



# County of Monterey

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: 26-411**

**May 12, 2026**

**Introduced:** 4/27/2026

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** General Agenda Item

Receive and accept the Treasurer's Report of Investments for the quarter ending March 31, 2026.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

Receive and accept the Treasurer's Report of Investments for the quarter ending March 31, 2026.

### SUMMARY:

Pursuant to Government Code Section 53646(b)(1), the Treasurer may submit a quarterly report of investment activities to the Board of Supervisors. The following discussion and attached exhibits summarize economic and market conditions and document investment activity for the period from January 1 through March 31, 2026.

### DISCUSSION:

Geopolitical developments have become the primary driver of market sentiment, outweighing underlying U.S. macroeconomic fundamentals. In particular, conflict involving Iran has elevated near-term inflation risk through upward pressure on energy and commodity prices. At the same time, the labor market remains relatively stable, with unemployment holding steady despite minimal net job creation. Consumer spending and business investment continue to support economic activity, although the pace of growth appears to be moderating.

The Federal Reserve maintained the federal funds target range at 3.50% to 3.75% throughout the first quarter. The median "dot plot" continues to reflect a single 25 basis point rate reduction in 2026, though the dispersion of projections indicates a more cautious and uncertain path toward easing. Federal Reserve Chair Jerome Powell noted that elevated geopolitical uncertainty is complicating the policy outlook and the Federal Reserve's ability to balance its dual mandate of maximum employment and price stability.

As of March 31, 2026, the County of Monterey's investment portfolio had an amortized book value of \$3,311,430,120, invested across 260 individual securities and funds. The portfolio's par value totaled \$3,325,551,610, with a market value of \$3,315,690,913, representing approximately 100% of amortized book value. The portfolio generated an effective rate of return of 4.19% for the quarter, producing estimated interest earnings of \$34,657,020. Interest earnings received in cash will be distributed proportionally to all agencies participating in the County's investment pool by the Auditor-Controller.

The portfolio maintained a weighted average maturity of 453 days. The County Treasury continues to meet its core objectives of safety, liquidity, and yield by maintaining a disciplined balance between shorter-term and longer-term investments in response to current market conditions.

All investments were in compliance with applicable provisions of state law and the County's adopted Investment Policy. Market valuations were obtained from independent third-party sources, including Bloomberg LLP, U.S. Bank, and live-bid pricing for corporate securities.

**OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:**

A copy of this report will be distributed to all agencies participating in the County investment pool. Quarterly Treasury reports are also posted on the Treasurer-Tax Collector's website. In addition, a monthly report of investment transactions is provided to the Board of Supervisors in accordance with Government Code Section 53607.

**FINANCING:**

The investment portfolio maintains sufficient liquidity to meet all projected expenditures over the next six months. Investment earnings in the General Fund have exceeded the FY 2025-26 budgeted total and continue to perform ahead of expectations.

**BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:**

Mark a check to the related Board of Supervisors Strategic Plan Goals:

- Well-Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy
- Dynamic Organization and Employer of Choice

If does not fall under any of the above Board of Supervisors Strategic Plan Goals (Other):

Administrative

This recommendation supports the Administrative initiative by ensuring transparency, accountability, and prudent stewardship of County investment funds pursuant to Government Code Section 53646(b) (1).

Link to the Strategic Plan:

<https://www.countyofmonterey.gov/home/showdocument?id=139569>

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Approved by: Jake Stroud, Treasurer-Tax Collector, x5015

**Attachments:**

Exhibit A - Investment Portfolio Review 03.31.26

Exhibit B - Portfolio Management Report 03.31.26

cc:

Auditor-Controller - Internal Audit Section

All depositors

County Administrative Office

County Counsel