

All Receive - Agenda Item # 1  
For the Information of the:  
CITY COUNCIL  
Date 4/15/24 CA ✓ CC ✓  
CM ✓ ACM ✓ DCM (3) ✓



## Council Memorandum

April 15, 2024

**To:** Honorable Mayor Blackburn and Members of the City Council  
**From:** Laura Rocha, Deputy City Manager, Administrative Services  
Zach Korach, Finance Director  
**Via:** Geoff Patnoe, Assistant City Manager   
**Re:** **Additional Materials Related to Staff Report Item No. 1 – Report on City Investments as of Feb. 29, 2024 (District - All)**

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This memorandum provides correction to Consent Calendar item No.1: Report on City Investments as of Feb. 29, 2024, Exhibit 7.

Exhibit 7, City of Carlsbad investment portfolio, Security ratings and outlooks, incorrectly marked two municipal bonds investments' ratings:

- The City of Anaheim was not rated under Fitch.
- San Francisco City Public Utilities was marked 'N/A' by Moody's ratings.

The corrections are:

- The City of Anaheim includes Fitch rating of AA+
- San Francisco City Public Utilities Moody's rating of AA2

Attachment: A. Exhibit 7 – City of Carlsbad investment portfolio, Security ratings and outlooks

cc: Scott Chadwick, City Manager  
Cindie McMahon, City Attorney

City of Carlsbad investment portfolio  
Security ratings and outlooks

Exhibit 7

February 29, 2024

Issuer	Moody's	S&P	Fitch	Outlook
<b>Corporate notes</b>				
3M Company (Merck & Co)	A1	A+		Neg/Neg
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
Blackrock Inc	AA3	AA-		Stable/Stable/
BLC Community Bank	A2	N/A	AA-	Stable
CME Group Inc	AA3	AA-	AA-	Stable/Stable/Stable
Colgate-Palmolive	AA3	AA-		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+		Stable/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	A1	AA-	AA-	Positive/Stable
Pacific Life Global	AA3	AA-	AA-	Stable
Private Export Funding	AAA	N/A	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**

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-		
Cache County SD	AAA	AAA1	AAA1	Stable
California State University	AA2	AA-		

City of Carlsbad investment portfolio  
Security ratings and outlooks

Exhibit 7

February 29, 2024

Issuer	Moody's	S&P	Fitch	Outlook
City of Anaheim	N/A	AA+	AA+	
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	AA3	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
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 Francisco City Pub Utl	AA2	AA-		
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.*

Investments with subsequent changes in credit rating\*

Corporate notes	Moody's	S&P	Fitch	Maturity date	Purchased	Book value
Merck & Co	A1	A+		03/07/24	10/08/19	\$ 1,503,364
						<u>\$ 1,503,364</u>

\* All investments were in compliance with the city's investment policy unless otherwise denoted.

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.