



AGENDA REPORT

Finance Department

DATE:	October 7, 2025
TO:	Mayor Martinez and Members of the City Council
FROM:	Emily Combs, Director of Finance Mubeen Qader, Deputy Director of Finance Jerry Gurule, Accounting Manager Antonio Banuelos, Accounting Manager
SUBJECT:	Investment and Cash Balance Report, Monthly Overtime Reports, Documentary Transfer Tax Report, and Other Post-Employment Benefits (OPEB) and Pension Report for the Month of August 2025
FINANCIAL IMPACT:	There is no fiscal impact for receiving this item.
PREVIOUS COUNCIL ACTION:	None.
STATEMENT OF THE ISSUE:	City staff is requesting that the City Council receive the City's Investment and Cash Balance Report, Monthly Overtime Reports, Documentary Transfer Tax Report, and Other Post-Employment Benefits (OPEB) and Pension Report for the month of August 2025.
RECOMMENDED ACTION:	RECEIVE the City's Investment and Cash Balance Report, Monthly Overtime Reports, Documentary Transfer Tax Report, and Other Post-Employment Benefits (OPEB) and Pension Report for the month of August 2025 – Finance Department (Emily Combs 510-620-6740).

DISCUSSION:

Investment and Cash Balance Report

It is the policy of the City of Richmond (City) to invest public funds in a manner that prioritizes safety and liquidity over yield while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. In accordance with California Government Code Section 53646 and the City's Investment Policy, the Director of Finance shall report monthly on the City's pooled and Bond funds to the City Manager and City Council and shall report quarterly on other investments.

The Investment and Cash Balance Report is a monthly report of the City's pooled cash balance, which includes General Fund, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service, Trust & Agency, Redevelopment/Successor Agency, and any other Funds investment activities under the direction of the City (Attachment 1).

On June 24, 2025, the City officially awarded a contract to Meeder Public Funds, Inc. to provide investment management and advisory services. Meeder's approach emphasizes diversification, asset allocation, and advanced risk mitigation techniques. Meeder's strategy focuses on the City's cash flow needs to prioritize safety and liquidity. These strategies are designed to safeguard the City's principal investments, especially during periods of market volatility. Meeder's approach ensures that our portfolio remains resilient and well-positioned to meet cash flow demands.

The Federal Reserve (i.e. Fed) lowered the Fed Funds rate by 25 basis points to 4.00 percent – 4.25 percent on September 17, 2025, the first cut of this year, restarting an interest-rate-cutting cycle that has been on pause since December 2024; stating the deterioration of the labor market being the primary impetus. The Fed also updated their Summary of Economic Projections (SEP) and their dot plot. The Fed's dot plot shows individual forecasts from the 19 Federal Open Market Committee (FOMC) members regarding the likely future path of the Federal Funds rate. The median of the dots projects one cut of 25 basis points in both 2026 and 2027, which are fewer cuts than the Fed Funds futures market is expecting. The Fed Funds futures market is pricing in approximately 60 basis points of cuts for 2025 and end the year around 3.8 percent.

Overtime Reports

The overtime reports for the month of August 2025 provides a comparative summary of budgeted overtime to actual overtime usage by department for miscellaneous and sworn staff. Year-over-year and month-over-month totals are included for sworn staff (Attachments 2 and 3).

Documentary Transfer Tax

On June 24, 2024, the City Council requested monthly updates of the Transfer Tax received by the City of Richmond from Contra Costa County for the sale of properties in Richmond. As this is the most volatile revenue stream for the City, the amounts received month-to-month can vary from as low as \$300,000 to upwards of \$7 million – a few large sales can widely swing the revenues.

In September 2025, the City received the documentary transfer tax data report from the County, which identified that the tax revenue for August 2025 would total \$380,656 (Attachment 4).

Other Post-Employment Benefits (OPEB) & Pension Report

The City is permitted to pre-fund its future Pension and Other Post-Employment Benefits (OPEB) costs in accordance with the OPEB policies. These funds are invested following the policies' funding objectives and guidelines. The City manages a Section 115 Combination Trust for City-OPEB & Pension administered by Public Agency Retirement Services (PARS) and a California Employers' Retiree Benefit Trust (CERBT) administered by California Public Employees' Retirement System (CalPERS) for Richmond Police Officers Association(RPOA)-OPEB. Each Trust contains a diversified portfolio of investments consistent with the objectives and liquidity requirements of the Trust.

On April 22, 2025, the City Manager requested monthly updates to the City Council on the returns of the OPEB and Pension accounts. The City operates two OPEB plans: the RPOA Plan administered by CalPERS in a California Employers' Retiree Benefit Trust (CERBT), and the City Plan administered by Public Agency Retirement Services (PARS). In May 2024, PARS was also assigned to administer the Pension account. The City receives monthly account statements for the PARS accounts, while the CalPERS account statement is received quarterly. As these statements are received after the period closes, the amounts are reported on a delayed timeframe.

In July 2025, the PARS OPEB account reported a gain of \$383,992.43 for a rate of 0.68 percent. The 3-month return rate is 6.79 percent, and the annualized return rate for FY 2025-26 will be calculated at 6 months of activity. The PARS Pension account reported a gain of \$7,257.76, for a rate of 0.17 percent. The 3-month return rate is 3.73 percent, and the annualized return rate for FY 2025-26 will be calculated at 6 months of activity.

In June 2025, the CalPERS CERBT account reported quarterly earnings of \$703,814.74, for a 3-month return rate of 5.48 percent, and the annualized return rate for FY 2024-25 is 10.74 percent based on 4 quarters of activity. (Attachment 5).

DOCUMENTS ATTACHED:

Attachment 1 – Investment and Cash Balance Report for August 2025

Attachment 2 – Overtime Report for August 2025

Attachment 3 – Overtime Public Safety Report for August 2025

Attachment 4 – Documentary Transfer Tax Report for August 2025

Attachment 5 – Other Post-Employment Benefits and Pension Report for August 2025