



STAFF REPORT

Date: November 12, 2013
To: Bryan H. Montgomery, City Manager
From: Paul Abelson, Finance Director
SUBJECT: City of Oakley as Successor Agency to the Oakley Redevelopment Agency-Quarterly Investment Report (1st Quarter FY 2013-2014)

Approved and Forwarded to the Oakley City Council, as the Board of the Successor Agency to the Oakley Redevelopment Agency

Bryan Montgomery, City Manager

Background and Analysis

California law and the City's Investment Policy require the Agency's fiscal officer to submit a quarterly investment report to the Agency's governing board. 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

The Investment Report for the Period Ending September 30, 2013 attached shows balances of \$487,843.26 in cash for operations, and \$2,675,179.53 in bond reserves held by the Bond Trustee.

The Agency is in compliance with the City's annually adopted investment policy. Nonetheless, even with the receipt of undistributed current year property taxes from the County Auditor-Controller, the Agency has begun to, and will likely continue to, struggle to meet all of its operating obligations timely during the next six months. While there will be sufficient tax revenues distributed to the Agency in January to make the Agency's bond debt service payments, and to set aside funds needed for next September's debt service payments (the taxes are pledged to pay bond debt service before all other expenses); funding to meet the Agency's operating and remaining project costs will remain a challenge. This is in large part because, by design, the Dissolution Act implementation strips the Agency of any excess cash every six months; backlogs in the courts and with the Department of Finance continue to hamper the Agency's attempts to resolve ongoing disputes; and the Agency is currently precluded from selling any of its assets or borrowing to raise capital to meet expenses. In time, conditions should change; however in the near future these challenges are likely to persist.

Recommendation

Staff recommends the City Council, as the Board of the Successor Agency, accept the investment report for the 1st Quarter of Fiscal Year 2013-2014.



Attachments

City of Oakley as Successor Agency to the Redevelopment Agency Investment Report
for the quarter ended September 30, 2013



City of Oakley as Successor Agency to the
Oakley Redevelopment Agency

Quarterly Investment Report
For the Quarter Ended September 30, 2013

Type*	Name of Institution	Rate	Maturity****	Cost Amount	Market Value**
Investments in Wells Fargo Bank Account					
	Successor Agency Checking	0.020%	N/A	\$ 487,843.26	\$ 487,843.26
Total Investments Other than Bond Proceeds				487,843.26	487,843.26
Investments with Wells Fargo Trust (bond proceeds): ***					
2003 Taxable Allocation Bonds					
9	<i>Government Money Market</i> Wells Fargo Advantage Gov MM Svc	0.010%	N/A	674,849.02	674,849.02
2008 Tax Exempt Tax Allocation Bonds					
9	<i>Government Money Market</i> California Asset Management Trust	0.100%	N/A	2,000,330.51	2,000,330.51
Total Investments of Bond Proceeds				2,675,179.53	2,675,179.53
Total Agency Investments				\$ 3,163,022.79	\$ 3,163,022.79

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

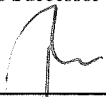
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|--------------------------------------|-----------------------|---------------------------------|
| 1. U.S Government Securities | 5. Bankers Acceptance | 9. Money market funds |
| 2. U.S. Government Agency Securities | 6. Commercial Paper | 10. Repurchase 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 all 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.

**** All Successor Agency accounts have same day or next day liquidity

The City of Oakley, as Successor Agency to the Oakley Redevelopment Agency, is in compliance with the City's annually adopted investment policy.


Approved by Paul Abelson
Finance Director

11/4/13
Date