



Executive Officer's Report

To: Imperial LAFCo Commissioners

From: Tyler Salcido, Executive Officer

Handwritten signature of Tyler Salcido in blue ink.

Item #: 7c

Subject: Semiannual Investment Report – Period Ending December 31, 2025

Date: January 22, 2026

Time: 8:30 a.m.

Location: El Centro City Council Chambers
1275 W. Main Street, El Centro, CA 92243

Report

BACKGROUND

In accordance with the Imperial LAFCo Investment Policy (Section V), the Executive Officer is required to submit an Investment Report to the Commission in January and July of each calendar year.

The purpose of this report is to verify that the Commission's funds are invested in a manner that prioritizes the safety of principal and liquidity while achieving a reasonable return.

Portfolio Summary

As of December 31, 2025, the total par value of the LAFCo investment portfolio is \$1,133,557.79. The portfolio composition consists of liquid cash accounts and fixed-income negotiable certificates of deposit.

Specific Holdings & Performance

The portfolio includes funds held with Community Valley Bank and Multi-Bank Securities, as well as three negotiable certificates of deposit (CDs). The specific yields for interest-bearing accounts are as follows:

- Cash & Money Market:
 - Community Valley Bank (MMA): The Commission maintains a Money Market Account with a balance of \$490,219.31, earning a current yield of **3.77%**.
 - Operational cash is held in General and Trust accounts at Community Valley Bank and a cash account at Multi-Bank Securities.

- Negotiable Certificates of Deposit (CDs):

The Commission holds three CDs totaling \$571,000.00 in par value, with yields ranging from 4.18% to 4.39%.

- Connexus Credit Union: \$80,000 (Maturity: 01/28/26) – **4.39%**
- Wells Fargo Bank: \$242,000 (Maturity: 04/29/26) – **4.24%**
- Marine Federal Credit Union: \$249,000 (Maturity: 07/31/26) – **4.18%**

Compliance & Corrective Action

The portfolio is in compliance with the Imperial LAFCo Investment Policy, with one exception regarding portfolio concentration.

- **Exception:** The Investment Policy and California Government Code Section 53601(i) limit investments in Negotiable Certificates of Deposit to 30% of the portfolio. Currently, Negotiable CDs represent 50.37% of the portfolio.
- **Corrective Action:** To align with the primary investment objective of Safety of Principal, the Executive Officer recommends holding the existing securities to maturity rather than liquidating them early, which could result in a realized financial loss.
- **Plan:** The Commission will observe a moratorium on purchasing new Negotiable CDs. The portfolio will return to compliance naturally as the existing instruments mature in January, April, and July of 2026.

FISCAL IMPACT

None. This report is for informational purposes only.

Recommendation by the Executive Officer

Receive and file the Semiannual Investment Report for the period ending December 31, 2025.

EXHIBIT A: Imperial LAFCo Investment Portfolio Report as of December 31, 2025