC	06/27/24	03/25/29	FRESB - 2024-SB114	2,999,596.73	4.990%	358,369.67	3,357,966.40
3132XFQN1	07/02/24	04/01/29	FHLM - WN1360	2,000,000.00	4.568%	188,035.11	2,188,035.11
3132XG3G9	07/23/24	06/01/29	FHLM - WN3598	2,000,000.00	4.592%	210,929.09	2,210,929.09
Total mortgage backed securities (agency)				\$ 80,315,371.97	3.895%	\$ 5,534,454.06	\$ 85,849,826.03

City of Carlsbad investment portfolio

Investment detail

July 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
Municipal bonds							
005158XL9	06/17/21	08/15/24	Ada & Canyon County School District	1,500,000.00	0.520%	237,083.33	1,737,083.33
419792ZK5	02/26/21	10/01/24	State of Hawaii	3,000,000.00	0.433%	86,549.17	3,086,549.17
419792ZK5	03/17/22	10/01/24	State of Hawaii	2,000,000.00	2.160%	40,723.78	2,040,723.78
79771FAX5	03/01/21	11/01/24	San Francisco City Public Utilities	1,000,000.00	0.600%	26,523.31	1,026,523.31
575181GX	06/02/21	12/01/24	Mason & Kitsap Counties School District	640,000.00	0.538%	12,041.64	652,041.64
023051YW9	07/19/21	02/01/25	Amarillo Independent SD	1,800,000.00	0.600%	-	1,800,000.00
882806HG0	03/22/21	02/15/25	Texas St Tech Univ	2,500,000.00	0.679%	93,800.00	2,593,800.00
91412HGE7	03/01/21	05/15/25	University of California	1,500,000.00	0.600%	55,724.13	1,555,724.13
91412HGE7	06/29/21	05/15/25	University of California	1,960,000.00	0.799%	67,111.92	2,027,111.92
625506QN3	02/02/21	06/15/25	County of Multnomah OR	2,000,000.00	0.430%	37,553.89	2,037,553.89
91412GU94	01/28/21	07/01/25	University of California	1,805,000.00	0.509%	244,645.68	2,049,645.68
20772KEW5	06/30/22	09/15/25	State of Connecticut	2,850,000.00	3.201%	476,400.00	3,326,400.00
13063DMA3	04/01/21	04/01/26	State of California	4,140,000.00	0.970%	161,300.35	4,301,300.35
13063DMA3	05/18/21	04/01/26	State of California	1,250,000.00	0.910%	342,250.56	1,592,250.56
736688MF6	09/01/21	06/15/26	Portland Community College	1,100,000.00	0.841%	122,255.56	1,222,255.56
569280EX4	12/07/21	06/15/26	Marion County School	1,880,000.00	1.374%	548,550.00	2,428,550.00
842475P82	02/11/22	07/01/26	Sthrn CA ST Pub Pwr Auth	2,485,000.00	1.930%	47,357.32	2,532,357.32
797272QR5	08/12/21	08/01/26	San Diego Community College	3,000,000.00	0.860%	33,041.17	3,033,041.17
801315KR2	08/23/21	08/01/26	Santa Barbara CA USD	500,000.00	0.842%	81,862.08	581,862.08
798189PY6	08/23/21	08/01/26	San Jose Evergreen Community College	750,000.00	0.842%	101,809.78	851,809.78
798170AJ5	01/06/22	08/01/26	San Jose Redevelopment	3,000,000.00	1.507%	342,742.58	3,342,742.58
6041295T9	08/10/22	08/01/26	Minnesota State	1,215,000.00	3.250%	174,512.81	1,389,512.81
79730CJK1	04/22/24	08/01/26	San Diego Pub Fin Auth Water Revenue	2,000,000.00	5.035%	86,586.50	2,086,586.50
13063DRD2	02/08/22	10/01/26	State of California	2,400,000.00	1.730%	170,415.98	2,570,415.98
419792ZN9	03/02/22	10/01/26	State of Hawaii	2,000,000.00	1.810%	264,891.67	2,264,891.67
13067WSW:	12/20/21	12/01/26	State of California	1,275,000.00	1.051%	977,643.33	2,252,643.33
13067WSW:	03/29/22	12/01/26	State of California	1,425,000.00	2.708%	84,523.29	1,509,523.29
13067WSW:	04/18/22	12/01/26	State of California	2,705,000.00	3.035%	90,565.95	2,795,565.95
016249FQ2	10/30/23	02/15/27	Aliief Independent School District	1,980,000.00	5.380%	360,360.00	2,340,360.00
544646A77	06/13/22	05/01/27	Los Angeles Unified School District	3,500,000.00	3.820%	15,705.20	3,515,705.20
68608VDX9	10/13/23	05/01/27	State of Oregon	1,000,000.00	5.080%	132,640.00	1,132,640.00
91412HGF4	05/15/23	05/15/27	University of California	1,000,000.00	3.810%	52,640.00	1,052,640.00
91412HGF4	05/16/24	05/15/27	University of California	2,500,000.00	4.712%	98,700.00	2,598,700.00
91412HGF4	05/03/24	05/15/27	University of California	1,000,000.00	4.780%	46,060.00	1,046,060.00
544495VX9	08/27/23	07/01/27	Los Angeles Dept of Water & Power	1,500,000.00	4.100%	345,669.33	1,845,669.33
419794F72	06/06/23	07/01/27	State of Hawaii	1,125,000.00	4.720%	82,624.50	1,207,624.50
438701Y40	06/28/23	07/01/27	Honolulu Wastewater System Revenue	1,500,000.00	4.460%	168,412.50	1,668,412.50
796720NT3	02/22/23	08/01/27	San Bernardino Community College Dist	1,500,000.00	1.480%	107,266.25	1,607,266.25
357155BA7	05/09/23	08/01/27	Fremont CA Unified School District	2,000,000.00	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	1.354%	85,843.60	1,670,843.60
212204JH5	08/31/23	08/01/27	Contra Costa CA Community College Dist	1,000,000.00	4.720%	86,520.00	1,086,520.00
797272RP8	10/25/23	08/01/27	San Diego Community College	2,290,000.00	5.161%	149,582.80	2,439,582.80
072031AP2	08/01/23	10/01/27	Bay Area Water	1,250,000.00	4.742%	189,281.25	1,439,281.25
032556FB3	10/17/23	10/01/27	City of Anaheim	1,670,000.00	1.998%	133,466.40	1,803,466.40
68607DVD4	06/16/23	11/15/27	Oregon State Dept of Transportation	2,000,000.00	4.370%	97,560.00	2,097,560.00
13063DC48	12/14/23	02/01/28	State of California	1,440,000.00	4.500%	110,160.00	1,550,160.00
13063DGC6	07/23/24	04/01/28	State of California	3,000,000.00	4.474%	420,000.00	3,420,000.00
54438CYM8	12/19/23	08/01/28	Los Angeles Community College Dist	2,250,000.00	4.350%	180,675.00	2,430,675.00
802385SN5	11/17/23	08/01/28	Santa Monica Community College Dist	1,000,000.00	4.950%	176,350.00	1,176,350.00
798170AL0	08/09/23	08/01/28	San Jose Redevelopment	1,000,000.00	4.742%	189,281.25	1,189,281.25
83412PHS4	01/22/24	08/01/28	Solano County Community College Dist	2,000,000.00	4.227%	147,900.00	2,147,900.00
7994082H1	08/24/23	08/01/28	San Ramon Valley School District	1,000,000.00	4.850%	83,500.00	1,083,500.00
695802NN4	12/07/23	08/01/28	Pajaro Valley Unified School District	1,200,000.00	4.294%	257,640.00	1,457,640.00
882723B40	11/21/23	10/01/28	State of Texas	1,500,000.00	4.700%	248,325.00	1,748,325.00
882724RD1	11/21/23	10/01/28	State of Texas PFA	2,000,000.00	4.750%	227,600.00	2,227,600.00
13063DL22	11/15/23	10/01/28	State of California	1,000,000.00	5.008%	87,500.00	1,087,500.00

City of Carlsbad investment portfolio

Investment detail

July 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
13077DQG0	02/08/24	11/01/28	California State University	2,500,000.00	4.260%	190,125.00	2,690,125.00
59320A30	05/01/24	05/01/29	City of Miami Beach FL	1,400,000.00	4.674%	327,180.00	1,727,180.00
769036BR4	06/03/24	06/01/29	City of Riverside	1,375,000.00	4.895%	194,081.25	1,569,081.25
Total municipal bonds				\$ 104,745,000.00	2.766%	\$ 10,095,225.44	\$ 114,840,225.44

CUSIP	Settlement	Maturity	Issuer	Par	Yield	Interest	Return
Cash and pooled investments							
N/A	N/A	N/A	Wells Fargo Bank - General	2,220,949.00	0.000%	-	2,220,949.00
N/A	N/A	N/A	Wells Fargo Sweep account	7,690,448.45	5.184%	33,221.71	7,723,670.16
N/A	N/A	N/A	Principal - Custody	2,856,382.02	2.950%	7,021.94	2,863,403.96
N/A	N/A	N/A	CAMP	111,787,474.33	5.430%	505,838.32	112,293,312.65
N/A	N/A	N/A	LAIF City	213,565.13	4.516%	803.72	214,368.85
N/A	N/A	N/A	LAIF CMWD	863,213.83	4.516%	3,248.56	866,462.39
N/A	N/A	N/A	LAIF CPFA	790,735.93	4.516%	2,975.80	793,711.73
Total cash and pooled investments				\$ 126,422,768.69	5.250%	\$ 553,110.05	\$ 126,975,878.74

GRAND TOTAL	\$ 882,114,140.66	2.8891%	\$ 73,757,722.66	\$ 955,871,863.32
--------------------	--------------------------	----------------	-------------------------	--------------------------

115 Trust Activity

July 31, 2024

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	Distributions	Ending Balance
Fiscal year 2023-24	10,000,000.00	849,412.96	-	10,849,412.96
07/31/24	-	260,092.28	-	11,109,505.24
Summary	\$ 10,000,000.00	\$ 1,109,505.24	\$ -	\$ 11,109,505.24



CITY COUNCIL
Staff Report

Meeting Date: Sept. 10, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Zach Korach, Finance Director/Deputy City Treasurer
 zach.korach@carlsbadca.gov, 442-339-2127

Subject: Annual Report of Investments for Fiscal Year 2023-24

Districts: All

Recommended Action

Accept and file the Annual Report of Investments for Fiscal Year 2023-24.

Executive Summary

The City Treasurer reports annually to the City Council and the community on the city's investment portfolio as mandated by the city's Investment Policy. The Annual Report of Investments (Exhibit 1) presents, the market environment that affects the city's investment strategy, portfolio standings and various portfolio analyses for the fiscal year 2023-24.

The position is currently vacant, following the retirement of the previously elected City Treasurer, so the Deputy City Treasurer is presenting this report.

Explanation & Fiscal Analysis

The City Treasurer is tasked with overseeing cash and investment activities for the city and its agencies by managing the funds in excess of day-to-day operating needs. City investments are pooled and invested to meet the treasury's objectives of maintaining safety of principal, maintaining liquidity to meet the operating requirements of the city, and realizing the greatest return on investment.

The foremost objective is safety, the preservation of city capital. The City Treasurer makes prudent investment decisions that are intended to protect the capital of the city for its residents. All investments are made within the scope of the city's investment policy, and current investment details are provided monthly for full transparency and review.

The two basic measures of an investment are par value, also known as the nominal value; and the book value, the value that is entered in the city records, which is driven by the actual cost of the investment and adjustments such as amortization.

- The city's investment portfolio increased \$28.5 million in par value from the previous fiscal year.
- The book value increased \$22.4 million from the previous fiscal year.

Second to safety is liquidity. The City Treasurer employs various methods to ensure adequate liquidity of capital as defined in the city's investment policy. One method is to maintain the portfolio below the maximum maturity limit, which requires cash and maturities equal to at least two-thirds of the approved operating budget for that fiscal year. Another method is maintaining the portfolio under the maximum modified duration, which is a measure that reflects the portfolio's price sensitivity to changes in interest rates. Finally, all investments have a maximum maturity of 5 years from the date of purchase settlement. Utilization of these methods maintains adequate liquidity to ensure that operational needs will be met and avoids circumstances that could result in selling at a loss.

The report shows:

- During the fiscal year, the treasurer monitored and maintained an average of \$319.6 million in cash and investments maturing within one year, well above the minimum of \$251.5 million required.
- The modified duration was 1.59 years as of the close of the fiscal year, well below the maximum allowed duration of 2.20 years. The City Treasurer remained within the limits of the modified duration restrictions throughout the year.
- All investments maintained a maximum maturity equal or less than 5 years, with the fiscal year average portfolio maturity at 1.79 years.

Once safety and liquidity objectives have been met, the City Treasurer aims to realize a return on investments. As the report details:

- Fiscal year 2023-24 started off with a monthly portfolio yield of 2.22% and ended the year with a portfolio yield of 2.88%, for an average yield of 2.55%.
- Total interest earnings were over \$21.2 million for the fiscal year.
- The market value of the investment portfolio increased \$41.1 million over the last fiscal year.

Gains in market value are governed by judicious investment decisions focusing on current market rates and anticipated future rates.

The investment portfolio increased 3.26% in par value over the fiscal year. Available investments demonstrated increasing rates in response to the market environment, resulting in an investment strategy to purchase securities to lock in higher rates. Throughout the year, investment purchases outweighed investment maturities by \$45.0 million, resulting in a net increase in investments by 5.39%. This strategy yielded an increase in interest earnings of 31.1% over the previous fiscal year, which represents over \$5.0 million in additional revenue.

More detailed information can be found in the report attached as Exhibit 1.

Next Steps

The Deputy City Treasurer will continue to manage the investment program for the city and all of its agencies, including the Carlsbad Municipal Water District, and continue to produce monthly and annual reports on city investments for the City Council and the community. Following the general ballot election in November 2024, this role and function will be transitioned to the new elected City Treasurer.

Environmental Evaluation

This action does not require environmental review because it does not constitute a project within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change or a reasonably foreseeable indirect physical change in the environment.

Exhibits

1. Annual Report of Investments for the Fiscal Year Ending June 30, 2024

FISCAL YEAR 2023-24

City Treasurer's Annual Report of Investments



CITY
TRESURER | ANNUAL
REPORT OF
INVESTMENTS

FISCAL YEAR 2023-24

ZACH KORACH
FINANCE DIRECTOR/
DEPUTY CITY TREASURER
SEPT. 10, 2024



TABLE OF CONTENTS

INTRODUCTION

City Treasurer letter of transmittal.....5
Fiscal year 2023-24 quick look6

MARKET REVIEW

Federal funds target rate8
Short-term interest rates10
Market yield curve11

PORTFOLIO OVERVIEW

Portfolio total assets13
Sources of portfolio15
Allocation of portfolio16

PORTFOLIO ANALYSIS

Portfolio yield.....19
Maturity & modified duration22
Interest income24

APPENDICES

Risk management disclosures.....27
Data tables30
Additional resources37

INTRODUCTION



CITY TREASURER LETTER OF TRANSMITTAL

Fiscal Year 2023-24 Annual Report of Investments

Sept. 10, 2024

Honorable Mayor, City Council and residents of the City of Carlsbad,

I am pleased to present the Annual Report of Investments for the City of Carlsbad for the fiscal year 2023-24 which ended June 30, 2024. The report is intended to provide information as a basis for reviewing portfolio performance and making management decisions. It also provides an archival reference.

The City Treasurer is charged with the design of an effective cash management and investment program for the City of Carlsbad and all its agencies. Among other activities, this includes arranging banking services, forecasting all cash receipts and expenditures, investing inactive cash, managing investment risk exposures and reporting all investment activities.

This report summarizes and analyzes the activities of the investment portfolio over fiscal year 2023-24. This report begins with a quick overview and summary of key annual data. The second section, market review, provides an overview of the market environment affecting portfolio management decisions, and includes Federal Funds target rate and U.S. Treasury short-term interest rates data. The third section, portfolio review, looks at the composition of the portfolio including total assets and the trend regarding size of the fund, fund sources of the portfolio and the portfolio allocation. The fourth section, portfolio analysis, includes yield information and comparisons to treasury rates, unrealized gains and losses, cash income, maturity data and modified duration. The final section, appendices, provides disclosures, data tables and additional information. Future fund activity depends on the market environment for investing decisions and anticipated returns for each investment classification. These factors are monitored for trends and evaluated prior to all investing decisions.

Sincerely,



Zach Korach,
Finance Director/Deputy City Treasurer

FISCAL YEAR 2023-24 QUICK LOOK

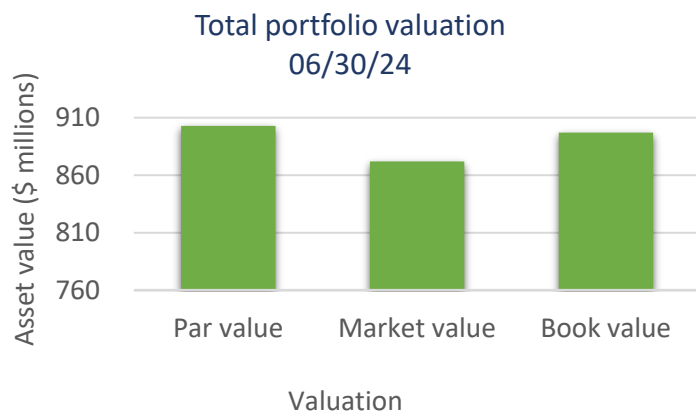
Market review

- Federal funds target rate: 5.50%; fiscal year increase of 0.50%
- Two-year U.S. Treasury: 4.71%; fiscal year decrease of 0.18%



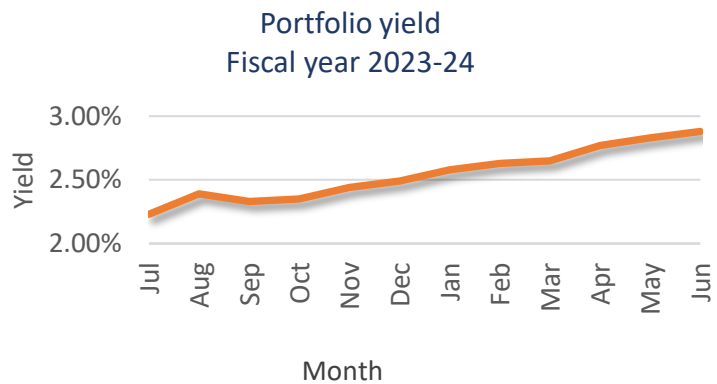
Portfolio overview

- Total portfolio value at par value: \$902,855,260
- Total portfolio fiscal year increase: \$28,505,154
- Federal Agencies represent 38.8% of all investments



Portfolio analysis

- Portfolio yield as of 06/30/24: 2.88%
- Portfolio interest for the fiscal year: \$21,201,394
- Average maturity as of 06/30/24: 1.85 years



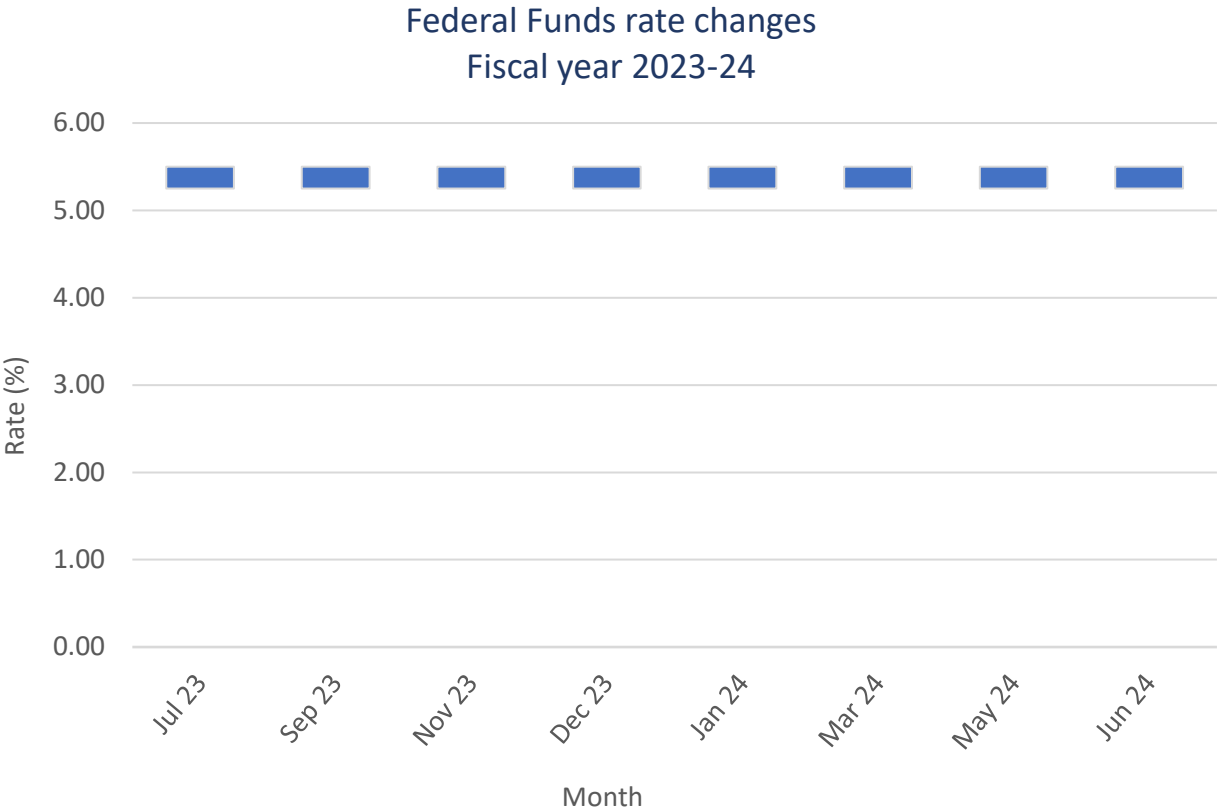
MARKET REVIEW



FEDERAL FUNDS TARGET RATE

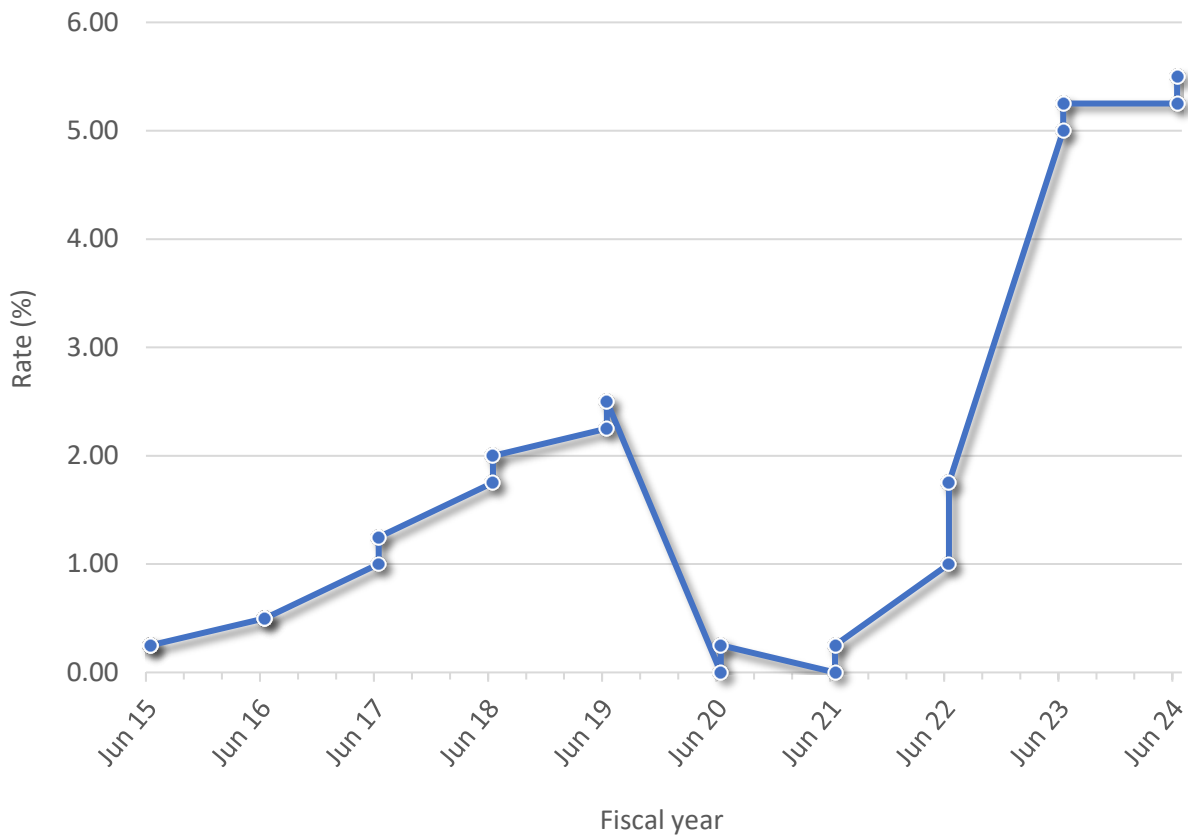
The federal funds target rate is considered one of the most important interest rates in the U.S. economy. It is a key money market rate that correlates with rates of other short-term credit arrangements. It is the interest rate that banks charge each other for overnight loans and influences many aspects of the U.S. economy.

The rate is represented as a range, which is set by the Federal Open Market Committee eight times per year. The Federal Open Market Committee specifies the short-term objective for the purchase and sale of securities in the open market.



The rate is adjusted in response to economic conditions and in response to factors such as inflation or recession environments. To slow the rate of inflation, the Federal Reserve began raising rates in 2022, continued through the first half of 2023, and have held steady since July 2023.

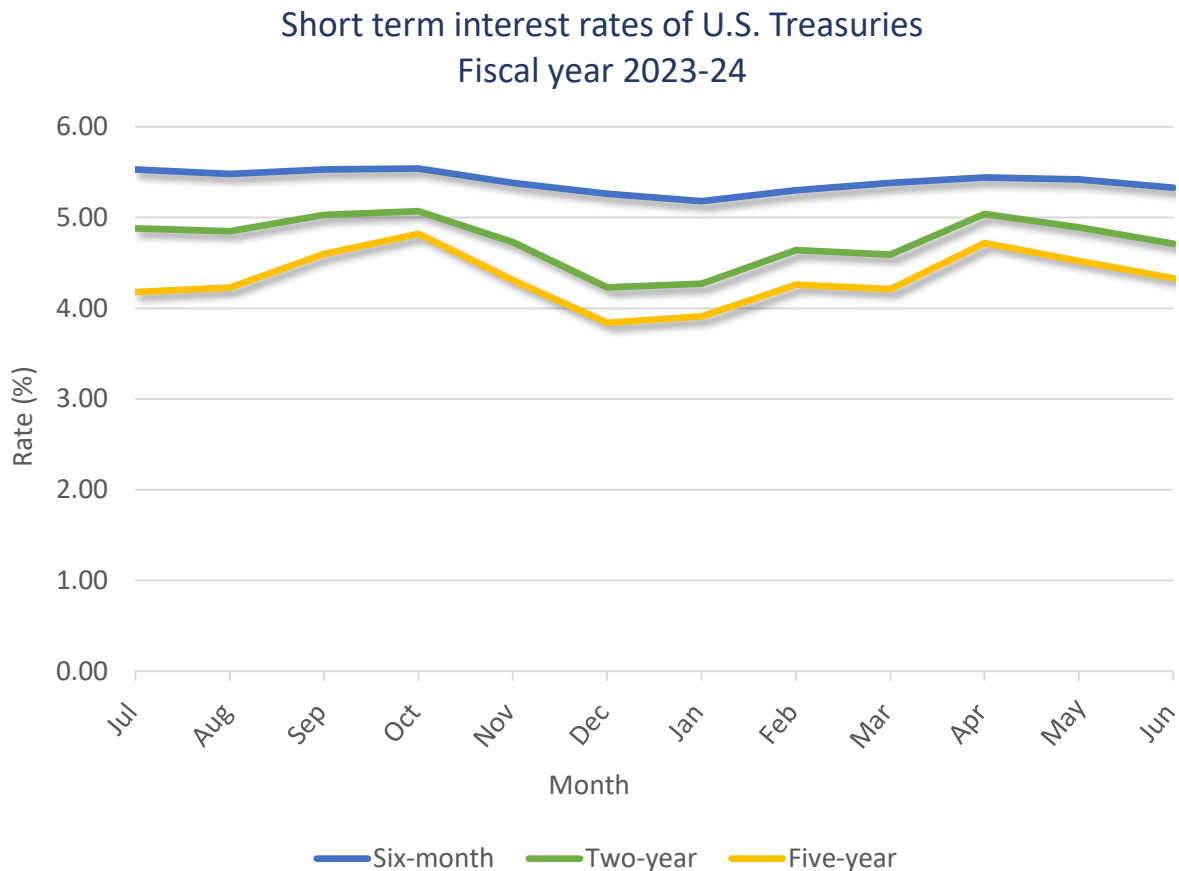
Federal Funds rate Fiscal year 2023-24 and prior nine years



Between 2013 and 2015, rates held at 0.25% to support economic growth following the 2008 recession. As the economy continued to grow, the rate was increased to stabilize the level of growth. Rates lowered in 2020 and 2021 as a result of the COVID-19 pandemic, but with inflation on the rise since 2022, rates steadily increased, leveling out mid-2023 and remaining steady through the fiscal year.

SHORT-TERM INTEREST RATES

The rates for U.S. Treasury bonds are important to all investors, but especially to bond investors. These bonds are issued by the Department of the Treasury and are an indicator as to how the U.S. government predicts inflation and the overall economy will change. Changes in short-term market interest rates are usually affected by the actions of the Federal Reserve.

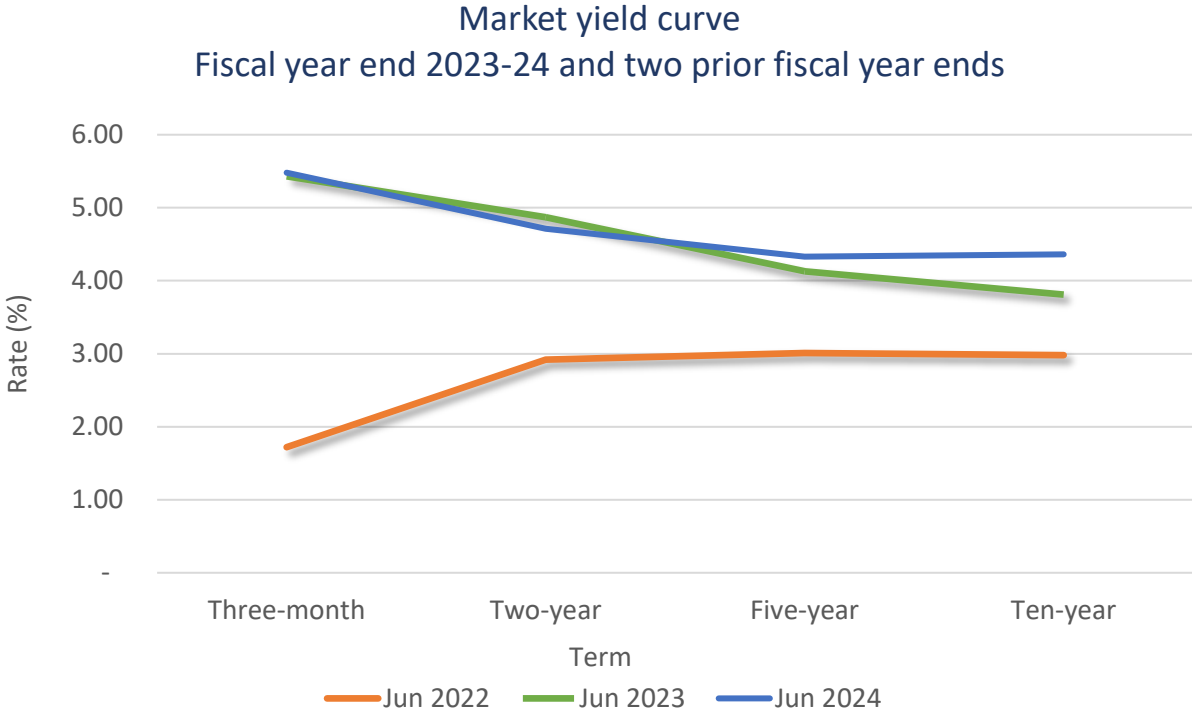


Short-term interest rates in the three exhibited trends of five-year market, two-year market, and six-month market had minimal changes during the fiscal year, measured from July 1, 2023, to June 30, 2024:

- Six-month: decrease of 0.20%, from 5.53% to 5.33%
- Two-year: decrease of 0.17%, from 4.88% to 4.71%
- Five-year: increase of 0.15%, from 4.18% to 4.33%

MARKET YIELD CURVE

The yield curve is a graphic presentation of the difference between short-term and longer-term interest rates of U.S. Treasury instruments on a given day. Financial analysts use it to, among other things, assess likely changes in inflation levels as well as the likelihood of entering into an economic recession.



Yield curves:

- Normal: implies economic expansion
- Inverted: implies economic reduction
- Flat: implies transition in the economic environment

The current fiscal year continues to show an inverted yield curve, expressing that yield increases as maturity decreases. In other words, short-term investments are offering higher yields. This may be an indication of movement from short-term to long-term investments, implying an effort to hedge against fear of an economic recession.

The City Treasurer maintains a mixture of liquid assets and longer-term investments which allows benefits of higher short-term interest rates and security against economic uncertainty.

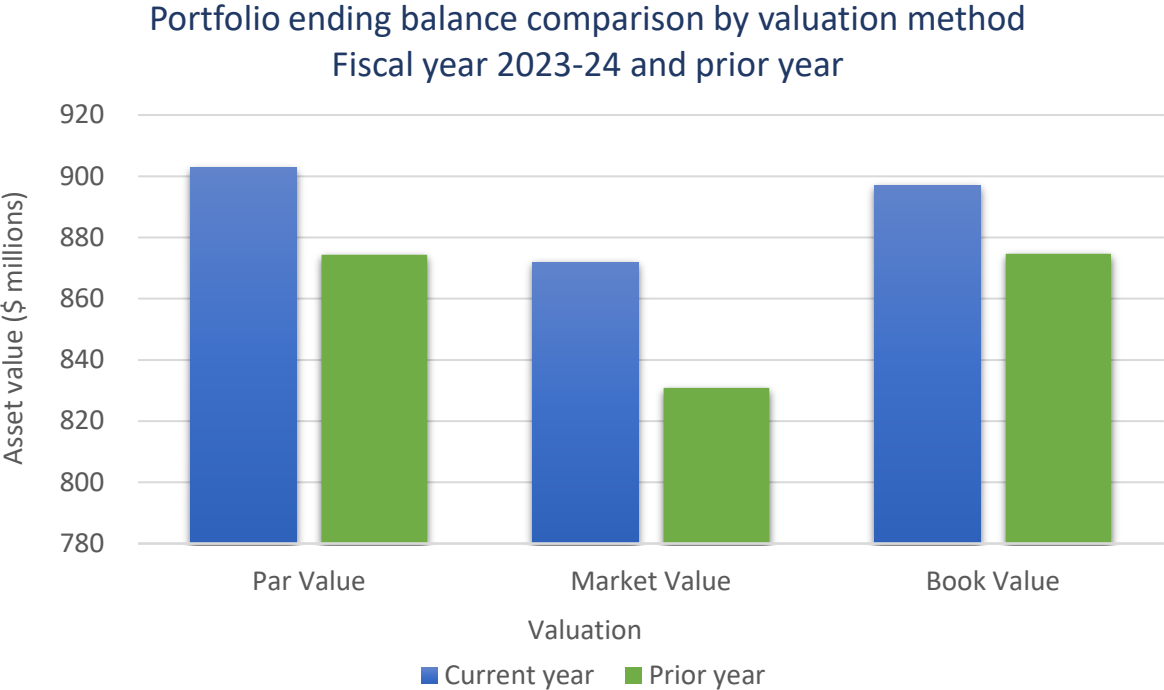
PORTFOLIO REVIEW



PORTFOLIO TOTAL ASSETS

Assets are invested by the City Treasurer with the objectives of maintaining safety of principal, maintaining liquidity to meet the operating requirements of the city, and realizing the best return on investment. Safety of principal is the foremost objective of all investments made by the City Treasurer.

By pooling assets and investing a laddered portfolio, the city can ensure funds are available to meet obligations while earning the highest possible amount of interest.



Total assets in the investment portfolio

- Par value: \$902,855,206, increase of 3.26% over prior year.
- Market value: \$871,929,110, increase of 4.95% over prior year.
- Book value: \$897,056,042, increase of 2.56% over prior year.

The portfolio is constantly fluctuating. Safety of capital is the first and foremost investing principal, but small increases and decreases are normal and expected. These fluctuations occur as a normal part of operations.

Causes of portfolio increases:

- Interest earned
- Revenues in excess of expenses

Causes of portfolio decreases:

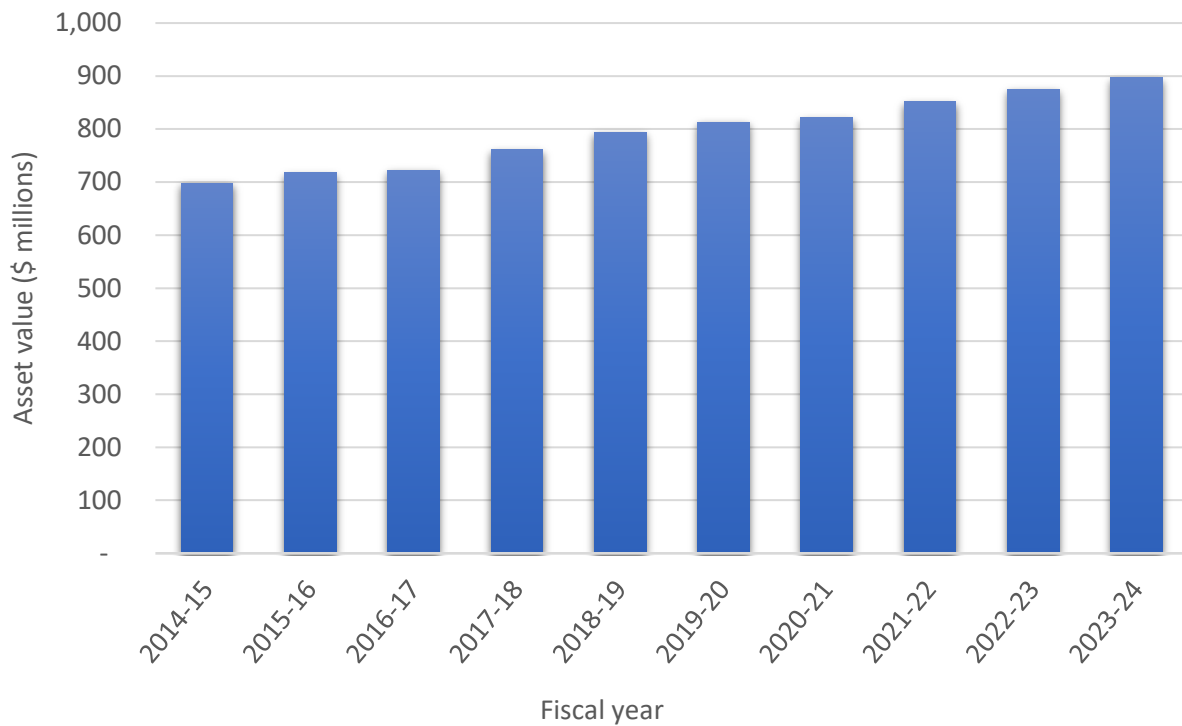
- Interest incurred
- Expenses in excess of revenues

Key portfolio changes at par value during fiscal year 2023-24:

- Maturities: \$163,893,595
- Calls: \$6,500,000
- Buys: \$208,847,364

The City Treasurer is responsible for maintaining the city’s operational cash flow needs while ensuring that excess funds are being invested in the safest and most effective manner year after year.

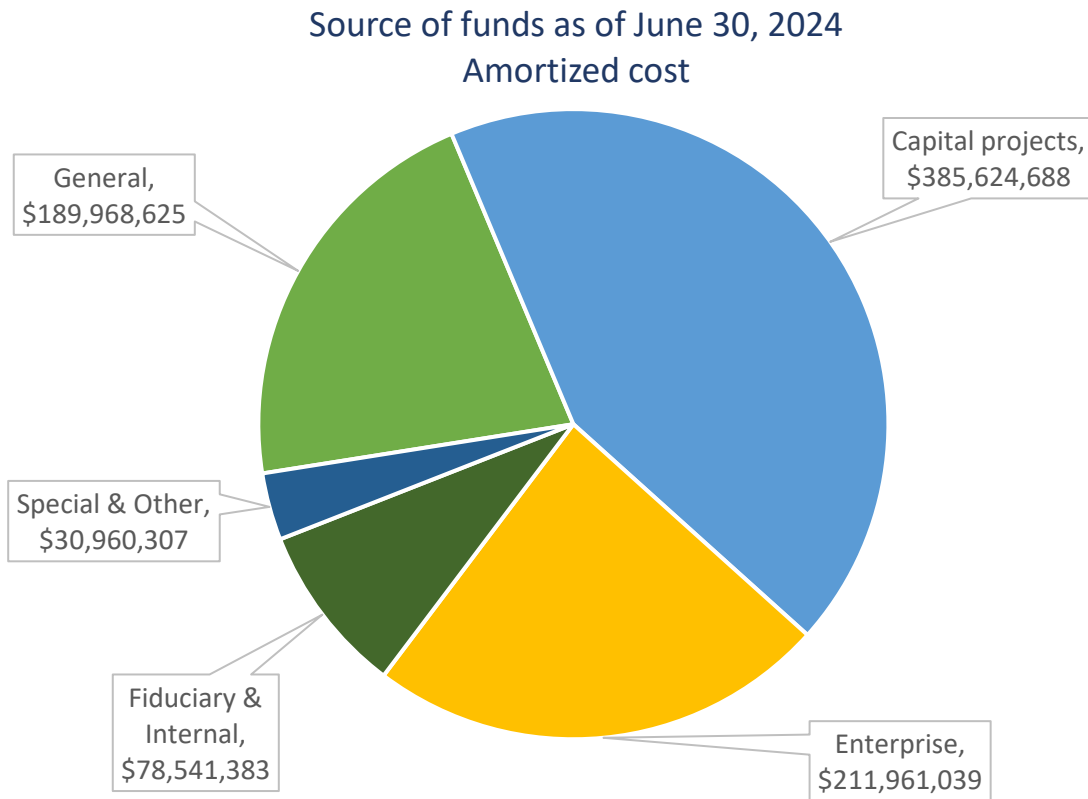
Total portfolio value at amortized cost
Fiscal year 2023-24 and prior nine years



Total portfolio value has increased year after year. The last ten years have seen an increase of 28.50%. This represents a cash value of \$198,960,987. This total increase is a result of thoughtful and prudent investment decisions. All funds in excess of expenses are reinvested while maintaining the liquidity required for city operations, present and future.

SOURCES OF PORTFOLIO

The portfolio is an internal investment pool that invests the available cash from various funds of all city agencies, city owned and fiduciary assets.



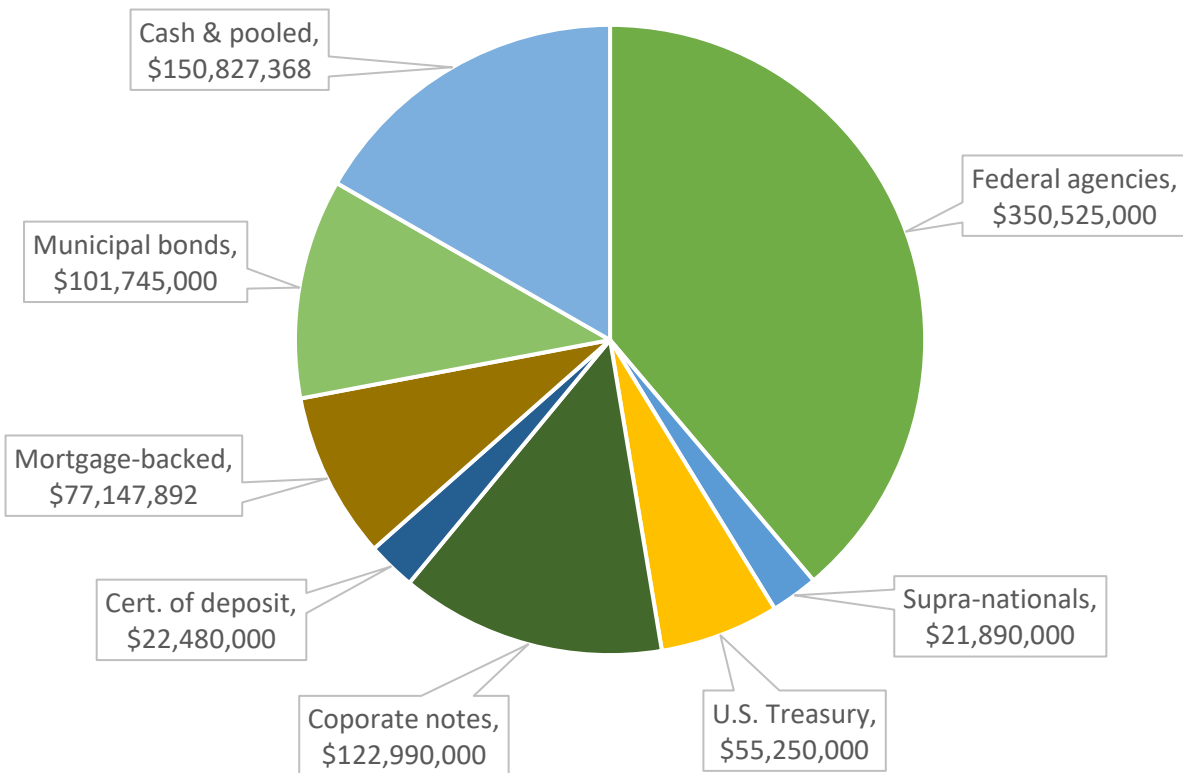
The capital project fund includes funds for the general capital construction, traffic impact fees, public facilities fees, park development, certain taxes, drainage fees, special districts, infrastructure replacement, and gas tax funds. Enterprise funds consist of the Carlsbad Municipal Water District, wastewater, solid waste, storm water, and golf course funds.

ALLOCATION OF PORTFOLIO

Investments are made in financial instruments as authorized by the City of Carlsbad Investment Policy and the California Government Code. Apart from bank deposits, deposits in the California state Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP), all investments are in fixed-income instruments with known maturity dates.

Allocation of investments as of June 30, 2024

Par value

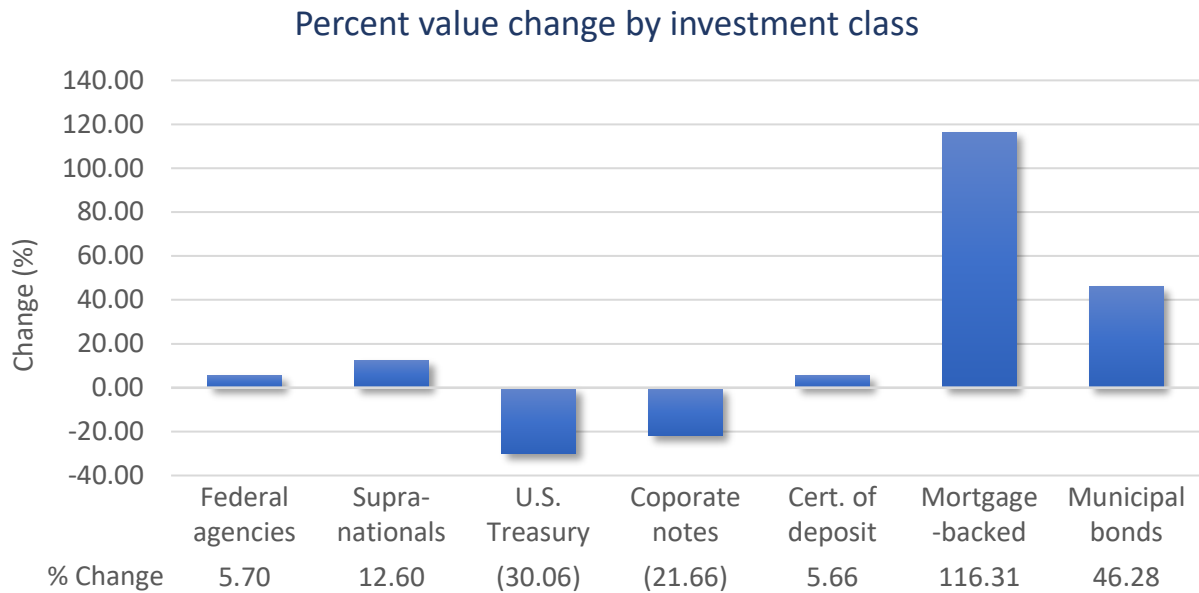


Federal agencies make up 38.82% of the total investment portfolio. Provided below is the breakout of issuers within the federal agency category as of June 30, 2024:

Federal agency breakdown by percentage of total portfolio at par value

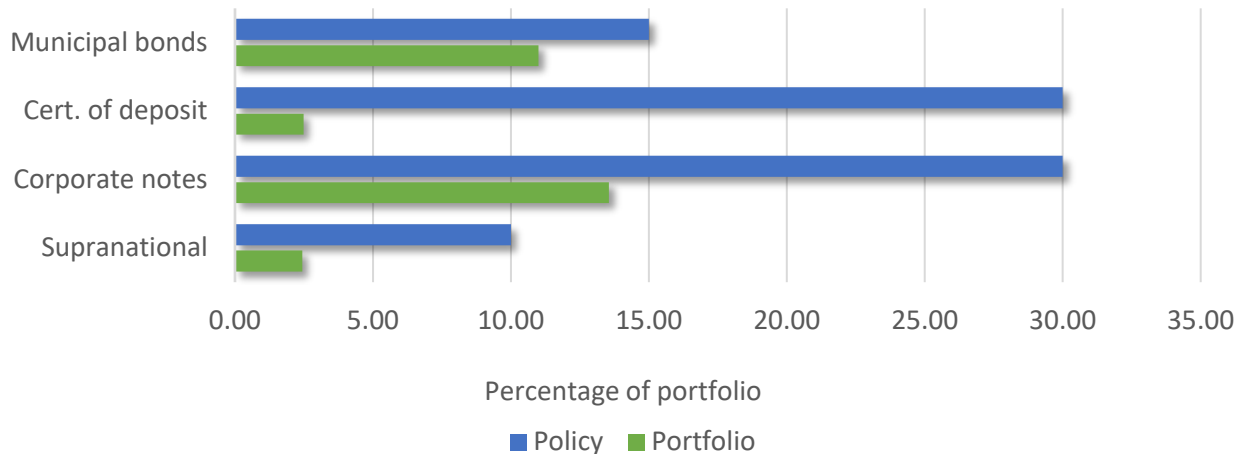
Federal Farm Credit Bank	8.79%
Federal Home Loan Bank	16.30%
Federal Home Loan Mortgage Corporation	7.08%
Federal National Mortgage Association	3.98%
Federal Agricultural Mortgage Corporation	2.56%
Tennessee Valley Authority	0.11%
Total	<u>38.82%</u>

Fiscal year 2023-24 net changes



Changes in investments are a result of multiple factors including maturities, calls and new investments. The data is represented at par value and does not reflect fluctuations of the market value because in conjunction with the liquidity principal, the city maintains a 'buy and hold' perspective. This means that the city does not sell investments in the normal course of operations and instead, holds the investments to maturity. The benefit of this policy is that investments will not be sold at a loss and the full par value will be returned.

Policy Limits and Portfolio Allocation as of June 30, 2024



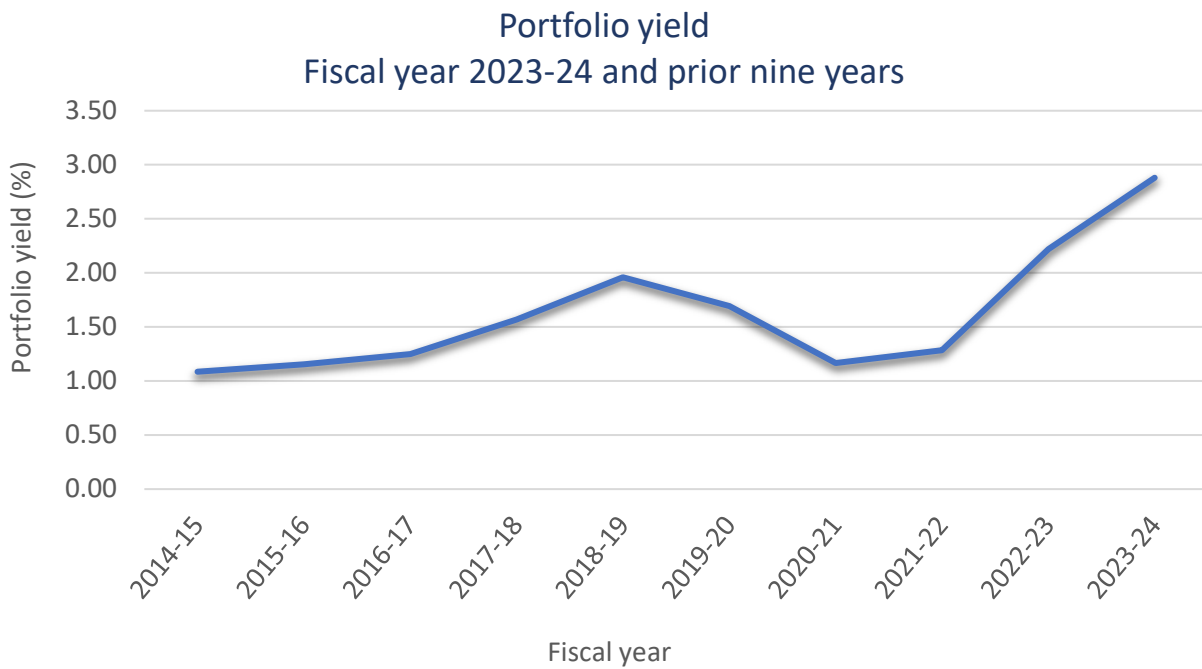
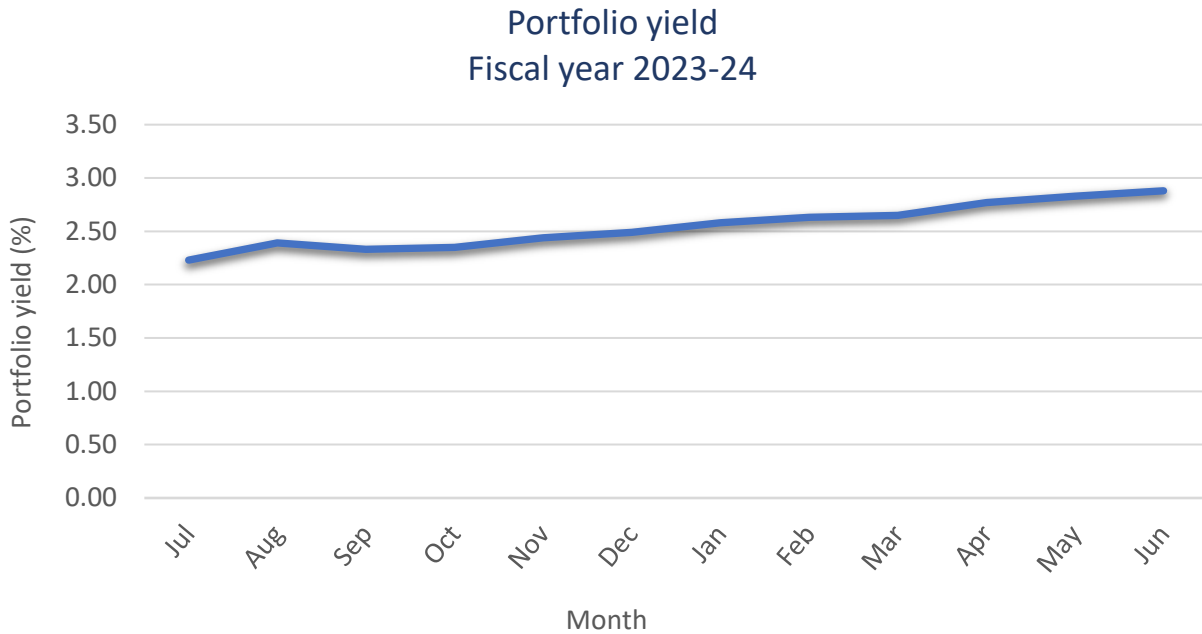
Certain investment types are restricted by the City of Carlsbad Investment Policy for the purpose of balanced allocation. All investments are well under the policy limitations allowing for continued purchases of the best-fit investments.

PORTFOLIO ANALYSIS



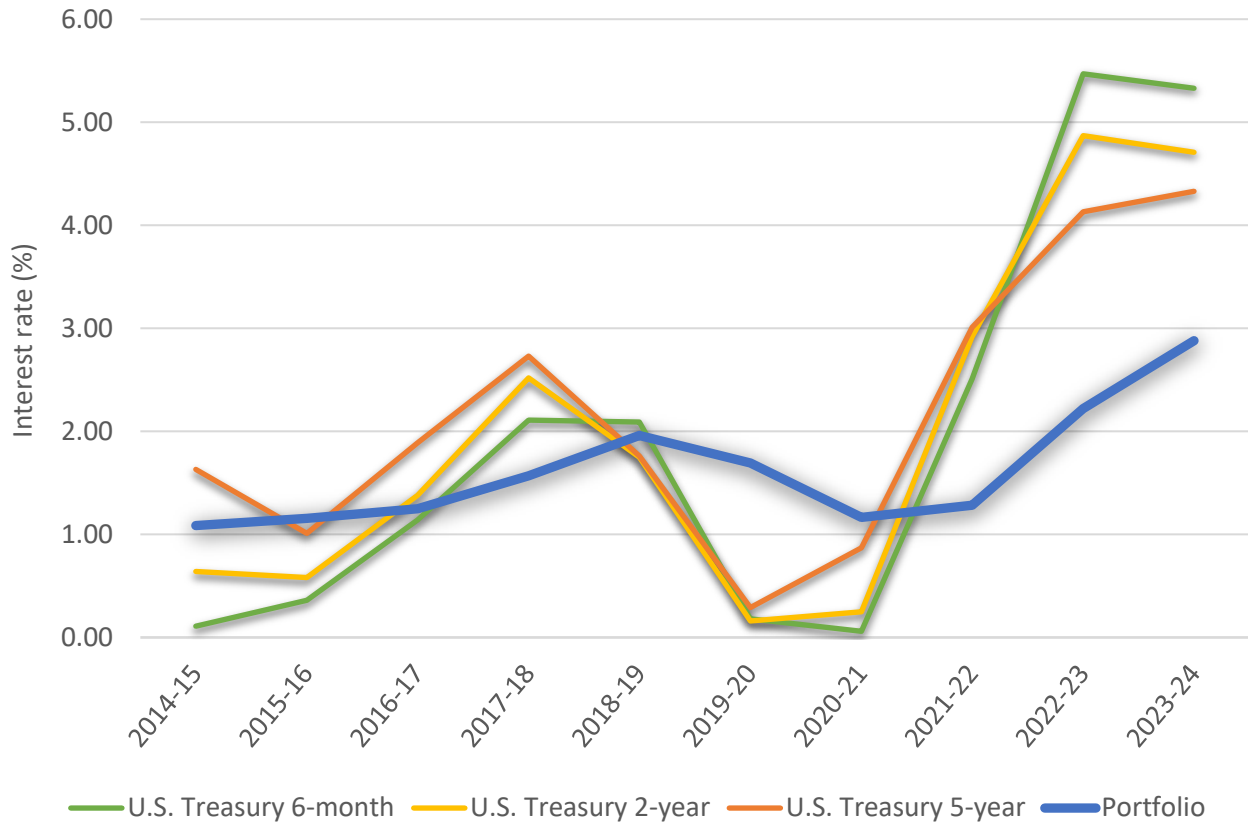
PORTFOLIO YIELD

The average return of the portfolio increased 66 percentage points during the current fiscal year from 2.22% for fiscal year 2022-23 to 2.88% for fiscal year 2023-24.



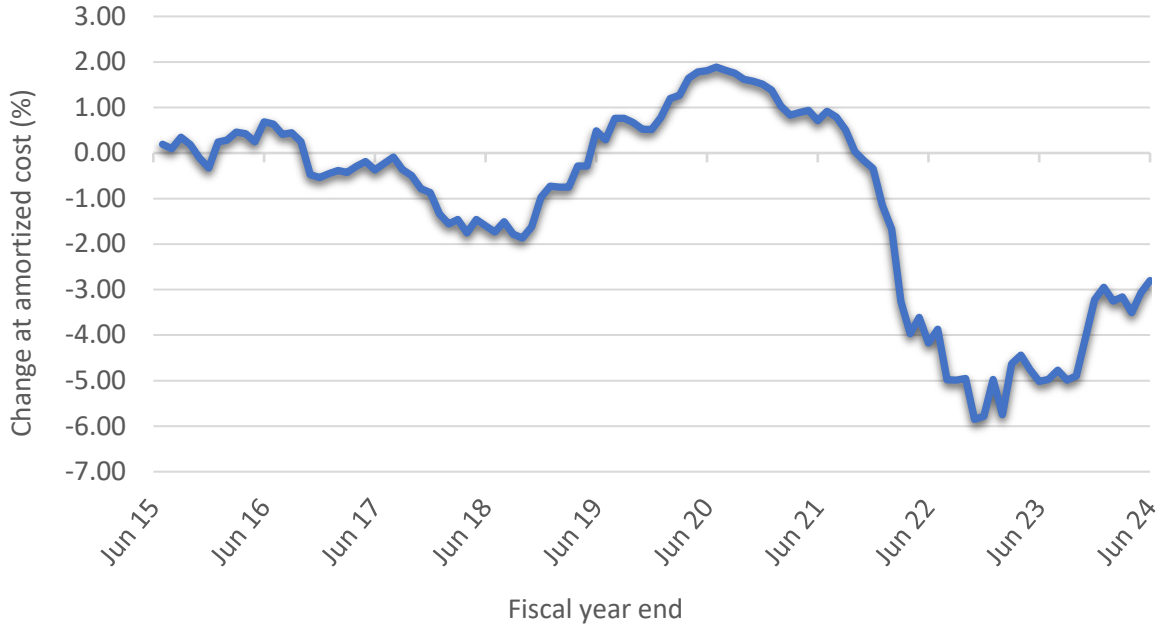
The current year has shown a portfolio yield increase of 0.66%, and a ten-year increase of 1.84%. By keeping a vigilant watch on the current market trends, the City Treasurer makes the most opportune investment decisions to first and foremost protect the city's assets, and then to maximize the return on capital.

Portfolio rate with to six-month, two-year, and five-year
U.S. Treasury rates
Fiscal year 2023-24 and prior nine years



As compared to U.S. Treasury rates, the portfolio yield shows stabilization. The portfolio yield is influenced by changes in market interest rates. By investing in a variety of maturity dates, a variety of investment types and following a buy and hold policy, the effect of the sometimes dramatic changes in market rates has a less dramatic effect on the city's portfolio.

Historical unrealized gains and losses Fiscal year 2023-24 and prior nine years



Investments experience market value gains and losses subsequent to purchase because of changes in market interest rates. When market interest rates decrease, investments made previously at higher rates will gain value. The reverse is true when market interest rates increase. These changes in value are referred to as unrealized gains and unrealized losses.

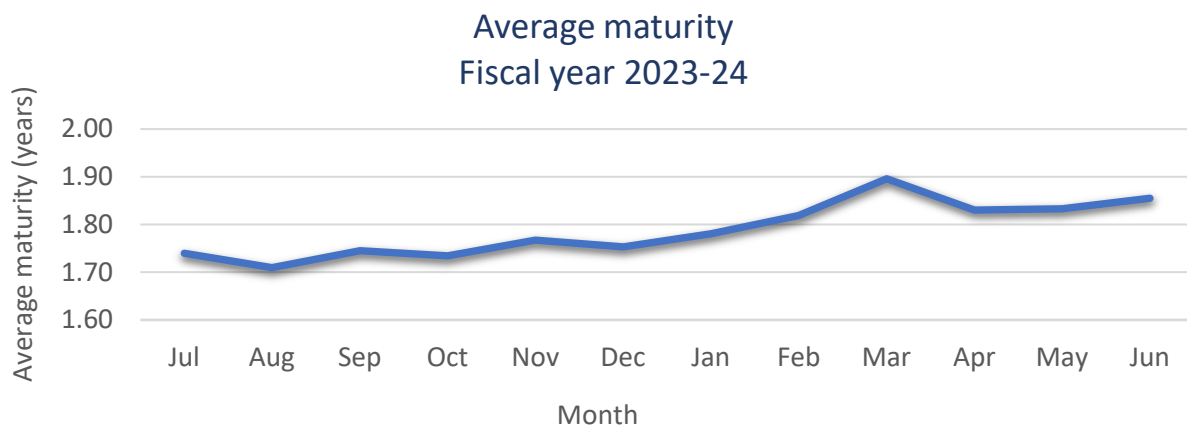
Changes in value due to changes in market interest rates are normal and are to be expected. Reporting requires that the city recognizes the market value of investments on an annual basis, however, the city’s buy and hold policy safeguards against market volatility.

MATURITY & MODIFIED DURATION

The second objective in the City Treasurer’s investing strategy is liquidity. The purpose of liquidity is ensuring adequate cash is available to fund city operations. In order to maintain liquidity, the measurement of modified duration is used.

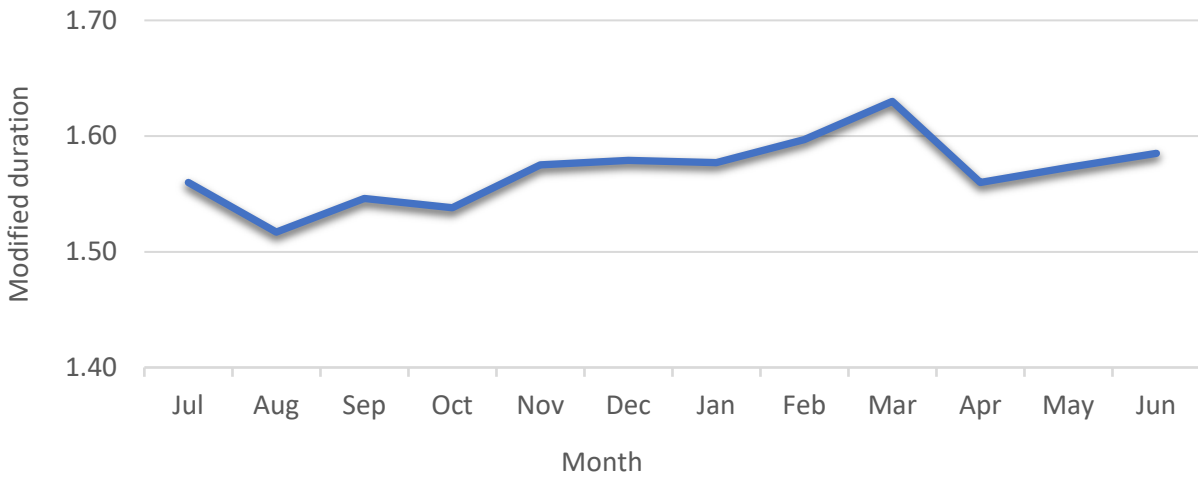


The maximum term for investments is five years. This graph shows how maturity is distributed as of June 30, 2024. 37.75% of the portfolio is maturing within 12 months and includes overnight pooled cash accounts. Policy dictates that a minimum of two-thirds the operating budget be maturing within 12 months. As of June 30, 2024, 87.24% of the fiscal year 2023-24 budget is maturing within 12 months.



Average maturity is required to be three years or less, and as of June 30, 2024, is 1.85 years. The increasing average maturity is indicative of reinvestment of maturities to hold higher interest rates over longer periods of time.

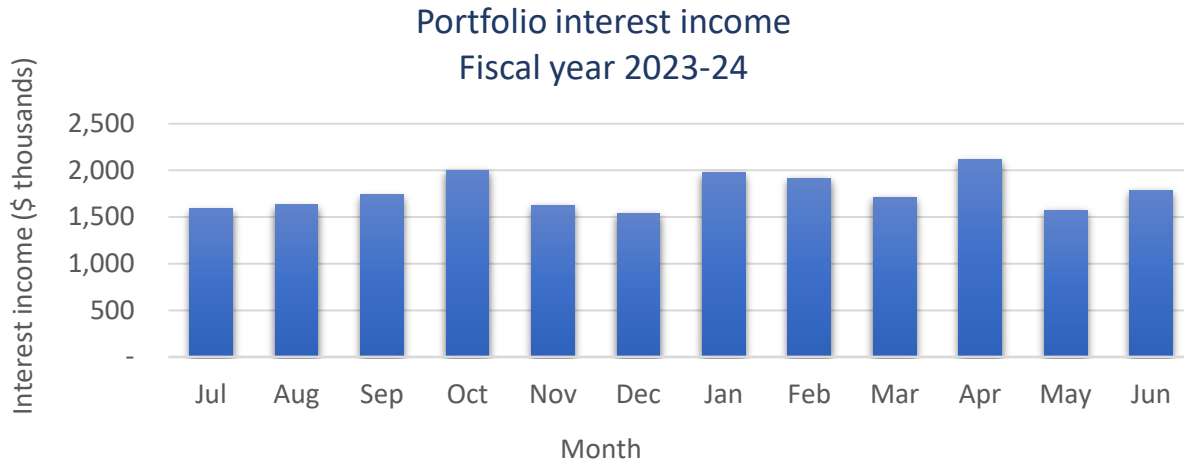
Modified duration
Fiscal year 2023-24



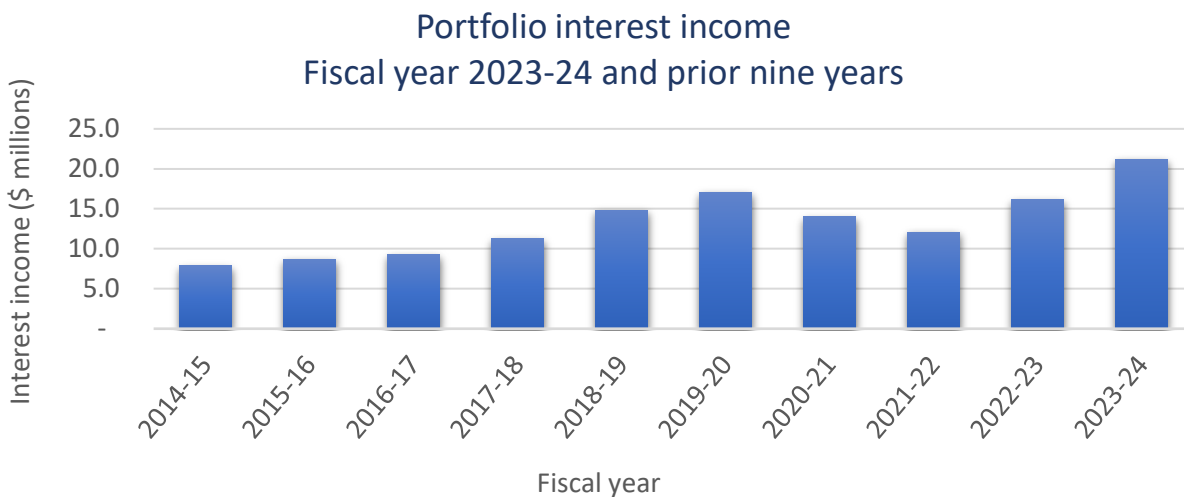
Modified duration is a measure of an investment's price sensitivity to interest rate changes. The maximum modified duration established by the city's Investment Policy is 2.2. As of June 30, 2024, the modified duration was 1.59.

PORTFOLIO INTEREST INCOME

After safety and liquidity, return on investments is the third principal of investments. Cash income is a function of assets in the portfolio, the market interest rates at the time of the investments and interest payment schedules of the portfolio holdings.

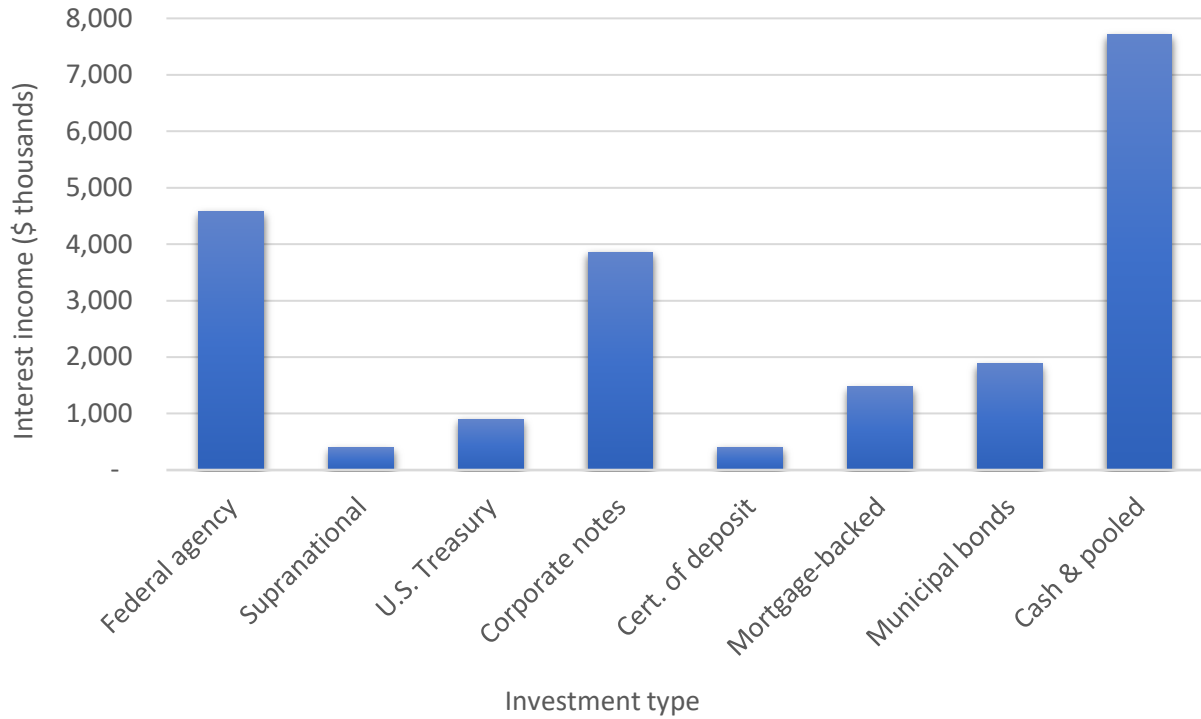


Interest for the fiscal year totaled \$21,201,394, a 31.13% increase, or \$5,033,244 increase, from the prior fiscal year. Interest revenue is allocated to city funds based on their value.



Interest income is influenced by a variety of factors such as market rate, investment type and amount invested. As these factors are constantly changing, investment income fluctuates year to year.

Interest income by investment classification
Fiscal year 2023-24



With an investment strategy of continued moderate-term investments, the City Treasurer has also allocated funds to short-term and overnight accounts in the latter part of the year to take advantage of the steeply increased short-term rates.

APPENDICIES



RISK MANAGEMENT DISCLOSURES

All investments are exposed to risk of some type. The objective of risk management is to identify the risks involved and establish acceptable levels of risks that are consistent with the city’s investment objectives. Risk management includes managing, measuring, monitoring and reporting the various risks to which portfolio investments are exposed. Portfolio investments are exposed to the following types of risks:

- Credit risk
 - Custodial credit risk
 - Investments
 - Deposits
 - Default credit risk
 - Concentration credit risk
- Interest rate risk
- Event risk

Custodial credit risk (investments)

The city uses a third-party custody and safekeeping service for its investment securities. Principal Custody Solutions is under contract to provide these custodial services. Custodial credit risk is the risk that the city will not be able to recover the value of its investments in the event of a Principal Custody Solutions failure. All city investments held in custody and safekeeping by Principal Custody Solutions are held in the name of the city and are segregated from securities owned by the firm. This is the lowest level of custodial credit risk exposure.

Custodial credit risk (deposits)

The city maintains cash accounts at Wells Fargo Bank. At the conclusion of each business day, balances in these accounts are “swept” into overnight investments. These overnight investments are pooled and collateralized with either U.S. government securities or U.S. agency securities. The California Code authorizes this type of investment. A small amount of cash is not swept from the Wells Fargo Bank checking accounts to cover checks that may be presented for payment. Amounts up to \$250,000 are FDIC insured.

Default credit risk

Default credit risk is the risk that the issuer of the security does not pay either the interest or the principal when due. The debts of most U.S. agencies are not backed by the full faith and credit of the federal government; however, because the agencies are U.S. Government-sponsored, they carry an AA credit rating. The default credit risk of these investments is minimal.

Unless otherwise exempted, California Government Code limits investments, at the time of purchase, to the top three credit ratings: AAA, AA, and A. It is the city’s policy, however, to limit investments, at the time of purchase, to the top two credit ratings (AAA and AA). As of June 30,

2024, one investment in corporate notes had a credit rating below the AA limit. These investments were made when the credit ratings were either AAA or AA and a subsequent change in rating has occurred. California Government Code and the city's Investment Policy allow the City Treasurer to determine the course of action to correct exceptions to the policy. It is the intent of the City Treasurer to hold these investments in the portfolio until maturity unless events indicate a sale should be made.

The default credit risk for corporate notes with a credit rating of single A (A) is considered by the City Treasurer to be within acceptable limits for purposes of holding to maturity and is within the California Government Code limitations.

LAIF is an investment pool managed by the California State Treasurer. Its investments are short-term and follow the investment requirements of the state. The state treasurer is not required to contract for a credit rating to be assessed for LAIF. California Government Code Section 16429.3 excludes LAIF deposits from being transferred, loaned, impounded, or seized by any state agency or official.

Concentration credit risk

Concentration credit risk is the heightened risk of potential loss when investments are concentrated in one issuer. The California Government Code does not identify a specific percentage that indicates when concentration risk is present for any one issuer.

California Government Code Section 53601(k) requires that total investments in medium-term corporate notes of all issuers not exceed 30% of the portfolio. As of June 30, 2024, approximately 13.55% of the city's total portfolio investments were in medium-term corporate notes.

California Government Code Section 53601(o) requires that non-agency mortgage-backed securities shall not exceed 20% of the portfolio. As of June 30, 2024, all city-held mortgage-backed securities are backed by Federal Agencies.

For concentration of investments in any one issuer, the city's Investment Policy requires that no more than 5% of investments in corporate notes, non-agency mortgage-backed securities, and municipal bonds be in any one issuer. There is no similar requirement in either the California Government Code or the city's investment policy for U.S. agencies. As of June 30, 2024, no investments in any one of the aforementioned securities has an issuer that exceeded 5% of total portfolio investments.

Interest rate risk

Interest rate risk is the risk that investments will lose market value because of increases in market interest rates. A rise in market interest rates will cause the market value of investments made earlier at lower interest rates to lose value. The reverse will cause a gain in market value.

As of June 30, 2024, the portfolio had a 2.80% unrealized loss in market value based on amortized cost.

The city's Investment Policy has adopted two means of limiting its exposure to market value losses caused by rising market interest rates: (1) limiting total portfolio investments to a maximum modified duration of 2.2, and (2) requiring maturing investments within one year to be equal to an amount that is not less than two thirds of the current year operating budget of \$377,263,607. As of June 30, 2024, the modified duration of the portfolio was 1.59, within the required maximum of 2.2. Investments maturing within one year were \$329,119,127, exceeding the required minimum of \$251,509,071. The city's exposure to interest rate risk is within acceptable limits.

Event risk

Event risks include the chance that something unexpected will impede the ability of an issuer of a security to meet its obligations. These types of risks are usually short in duration but can impair the city's ability to communicate with or use banking services. Such an event could cause a delay in collecting securities which have matured. Security risks are also within this category.

DATA TABLES

Data tables provided for additional details for graphs throughout the report.

Federal target rate detail, fiscal year 2023-24

Period	Range limit
Jul 2023	5.25 - 5.50%
Sep 2023	5.25 - 5.50%
Nov 2023	5.25 - 5.50%
Dec 2023	5.25 - 5.50%
Jan 2024	5.25 - 5.50%
Mar 2024	5.25 - 5.50%
May 2024	5.25 - 5.50%
Jun 2024	5.25 - 5.50%

Short-term interest U.S. Treasury rate detail, fiscal year 2023-24

Period	Six-month	Two-year	Five-year
Jul 2023	5.53%	4.88%	4.18%
Aug 2023	5.48%	4.85%	4.23%
Sep 2023	5.53%	5.03%	4.60%
Oct 2023	5.54%	5.07%	4.82%
Nov 2023	5.38%	4.73%	4.31%
Dec 2023	5.26%	4.23%	3.84%
Jan 2024	5.18%	4.27%	3.91%
Feb 2024	5.30%	4.64%	4.26%
Mar 2024	5.38%	4.59%	4.21%
Apr 2024	5.44%	5.04%	4.72%
May 2024	5.42%	4.89%	4.52%
Jun 2024	5.33%	4.71%	4.33%

Market yield curve, fiscal year 2023-24 and prior two years

FY end date	Three-month	Two-year	Five-year	Ten-year
06/30/22	1.72%	2.92%	3.01%	2.98%
06/30/23	5.43%	4.87%	4.13%	3.81%
06/30/24	5.48%	4.71%	4.33%	4.36%

Valuation table, fiscal year 2023-24

Different values are presented throughout the report. This data table presents varying valuation types, listed by class as of June 30, 2024.

Class	Par value	Market value	Book value
Certificate of Deposit	\$ 22,480,000	\$ 21,681,219	\$ 22,476,968
Corporate Notes	\$ 122,990,000	\$ 118,114,447	\$ 123,020,978
Federal Agency	\$ 350,525,000	\$ 336,219,140	\$ 348,658,055
U.S. Treasury	\$ 55,250,000	\$ 53,401,850	\$ 54,830,175
Supranational	\$ 21,890,000	\$ 21,264,562	\$ 21,899,869
Municipal Bonds	\$ 101,745,000	\$ 95,882,867	\$ 98,786,634
Pass Through Securities	\$ 77,147,892	\$ 74,537,657	\$ 76,555,995
Cash & Pooled	\$ 150,827,368	\$ 150,827,368	\$ 150,827,368
Total	\$ 902,855,260	\$ 871,929,110	\$ 897,056,042

Portfolio assets valuation, fiscal year 2023-24 and prior nine years

Fiscal year	Par value	Market value	Book value
2014-15	\$ 696,923,770	\$ 698,918,091	\$ 698,095,055
2015-16	\$ 715,837,393	\$ 721,730,358	\$ 717,721,310
2016-17	\$ 720,912,625	\$ 720,280,916	\$ 722,577,923
2017-18	\$ 761,973,309	\$ 750,805,057	\$ 761,499,745
2018-19	\$ 794,156,136	\$ 796,915,076	\$ 793,677,467
2019-20	\$ 807,311,873	\$ 827,577,140	\$ 812,848,717
2020-21	\$ 813,600,409	\$ 827,094,051	\$ 821,268,939
2021-22	\$ 846,773,333	\$ 821,428,843	\$ 852,168,180
2022-23	\$ 874,350,106	\$ 830,832,607	\$ 874,704,150
2023-24	\$ 902,855,260	\$ 871,929,110	\$ 897,056,042

Sources of portfolio at amortized cost, fiscal year 2023-24

Fund type	2022-23	2023-24
General	\$ 185,166,409	\$ 189,968,625
Capital projects	\$ 375,873,203	\$ 385,624,688
Enterprise	\$ 204,198,973	\$ 211,961,039
Fiduciary & Internal service	\$ 75,097,927	\$ 78,541,383
Special & other	\$ 34,367,638	\$ 30,960,307
Total	\$ 874,704,150	\$ 897,056,042

Portfolio allocation at book value, June 30, 2024

Policy limitations are not limited for federal agency issuers.

Class	% Total	Policy limits
Supranational	2.44%	10%
Municipal Bonds	11.00%	15%
Corporate Notes	13.55%	30%
Certificate of Deposit	2.49%	30%
U.S. Treasury	6.12%	N/A
Mortgage-backed (Agency)	8.55%	N/A
Federal Investments	38.56%	N/A
Cash & Pooled Cash	17.30%	N/A
Totals	100.00%	

Investment changes by class, fiscal year 2023-24

This table presents the detail of investment changes, excluding cash and pooled cash, listed by class.

Class	6/30/2023	6/30/2024	Dollar change	Change
Certificate of Deposit	\$ 21,276,000	\$ 22,480,000	\$ 1,204,000	5.66%
Corporate Notes	\$ 157,005,000	\$ 122,990,000	\$(34,015,000)	-21.66%
Federal Agency	\$ 331,633,000	\$ 350,525,000	\$ 18,892,000	5.70%
U.S. Treasury	\$ 79,000,000	\$ 55,250,000	\$(23,750,000)	-30.06%
Supranational	\$ 19,440,000	\$ 21,890,000	\$ 2,450,000	12.60%
Municipal Bonds	\$ 69,555,000	\$ 101,745,000	\$ 32,190,000	46.28%
Mortgage-Backed (Agency)	\$ 35,665,124	\$ 77,147,892	\$ 41,482,768	116.31%
Total	\$ 748,595,716	\$ 752,027,892	\$ 38,453,768	5.39%

Class	Maturities	Calls	Buys
Certificate of Deposit	\$ 2,958,000	-	\$ 4,162,000
Corporate Notes	\$ 54,065,000	\$ 4,000,000	\$ 24,050,000
Federal Agency	\$ 57,253,000	\$ 2,500,000	\$ 78,645,000
U.S. Treasury	\$ 35,250,000	-	\$ 11,500,000
Supranational	\$ 5,000,000	-	\$ 7,450,000
Municipal Bonds	\$ 3,750,000	-	\$ 35,940,000
Pass Through Securities	\$ 5,617,595	-	\$ 47,100,364
Total	\$ 163,893,595	\$ 6,500,000	\$ 208,847,364

Portfolio yields, fiscal year 2023-24 and prior nine years

Month ending	Portfolio yield	Fiscal year	Portfolio yield	Treasury, 06/30		
				Six-month	Two-year	Five-year
07/31/23	2.23%	2014-15	1.09%	0.11%	0.64%	1.63%
08/31/23	2.39%	2015-16	1.16%	0.36%	0.58%	1.01%
09/30/23	2.33%	2016-17	1.25%	1.14%	1.38%	1.89%
10/31/23	2.35%	2017-18	1.57%	2.11%	2.52%	2.73%
11/30/23	2.44%	2018-19	1.96%	2.09%	1.75%	1.76%
12/31/23	2.49%	2019-20	1.69%	0.18%	0.16%	0.29%
01/31/24	2.58%	2020-21	1.17%	0.06%	0.25%	0.87%
02/28/24	2.63%	2021-22	1.28%	2.51%	2.92%	3.01%
03/31/24	2.65%	2022-23	2.22%	5.47%	4.87%	4.13%
04/30/24	2.77%	2023-24	2.88%	5.33%	4.71%	4.33%
05/31/24	2.83%					
06/30/24	2.88%					

Unrealized gain or loss, fiscal year 2023-24

Unrealized gain or loss is calculated by subtracting the market value from the book value. All calculations are performed at the end of each month.

Month	Unrealized gain or loss
Jul 2023	-4.97%
Aug 2023	-4.77%
Sep 2023	-4.99%
Oct 2023	-4.89%
Nov 2023	-4.05%
Dec 2023	-3.23%
Jan 2024	-2.95%
Feb 2024	-3.25%
Mar 2024	-3.16%
Apr 2024	-3.51%
May 2024	-3.07%
Jun 2024	-2.80%

Modified duration, fiscal year 2023-24

Month	Modified duration
Jul 2023	1.56
Aug 2023	1.52
Sep 2023	1.55
Oct 2023	1.54
Nov 2023	1.58
Dec 2023	1.58
Jan 2024	1.58
Feb 2024	1.60
Mar 2024	1.63
Apr 2024	1.56
May 2024	1.57
Jun 2024	1.59

Revenue from investments monthly, fiscal year 2023-24

Month	Income
Jul 2023	\$ 1,589,456
Aug 2023	\$ 1,631,044
Sep 2023	\$ 1,737,767
Oct 2023	\$ 1,999,700
Nov 2023	\$ 1,627,671
Dec 2023	\$ 1,538,391
Jan 2024	\$ 1,972,108
Feb 2024	\$ 1,915,023
Mar 2024	\$ 1,712,817
Apr 2024	\$ 2,117,256
May 2024	\$ 1,574,890
Jun 2024	\$ 1,785,272
Total	\$ 21,201,394

Revenue from investments by class and totals, fiscal year 2023-24 and prior nine years

Investment class	Cash income	Fiscal year	Cash income
Federal Agency	\$ 4,577,797	2014-15	\$ 7,864,801
Supranational	\$ 395,736	2015-16	\$ 8,678,630
Treasury	\$ 899,595	2016-17	\$ 9,286,187
Corporate Notes	\$ 3,860,367	2017-18	\$ 11,248,807
Certificate of Deposit	\$ 402,199	2018-19	\$ 14,837,963
MBS (agency)	\$ 1,474,944	2019-20	\$ 17,031,603
Municipal	\$ 1,883,436	2020-21	\$ 14,026,325
Cash & Pooled Cash	\$ 7,707,320	2021-22	\$ 12,047,464
Fiscal Year 2023-24 Total	\$ 21,201,394	2022-23	\$ 16,168,150
		2023-24	\$ 21,201,394

Liquidity by maturity period

Period, in months	Maturity value	Percentage
0-12	\$ 329,119,127	37.75%
13-24	\$ 175,006,096	20.07%
25-36	\$ 139,230,541	15.97%
37-48	\$ 107,936,095	12.38%
49-60	\$ 120,637,251	13.84%
Total	\$ 871,929,110	100.00%

Average maturity, fiscal year 2023-24

Month	Average maturity (years)
Jul 2023	1.74
Aug 2023	1.71
Sep 2023	1.75
Oct 2023	1.73
Nov 2023	1.77
Dec 2023	1.75
Jan 2024	1.78
Feb 2024	1.82
Mar 2024	1.90
Apr 2024	1.83
May 2024	1.83
Jun 2024	1.85

Cash inflows and outflows, fiscal year 2023-24

The city’s portfolio balance increased 2.56% from \$875 million to \$897 million in book value over the fiscal year. The increase of \$22 million does little to show the volume of cash that flows in and out of the portfolio during one fiscal year. The following table illustrates that the City Treasurer managed over \$1.40 billion of cash inflows and cash outflows which prompted investment decisions during fiscal year.

Cash inflows and outflows	
Investment calls	\$ 6,500,000
Investment maturities	\$ 163,893,595
Investment purchases	\$ 208,847,364
Interest income	\$ 7,707,320
CAMP investments	\$ 134,000,000
CAMP withdrawals	\$ 149,800,000
Overnight investments	\$ 369,710,612
Overnight withdrawals	\$ 363,497,612

ADDITIONAL RESOURCES

The Annual Report of Investments is a stand-alone report; however, additional documents are available for interested parties:

Investment Policy

The Investment Policy is approved by City Council and governs investment management.

Included are topics such as:

- Investing objectives
- Authorized investments
- Limitations
- Review and reporting

The Investment Policy can be found on the City of Carlsbad City Treasurer website at:

<https://www.carlsbadca.gov/city-hall/other-elected-officials/city-treasurer>

Monthly investment reports

Monthly investment reports are presented to City Council and provide an in-depth status on the full portfolio on a routine basis. These reports include aspects such as:

- Current period maturities, calls, and purchases
- Detail listing of investments
- Investment ratings and outlooks
- Portfolio allocation by issuer

The monthly investment reports can be found on the City of Carlsbad City Treasurer website at:

<https://www.carlsbadca.gov/city-hall/other-elected-officials/city-treasurer>

Contacts

We are available for questions or comments on any Treasurer report or function:

- Zach Korach, Finance Director/Deputy City Treasurer
treasury@carlsbadca.gov
- Katie Schroeder, Senior Accountant, Treasury Department
Katie.schroeder@carlsbadca.gov



CITY COUNCIL
Staff Report

Meeting Date: Sept. 10, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contacts: Dave Padilla, Assistant Utilities Director
 dave.padilla@carlsbadca.gov, 442-339-2356

Neil Irani, Utilities Associate Engineer
 neil.irani@carlsbadca.gov, 442-339-2305

Subject: Approval of Plans, Specifications and Contract Documents and Authorization to Advertise for Bids for the Cannon Lift Station Improvements Project

District: 2

Recommended Action

Adopt a resolution approving the plans, specifications and contract documents and authorizing the City Clerk to advertise for bids for the Cannon Lift Station Improvements Project.

Executive Summary

The city operates 12 sewer lift stations that pump wastewater flow uphill to higher elevations in the sewer collection system. These stations use flow meters to measure sewer flow and to monitor lift station operation. The flow meter at the Cannon Lift Station, located at 2197 Cannon Road, as shown in Exhibit 3, is at the end of its service life and requires replacement.

The estimated construction cost including contingency, construction management and inspection, public outreach, and engineering and administration is \$983,500. The City Council's approval of these plans, specifications and contract documents is required under Carlsbad Municipal Code Section 3.28.080(E) because the expected value of the work exceeds \$200,000.

Staff recommend that the City Council approve the project plans, specifications and contract documents and authorize the City Clerk to advertise and receive construction bids for the project.

Explanation & Analysis

The scope of the Cannon Lift Station Improvements Project, Capital Improvement Program Project No. 5552 is to:

- Replace the existing flow meter, add an isolation valve and construct a larger vault
- Install new power and signal cabling to the flow meter vault
- Replace existing isolation valves and check valves

Staff recommend that the City Council approve the plans, specifications and contract documents and authorize the City Clerk to advertise for construction bids for the project.

Fiscal Analysis

Capital Improvement Program Project No. 5552 is funded by the city's sewer replacement fund. Sufficient funds are available to complete the project. Available funding and estimated construction costs to complete the project are presented in the table below:

Cannon Lift Station Improvements Project Capital Improvement Program Project No. 5552	
Total appropriation to date	\$1,115,000
Total expenditures/encumbrances to date	-\$7,747
Total available balance	\$1,107,253
Construction contract (engineer's estimate)	-\$690,000
Construction contingency (estimated)	-\$103,500
Construction management, inspection and testing, public outreach, engineering and administration (estimated)	-\$190,000
Total estimated construction costs	-\$983,500
Remaining balance	\$123,753

Next Steps

With the City Council's approval, the City Clerk will advertise a request for bids for the project.

Staff will then evaluate the bids received and identify the lowest responsive and responsible bidder. Staff will return to the City Council with a recommendation to award a construction contract to the identified lowest responsive and responsible bidder, which is expected to be in fall 2024.

Environmental Evaluation

The City Planner, through the process outlined in Carlsbad Municipal Code Section 19.04.060, has determined that this project is exempt pursuant to California Code of Regulations Section 15302(c), Replacement or Reconstruction, which applies to the replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

Exhibits

1. City Council resolution
2. [Plans, specifications and contract documents](#) (on file in the Office of the City Clerk)
3. Location map

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING THE PLANS, SPECIFICATIONS AND CONTRACT DOCUMENTS AND AUTHORIZING THE CITY CLERK TO ADVERTISE FOR BIDS FOR THE CANNON LIFT STATION IMPROVEMENTS PROJECT

WHEREAS, the City Council of the City of Carlsbad, California has determined it necessary, desirable and in the public interest to replace the flow meter vault at the Cannon Lift Station; and

WHEREAS, the plans, specifications and contract documents for the Cannon Lift Station Improvements Project, Capital Improvement Program Project No. 5552, have been prepared, are on file at the City Clerk's office and are incorporated by reference; and

WHEREAS, Carlsbad Municipal Code Section 3.28.080(E) requires City Council approval of plans, specifications and contract documents for all construction projects that are to be formally bid upon when the value exceeds \$200,000; and

WHEREAS, the estimated construction cost is \$983,500, including construction contingency, construction management and inspection, testing, public outreach and staff costs; and

WHEREAS, the City Planner has determined that the project is exempt from the California Environmental Quality Act, or CEQA, per CEQA Guidelines Section 15302(c), replacement or reconstruction, as this project involves the replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the plans, specifications and contract documents for the Cannon Lift Station Improvements Project, Capital Improvement Program Project No. 5552, are approved and are on file at the City Clerk's Office.
3. That the City Clerk is hereby authorized and directed to publish, in accordance with state law and Carlsbad Municipal Code Section 3.28.080(C), a notice to contractors inviting bids for construction of the project in accordance with plans, specifications and contract documents referred to herein.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the ___ day of _____, 2024, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

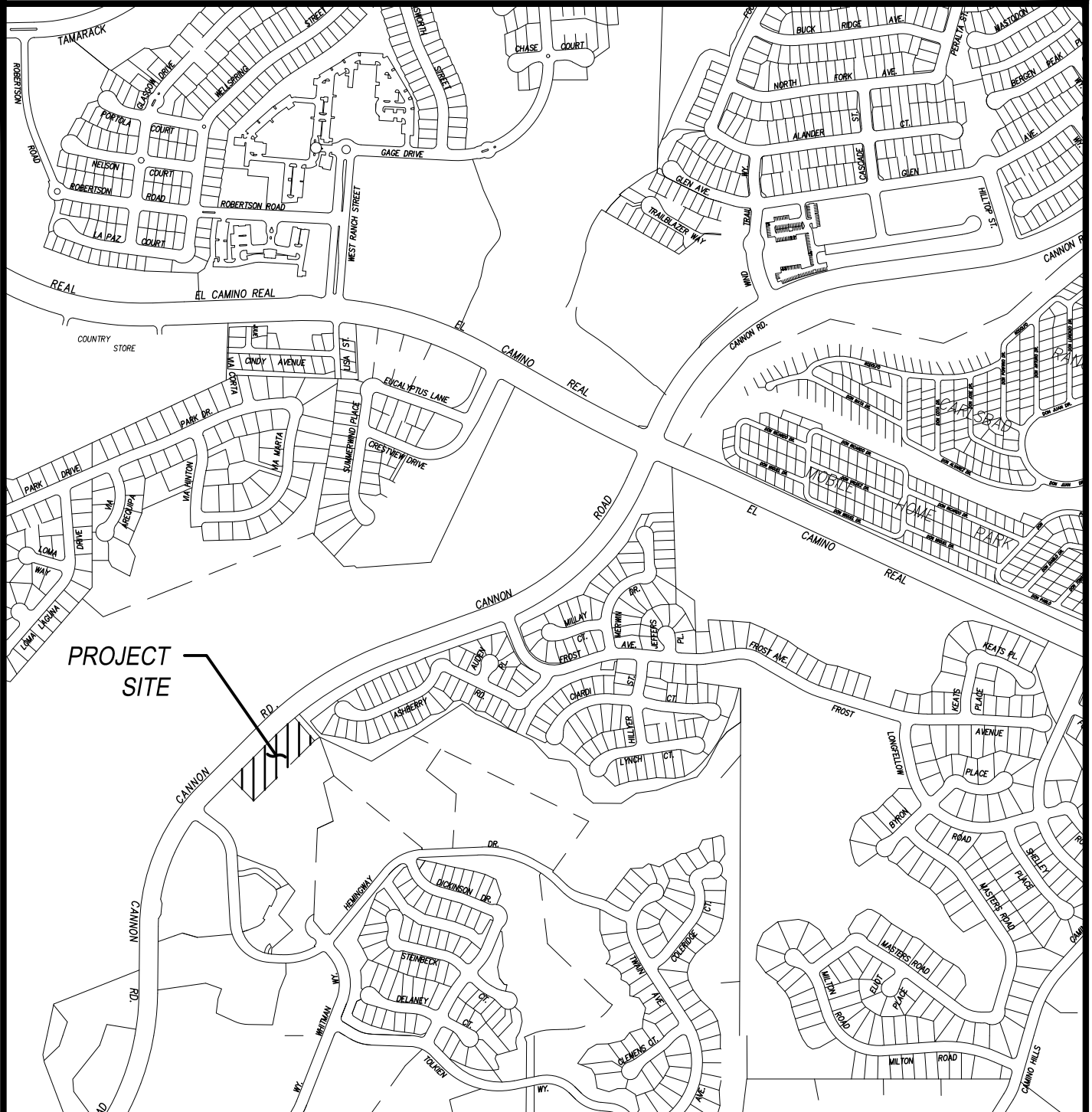
ABSENT:

KEITH BLACKBURN, Mayor

SHERRY FREISINGER, City Clerk
(SEAL)

Plans, specifications and contract documents
(on file in the Office of the City Clerk)

LOCATION MAP



PROJECT SITE



NOT TO SCALE

PROJECT NAME
**CANNON LIFT STATION
 IMPROVEMENTS PROJECT**
 Sept. 10, 2024

PROJECT NUMBER
CIP PROJECT NO. 5552
 Item #3

EXHIBIT
3
 Page 6 of 6



CITY COUNCIL
Staff Report

Meeting Date: Sept. 10, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Hossein Ajideh, Engineering Manager
hossein.ajideh@carlsbadca.gov, 442-339-2756

Subject: Amendment to an Agreement with Glenn A. Rick Engineering Development and Company for the Drainage Master Plan Update

Districts: All

Recommended Action

Adopt a resolution authorizing an amendment to an agreement with Glenn A. Rick Engineering Development and Company to extend the agreement term to update the Drainage Master Plan.

Executive Summary/Explanation & Analysis

The original City of Carlsbad Drainage Master Plan was adopted in 1980 with the goal of assessing the performance of existing storm drain infrastructure, identifying anticipated drainage infrastructure needs and developing a funding mechanism to ensure construction of these planned facilities. The plan is updated from time to time to reflect changes in city growth, construction costs, general plan, drainage standards and environmental regulations.

The City Council authorized an agreement with Glenn A. Rick Engineering Development and Company on Sept. 17, 2019, to update the Drainage Master Plan as part of Capital Improvement Program Project No. 6623 (Resolution No. 2019-177).

The term of the agreement was for three years, with the City Manager authorized to extend it with two additional one-year periods. The City Manager extended the agreement, and it is scheduled to expire on Sept. 16, 2024.

The Drainage Master Plan Update still requires additional technical analyses, which are expected to be completed by mid-2025. The City Council is being asked to approve an amendment to the agreement to extend the agreement term until Sept. 16, 2025. This will provide sufficient time to complete this project.

Staff also request that the City Manager be authorized to amend the agreement to extend the term for an additional one-year period and amend the compensation for an additional \$100,000, as may be needed to complete the project.

City Council authorization is required to amend an agreement that costs more than \$100,000 per agreement year under Carlsbad Municipal Code Section 3.28.040 - Procurement and disposition responsibilities (D)(1).

Fiscal Analysis

There is no additional appropriation requested for this project at this time.

Drainage Master Plan Update Capital Improvement Program Project No. 6623	
Total appropriation to date	\$1,281,000
Total expenditures/encumbrances to date	-\$1,119,098
Total available balance	\$161,903
Professional services amendment	-\$100,000
Total estimated project costs	-\$100,000
Remaining balance	\$61,903

Next Steps

Upon the City Council's approval, staff will process the agreement amendment with Rick Engineering and continue to work on the Drainage Master Plan update.

Staff expect to return to the City Council to present the updated Drainage Master Plan for approval in fall 2025.

Environmental Evaluation

This action does not require environmental review because it does not constitute a project within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change or a reasonably foreseeable indirect physical change in the environment.

Exhibit

1. City Council resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD CALIFORNIA, AUTHORIZING AN AMENDMENT TO AN AGREEMENT WITH GLENN A. RICK ENGINEERING DEVELOPMENT AND COMPANY TO EXTEND THE AGREEMENT TERM TO UPDATE THE DRAINAGE MASTER PLAN

WHEREAS, on Sept. 17, 2019, the City Council adopted Resolution No. 2019-177, authorizing an agreement with Glenn A. Rick Engineering Development and Company to update the Drainage Master Plan, as part of Capital Improvement Program, or CIP, Project No. 6623; and

WHEREAS, the term of the agreement is for three years with the City Manager authorized to extend two additional one-year terms; and

WHEREAS, the City Manager extended the agreement, which is scheduled to expire on Sept. 16, 2024; and

WHEREAS, staff request a time extension until Sept. 16, 2025, to complete the update of the Drainage Master Plan; and

WHEREAS, staff also request that the City Manager be authorized to extend the agreement an additional one-year period and to amend the agreement up to an additional \$100,000, as needed to complete the project; and

WHEREAS, City Council authorization is required to amend an agreement that costs more than \$100,000 per agreement year under Carlsbad Municipal Code Section 3.28.040 - Procurement and disposition responsibilities (D)(1); and

WHEREAS, the City Planner has determined that this action does not require environmental review because it does not constitute a project within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change or a reasonably foreseeable indirect physical change in the environment.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the Mayor is authorized and directed to execute the Amendment to the Agreement with Glenn A. Rick Engineering Development and Company for the Drainage Master Plan Update Project, which is attached hereto as Attachment A.

3. That the City Manager is authorized to extend the agreement an additional one-year period and amend the agreement up to an additional \$100,000 as needed to complete the project.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2024, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

KEITH BLACKBURN, Mayor

SHERRY FREISINGER, City Clerk
(SEAL)

**AMENDMENT NO. 3 TO EXTEND AND AMEND THE AGREEMENT FOR
CITY OF CARLSBAD DRAINAGE MASTER PLAN UPDATE
GLENN A. RICK ENGINEERING & DEVELOPMENT CO. dba RICK ENGINEERING COMPANY**

This Amendment No. 3 is entered into and effective as of the _____ day of _____, 2024, extending the agreement dated September 17, 2019 (the "Agreement") by and between the City of Carlsbad, California, a municipal corporation, ("City"), and Glenn A. Rick Engineering & Development Co., a California corporation, dba Rick Engineering Company ("Contractor") (collectively, the "Parties") for civil engineering services.

RECITALS

A. On September 18, 2022, the Parties executed Amendment No. 1 to the Agreement to include revised Draft DMP and Final DMP and extended the Agreement for a period of one (1) year; and

B. On March 21, 2023, the Parties executed Amendment No. 2 to the Agreement to include revised feasibility analysis of Basin BJ considering the inclusion of a multi-family residential housing project and extended the Agreement for a period of one (1) year; and

C. The Parties desire to extend the Agreement for a period of one (1) year; and to amend the indemnification obligation in the Agreement.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, City and Contractor agree as follows:

1. The Agreement, as may have been amended from time to time, is hereby extended for a period of one (1) year ending on September 16, 2025.

2. Section 9 "INDEMNIFICATION" of the Agreement is hereby deleted in its entirety and replaced as follows:

Contractor agrees to defend (with counsel approved by the City), indemnify, and hold harmless the City and its officers, elected and appointed officials, employees and volunteers from and against all claims, damages, losses and expenses including attorney's fees arising out of the performance of the work described herein caused by any negligence, recklessness, or willful misconduct of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

If Contractor's obligation to defend, indemnify, and/or hold harmless arises out of Contractor's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code Section 2782.8, which is fully incorporated herein, Contractor's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor, and, upon Contractor obtaining a final adjudication by a court of competent jurisdiction. Contractor's liability for such claim, including the cost to defend, shall not exceed the Contractor's proportionate percentage of fault.

The parties expressly agree that any payment, attorneys fee, costs or expense City incurs or makes to or on behalf of an injured employee under the City's self-administered workers' compensation is included as a loss, expense or cost for the purposes of this section, and that this section will survive the expiration or early termination of this Agreement.

3. All other provisions of the Agreement, as may have been amended from time to time, shall remain in full force and effect.

4. All requisite insurance policies to be maintained by the Contractor pursuant to the Agreement, as may have been amended from time to time, shall include coverage for this Amendment.

5. The individuals executing this Amendment and the instruments referenced on behalf of Contractor each represent and warrant that they have the legal power, right and actual authority to bind Contractor to the terms and conditions hereof of this Amendment.

[signatures on following page]

CONTRACTOR
GLENN A. RICK ENGINEERING &
DEVELOPMENT CO., a California corporation,
dba RICK ENGINEERING COMPANY

CITY OF CARLSBAD, a municipal corporation of
the State of California

By:

Brendan Hastie

(sign here)

Brendan Hastie

Associate Principal & Assistant Vice-President

(print name/title)

By:

KEITH BLACKBURN, Mayor

ATTEST:

By:

(sign here)

SHERRY FREISINGER, City Clerk

(print name/title)

If required by City, proper notarial acknowledgment of execution by Contractor must be attached. If a corporation, Agreement must be signed by one corporate officer from each of the following two groups:

Group A
Chairman,
President, **or**
Vice-President

Group B
Secretary,
Assistant Secretary,
CFO **or** Assistant Treasurer

Otherwise, the corporation **must** attach a resolution certified by the secretary or assistant secretary under corporate seal empowering the officer(s) signing to bind the corporation.

APPROVED AS TO FORM:

CINDIE K. McMAHON, City Attorney

BY:

Gina Herrera

Assistant City Attorney



CITY COUNCIL
Staff Report

Meeting Date: Sept. 10, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Brandon Miles, Associate Engineer
 brandon.miles@carlsbadca.gov, 442-339-2745
 Hossein Ajideh, Engineering Manager
 hossein.ajideh@carlsbadca.gov, 442-339-2756

Subject: Award Construction Contract for the El Camino Real Widening from Sunny Creek Road to Jackspar Drive Project

District: 2

Recommended Actions

Adopt a resolution accepting the bids and awarding a contract to Dick Miller, Inc. for the El Camino Real Widening from Sunny Creek Road to Jackspar Drive Project in an amount not to exceed \$3,882,738 and authorizing an additional appropriation in an amount of \$600,000 from TransNet funds and \$250,000 from gas tax funds to Capital Improvement Program Project No. 6094.

Executive Summary

This project will widen northbound El Camino Real from Sunny Creek Road to Jackspar Drive to add a third northbound vehicle lane, as shown in Exhibit 2, to meet the city's design standards and the standards in the city's General Plan and Growth Management Plan. The project will also provide new sidewalks, new streetlights and enhanced buffered bike lanes.

The City Council approved the project's plans, received bids, and staff identified the lowest responsive bidder, but that bidder subsequently withdrew its bid.

Staff request that the City Council accept the bids and award the construction contract for the project to Dick Miller, Inc., the lowest responsive and responsible bidder, in an amount not to exceed \$3,882,738. The City Council is also being asked to authorize an additional appropriation in an amount of \$600,000 from TransNet¹ and \$250,000 in gas tax funds, for a total appropriation request of \$850,000 to complete the project.

Carlsbad Municipal Code Sections 3.28.080(C) and 3.28.080(I)(6), which cover purchasing in construction contracts, require the City Council's approval for all formally bid contracts when the value exceeds \$200,000, as this project does.

¹ TransNet is the county sales tax that funds transportation projects.

Explanation & Analysis

Project overview

Carlsbad's Mobility Element, the portion of the city's General Plan, focused on transportation, and the city's Growth Management Plan, call for northbound El Camino Real to be widened for approximately 2,300 feet from Sunny Creek Road to Jackspar Drive to add a third northbound vehicular lane. This project, Capital Improvement Program Project No. 6094, will add that lane through a combination of roadway widening and pavement restriping while improving bicycle lanes, curbs and gutters and adding sidewalks where they are missing.

While the project predates the city's declaration of a local state of emergency in 2022, the work supports the city's efforts to improve traffic safety while improving circulation and mobility for people using all forms of transportation by constructing:

- A new sidewalk in compliance with the Americans with Disabilities Act
- A buffered bike lane
- Two new curb ramps at Sunny Creek Road
- Four upgraded curb ramps at the intersection of Jackspar Drive and El Camino Real

The project will provide operational improvements, new pedestrian access and enhanced bike lanes for public safety and improved community benefits.

Bidding process

- The City Council approved the project's plans and specifications and authorized advertising the project for construction bids on April 16, 2024, with the adoption of Resolution No. 2024-075.
- The project was then advertised using the city's formal bidding procedures.
- Staff received five bids for construction of the project on May 29, 2024.
- Staff reviewed the contract documents and found that RAL Investment Corporation, dba Silverstrand Construction, was the lowest responsive bid in an amount of \$3,634,183.
- RAL Investment Corporation withdrew its bid on September 4, 2024.
- Dick Miller, Inc. is the second lowest bidder with a responsive bid in an amount of \$3,882,738.
- Staff determined that Dick Miller, Inc. submitted a responsive bid and is a responsible bidder.

Staff recommend that the City Council authorize an additional appropriation of \$600,000 in TransNet and \$250,000 in Gas Tax funds, for a total appropriation request of \$850,000, accept the bids and award a construction contract to Dick Miller, Inc. in an amount not to exceed \$3,882,738.

Fiscal Analysis

The project is currently funded using TransNet funds. An additional appropriation of \$850,000 is required to award the contract to the second lowest responsive and responsible bidder, the construction contingency and other construction-related costs.

An appropriation of TransNet funds in the amount of \$600,000 was forecasted for construction in the fiscal year 2024-25 Capital Improvement Program budget and additional appropriation of \$250,000 from gas tax funds is needed to fund the second lowest bid for a total appropriation request of \$850,000.

Gas tax funds are needed as an alternate source of funding because additional funds are needed beyond the TransNet funds currently assigned to this project. Additional funding from TransNet funding beyond what has been requested and scheduled is not immediately available because it would require an amendment to the San Diego Association of Governments, or SANDAG's, approved Regional Transportation Improvement Program, which offers only a few amendments per year.

Available funding and estimated construction costs for the project are shown in the table below:

El Camino Real Widening from Sunny Creek Road to Jackspar Drive Project Capital Improvement Program Project No. 6094	
Total appropriation to date	\$5,010,000
Total expenditures and encumbrances to date	-\$839,454
Total available funding	\$4,170,546
Construction contract – Dick Miller, Inc.	-\$3,882,738
Construction contingency	-\$650,000
Construction management, inspection, material testing, support services and staff support (estimated)	-\$485,000
Total estimated project costs	-\$5,017,738
Remaining balance	-\$847,192
Additional appropriation requested (rounded)	\$850,000

Carlsbad Municipal Code Sections 3.28.040(C)(5) and 3.28.090(B) authorize the City Manager or designee to approve change orders in an amount equal to the contingency set at the time of project award, which for this project is \$650,000.

Next Steps

Once the City Council accepts the remaining bids and awards the construction contract to Dick Miller, Inc., staff will issue a purchase order, schedule a pre-construction meeting with Dick Miller, Inc. and issue a notice to proceed for construction of the project.

Construction is expected to commence in December 2024 with a duration of about 12 months and an estimated completion date of December 2025.

Environmental Evaluation

The City Planner, through the process outlined in Carlsbad Municipal Code Section 19.04.060, has determined that the project belongs to a class of projects that the state Secretary for Natural Resources has found do not have a significant impact on the environment. It is therefore categorically exempt from the requirement for the preparation of environmental documents pursuant to Guideline Section 15303(d) Class 3 of the California Environmental Quality Act.

In making this determination, the City Planner has found that the exceptions listed in Section 15300.2 of the guidelines do not apply to this project. The project is consistent with 15303(d) Class 3 because it consists of construction limited to new facilities, such as street improvements of reasonable length. The project fills in an existing gap in pedestrian and street facilities. A

notice of this determination was circulated to the public for a 10-day period, which began on Oct. 19, 2022, and ended on Oct. 31, 2022, and no appeal was filed.

Exhibits

1. City Council resolution
2. Location map

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, ACCEPTING THE BIDS AND AWARDING A CONTRACT TO DICK MILLER, INC. FOR THE EL CAMINO REAL WIDENING FROM SUNNY CREEK ROAD TO JACKSPAR DRIVE PROJECT IN AN AMOUNT NOT TO EXCEED \$3,882,738 AND AUTHORIZING AN ADDITIONAL APPROPRIATION IN AN AMOUNT OF \$600,000 FROM TRANSNET FUNDS AND \$250,000 FROM GAS TAX FUNDS TO CAPITAL IMPROVEMENT PROGRAM PROJECT NO. 6094

WHEREAS, the City Council of the City of Carlsbad, California, has determined it is necessary, desirable and in the public interest to construct the El Camino Real Widening from Sunny Creek Road to Jackspar Drive Project, Capital Improvement Program, or CIP, Project No. 6094; and

WHEREAS, Carlsbad Municipal Code, or CMC, Sections 3.28.080(C) and 3.28.080(I)(6), which govern purchasing in construction contracts, require the City Council to award all formally bid contracts when the value exceeds \$200,000; therefore, the project is subject to this requirement; and

WHEREAS, on April 16, 2024, the City Council adopted Resolution No. 2024-075, approving the project plans and specifications and authorizing advertisement for construction bids for the project; and

WHEREAS, on May 29, 2024, staff received five bids for construction of the project, and the low bidder subsequently withdrew its bid; and

WHEREAS, Dick Miller, Inc. submitted the second lowest responsive bid in an amount not to exceed \$3,882,738 and staff determined Dick Miller, Inc. is a responsible bidder; and

WHEREAS, CMC Sections 3.28.040(C)(5) and 3.28.090(B) authorize the City Manager or designee to approve change orders in an amount equal to the contingency set at the time of project award, which is \$650,000 for the project; and

WHEREAS, staff request an additional appropriation in an amount of \$600,000 from TransNet funds and \$250,000 from Gas Tax funds, for a total appropriation request of \$850,000, to CIP Project No. 6094 to complete the project; and

WHEREAS, the City Planner, through the process outlined in CMC Section 19.04.060, has determined that the project belongs to a class of projects that the State Secretary for Natural Resources has found do not have a significant impact on the environment. It is therefore categorically exempt from the requirement for the preparation of environmental documents pursuant to Guideline Section 15303(d) Class 3 of the California Environmental Quality Act; and

WHEREAS, in making this determination, the City Planner has found that the exceptions listed in Section 15300.2 of the Guidelines do not apply to this project. The project is consistent with 15303(d) Class 3 because it consists of construction limited to new facilities, such as street improvements of reasonable length. The project fills in an existing gap in pedestrian and street facilities. A notice of this determination was circulated to the public for a 10-day period, which began on Oct. 19, 2022, and ended on Oct. 31, 2022, and no appeal was filed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the second lowest responsive bid of \$3,882,738 submitted by Dick Miller, Inc. for construction of the El Camino Real Widening from Sunny Creek Road to Jackspar Drive Project, CIP Project No. 6094, is accepted, and the Mayor is authorized to execute the contract for the project.
3. That the City Manager or designee is authorized to approve construction change orders up to \$650,000 for the El Camino Real Widening from Sunny Creek Road to Jackspar Drive Project, CIP Project No. 6094.
4. That the City Manager or designee is authorized to appropriate \$600,000 from TransNet funds and \$250,000 from Gas Tax funds to CIP Project No. 6094.
5. That the City Manager or designee is authorized to sign all other documents necessary for regulatory compliance, to extend funding opportunities, or to otherwise implement and finalize the project, all of which are subject to review and approval as to form by the City Attorney's office.
6. That the award of this contract is contingent upon Dick Miller, Inc. executing the required contract and submitting the required bonds and insurance policies, as described in the contract, within 20 calendar days after adoption of this Resolution. The City Manager may grant reasonable extensions of time to execute the contract and assemble the required bonds and insurance policies.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the ___ day of _____, 2024, by the following vote, to wit:

AYES:

NAYS:

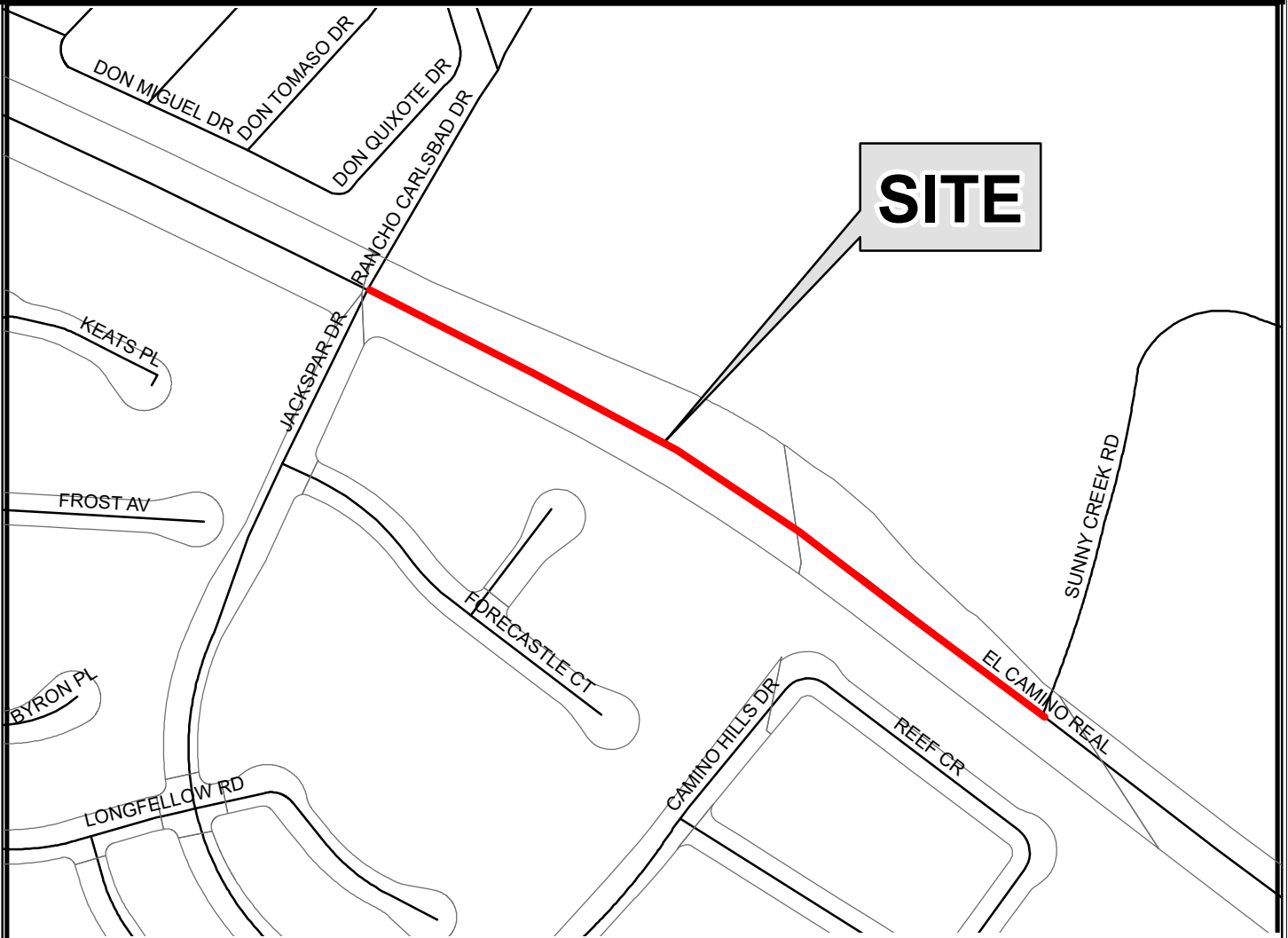
ABSTAIN:

ABSENT:

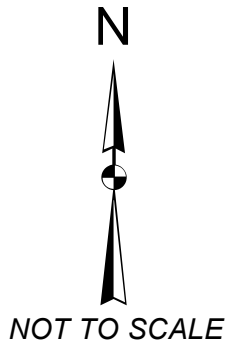
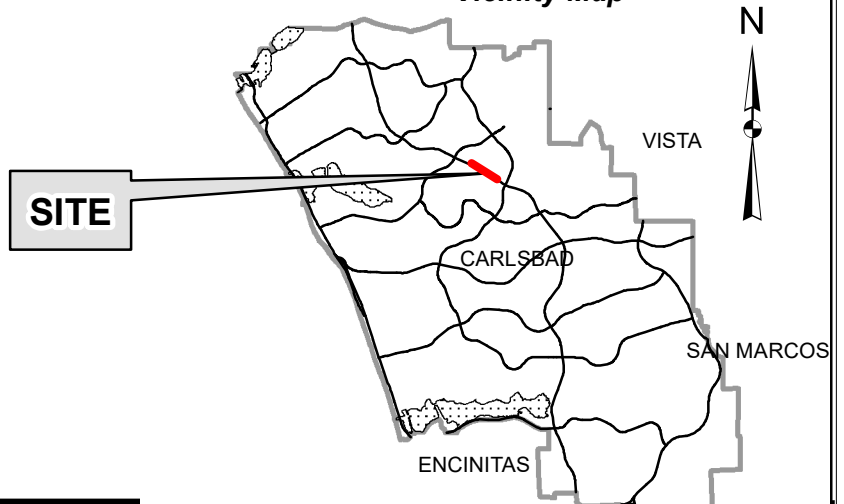
KEITH BLACKBURN, Mayor

SHERRY FREISINGER, City Clerk
(SEAL)

LOCATION MAP



OCEANSIDE **Vicinity Map**



PROJECT NAME
EL CAMINO REAL WIDENING
FROM SUNNY CREEK ROAD TO JACKSPAR DRIVE
PROJECT

PROJECT NUMBER
6094

EXHIBIT
2



CITY COUNCIL
Staff Report

Meeting Date: Sept. 10, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Zach Korach, Finance Director/Deputy City Treasurer
 zach.korach@carlsbadca.gov, 442-339-2127

Subject: Investment Review Committee Update

Districts: All

Recommended Action

Receive the update and provide direction to staff.

Executive Summary

Section 10.0 of the city's Investment Policy (Exhibit 1) creates the Investment Review Committee, which is comprised of five voting members: the City Treasurer, City Manager, City Attorney, Deputy City Manager of Administrative Services and Finance Director. The City Treasurer may also appoint non-voting resident advisors to the Committee.

Staff are seeking the City Council's direction to restructure the Committee to better comply with the Brown Act. Upon receiving direction, staff will present a resolution amending Section 10.0 of the city's Investment Policy and an ordinance amending the Carlsbad Municipal Code to include the Committee to reflect the City Council's recommendations.

Explanation & Analysis

The City Council adopted the city's Investment Policy on Jan. 2, 1985. Amendments to the policy have also been adopted by the City Council to provide proper guidance to the elected City Treasurer and city staff, improve the city's ability to manage city funds and maintain compliance with the California Government Code.

Notably, the City Council's adoption of the amended Investment Policy on Sept. 10, 1985, included the initial establishment of the city's Investment Review Committee. The Investment Review Committee was tasked with "conduct[ing] periodic reviews of the City's investment portfolio, the strategy being utilized for the investment of City funds, and the City's investment policy."

Since the committee's inception, and throughout numerous City Council-approved amendments, members have included the City Manager, City Attorney, Deputy City Manager of Administrative Services, Finance Director and the City Treasurer.

On Feb. 13, 2007, the City Council-approved Investment Policy included a change that granted the City Treasurer authority to appoint resident advisors to the committee.

The Investment Review Committee is currently structured with five voting members: the City Treasurer, City Manager, City Attorney, Deputy City Manager of Administrative Services and Finance Director. The Committee also currently has three active non-voting resident advisors.

Across the region, only two cities have committees dedicated to investment review:

- The City of Vista's Investment Advisory Committee meets twice per year and members consist of the city manager, city attorney and three residents appointed by the city council.
- The City of Oceanside's Citizen Investment Oversight Committee meets quarterly with at least five city treasurer-nominated and city council-approved resident members.

To improve the city's ability to manage city funds and enhance the level of transparency and oversight over the city's investment activities, staff are recommending removing city staff from the committee to better comply with the Brown Act. Staff are seeking direction as to the appointment of committee members, duties, qualifications and the committee naming convention.

Fiscal Analysis

Supporting the Committee in compliance with the Brown Act will involve staff time that will be absorbed within the existing workload of the Administrative Services Department. The estimated annual cost of \$4,000 for technical support, videography and archiving the meeting videos will be requested as part of a mid-year budget adjustment.

Options

Option 1: Provide direction to staff regarding the appointment, duties, qualifications and naming of the Committee:

Appointment: Staff seek guidance as to the five-member Committee appointment process.

- Option 1: The Mayor appoints all members of the Committee.
- Option 2: The Mayor and City Council each appoints a member of the Committee.
- Option 3: The City Treasurer nominates and City Council approves the members of the Committee.

Duties: Staff seek approval of the following duties attributed to the Committee.

- The Committee shall conduct reviews of the city's investment portfolio and the strategy being utilized for the investment of city funds to ensure compliance with the city's Investment Policy.
- The Committee shall review the city's Investment Policy and make recommendations to the City Treasurer as needed at least once a year.
- The Committee shall act in an advisory capacity and shall not make investment decisions.
- Committee members shall meet periodically as necessary or desirable, but not less frequently than once each quarter.

Special Qualifications: Staff seek guidance as to whether the City Council wants to establish minimum qualifications for the members of the Committee.

- Option 1: The member must have a four-year college degree majoring in business administration, public administration, accounting, finance or economics. The person must have four years of financial work experience. In lieu of the work experience required, the person may have one of the following:
 - A valid certificate from the California State Board of Accountancy to practice as a Certified Public Accountant;
 - A valid Chartered Financial Analyst credential or a Certificate in Investment Performance Management from the CFA Institute;
 - A valid Certified Investment Management Analyst certification from the Investments & Wealth Institute; or
 - A valid Certified California Municipal Treasurer designated from the California Municipal Treasurers Association.
- Option 2: No special qualifications.

Naming Convention: Given that the Committee will comply with the Brown Act requirements, staff recommends amending Title 2 of the Carlsbad Municipal Code to include the Committee and seeks guidance as to the naming convention.

- Alternative 1: Keep the name as the Investment Review Committee.
- Alternative 2: Change the name to the Investment Review Advisory Board.

Option 2: Defer any changes to the Committee until such time as newly elected treasurer is in office so City Council may obtain input from elected City Treasurer.

Option 3: Provide alternative direction as desired.

Next Steps

Based on City Council direction, staff will bring forward a resolution updating Section 10.0 of the Investment Policy to formalize the new structure of the Committee, and an ordinance amending Title 2 of the Carlsbad Municipal Code to incorporate the Committee into the municipal code. The Deputy City Treasurer will continue to implement the Investment Policy until the new City Treasurer takes office.

Environmental Evaluation

This action does not require environmental review because it does not constitute a project within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change or a reasonably foreseeable indirect physical change in the environment.

Exhibits

1. City's Investment Policy

**City of Carlsbad
Investment Policy
March 12, 2024**



Craig Lindholm
City Treasurer
1635 Faraday Avenue
Carlsbad, CA 92008
(442) 339-5246

www.carlsbadca.gov/city-hall/other-elected-officials/city-treasurer

Table of Contents

1.0	Policy	4
2.0	Scope	4
2.1	Pooled Investments.....	4
2.2	Investments Held Separately	5
3.0	Prudence	5
4.0	Objective	5
4.1	Safety.....	5
4.2	Liquidity	5
4.3	Return on Investment	6
5.0	Delegation of Authority	6
6.0	Ethics and Conflicts of Interest	6
7.0	Authorized Financial Dealers and Institutions.....	7
7.1	Financial Institutions	7
7.2	Broker & Dealers	7
7.3	Purchase, Sale, Payment, and Delivery	7
8.0	Authorized and Suitable Investments.....	8
8.1	Pooled Investments.....	8
8.2	Investments Held Separately	12
8.3	New Securities.....	12
8.4	Housing Loans.....	12
9.0	Unauthorized Investments	12
10.0	Review of Investment Portfolio	12
10.1	Exceptions	13
11.0	Investment Pools & Mutual Funds	13
12.0	Collateralization, Perfection, Security and Contracts.....	14

13.0 Safekeeping and Custody.....	14
14.0 Diversification	14
15.0 Maximum Maturities and Maximum Modified Duration.....	14
15.1 Maximum Maturities for Pooled Investments.....	15
15.2 Maximum Modified Duration.....	15
15.3 Investments Held Separately	16
16.0 Internal Controls	16
17.0 Performance Standard for Pooled Investments	16
18.0 Short-term Borrowing.....	16
18.1 Short-term Loan	17
18.2 Line of Credit	17
19.0 Investment Strategy.....	17
19.1 Pooled Investments.....	17
19.2 Investments Held Separately	17
20.0 Reporting.....	17
20.1 Pooled Investments.....	17
20.2 Investments Held Separately	18
21.0 Investment Policy Adoption.....	18
22.0 Glossary.....	19
24.0 Summary of Authorized Investments	24

City of Carlsbad
Investment Policy

March 12, 2024

(Supersedes Investment Policy dated Feb. 7, 2023)

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities. Related activities which comprise good cash management include accurate cash projections, the expeditious collection of revenue, the control of disbursements, cost-effective banking relations, and arranging for a short-term borrowing program which coordinates working capital requirements and investment opportunities.

1.0 Policy

It is the policy of the City of Carlsbad to invest public funds not required for immediate day-to-day operations in safe, liquid, and medium-term investments. These investments shall yield an acceptable return while conforming to all California statutes and the city's Investment Policy.

2.0 Scope

It is intended that this policy cover the investment activities of all contingency reserves and inactive cash under the direct authority of the city.

2.1 Pooled Investments

Investments for the city and its component units will be made on a pooled basis including, but not limited to, the City of Carlsbad, the Housing Authority of the City of Carlsbad, the City of Carlsbad Public Improvement Corporation, and the Carlsbad Municipal Water District. The city's Annual Comprehensive Financial Report identifies the fund types involved as follows:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Fiduciary Funds
- Miscellaneous Special Funds
- Any new funds created by the City Council, unless specifically exempt.

2.2 Investments Held Separately

Investments of bond proceeds will be held separately when required by the bond indentures or when necessary to meet arbitrage regulations. If allowed by the bond indentures, or if the arbitrage regulations do not apply, investments of bond proceeds will be held as part of the pooled investments.

3.0 Prudence

California Government Code Section 53600.3 identifies trustees those persons authorized to make investment decisions on behalf of a local agency. As a trustee, the standard of prudence to be used shall be the "Prudent Investor" standard and shall be applied in the context of managing the overall portfolio. The Prudent Investor standard states that a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

It is the policy of this Council that investment officers acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk changes or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

4.0 Objective

California Government Code Section 53600.5 outlines the primary objectives of a trustee investing public money. The primary objectives, in order of priority, of the city's investment activities shall be:

4.1 Safety

Safety of principal is the foremost objective of the investment program. Investments of the city shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. To attain this objective, the City Treasurer will diversify the city's investments by investing funds among a variety of securities with independent returns.

4.2 Liquidity

The city's investment portfolio will remain sufficiently liquid to enable the city to meet all operating requirements which might be reasonably anticipated.

4.3 Return on Investment

Investment return becomes a consideration only after the requirements of safety and liquidity have been met. The City Treasurer shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements shall be commensurate with the city's investment risk constraints identified in the Investment Policy and the cash flow characteristics of the portfolio.

The City Treasurer should strive to maintain the level of investment of all contingency reserves and inactive funds as close to 100% as possible. While the objectives of safety and liquidity must first be met, it is recognized that portfolio assets represent a potential source of significant revenues. It is to the benefit of the city that these assets be managed to realize a yield on investments consistent with California statutes and the city's Investment Policy.

5.0 Delegation of Authority

By the annual adoption of this policy, the management of inactive cash and the investment of funds identified in Section 2.0 Scope is the responsibility of the City Treasurer as directed by the City Council. Under the authority granted by the City Council, no person may engage in an investment transaction covered by the terms of this policy unless directed by the City Treasurer.

In the execution of this delegated authority, the City Treasurer may establish accounts with qualified financial institutions and brokers/dealers for the purpose of effecting investment transactions in accordance with this policy. The criteria used to select qualified financial institutions and brokers/dealers are identified in Section 7.0 Authorized Financial Dealers and Institutions.

The City Treasurer may designate in writing a Deputy City Treasurer who, in the absence of the City Treasurer, will assume the City Treasurer's duties and responsibilities. The City Treasurer shall retain full responsibility for all transactions undertaken under the terms of this policy.

In the endeavor to have all inactive cash invested all the time, the City Manager may designate an employee to assist the City Treasurer.

6.0 Ethics and Conflicts of Interest

All participants in the city's investment process shall seek to act responsibly as custodians of the public trust. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper

execution of the investment program, or which could impair their ability to make impartial investment recommendations and decisions. Investment officials and employees shall make all disclosures appropriate under the Fair Political Practices Act and may seek the advice of the city attorney and the Fair Political Practices Commission whenever there is a question of personal financial or investment positions that could represent potential conflicts of interest.

7.0 Authorized Financial Dealers and Institutions

Investments shall be purchased only through well established, financially sound institutions. The City Treasurer may maintain a list of financial institutions and broker/dealers who are approved to provide the city with investment services. This list should be updated annually by the City Treasurer to ensure compliance with this Investment Policy. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions will be given a copy of the city's Investment Policy and provide written confirmation indicating that the Investment Policy has been read, understood and that their investment offers will comply with this policy. Qualified financial institutions and broker/dealers must supply the City Treasurer with the documents below.

7.1 Financial Institutions

- Current audited financial statements.
- Depository contracts, as appropriate.
- A copy of the latest Federal Deposit Insurance Corporation call report, and
- Proof that commercial banks, savings banks, or savings and loan associations are state or federally chartered.

7.2 Broker & Dealers

- Current audited financial statements.
 - Proof that brokerage firms are members in good standing of a national securities exchange, or
 - A designation as a primary government dealer by the Federal Reserve Bank
- Commercial banks, savings banks, and savings and loan associations must maintain a minimum net worth to asset ratio as provided by law (total regulatory net worth divided by total assets) and must have had positive net earnings for the last reporting period.

7.3 Purchase, Sale, Payment, and Delivery

A competitive bid process, when deemed practical by the City Treasurer, will be used to place all investment transactions. It is recommended that the City

Treasurer obtain two or more bids from broker/dealers before purchasing an investment, and three or more quotes when selling an investment. When two or more investment opportunities offer essentially the same maturity, liquidity, yield, and quality, the City Treasurer may consider financial institutions based in the City of Carlsbad, the State of California, and within the United States. Payment for securities will be done on a Delivery Versus Payment (DVP) basis via the city's custodian. Delivery of securities will be made to the city in accordance with the third-party custodial agreement.

8.0 Authorized and Suitable Investments

Except for Certificates of Deposit, investments will be made only in readily marketable securities actively traded in the secondary market.

8.1 Pooled Investments

The City Treasurer may invest city funds in the following instruments as specified in the California Government Code Section 53601 and as further limited in this policy.

8.1.1 Obligations of the U.S. Government

Government Sponsored Enterprise (GSE) debt and its agencies.

- Maximum remaining maturity of five years as of the date of settlement.
- Percentage of portfolio, issuer, and ratings are not applicable.

8.1.2 Municipal Bonds

Bonds of any local agency within the United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 15% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of "AA" by one and "A" another of the three Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.

8.1.3 Bankers Acceptances

Bankers Acceptances drawn on and accepted by a commercial bank.

- Maximum maturity 180 days as of the date of settlement.
- Shall not exceed 25% of the investment portfolio.
- No more than 10% of the portfolio may be invested in any single issuer.
- Rating measures are not applicable.

8.1.4 Certificates of Deposit

Investments in Certificates of Deposit and checking accounts shall be fully insured up to the amount allowed per account by the Federal Deposit Insurance Corporation or the National Credit Union Administration. The city may use a private sector entity that assists in the placement of Certificates of Deposit.

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 30% of the investment portfolio.
- No more than 10% of the portfolio may be invested in any single issuer.
- Rating measures are not applicable.

8.1.5 Negotiable Certificates of Deposit

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank.

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 30% of the investment portfolio.
- No more than 10% of the portfolio may be invested in any single issuer.
- Rating measures are not applicable.

8.1.6 Commercial Paper

Eligible paper is limited to issuing General Corporations that are organized and operating within the United States and having total assets in excess of \$500 million.

- Maximum remaining maturity of 270 days as of the date of settlement.
- Shall not exceed 10% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of "AA" by two of Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies: Moody's Investors Service, Inc. and S&P Global Ratings if the issuer has other existing debt.

8.1.7 Repurchase Agreements

The market value of securities that underlay a Repurchase Agreement shall be valued at 102% or greater of the funds borrowed against those securities.

- Maximum remaining maturity of one year as of the date of settlement.
- Shall not exceed 5% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Rating measures are not applicable.

8.1.8 Corporate Notes

Corporate Notes permitted are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

New investments made directly into corporations involved in the business of exploration, extraction, or further processing of oil and gas are not eligible for investment.

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 30% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of "AA" by one and "A" another of the three Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.

8.1.9 Money Market Funds

Money market funds whose portfolio consists of one or more of the foregoing lawful investments.

8.1.10 Sweep Accounts

Sweep accounts for the investment of overnight funds when the funds are swept into investments allowed by this policy.

8.1.11 Local Agency Investment Fund (LAIF)

LAIF of the State of California Investments will be made in accordance with the laws and regulations governing those Funds.

8.1.12 California Asset Management Program (CAMP)

CAMP investments will be made in accordance with the laws and regulations governing those funds.

8.1.13 Supranational Securities

Supranational securities are defined as United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD or World Bank), International Finance Corporation (IFC), or Inter-American Development Bank (IADB). These organizations were established by international treaties, are headquartered in Washington D.C., and incorporated into U.S. Federal Law by Congressional Acts.

California Government Code Section 53601(q) permits the securities of these three organizations to be incorporated into local agency investment portfolios.

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 10% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of “AA” by at least two of the three Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.

8.1.14 Agency Backed Mortgage Passthrough Securities

Mortgage passthrough securities issued or guaranteed by the U.S. Government and its agencies.

- Maximum remaining maturity of five years as of the date of settlement.
- Percentage of portfolio, issuer, and ratings are not applicable.

8.1.15 Non-agency Backed Mortgage Passthrough Securities

Non-agency backed mortgage passthrough security, collateralized mortgage obligation, mortgage backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond.

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 5% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of “AA” by at least one of the three Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.

8.2 Investments Held Separately

Investments of bond funds will be made in conformance with the trust indenture for each issue. Such investments will be held separately when required.

8.3 New Securities

New types of securities authorized by California law, but which are not currently allowed by the city's Investment Policy, must first be approved by the City Council.

8.4 Housing Loans

Housing loans approved by the City Council to private developers and homeowners as part of the city housing program shall comply with California statutes, but need not meet the investment objectives and the risk management requirements of this Investment Policy. The City Council will manage these loans directly. As assets of the city, individual loans will be reported by the City Treasurer and any changes will be explained. Collections and conformance with the requirements of each individual housing loan will be reported as an addendum to the City Treasurer's investment report each quarter.

9.0 Unauthorized Investments

California Government Code Section 53601.6 disallows the following investments acquired after January 1, 1996:

- Inverse floaters
- Range notes
- Interest-only strips that are derived from a pool of mortgages.

In addition, and more generally, investments are further restricted as follows:

- No investment will be made in any security that could result in zero interest accrual if held to maturity.
- No investment will be made that could cause the portfolio to be leveraged.
- Purchases of investments on margin will not be made.

10.0 Review of Investment Portfolio

An Investment Review Committee is hereby established to conduct reviews of the city's investment portfolio, the strategy being utilized for the investment of city funds, and the city's Investment Policy. This committee will be composed of the City Treasurer (acting as the chair), the City Manager, the City Attorney, the Deputy City Manager of Administrative Services and the Finance Director or delegate from each such department. Additionally, the City Treasurer may appoint other city residents as advisors to the committee. The committee will convene

periodically as necessary or desirable but, not less frequently than once each quarter.

10.1 Exceptions

The securities held must be in compliance with Section 8.0 Authorized Investments at the time of purchase. Occasionally, exceptions to some of the requirements specified in this Investment Policy may occur for pooled investments because of events subsequent to the purchase of investment instruments, e.g., the rating of a corporate note held in the portfolio has been downgraded by an NRSRO or the total value of the portfolio has declined causing the percentage invested in corporate notes to rise above 30%, or an unforeseen expenditure causes investments maturing within one year to fall below two-thirds of the approved operating budget of the current fiscal year. California Government Code Section 53601 specifies a percentage limitation for a particular category of investment. That percentage is applicable only at the date of purchase. Exceptions may be temporary or more lasting; they may be self-correcting or require specific action. If specific action is required, the City Treasurer will determine the course of action that will correct exceptions to move the portfolio into compliance with state and city requirements. Decisions to correct exceptions will not expose the assets of the portfolio to undue risk and will not impair the meeting of financial obligations as they fall due. Any subsequent investments will not extend existing exceptions. Exceptions, and the decisions to correct the exceptions, will be reviewed with the Investment Review Committee and reported on the monthly investment report presented to city council.

11.0 Investment Pools & Mutual Funds

An investigation and due diligence will be conducted before investing in any investment pool or mutual fund. The City Treasurer shall review at a minimum:

- The investment policy and objectives.
- Interest calculations and distributions.
- Safeguard and settlement processes.
- A description of the program including legal investors and the minimums and maximum transactions allowable.
- Schedule for receiving statements.
- How reserves and retained earnings are treated.
- The fee schedule.

12.0 Collateralization, Perfection, Security and Contracts

When required by California statute or this Investment Policy, any investment capable of being collateralized, shall be collateralized by the required amounts imposed by law. To give greater security to the city's investments, when an investment is collateralized and not perfected under existing law, an attempt to perfect the collateralization should be made.

California Government Code Section 53652 requires that the depository secure active or inactive deposits with eligible securities having a fair market value of at least 10% more than the total amount of all deposits, and 50% in excess of the deposit when secured with mortgage pools. California Government Code Section 53649 specifies that the City Treasurer is responsible for entering into deposit contracts with each depository.

13.0 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the city shall be conducted on a delivery-versus-payment basis. All securities owned by the city will be held by a third-party custodian designated by the City Treasurer and evidenced by a monthly statement from the custodian. All securities will be held in the nominee name of the custodian unless the counterparty bank's trust department is used for the delivery of the security, in which case the security will be held in the city's name. Collateral for time deposits in banks will be held in the city's name in the bank's Trust Department or in the Federal Reserve Bank.

14.0 Diversification

The portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. In addition to the limitations on specific security types indicated in Section 8.0 Authorized Investments, and with the exception authorized pools and investments, no more than 5% of the city's portfolio will be placed with any single issuer.

15.0 Maximum Maturities and Maximum Modified Duration

Maximum maturity and maximum modified duration evaluation supports the principal of liquidity by ensuring that adequate cash is available to meet anticipated cash flow requirements of the city.

15.1 Maximum Maturities for Pooled Investments

A policy of laddered maturities will generally be followed for pooled investments. The following maturity requirements will apply as of the month end of each reporting period.

15.1.1 Two-Thirds Within One Year

Investments maturing within one year, measured at par value, must be no less than two-thirds of the approved operating budget of the current year. This requirement should be met within three months following adoption of the current operating budget. Remaining investments of the portfolio shall not have a maturity greater than five years from the date of investment except as provided in Section 15.1.3 Five Year Exception.

15.1.2 Three Years Average

The average portfolio investment maturity shall be three years or less. A dollar-weighted average will be used in computing the average maturity of the portfolio.

15.1.3 Five-Year Exception

Before an investment, which is allowed by California statute, is made in securities that mature more than five years from the date of purchase, the City Treasurer and the Deputy City Manager of Administrative Services will review the city's long-term cash needs. Both must concur before such an investment is made. A resolution authorizing such investment must first be approved by the City Council. Investments beyond five years will not be greater than 10% of the portfolio and will be counted in the percentage of the portfolio that may mature beyond one year.

15.1.4 Ten-Year Limit

No investments will be made that mature beyond 10 years from the date of investment.

15.1.5 Callable Investments

Callable investments will be recorded at their maturity dates.

15.2 Maximum Modified Duration

The investment restrictions identified in paragraphs of Section 8.0 Authorized Investments and Section 9.0 Unauthorized Investments, and the maturity requirements identified in Section 15.1 Maximum Maturities for Pooled Investments, imply that the value of city investments should not change more than 2.2% for every 1% change in market interest rates. To ensure that this is the case, a maximum modified duration is established at 2.2. This states that the

unrealized gains and losses of the portfolio are not expected to exceed 2.2% for every 1% change in market interest rates. A modified duration in excess of 2.2 would indicate that the portfolio is exposed to more market risk than is desired by this policy. If the modified duration of 2.2 is exceeded, an explanation will be made in the first monthly report following the occurrence.

15.3 Investments Held Separately

Maturities for investments held separately will conform to the trust indenture for each issue.

16.0 Internal Controls

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the city are protected from loss, theft, fraud or misuse. The treasurer shall present all monthly and annual reports to the City Council, internal auditor, deputy city manager, finance manager, and by the city's external auditors in the conduct of their annual audit of the city.

17.0 Performance Standard for Pooled Investments

Laddered maturities and a buy and hold strategy for pooled investments will cause the investment portfolio to attain a market-average rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the city's cash flow needs. Since the amount maturing within one year must be at least equal to two-thirds of the currently approved operating budget, the rate of return will be more closely related to, but lag behind, changes in short-term market rates. The rate of return of the investment portfolio will be based on the maturity value of the investments. A dollar-weighted average of yields to maturity will be used in calculating the rate of return of the entire portfolio. The city's performance benchmarks may change from year to year but should strive to mirror the assets held in the city's portfolio.

18.0 Short-term Borrowing

The city is permitted by law to borrow money to meet current short-term cash flow needs. These needs may arise either because projected cash disbursements exceed projected cash receipts, or because the city's cash accounts may be temporarily overdrawn due to the efforts to invest 100% of inactive funds at all times. To provide for these contingencies the City Treasurer is authorized to take the following actions:

18.1 Short-term Loan

When there is a shortfall between projected cash revenues and projected cash disbursements, the City Treasurer may secure a loan in the amount that would equal the cash deficit plus projected cash disbursements for one month. Any such loan will be repaid within one year.

18.2 Line of Credit

The City Treasurer may maintain a line of credit with the city's bank in an amount to cover sums temporarily overdrawn because of efforts to invest all inactive funds at all times.

19.0 Investment Strategy

19.1 Pooled Investments

A buy and hold strategy will be followed; that is, investments once made will be held until maturity. A buy and hold strategy will result in unrealized gains or losses as market interest rates fall or rise from the coupon rate of the investment. Unrealized gains or losses, however, will diminish as the maturity dates of the investments are approached or as market interest rates move closer to the coupon rate of the investment. A buy and hold strategy requires that the portfolio be kept sufficiently liquid to preclude the undesired sale of investments prior to maturity. Occasionally, the City Treasurer may find it advantageous to sell an investment prior to maturity, but this should only be on an exception basis and only when it is in the best interest of the city.

19.2 Investments Held Separately

Investments held separately for bond proceeds will follow the trust indenture for each issue.

20.0 Reporting

California Government Code Section 53600 require reports meeting the standards set forth in these sections to be presented to City Council, as well as any additional information desired. Therefore, it is the policy of the city that the investments and transactions described in these sections, and as outlined in Section 20.1 below be given to the City Council, city manager, and internal auditor (or the deputy city manager of administrative services in the absence of an internal auditor).

20.1 Pooled Investments

The investment report will be submitted monthly by the City Treasurer within 60 days following the end of the month covered by the report. The monthly report

will be published to the City Treasurer webpage after reporting to City Council. Each report will include the following elements:

- Itemized listing of portfolio investments by type, yield to maturity, and issuer
- Par value, dollar amount invested, amortized cost, and current market value as of the date of the report will be given for the total of all securities, investments, and moneys held by the city and its component units. The source of the market values will be cited.
- Credit ratings of corporate notes.
- Accrued income.
- Weighted average yield of the portfolio.
- Weighted average days to maturity of the portfolio from the date of the report.
- Weighted average modified duration of the portfolio.
- Dollar amount and percentage of portfolio maturing within one year.
- Dollar amount and percentage of portfolio maturing between one and 5 years.
- Percent that each type of investment represents in the portfolio.
- Investment transactions for the reporting period excluding due dates.
- Fund source of investments when available.
- Statement that the investment portfolio has the ability to meet the city's cash flow demands for the next six (6) months.
- Statement of compliance of the portfolio with the city's Investment Policy. When applicable, any material exceptions will be noted.

An annual report for pooled investments will also be made to the City Council following the close of the fiscal year. Among other items, the annual report will include an analysis of the composition of the portfolio with regard to fund source, a review of trends regarding the size of the fund, portfolio yields, cash income, and a statement regarding anticipated fund activity in the next fiscal year.

20.2 Investments Held Separately

A report of investments held separately will be made quarterly. Within 30 days following the end of the quarter the report will be submitted as an exhibit in the City Treasurer's monthly report. The quarterly report will contain the information required by California Government Code Section 53646 when available.

21.0 Investment Policy Adoption

California Government Code Section 53646(a)(2) allows the City Treasurer to render to the City Council and the Investment Review Committee a statement of Investment Policy and recommends that one be presented each year. Therefore,

the city's Investment Policy and any modifications to it shall be considered no less often than annually at a public meeting. Adoption of the Investment Policy and any changes must be made by resolution of the City Council.

22.0 Glossary

Amortized Cost

The cost of investments adjusted for amortized premiums and discounts. Amortized cost is used to maintain comparability with market value.

Arbitrage Regulation

Laws to control the use of profit making by purchasing securities on one market for immediate resale on another to profit from a price difference.

Bankers Acceptances

An investment vehicle created to facilitate international commercial trade transactions. The bank accepts responsibility to repay a loan to the holder of the investment vehicle created in a commercial transaction. The credit worthiness of Bankers Acceptances are enhanced because they are secured by the issuing bank, the goods themselves, and the importer. Bankers Acceptances are sold on a discounted basis.

Bond Indenture

A written agreement specifying the terms and conditions for issuing bonds, stating the form of the bond being offered for sale, interest to be paid, the maturity date, call provisions and protective covenants, if any, collateral pledged, the repayment schedule, and other terms. It describes the legal obligations of a bond issuer and the powers of the bond trustee, who has the responsibility for ensuring that interest payments are made to registered bondholders.

Book Value

A term synonymous with amortized cost.

Buy and Hold Strategy

Investments in which management has the positive intent and ability to hold each issue until maturity.

California Asset Management Program (CAMP)

A California Joint Powers Authority (JPA) established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code

Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers.

Certificate of Deposit

A deposit account paying interest for a fixed term, with the understanding that funds cannot be withdrawn before maturity without giving notice.

Collateralization

An asset used to secure a debt in part or in full by pledge of collateral. The collateral is used as security to help ensure payment or performance of an obligation.

Commercial Paper

A short-term IOU, or unsecured money market obligation, issued by prime rated commercial firms and financial companies, with maturities from 2 days up to 270 days. A promissory note of the issuer used to finance current obligations and is a negotiable instrument.

Delivery Versus Payment

A securities industry term indicating payment is due when the buyer has securities in hand or a book entry receipt.

Embedded Option

A statement within the bond structure that would alter the interest rate earned by the bond.

Interest-Only Strips

Mortgage backed instrument where investor receives only the interest, no principal, from a pool of mortgages. Issues are highly interest rate sensitive. Cash flows vary between interest periods. As well, the maturity date may occur earlier than that stated if all loans within the pool are pre-paid. High prepayments on underlying mortgages can return less to the holder than the dollar amount invested.

Inverse Floater

A bond or note that does not earn a fixed rate of interest. Rather, the interest rate that is earned is tied to a specific interest-rate index identified in the bond/note structure. The interest rate earned by the bond/note will move in the opposite direction of the index, e.g., if market interest rates as measured by the selected index rises, the interest rate earned by the bond/note will decline. An inverse floater increases the market rate risk and modified duration of the investment.

Laddered Portfolio

A bond investment portfolio with securities in each maturity range (e.g. monthly) over a specified period (e.g. five years).

Leverage

Investing with borrowed money with the expectation that the interest earned on the investment will exceed the interest paid on the borrowed money.

Local Agency Investment Fund (LAIF)

A voluntary investment program offering participating agencies the opportunity to participate in a major portfolio which daily invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer. Investment in LAIF, considered a short-term investment, is readily available for cash withdrawal daily.

Market Risk

The risk that market interest rates will rise causing a loss of value in investments held. All investments made by the city involve a degree of market risk. See also Unrealized Gains (Losses).

Modified Duration

A measure of the sensitivity that the value of a fixed-income security has to changes in market rates of interest. Modified duration is the best single measure of a portfolio's or security's exposure to market risk. Modified duration identifies the potential gain/loss in value before the gain/loss actually occurs. It is a prospective measurement, e.g., a modified duration of 1.5 indicates that when and if a 1% change in market interest rates occurs, a 1.5% change in the value of a security will result. Investments with modified durations of one to three are considered to be relatively conservative.

Negotiable Certificates of Deposit

A large denomination (\$100,000 or more) interest bearing time deposits, paying the holder a fixed amount of interest at maturity. Issues can be sold to a new owner before maturity.

Municipal Bonds

Municipal bonds are debt securities issued by states, cities, counties and other governmental entities to fund day-to-day obligations and to finance capital projects such as building schools, highways or sewer systems.

Nominee Name

The registered owner of a stock or bond if different from the beneficial owner, who acts as holder of record for securities and other assets. Typically, this arrangement is done to facilitate the transfer of securities when it is inconvenient to obtain the signature of the real owner, or the actual owner may not wish to be identified. Nominee ownership simplifies the registration and transfer of securities.

Nationally Recognized Statistical Rating Organization (NRSRO)

A Nationally Recognized Statistical Rating Organization (NRSRO) is a credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission permits other financial firms to use for certain regulatory purposes. Three of the primary recognized rating agencies are Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.

Pooled Investment

A grouping of resources for the common advantage of the participants.

Range Note

An investment whose coupon payment varies (e.g. either 7% or 3%) and is dependent on whether the current benchmark (e.g. 30-year Treasury) falls within a pre-determined range (e.g. between 6.75% and 7.25%).

Repurchase Agreement

A contract to purchase and subsequently sell securities at a specified date and price.

Supranational Organization

A supranational organization is formed by a group of countries through an international treaty. Member states transcend national boundaries or interests to share in the decision-making process to promote economic development in the member countries.

Supranational Securities

Supranational securities are United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD or World Bank), International Finance Corporation (IFC), or Inter-American Development Bank (IADB). These organizations were established by international treaties, are headquartered in Washington D.C and incorporated into U.S. Federal Law by Congressional Acts. The California Government Code Section 53601(q) permits the

securities of these three organizations to be incorporated into local agency investment portfolios.

Sweep Account

A short-term income fund into which all uninvested cash balances from the non-interest-bearing checking account are automatically transferred daily.

Third-Party Custodian

A corporate agent, usually a commercial bank, who, acting as trustee, holds securities under a written agreement for a corporate client and buys and sells securities when instructed. Custody services include securities safekeeping, and collection of dividends and interest. The bank acts only as a transfer agent and makes no buy-sell recommendations.

Unrealized Gains (Losses)

An increase (decrease) in the value of investments representing the difference between the amortized cost of the investments and their current market value. Increases (decreases) in value are caused primarily by changes in market interest rates subsequent to purchasing the investments. Increases (decreases) in value indicate two things: 1. The portfolio has a potential gain (loss) in principal if the securities are sold, and 2. The portfolio is over performing (underperforming) the current market for similar investments. An increase in value indicates the portfolio is earning relatively more interest than current market conditions, and a decrease in value indicates that the portfolio is earning relatively less interest than current market conditions.

Zero Accrual Periods

A period in which an investment accumulates no interest.

24.0 Summary of Authorized Investments

Investment Type	Maximum Maturity ¹	Maximum % Portfolio	Maximum % Issuer	NRSRO Minimum ²
Obligations of the US Government	5 years	-	-	-
Certificates of Deposit	5 years	30%	10%	-
Negotiable Certificates of Deposit	5 years	30%	10%	-
Corporate Notes	5 years	30%	5%	AA/A
Municipal Bonds	5 years	15%	5%	AA/A
Supranational Securities	5 years	10%	5%	AA/AA
Agency Backed Mortgage Passthrough Securities	5 years	-	-	-
Non-agency Backed Mortgage Passthrough Securities	5 years	5%	5%	AA
Repurchase Agreements	1 year	5%	5%	-
Commercial Paper	270 days	10%	(3)	AA/AA
Bankers Acceptances	180 days	25%	10%	-
Money Market Funds	N/A	-	-	-
LAIF	N/A	-	-	-
CAMP	N/A	-	-	-
Sweep Accounts	N/A	-	-	-

¹ Exceptions are addressed in §15.0 Maximum Maturities and Maximum Modified Duration. Total portfolio Modified Duration shall be 2.2 or less.

² NRSROs used by the city are limited to Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc. If two ratings are listed for an investment type, then at least two of the three agencies must have ratings compliant with this Investment Policy. Credit rating minimums include rating modifiers (+/-).

³ Commercial Paper shall not represent more than 5% of the outstanding paper of an issuing company.



CITY COUNCIL
Staff Report

Meeting Date: Sept. 10, 2024
To: Mayor and City Council
From: Scott Chadwick, City Manager
Staff Contact: Nathan Schmidt, Transportation Planning and Mobility Manager
 nathan.schmidt@carlsbadca.gov, 442-339-2734
Subject: Traffic Safety and Mobility Commission Work Plan for Fiscal Year 2024-25
Districts: All

Recommended Action

Adopt a resolution approving the Traffic Safety and Mobility Commission Work Plan for fiscal year 2024-25.

Executive Summary

Carlsbad Municipal Code Section 2.15.020(C) requires that each board or commission provide to the City Council for its approval an annual work plan of activities.

The proposed Traffic Safety and Mobility Commission Work Plan details the activities the commission anticipates undertaking in fiscal year, or FY, 2024-25. The purpose of the work plan is to create a dialogue between the commission and the City Council, and to ensure that the commission is working in line with the City Council's priorities.

Explanation & Analysis

Overview

The city's Traffic Safety and Mobility Commission makes recommendations to the City Council on traffic and pedestrian safety-related issues and provides a public forum to review community input regarding mobility and traffic safety matters.

In July and August 2024, the commission worked with its staff liaison to develop and recommend for City Council approval the attached Traffic Safety and Mobility Commission Work Plan for FY 2024-25, provided in Exhibit 1, Attachment A. Some items that are contained in the FY 2024-25 work plan are multi-year efforts that will carry over into future years.

The commission approved the proposed work plan at its meeting on Aug. 5, 2024. That vote also called for Commissioner Kohl to attend and speak at this City Council meeting to represent the commission with Commissioner Coelho as an alternate, as shown in the draft meeting minutes attached as Exhibit 2.

Next Steps

Once the City Council approves the Traffic Safety and Mobility Commission Work Plan for FY 2024-25, future agendas for the commission will be developed according to the plan.

Fiscal Analysis

There is no fiscal impact associated with this item.

Environmental Evaluation

In keeping with Public Resources Code Section 21065, this action does not constitute a project within the meaning of the California Environmental Quality Act in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Exhibits

1. City Council resolution
2. Draft minutes of the Aug. 5, 2024, Traffic Safety and Mobility Commission meeting

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING THE TRAFFIC SAFETY AND MOBILITY COMMISSION WORK PLAN FOR FISCAL YEAR 2024-25

WHEREAS, Section 2.15.020(C) of the Carlsbad Municipal Code requires that each board or commission provide to the City Council for its approval an annual work plan of activities to be undertaken by the board or commission; and

WHEREAS, consistent with the duties of the Traffic Safety and Mobility Commission under Section 2.28.050 of the Carlsbad Municipal Code, staff prepared a draft annual work plan for the Traffic and Mobility Commission that is designed to promote mobility and traffic safety within the city and to implement the General Plan Mobility Element; and

WHEREAS, on Aug. 5, 2024, the Traffic Safety and Mobility Commission considered and recommended City Council approval of the draft work plan for fiscal year 2024-25.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the City Council approves the Traffic Safety and Mobility Commission Work Plan for fiscal year 2024-25, provided as Attachment A.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the ___ day of _____, 2024, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

KEITH BLACKBURN, Mayor

SHERRY FREISINGER, City Clerk
(SEAL)

City of
Carlsbad
Traffic Safety & Mobility Commission
Work Plan Fiscal Year 2024-25

I. **Mission Statement**

The Traffic Safety & Mobility Commission is committed to enhancing safe mobility for the city and its residents by using data-driven decision-making and a forward-looking approach to transportation. We are transparent and do the right thing the right way.

II. **Duties**

The City Council has established a goal to have the City of Carlsbad become a leader in multimodal transportation systems and creative approaches to moving people and goods through and within the City of Carlsbad. Consistent with Carlsbad Municipal Code Chapter 2.28, the City of Carlsbad Traffic Safety & Mobility Commission was established. Duties of the Traffic Safety & Mobility Commission are defined as follows by the Carlsbad Municipal Code Section 2.28.050:

It shall be the duty of the Traffic Safety & Mobility Commission to study matters concerning mobility and traffic safety, including implementation of the General Plan Mobility Element, and to make written recommendations to the City Council and Planning Commission regarding measures that should be taken to promote mobility and traffic safety within the city as follows:

- A. Review staff studies and reports, and make recommendations to the City Council and Planning Commission on mobility and traffic safety matters, including but not limited to those related to pedestrian, bicycle, vehicular and transit modes of travel, and parking and school safety;
- B. Provide a public forum to review community input regarding mobility and traffic safety matters, including but not limited to those related to pedestrian, bicycle, vehicular and transit modes of travel, and parking and school safety;
- C. Review and provide recommendations for revision to the city codes and plans on mobility and traffic safety matters, including but not limited to pedestrian, bicycle, vehicular and transit modes of travel, and parking and school safety.

III. FY 2024-25 Goals & Objectives

Consistent with Carlsbad Municipal Code Chapter 2.15, the Traffic Safety & Mobility Commission will provide advisory recommendations within the scope of this work plan.

The Traffic Safety & Mobility Commission will focus on the following FY 2024-25 Goals/Objectives:

1. **Goal:** Review staff recommendations on the multimodal transportation system, and provide input based on data, best practices and public input.

a) Objective: Review and provide input on mobility policies, programs, processes, and informational reports including the Growth Management Program (GMP) Annual Monitoring Reports, Parking Master Plans, status related to signal and traffic management center operations from the Signal Coordination (CIP) project, Traffic Impact Fee program and other reports within the purview of the commission. In addition, the Traffic Safety & Mobility Commission will review the list of CIP projects as part of the Transportation Director's bi-annual transportation update report.

Schedule:

- Spring
 - Presentation of the annual GMP Monitoring Report
 - Update on the city's traffic signal program
- Summer and Winter
 - Presentation of the bi-annual Transportation Update Report

b) Objective: Review and provide input on current mobility plans, including the annual progress reports on the Sustainable Mobility Plan, and Citywide Transportation Demand Management (TDM) Program.

• Schedule:

- February 2025: Annual update on the Sustainable Mobility Plan and Multimodal Transportation Impact Fee Program
- Winter 2024: Performance report of the TDM program and Active Transportation Monitoring Report, including metrics on active participants in the TDM program, changes in active transportation use, and other performance indicators.

c) Objective: Review and provide input on Carlsbad Residential Traffic Management Program projects and proposed traffic calming features such as speed cushions, traffic circles, raised crosswalks and curb extensions.

- Schedule:
 - Staff will present Residential Traffic Management projects and traffic calming recommendations on an on-going basis.
 - d) Objective: Review and provide input to the city's transportation planning documents and related policies such as the update of the Transportation Impact Analysis (TIA) Guidelines.
 - Schedule:
 - Staff will present the proposed revisions to the TIA guidelines and vehicle level of service (LOS) evaluation methods in the Winter of 2024 with City Council adoption anticipated in 2025.
 - Staff will present the MMLOS results of the GMP Monitoring Report to the City Council and Traffic Safety & Mobility Commission in 2024.
 - e) Objective: Provide opportunities for public input on scheduled city projects that have the potential to improve mobility options.
 - Schedule:
 - Staff will present mobility related projects and receive community input on an on-going basis.
2. **Goal:** Focus on mobility, including safety improvements, around school locations
- a) Objective: Review and provide input on significant mobility and safety projects near schools. Proactively engage the school district in Safe Routes to School (SRTS) planning and work with the schools to develop SRTS and access plans.
 - b) Objective: Receive informational reports from the Carlsbad Police Department regarding school traffic education and enforcement.
 - Schedule:
 - Staff will present mobility and safety projects near schoolsites on an on-going basis.
 - The Carlsbad Police Department will provide quarterly updates.

Annual Schedule of Items: The following list provides a tentative schedule of re-occurring agenda items that the Traffic Safety & Mobility Commission will review each year.

First Quarter (January – March)

- Semi-Annual Transportation Report
- Growth Management Plan Circulation Section

Second Quarter (April – June)

- Traffic Safety & Mobility Commission Work Plan
- Semi-Annual Transportation Report

Fourth Quarter (October – December)

- TDM and Active Transportation Monitoring Report
- Traffic Safety & Mobility Commission Annual Calendar

Other re-occurring programs to be presented as available:

- Pavement Management Program, annual resurfacing projects
- ADA Improvement Program, bi-annual projects
- ADA Transition Plan
- Sidewalk Improvement Program, bi-annual projects



TRAFFIC SAFETY & MOBILITY COMMISSION

Minutes

Aug. 5, 2024, 4 p.m.

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

CALL TO ORDER: 4:05 p.m.

ROLL CALL: Coelho, Fowler, Penseyres, Proulx, Newlands, Kohl.

PLEDGE OF ALLEGIANCE: Chair Coelho led the Pledge of Allegiance.

APPROVAL OF MINUTES:

Minutes of Regular Meeting held on July 1, 2024.

Motion by Commissioner Kohl, seconded by Commissioner Newlands, to approve the minutes of the Regular Meeting held on July 1, 2024, as presented. Motion carried, 5/0/1 (Proulx – Abstain).

PUBLIC COMMENT: None.

CONSENT CALENDAR:

1. 2024 RESURFACING PROJECT, CAPITAL IMPROVEMENT PROJECT NO. 6001-24 – Support staff's recommendation to the City Council to approve the striping plans for the 2024 Resurfacing Project, Capital Improvement Project No. 6001-24, as a part of the Pavement Management Program. (Staff Contact: Hossein Ajideh and Eric Zielke, Public Works Department).

Motion by Commissioner Penseyres, seconded by Commissioner Kohl, to approve Consent Calendar Item No. 1. Motion carried, 6/0.

DEPARTMENTAL REPORTS:

2. POLICE REPORT REGARDING TRAFFIC & MOBILITY-RELATED MATTERS DURING THE MONTHS OF APRIL, MAY AND JUNE 2024, INCLUDING NOTABLE NEWS FOR THE MONTH OF JUNE – Receive a quarterly report from a representative of the City of Carlsbad's Police Department that will provide an overview of traffic and mobility-related police matters during the months of April, May and June 2024, including notable news for the month of June. (Staff Contact: Lieutenant Alonso DeVelasco, Police Department).

Staff's Recommendation: Receive the report.

Lieutenant Alonso DeVelasco presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

The Commission received the PowerPoint presentation by Lieutenant DeVelasco.

In response to Vice-Chair Fowler's inquiry regarding e-motorcycles, Lieutenant DeVelasco explained that e-motorcycles would need pedals to be considered e-bikes and cannot be registered with the DMV as they are sold because they would need to be modified to meet certain requirements.

In response to Chair Coelho's request that the data from the previous year's corresponding quarter be included in the report, Lieutenant DeVelasco explained that, because the Police Department has changed how they collect data, he would be able to include the corresponding data starting next year.

In response to Chair Coelho's inquiry regarding the decline in warning issued between Quarter 1 and Quarter 2, Lieutenant DeVelasco explained that the decline could possibly be due to the Police Department's vacancies and the success of e-bike safety education.

Chair Coelho requested that future reports include notable news for all months of the corresponding quarter.

3. ASSEMBLY BILL NO. 413 – CALIFORNIA DAYLIGHTING LAW – Receive a presentation on Assembly Bill No. 413 (California Daylighting Law). (Staff Contact: Lindy Pham and John Kim, Public Works Department).

Staff's Recommendation: Receive the presentation.

Associate Engineer Lindy Pham and City Traffic Engineer John Kim presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

The Commission received the PowerPoint presentation by Associate Engineer Pham and City Traffic Engineer Kim.

In response to Commissioner Newlands' inquiry regarding plans to paint red curbs or post signage, City Traffic Engineer Kim explained that the law does not require painted curbs or posted signage.

In response to Commissioner Penseyres' inquiry regarding education for drivers, City Traffic Engineer Kim responded that staff could work with the Communications Department to provide information regarding AB 413.

In response to Commissioner Penseyres' inquiry regarding whether city police officers have been educated on AB 413, Lieutenant Alonso DeVelasco responded that the Police Department has held department-wide briefings to discuss new laws that were taken into effect.

Commissioner Penseyres requested to receive information regarding how many written warnings were issued for violations of AB 413 in the next quarterly report.

In response to Vice-Chair Fowler's inquiry regarding who would be enforcing AB 413, Lieutenant DeVelasco responded that the Police Department has two dedicated community service officers that work in the traffic division and are responsible for parking enforcement. He further explained that anyone in the Police Department can provide enforcement and the responsibility will be distributed amongst all police officers.

In response to Chair Coelho's inquiry regarding why painted red curbs and posted signage would not be included in the standard operating procedure and if there is discussion to add them in the future, City Traffic Engineer explained that there is no discussion at this point due to the expense, feasibility of maintenance, and sign pollution.

In response to Chair Coelho's inquiry regarding how the distance is measured for an unmarked crosswalk, City Traffic Engineer Kim explained that it will be up to the interpretation of the police and judge.

Chair Coelho commented that staff should look into the Carlsbad Village area for potential painted curbs and signage, any area with high pedestrian and tourist traffic.

4. AVIARA OAKS ELEMENTARY AND MIDDLE SCHOOL OFF-SITE TRANSPORTATION IMPROVEMENTS – Receive the report on the Aviara Oaks Elementary and Middle School off-site transportation improvements and provide feedback. (Staff Contact: Nathan Schmidt, Public Works Department).

Staff's Recommendation: Receive the report and provide feedback.

Transportation Planning & Mobility Manager Nathan Schmidt presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

The Commission received the PowerPoint presentation by Transportation Planning & Mobility Manager Schmidt.

In response to Commissioner Penseyres' inquiry regarding whether there have been any requests to reduce the speed limit, City Traffic Engineer John Kim responded that they could check records.

In response to Commissioner Penseyres' inquiry regarding whether green paint instead of white paint could be used for the sharrows, Transportation Planning & Mobility Manager Schmidt responded that green paint could be considered.

In response to Commissioner Penseyres' inquiry regarding bicycle and pedestrians counts, Dennis Pascua with Dudek explained that they collected counts for traffic, bicycles, and pedestrians for 2023. He further explained that he would be able to provide all the counts at a later time. Jessica Kimbrell, Director of Facilities Planning and Construction Management at Carlsbad Unified School District, responded that they collected just over

100 e-bike counts for the middle school and did not collect counts for the elementary school.

5. JEFFERSON ELEMENTARY SCHOOL – SAFE ROUTES TO SCHOOL PLAN – Receive the report on the Safe Routes to School Plan for Jefferson Elementary School and recommend approval of the proposed conceptual plan to City Council. (Staff Contact: Nathan Schmidt and Nick Gorman, Public Works Department).

Staff's Recommendation: Receive the report and recommend approval.

Transportation Planning & Mobility Manager Nathan Schmidt and Associate Engineer Nick Gorman presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

The Commission received the PowerPoint presentation by Transportation Planning & Mobility Manager Schmidt and Associate Engineer Gorman.

Debra Bodine requested a three-way stop at the intersection of Chinquapin Avenue and Jefferson Street.

Jeremy Briggs spoke in favor of the proposed improvements, especially along Tamarack Avenue. He requested speed humps and in-ground or sign flashers on Tamarack Avenue and Garfield Street.

Daniel DeRose spoke about his experience being struck by a vehicle while on his bicycle and at a stop on Jefferson Street.

Commissioner Kohl recommended that staff consider placing more speed tables along Jefferson Street.

Commissioner Kohl recommended that staff consider using a motif as a crosswalk to encourage drivers to slow down.

In response to Commissioner Penseyres' inquiry regarding whether the Coastal Rail Trail could be made unofficially with hard-packed dirt or decomposed granite while waiting for formal approval, Transportation Planning & Mobility Manager Schmidt explained that there are various elements that would need to be looked into, especially since it is located in the railway corridor right-of-way.

Commissioner Penseyres recommended implementing AB 413 with painted red curbs if curb extensions are not used at the intersections.

Commissioner Penseyres inquired whether a survey could be done to determine how many pedestrians would walk on the Linmar Lane sidewalk.

In response to Chair Coelho's inquiry regarding the difference between near-term and long-term improvements, Transportation Planning & Mobility Manager Schmidt explained the long-term improvements require additional analysis and steps, including identifying funding.

Chair Coelho recommended including painted red curbs with AB 413 as part of the standard operating procedure for safe routes to school.

In response to Commissioner Penseyres' recommendation to consider using students to direct traffic, Associate Engineer Gorman responded a similar concept was included in the report and they will mention it to the school for consideration.

Motion by Commissioner Penseyres, seconded by Commissioner Kohl, to approve staff's recommendation. Motion carried, 6/0.

Chair Coelho called for a recess at 5:55 p.m.

Chair Coelho reconvened the meeting at 6:05 p.m.

6. BEACH ACCESS REPAIR AND UPGRADES BETWEEN PINE AND TAMARACK AVENUES, CAPITAL IMPROVEMENT PROGRAM PROJECT NO. 3896 – Support staff's recommendation to the City Council to approve the final plans and specifications for the Beach Access Repair and Upgrades – Pine Avenue to Tamarack Avenue, Capital Improvement Program Project No. 3896. (Staff Contact: Hossein Ajideh and Eric Zielke, Public Works Department).

Staff's Recommendation: Support staff's recommendation.

Engineering Manager Hossein Ajideh and Senior Engineer Eric Zielke presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

The Commission received the PowerPoint presentation by Engineering Manager Ajideh and Senior Engineer Zielke.

In response to Commissioner Kohl's comment regarding pedestrian safety and the removal of the guardrail, Engineering Manager Ajideh explained that, following the American Association of State Highway and Transportation Officials (AASHTO) guidelines, it is not required or recommended to include guardrails for this project. He further explained that guardrails are used to protect vehicles and are a safety hazard to pedestrians.

In response to Commissioner Kohl's inquiry regarding whether a k-rail could be installed, Engineering Manager Ajideh explained that installing any barrier would decrease the walkable space by 1 foot to 1.5 feet.

In response to Commissioner Proulx's inquiry regarding maintenance, Engineering Manager

Ajideh responded that the city will assume the maintenance responsibility.

Commissioner Penseyres recommended looking into record data to see if any vehicles have driven off or crashed into the guardrail.

Commissioner Proulx commented that there have been instances where people have cut their hand grabbing onto the guardrail.

In response to Vice-Chair Fowler's inquiry regarding sea level rise, Engineering Manager Ajideh responded that rising sea level concerns would not affect the plans due to the urgency of the repairs.

In response to Chair Coelho's inquiry regarding whether there is any cost savings of leaving the guardrail as is, Engineering Manager Ajideh responded that the benefit of increasing the walkable space by two feet is far more than the cost of removing it.

Motion by Commissioner Newlands, seconded by Commissioner Proulx, to approve staff's recommendation. Motion carried, 6/0.

7. HIGH-LEVEL BUDGET OVERVIEW FOR FISCAL YEAR 2024-25 – Receive the presentation on high-level budget overview for fiscal year 2024-25. (Staff Contact: Esther Lan, Public Works Department).

Staff's Recommendation: Receive the presentation.

Management Analyst Esther Lan presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

The Commission received the PowerPoint presentation by Management Analyst Lan.

In response to Commissioner Proulx's inquiry regarding whether project funds are earmarked, Management Analyst Lan explained that the funds are still reserved, however, the new approach only changes when those funds are released.

In response to Chair Coelho's inquiry regarding how much the city has spent on traffic-related projects in fiscal year 2023-24, Management Analyst Lan responded that she would be able to provide the information at a later time.

Chair Coelho commented that he would like to know more about each division and the capital improvement projects.

8. FISCAL YEAR 2024-25 – TRAFFIC SAFETY & MOBILITY COMMISSION WORK PLAN – Review and approve the final Fiscal Year 2024-25 Traffic Safety & Mobility Commission Work Plan

and appoint a commissioner to represent the Traffic Safety & Mobility Commission at the City Council meeting where the work plan will be presented for City Council consideration. (Staff Contact: Nathan Schmidt, Public Works Department).

Staff's Recommendation: Receive the presentation and appoint a representative.

Transportation Planning & Mobility Manager Nathan Schmidt presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

The Commission received the PowerPoint presentation by Transportation Planning & Mobility Manager Schmidt.

Motion by Commissioner Newlands, seconded by Commissioner Proulx, to appoint Commissioner Kohl to represent at the City Council meeting. Motion carried, 6/0.

Motion by Commissioner Kohl, seconded by Commissioner Newlands, to appoint Chair Coelho to be the backup representative at the City Council meeting. Motion carried, 6/0.

Motion by Commissioner Kohl, seconded by Commissioner Newlands, to approve the Fiscal Year 2024-25 Traffic Safety & Mobility Commission Work Plan. Motion carried, 6/0.

CITY TRAFFIC ENGINEER COMMENTS:

City Traffic Engineer John Kim spoke about the guardrail removal and explained that the guardrails are not designed to protect pedestrians. He further explained that the guardrails are an energy absorption system meant to prevent cars from driving past the sidewalk.

Transportation Planning & Mobility Manager Nathan Schmidt spoke about the formal appointment of Philip Armstrong by City Council to fill the current vacancy in the Commission.

COMMISSION COMMENTARY AND REQUESTS FOR CONSIDERATION OF MATTERS:

Chair Coelho spoke about the Semiannual Transportation Report presentation to the City Council.

ADJOURNMENT: Chair Coelho adjourned the Traffic Safety & Mobility Commission Regular Meeting on Aug. 5, 2024, at 6:49 p.m.

Lovelyne Magalued
Minutes Clerk



CITY COUNCIL
Staff Report

Meeting Date: Sept. 10, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Steven Stewart, Municipal Projects Manager
 steven.stewart@carlsbadca.gov, 442-339-2938

Kyle Lancaster, Parks & Recreation Director
 kyle.lancaster@carlsbadca.gov, 442-339-2941

Subject: Monroe Street Pool Renovation and Replacement Project Plans, Specifications and Contract Documents, Appropriation of Construction Funding, and Authorization to Advertise the Project for Construction Bids

District: 1

Recommended Actions

Adopt a resolution approving the Monroe Street Pool Renovation and Replacement Project's plans, specifications and contract documents, appropriating \$18,158,361 in construction funding, and authorizing the City Clerk to advertise the project for construction bids.

Executive Summary

Monroe Street Pool, located next to Carlsbad High School in northern Carlsbad, was built in 1982 and now requires significant repairs and upgrades to remain operational and compliant with health and safety and building codes. City staff developed three options, ranging from the bare minimum to keep the pool operational and compliant to an option that would increase the pool complex's capacity, use and lifespan. Based on community input, the City Council voted in 2021 to pursue the latter option.

Because certain projects over \$1 million require voter approval, the City Council put a measure on the ballot for the Monroe Street Pool Renovation and Replacement Project in November 2022, which was approved. Since that time, staff have completed all the work needed to get the project ready to be put out for construction bids, including obtaining a detailed cost estimate.

To date, the City Council has approved \$4.8 million for the project. An additional \$18.16 million is needed for construction, which is expected to take about a year and a half once the work gets underway.

Carlsbad Municipal Code Section 3.28.080(E) requires City Council approval of plans, specifications and contract documents of projects when the expected value of work is more than \$200,000.

Explanation & Analysis

Starting in 2015, the City Council has taken several actions to address this need for repairs and upgrades for the pool.

Past City Council actions

June 30, 2015	Approved adding the Monroe Street Pool Renovation/Replacement Project, to the fiscal year 2015-16 Capital Improvement Program as Project No. 4724.
April 9, 2019	Authorized a \$674,577 agreement with the design firm LPA Inc. for architectural and engineering design services for the project. (Resolution No. 2019-049)
Jan. 26, 2021	Approved a motion selecting design concept three for the project and directing staff to pursue placing an expenditure measure on the June 7, 2022, primary election ballot.
Feb. 22, 2022	Deferred the timing of the ballot measure. (Resolution No. 2022-049)
April 26, 2022	Approved a motion directing staff to prioritize maintenance and repairs to keep the pool facility functioning until the project was ready to build.
June 21, 2022	Placed the measure on the Nov. 8, 2022, general election ballot. (Resolution No. 2022-156).
Feb. 14, 2023	Amended the agreement with LPA Inc. to develop the final design and construction plans and specifications for the project. (Resolution No. 2023-055)

Public input

Monroe Street Pool users have reported concerns to the city in recent years about the condition of the facility and the need for more pool lanes overall in Carlsbad. Neighbors of the Monroe Street Pool have also contacted the city over the years with concerns related to abating noise.

City staff used this background along with other input gathered from pool users and neighbors, to develop three options for the project. Option one is the bare minimum to keep the pool operational; option two was to modernize the pool but keep it the same size, while option three was to increase the pool's size and configuration to provide 50% more lanes and include added solar energy opportunities, a new mechanical room and family restrooms, a reconfigured lobby, first aid and administrative offices, meeting space, a larger parking lot and several other features.

Between Aug. 31 and Sept. 30, 2020, staff sought feedback on the options, including the features, timeframe to complete, costs and expected lifespan of the improvements.

In all, 944 community members provided a total of 23,964 responses to an online survey seeking feedback about the options. The city also gathered 591 open-ended comments from the public during this time. Nearly half of the respondents – 47% – were from District 1, followed by 25% from District 2, 15% from District 3 and 14% from District 4. Opinions did not differ significantly among respondents from different districts.

Based on this input, the most important features of a renovated or new Monroe Street Pool facility were:

- A larger pool size
- More availability for lap swimming
- More use of solar

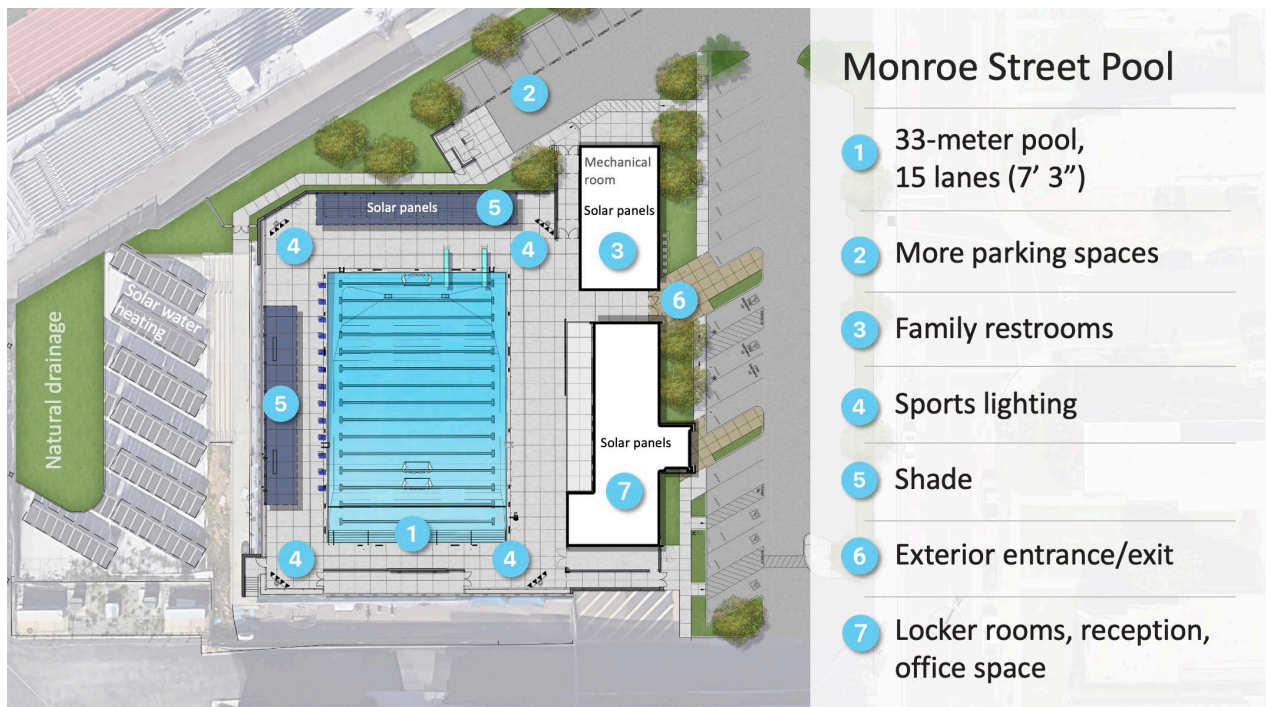
When asked about the tradeoffs among the three options, most respondents favored making the pool complex as good as it can be now, so the city does not need to come back later to make more upgrades.

In January 2021, staff presented the options and community feedback to the City Council. The City Council voted to proceed with the community's preferred concept, option three, which had the highest cost but maximized the capacity, use and lifespan of the pool complex.

Project description

The Monroe Street Pool Renovation and Replacement Project includes the following features:

- Larger and reconfigured pool with 50% more lanes
- New 8-foot wall with metal gates along Monroe Street to reduce sound for the surrounding neighborhood
- Larger pool deck with lockers and outdoor showers
- Renovated locker rooms
- More shade
- More bleachers
- Larger parking lot
- Addition of an outdoor entrance for competitions (instead of going through the lobby to get to the pool)
- Family restrooms
- Reconfigured lobby, first aid and administration offices and a room that can be used for meetings and small gatherings like birthday parties
- All new pool tile, plaster, piping, pool deck, drainage, pumps and filters
- New building for pool equipment with separate entrance for service vehicles so they don't take up space in the parking lot
- Replacement of existing solar water heating system and installation of rooftop solar panels to generate electricity



Voter approval

In Carlsbad, spending over \$1 million in general city funds for certain types of construction projects requires voter approval. The City Council put the following measure on the Nov. 8, 2022, ballot:

Measure J

Do the voters of the City of Carlsbad approve spending existing city funds from various sources, including the General Fund, in an amount to exceed \$1 million for the Monroe Street Pool Renovation/Replacement Project located at 3401 Monroe Street for an estimated cost range of \$22 million up to \$24 million, adjusted annually by the percentage increase in the regional construction cost index?

The measure was approved. Following voter approval, the City Council directed staff to proceed with a final design, and the construction plans and specifications, and then develop an updated cost estimate. Staff have completed this work.

Regional Construction Cost Index

Measure J authorized the city to spend up to \$24 million, adjusted annually based on the regional construction cost index. This index tracks inflation specifically for the construction industry. The regional construction cost index for 2023 was 9.4%.

Approved spending

2022	Voter approved use of city funds	\$24.00 million
2023	Regional construction cost index	9.4%
2024	Funds authorized in today's dollars	\$25.02 million

Fiscal Analysis

The total cost of the Monroe Street Pool Renovation and Replacement Project is estimated at \$22,969,126, which is within the amount approved by voters.

Available funding sources

Different types of city funds come with different restrictions on how they can be spent. The following funds could be used to pay for the construction of the Monroe Street Pool project:

Northwest Park Development (Park-In-Lieu) Fund

When residential developers build projects of a certain size in Carlsbad, they pay fees to help fund the infrastructure and amenities new residents will need. The fees for parks and recreation amenities are called park in lieu fees. These funds are collected by region of the city and may only be used for projects in that region.

Public Facilities Fund

Money in this fund is collected by developers to be used for civic facilities, park development, streets, traffic signals and other similar uses.

Infrastructure Repair and Replacement Fund

The city sets aside a percentage of its annual budget each year to fund future infrastructure needs. This money can pay for maintaining or replacing city facilities and other infrastructure.

General Capital Construction Fund

The city also sets aside money each year to save up for major construction projects that cannot be paid for through other more restricted funds. For example, money the city collects through the gas tax is restricted to paying only for road projects. Therefore, the city would first use gas tax funds to pay for a road project. The city would only consider other funding sources if there weren't enough money in the gas tax fund.

General Fund

The city's General Fund is used to carry out the essential day-to-day services of local government, like police and fire protection, street maintenance and library operations. The main sources of money for this fund are the city's portion of sales tax and property tax, as well as the tax visitors pay when they stay in local hotels and short-term vacation rentals. The City Council has the greatest discretion over how money in the General Fund is spent.

Funding to date

The City Council has appropriated the following funding for the Monroe Street Pool Renovation and Replacement Project

Funding appropriated to date	
General Capital Construction Fund	\$236
Infrastructure Replacement Fund	\$1,748,766
Park Development (Park-In-Lieu) Fund - Northwest	\$3,061,765
TOTAL	\$4,810,765*
Design and Permitting Services (completed)	-\$2,348,791
REMAINING	\$2,461,974

* Actual amount (individual fund dollar amounts have been rounded)

Construction cost estimate

Completing the project's final design, plans and specifications has allowed staff and consultants to develop a more detailed construction cost estimate:

Monroe Street Pool Renovation and Replacement Project	
Construction contract (estimated)*	\$16,668,000
Construction contingency (10%)	\$1,666,800
Construction management and inspection costs, furnishings, neighborhood outreach during construction (estimated)	\$2,285,535
CONSTRUCTION COST ESTIMATE	\$20,620,335
FUNDS ALREADY APPROPRIATED	-\$2,461,974
ADDITIONAL APPROPRIATION NEEDED	\$18,158,361

* Actual construction costs depend on the bids received.

Funding considerations

When more than one funding source is available, staff consider the following:

- Which fund is most appropriate based on the nature of the project
- What other projects may be drawing from these funds in the next five years
- The fund’s balance today and projected balance in five years

Approximately one-third of the project’s scope of work is associated with core maintenance, repair and refurbishment needs of the 42-year-old facility. The funding for that one-third of the project, which is estimated to cost over \$6 million, would be needed regardless of whether other elements of the project were included. The other approximately two-thirds of the project’s scope of work is associated with expanding, enhancing and modernizing the facility.

After considering other planned projects that may use the available funding sources over the next five years, staff recommend one-third of the construction funding for the Monroe Street Pool Renovation and Replacement Project come from the Infrastructure Repair and Replacement Fund and two-thirds of the construction funding come from the General Capital Construction Fund.

	Balance today	5-year projection	Recommended appropriation
Public Facilities Fees Fund	\$28 M	\$35 M	none
Infrastructure Replacement Fund	\$63 M	\$34 M	\$6,052,787
General Capital Construction Fund	\$31 M	\$37 M	\$12,105,574
General Fund Reserve	\$131 M	\$141 M	none

Operating Costs

The city’s Finance Department considers not just the construction cost of a new or expanded facility, but the cost to operate and maintain the facility in the future. The operating expenses for the renovated and expanded facility are projected to increase by approximately \$370,000 a year due to the facility’s increase in size, capacity, programming and maintenance costs.

Staff expect this increase in annual operating expenses would be fully offset by an increase in revenues resulting from greater use of the facility by community members, and the implementation of fees consistent with that of the Alga Norte Aquatic Center. A recreation planning and operations consulting firm has independently reviewed staff’s calculations and validated the expectation of a net cost neutrality over current budget.

Next Steps

With the City Council's approval, the City Clerk will advertise the construction project for bids.

Staff anticipate returning to the City Council in early 2025 to request the award of a contract for the construction and a contract for the construction management and inspection services.

Construction is expected to take about a year and a half, with completion expected in summer 2026.

Environmental Evaluation

On July 19, 1977, the City Council certified the environmental impact report (EIR-380) for the Monroe Street Pool, at the time identified as the "community swimming pool." The project is within the scope of the prior environmental document and no further environmental documentation is required per California Environmental Quality Act Guidelines Section 15162.

The conditional use permit (CUP-158) and the certified environmental impact report (EIR-380) for the Community Swim Complex allowed for larger pool(s), building(s) and parking lots than what was originally constructed. All applicable mitigation measures contained in the prior environmental document have either been satisfied previously and/or were made conditions of approval of the project's approved conditional use permit. There have not been substantial changes to the circumstances under which the project is undertaken and there have been no new significant environmental effects that would modify or change any mitigation measures.

The pool operates in conjunction with the existing school facility, and the proposed changes do not result in new significant impacts or a substantial increase in the severity of previously identified impacts because the site and neighborhood context have not changed. Projects constructed by the school district since the pool was constructed have not impacted pool operations. The changes to the pool will have no impact to the adjacent school facilities. The mitigation measures to reduce impacts remain in place and are adequate to maintain the same level of significance studied in the previous environmental impact report, therefore none of the situations in Section 15162(a) exist and no additional environmental review is necessary. The certified environmental impact report and mitigation measures are on file for review at the Planning Division.

The City Planner determined on Feb. 7, 2023, that design concept three was consistent with the approved conditional use permit for the Community Swim Complex (the former name of the Monroe Street Pool facility), as shown in Exhibit 3.

Exhibits

1. City Council resolution
2. [Plans, specifications and contract documents](#) (on file in the Office of the City Clerk)
3. City Planner's consistency determination with conditional use permit, dated Feb. 7, 2023

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING THE MONROE STREET POOL RENOVATION AND REPLACEMENT PROJECT'S PLANS, SPECIFICATIONS AND CONTRACT DOCUMENTS, APPROPRIATING \$18,158,361 IN CONSTRUCTION FUNDING, AND AUTHORIZING THE CITY CLERK TO ADVERTISE THE PROJECT FOR CONSTRUCTION BIDS

WHEREAS, the City Council of the City of Carlsbad, California has determined it necessary, desirable and in the public interest to construct the Monroe Street Pool Renovation and Replacement Project as designed; and

WHEREAS, on Feb. 14, 2023, the City Council adopted Resolution No. 2023-055, authorizing the execution of Amendment No. 3 to the agreement with LPA Inc. to prepare design and construction plans and specifications for the Monroe Street Pool Renovation and Replacement Project, Capital Improvement Program Project No. 4724, and

WHEREAS, the City Council of the City of Carlsbad, California has determined that the plans, specifications and contract documents for the Monroe Street Pool Renovation and Replacement Project have been completed to the satisfaction of staff; and

WHEREAS, the plans, specifications and contract documents for the project are on file at the City Clerk's Office and are incorporated by reference; and

WHEREAS, an additional appropriation in the amount of \$18,158,361, to be funded with \$6,052,787 from the Infrastructure Repair and Replacement Fund, and \$12,105,174 from the General Capital Construction Fund, is needed to fund the construction of the project; and

WHEREAS, on July 19, 1977, the City Council certified the Environmental Impact Report (EIR-380) for the Monroe Street Pool, at the time identified as the "community swimming pool"; and

WHEREAS, the Monroe Street Pool Renovation and Replacement Project, Concept 3, is within the scope of the prior environmental document and no further environmental documentation is required in accordance with California Environmental Quality Act Guidelines Section 15162; and

WHEREAS, the City Planner determined on Feb. 7, 2023, that design concept three was consistent with the approved conditional use permit for the Community Swim Complex, the former name of the Monroe Street Pool facility.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the plans, specifications and contract documents for the Monroe Street Pool Renovation and Replacement Project, Capital Improvement Program Project No. 4724, are approved and on file at the City Clerk's Office.
3. That the City Manager or designee is authorized to appropriate \$18,158,361 to Project No. 4724 to be funded as follows: \$6,052,787 from the Infrastructure Repair and Replacement Fund and \$12,105,174 from the General Capital Construction Fund.
4. That the City Clerk is hereby authorized and directed to publish, in accordance with state law and Carlsbad Municipal Code Section 3.28.080(C), a notice to contractors inviting bids for construction of the Monroe Street Pool Renovation and Replacement Project, Project No. 4724, in accordance with the plans, specifications and contract documents referred to herein.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2024, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

KEITH BLACKBURN, Mayor

SHERRY FREISINGER, City Clerk
(SEAL)

Plans, specifications and contract documents
(on file in the Office of the City Clerk)



Feb. 7, 2023

Kyle Lancaster
 Parks & Recreation Director
 Parks & Recreation Department
 City of Carlsbad
 799 Pine Ave.
 Carlsbad, CA 92008

SUBJECT: CD 2023-0003 (PUB2023-0004) – MONROE STREET POOL REPLACEMENT PROJECT

The City Planner has completed a review of your application for a Consistency Determination, CD 2023-0003, which is a modification to **CUP-158**, a conditional use permit approved in 1979 for construction of a municipal pool complex at 3401 Monroe Street (APN: 205-140-36). The pool, adjacent to Carlsbad High School and completed in 1982, needs renovation and replacement work to address degraded finishes, building code requirements and sound attenuation.

CD 2023-0003 considers those proposed modifications as provided in Capital Improvement Program Project No. 4724, Concept 3. This third design concept includes an expansion of the pool plus other enhancements as listed below.

After careful consideration of the request, the City Planner has determined that the request meets all the findings below and **APPROVES** this request. The proposed modifications include:

1. Expansion of pool for larger swimming area (50% more lanes) and water polo competitions
2. New 8-foot-tall wall with gates along Monroe Street side to reduce sound from the pool
3. Larger pool deck with lockers
4. New exterior deck showers and renovated locker rooms
5. More shade structures and bleachers
6. Larger parking lot through the addition of seven new parking spaces
7. New entrances including an outdoor option that will no longer require passing through the locker rooms
8. Reconfigured lobby, new first aid/administration offices and meeting/event room
9. Replacement of pool tile, plaster, piping, pool deck, drainage, pumps and filters
10. New building with mechanical room and family restrooms
11. Separate mechanical room access for service vehicles to reduce parking lot impacts for users
12. Replacement of existing solar water heating system and installation of rooftop solar panels to generate electricity
13. Enhancement of equipment storage space
14. New service area and trash enclosure

CD 2023-0003 (PUB2023-0004) – MONROE STREET POOL REPLACEMENT PROJECT

Feb. 7, 2023

Page 2

For comparison, the table below provides the square footages of the approved, existing and proposed components of Monroe Street Pool. While the original CUP and Environmental Impact Report (EIR-380) approved a facility with an Olympic-sized swimming pool and 180 parking spaces on a nearly five-acre site, the site area and improvements ultimately developed were much smaller. EIR-380 was certified by the City Council on July 19, 1977.

Monroe Street Pool – Comparison of Approved, Existing, and Proposed Component Sizes			
	Approved (CUP-158)	Existing	Proposed Modifications
Pool	15,000 sf	6,950 sf	10,200 sf
Parking	180 spaces	49 spaces	56 spaces
Administration/locker room building	8,500 sf	3,040 sf	3,500 sf
Equipment and family restroom building		1,150 sf	2,200 sf
Notes:			
<ul style="list-style-type: none"> • All numbers are approximate. • "sf" = square feet • The original approval described the two buildings currently existing as a single building. With proposed modifications, combined building size (5,700 sf) is approximately 2,800 square feet fewer than that approved. 			

For a Discretionary Permit Consistency Determination to be approved, all the following findings must be made. Accordingly, a demonstration of compliance with each finding is provided in **bold**.

1. *No project condition, feature, facility or amenity is changed or deleted that had been considered essential to the project’s design, quality, safety or function. **The project would maintain and improve the key features of the Monroe Street Pool as originally approved in 1979 by enhancing its design, quality, safety and function. Built in 1982 and last renovated in 2009, the project would implement recommendations of a facility needs assessment study conducted in 2017 and would incorporate staff recommendations to attenuate facility noise, respond to recreational programming interests, modernize amenities, improve energy efficiency, and renovate, replace and expand as necessary and appropriate facility buildings and the pool itself.***

2. *The request represents an upgrade in overall design features and or materials and improves upon the project’s compatibility with the surrounding neighborhood. **The project would include a new 8-foot wall with gates facing Monroe St. to attenuate pool noise. In addition, new service, trash and parking areas are along the north side of the pool facility, adjacent to the Carlsbad High School football stadium, and no closer to residences than the existing pool buildings. The only residences nearby are located east and across Monroe St. from the project. Otherwise, Monroe Street pool is bordered by the high school to the north, south, and east.***

3. *The proposed revision does not change the density or boundary of the subject property. **No change is proposed to the Monroe Street Pool property boundaries. (Note: The current size and shape***

of the property are different than that considered with the original project approval in 1979. Renovation and expansion of Carlsbad High School in the late 2000s, including an enlarged and reoriented football stadium, required the reconfiguration of the pool property. This was facilitated by a land swap between Carlsbad Unified School District and the city. This land swap is discussed in Planning Commission Resolution 6522, which found the action consistent with the General Plan and which was adopted Jan. 9, 2009.)

4. *The proposed revision does not involve the addition of a new land use not shown on the original permit. While the project enhances, relocates, and in some cases expands existing land uses, it would not add any new uses to the site.*
5. *The proposed revision does not rearrange the major land uses within the development. Project features would enlarge, enhance and relocate/replace some current features; however, the location of primary components of the facility, such as the parking lot, buildings, and pool and deck area, would not substantially change either in purpose or location.*
6. *The proposed revision does not create changes of greater than ten percent provided that compliance will be maintained with the applicable development standards of the Carlsbad Municipal Code. As described, project improvements would be under the pool size, parking space number and building sizes originally approved.*
7. *The proposed change will not result in any significant environmental impact, and/or require additional mitigation in that on July 19, 1977, the City Council certified the Environmental Impact Report (EIR-380) for the Monroe Street Pool, at the time identified as the “community swimming pool.” The project is within the scope of the prior environmental document and no further environmental documentation is required per CEQA Guidelines Section 15162. All applicable mitigation measures contained in the prior environmental document have either been satisfied previously and/or were made conditions of approval of the project’s approved conditional use permit (CUP-158). The certified environmental impact report and mitigation measures are on file for review at the Planning Division.*
8. *The proposed change would not result in any health, safety or welfare impacts. The project would improve upon existing pool features and address degraded finishes, building code requirements and sound attenuation. The project would improve the use and function of the site through enhancements such as renovated locker rooms, improved facility entrances and updated pool infrastructure. Improvements would result in upgrades to facility accessibility and safety, including emergency egress.*
9. *There were not any major issues or controversies associated with the original project which would be exacerbated with the proposed change. Review of the project’s original conditional use permit and its environmental impact report did not identify major issues or controversies. However, some public comments did express traffic, parking, and noise concerns. CUP-158 does contain conditions to address neighborhood impacts. These conditions limit competition events to daylight hours, restrict pool use between the hours of 9 p.m. and 6 a.m. to reduce noise, and require a solid masonry wall around the pool facility. These restrictions remain in force, and the project seeks to improve compatibility through a new 8-foot-tall sound attenuating wall with gates along Monroe St. With regards to parking, the project would not exacerbate parking*

demand. Typically, multiple spaces are available in the facility's parking lot during operating hours, and the parking lot is proposed to expand by seven spaces. As a facility situated adjacent to a high school and residential area, some pool patrons walk or ride bicycles to the facility. On occasions when competitive or special events are held, parking demand may exceed parking lot capacity. Like high school football games, these events are often held after school when parking in the high school parking lot is available.

- 10. The proposed change would not be readily discernable to the decision makers as being substantially different from the project as originally approved in that the improvements would remain under the square footages, areas, and parking space numbers originally approved. Also, no changes are proposed to the boundaries, configuration, or area of the site. The replacement and relocation of the equipment building with a new equipment/family restroom building would be in the same general location as the existing equipment building, would remain detached from the adjacent administration/locker room building, and would generally continue that building's setback and appearance from Monroe St. The approximate 460-square foot expansion of the administration/locker room building would occur on the poolside of the building and would not be visible to the street.*

Therefore, the City Planner has determined that the application **qualifies** for a consistency determination with the approved permit and **approves** the changes to the project based on Planning Division Administrative Policy No. 35.

Please submit two (2) blueline copies (24" X 36") of all applicable exhibits for the project file of the amended site plan. The copies must be submitted, stamped "Consistency Determination," and signed by the City Planner prior to issuance of any grading or building permits for the project. The Consistency Determination Title Block stamp, and other Title Block stamps, can be downloaded from the City's website at <https://www.carlsbadca.gov/departments/community-development/permits-applications-forms/planning-applications-forms>. The Title Block (stamp) is located at the bottom of the page.

NOTICE

Please take **NOTICE** that approval of your project includes the “imposition” of fees, dedications, reservations, or other exactions hereafter collectively referred to for convenience as “fees/exactions.”

You have 90 days from the date of final approval to protest imposition of these fees/exactions. If you protest them, you must follow the protest procedure set forth in Government Code Section 66020(a), and file the protest and any other required information with the City Manager for processing in accordance with Carlsbad Municipal Code Section 3.32.030. Failure to timely follow that procedure will bar any subsequent legal action to attack, review, set aside, void, or annul their imposition.

You are hereby FURTHER NOTIFIED that your right to protest the specified fees/exactions DOES NOT APPLY to water and sewer connection fees and capacity charges, nor planning, zoning, grading or other similar application processing or service fees in connection with this project; NOR DOES IT APPLY to any fees/exactions of which you have previously been given a NOTICE similar to this, or as to which the statute of limitations has previously otherwise expired.

This decision may be appealed by you or any other member of the public to the Planning Commission within ten days of the date of this letter. Appeals must be submitted in writing to the Planning Division at 1635 Faraday Avenue in Carlsbad, along with a payment of \$847. The filing of such appeal within such time limit shall stay the effective date of the order of the City Planner until such time as a final decision on the appeal is reached.

If you have any questions regarding this matter, please feel free to contact your project planner, Scott Donnell at 442-339-2618.

CITY OF CARLSBAD



ERIC LARDY, AICP

City Planner

EL:SD:JC

c: Laserfiche/File Copy
Data Entry