



STAFF REPORT

Date: February 11, 2014
To: Bryan H. Montgomery, City Manager
From: Paul Abelson, Finance Director
SUBJECT: City of Oakley Quarterly Investment Report (2nd Quarter FY 2013-2014)

Approved and Forwarded to City Council:


Bryan Montgomery, City Manager

Background and Analysis

California law and the City's Investment Policy require the City's fiscal officer to submit a quarterly investment report to the City Council at the end of each quarter. The report should contain information on all securities held, and include a statement denoting the ability of the local agency to meet its expenditure requirements for the next six months.

Fiscal Impact

City resources are organized and accounted for on a fund basis with some of those funds being restricted for specified uses and others that are unrestricted. For investment purposes, however, the funds are invested as a pool. The Investment Report for the Period Ending December 31, 2013 attached shows a combined pool balance of \$35,769,759.17. In addition, the pool had combined 2nd Quarter accrued interest earnings of \$14,099.78. Interest for the period continues to reflect the lower rates currently being offered on safe, short-term investments.

The City is in compliance with the adopted investment policy and able to meet its expenditure requirements for the next six months.

Recommendation

Staff recommends the City Council accept the investment report for the 2nd Quarter of Fiscal Year 2013-2014.

Attachments

City of Oakley Investment Report for the quarter ended December 31, 2013



Quarterly Investment Report

For the Quarter Ended December 31, 2013

| Type* | Name of Institution | Rate | Maturity**** | Cost Amount | Market Value** |
|--|--|--------|-------------------|-------------------------|-------------------------|
| Investments in Wells Fargo Bank Account | | | | | |
| 12 | Overnight Sweep Investment | 0.013% | 1/1/2014 | \$ 1,388,696.82 | \$ 1,388,696.82 |
| | Successor Housing Agency Checking | 0.02% | N/A | \$ 31,301.66 | \$ 31,301.66 |
| Investments with Wells Fargo Investment Advisors: | | | | | |
| 9 | Institutional Money Market | 0.071% | N/A | 1,771,692.88 | 1,771,692.88 |
| Investments with State of California: | | | | | |
| 3 | Local Agency Investment Fund (LAIF)-City | 0.260% | N/A | 21,105,095.01 | 21,111,165.26 |
| Investments with CalTRUST | | | | | |
| 11 | Short-Term Investment Account-City | 0.422% | N/A | 8,948,291.39 | 8,985,598.55 |
| Total Investments Other than Bond Proceeds | | | | 33,245,077.76 | 33,288,455.17 |
| Investments with Wells Fargo Trust (bond proceeds): *** | | | | | |
| 2012 Refunding Revenue Bonds | | | | | |
| 9 | <i>Government Money Market</i> Wells Fargo Advantage Gov MM Svc | 0.011% | N/A | 454,091.45 | 454,091.45 |
| 4 | <i>Certificates of Deposit (3)</i> | | | | |
| | Discover Bank | 1.750% | 5/16/12 - 5/16/17 | 250,000.00 | 252,865.00 |
| | GE Capital Retail Bank | 1.750% | 5/18/12 - 5/18/17 | 250,000.00 | 252,027.50 |
| | Goldman Sachs Bank USA | 1.800% | 5/16/12 - 5/16/17 | 250,000.00 | 252,862.50 |
| 2006 Revenue Bonds | | | | | |
| 9 | <i>Government Money Market</i> Wells Fargo Advantage Gov MM Svc | 0.011% | N/A | 745,825.56 | 745,825.56 |
| 2006 Certificates of Participation | | | | | |
| 9 | <i>Government Money Market</i> Wells Fargo Advantage Gov MM Svc | 0.011% | N/A | 574,764.40 | 574,764.40 |
| Total Investments of Bond Proceeds | | | | 2,524,681.41 | 2,532,436.41 |
| Total All City Investments | | | | \$ 35,769,759.17 | \$ 35,820,891.58 |

Accrued Interest of Investments other than Bond Proceeds:

| | |
|--|------------------|
| Wells Fargo Investment Advisors | 105.34 |
| Local Agency Investment Fund | 10,835.74 |
| Caltrust Short-Term Investment Account | 3,158.70 |
| Accrued Interest as of 12/31/13 | <u>14,099.78</u> |

* **Type of investment** as described in Authorized Investments section of the City's adopted Investment Policy

- | | | |
|--------------------------------------|-----------------------|---------------------------------|
| 1. U.S. Government Securities | 5. Bankers Acceptance | 9. Money market funds |
| 2. U.S. Government Agency Securities | 6. Commercial Paper | 10. Repurchase agreements |
| 3. Local Agency Investment Fund | 7. Medium term notes | 11. CalTRUST Short Term Account |
| 4. Certificates of Deposit | 8. Mutual funds | 12. Overnight Sweep |

** **Market Valuation** for LAIF was obtained at <http://www.treasurer.ca.gov/pmia-laif/mktvalue/2013/201312.pdf>

Market value for all other investments was obtained from FT Interactive Data. As the City holds its investments to maturity, market value fluctuations are not significant.

*** **Investment of bond proceeds** is governed by each bond's Trust Agreement. All of the amounts with Wells Fargo Trust are debt service reserve funds. Investment income remains with the individual bond accounts.

**** With the exception of CD's, all accounts have same day or next day liquidity

The City of Oakley is in compliance with the City's annually adopted investment policy and is able to meet its operating expenditure requirements for the next six months.

 Approved by Paul Abelson
 Finance Director

1/31/14
 Date