



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Patty Maitland, Finance Director
MEETING DATE: October 19, 2016
SUBJECT: Treasurer's Quarterly Report
CEQA: Does not constitute a "Project" under California Environmental Quality Act (CEQA) Guidelines

RECOMMENDATION

Receive the report.

DISCUSSION

Article 19, Section (K) of the City Charter requires that a quarterly statement of all funds in the treasury be submitted to the Council. The Treasurer's report allows the Council and public to verify that the City's funds are invested in a safe and prudent manner, and that such investments comply with City policy and state law. The Treasurer's Report is different from a budget report, as its purpose is to report on cash balances.

This report reflects the City's balances as of September 30, 2016 and shows that cash and investments held citywide, totaled \$20,024,076. All investments are in government securities, certificates of deposit, or other approved investment vehicles. The maturity dates are laddered, to ensure liquidity. All bank balances are insured.

Summary of Activity from the Quarter and Future Investments:

1. On July 8, the Federal Farm Cr Bks Cons Systemwide BDS at .77% was called and replaced with a Federal Agric Mtg Corp Medium Term Note with a yield of 1.410%.
2. On July 14, the Federal Home Ln Bks Fixed Rate MC-9017 at .8% was called and replaced with a Federal Home Ln MTG Corp Medium Term note at 1.65%.
3. On August 1, the Federal Farm Cr Bks Cons Systemwide BDS at .67% was called and replaced with a Federal Home Loan Bank at 1.125%.
4. On August 14, the Safra Natl Bk New York Certificate of Deposit at 1.2% was called and replaced with Comenity Cap BK Salt Lake City Utah CTF Dep Act at 1.5%.
5. On September 21, 2016, the Council adopted a new [investment policy](#) that designates the City Clerk as a required, joint approver of wire transfers into the investment brokerage account.

The new policy was in effect for the final nine days of the quarter and no investment transactions occurred requiring this joint approval.

6. In November 2016, four CDs, GE Capital Bank Retail, Lakeside Bank Chicago, Discover Bank Greenwood Delaware, and Eaglebank Bethesda Maryland will mature.

The number of callable instruments in the City's portfolio has been reduced. At this point in time, the likelihood of the two remaining instruments being called is low. However, the results of the upcoming general election in November could affect currency values and federal interest rates which can influence whether the instruments will be called by the issuer. In the four instances listed above that occurred last quarter, the replacement investment purchases have resulted in the City being invested in higher yield instruments that are non-callable.

The average yield on the City's portfolio for the reported quarter is 1.263% compared to the same quarter in the prior year of 1.257%.

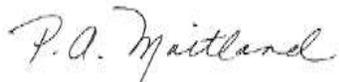
FISCAL IMPACT

None.

ATTACHMENTS

1. Treasurer's report for the quarter ended September 30, 2016.

RESPECTFULLY SUBMITTED:



Patty Maitland
Finance Director

REVIEWED BY:



Ben Harvey
City Manager

CITY OF PACIFIC GROVE TREASURER'S REPORT AS OF SEPTEMBER 30, 2016							
DEPOSITORY		DESCRIPTION OF SECURITY	MATURITY DATE	INTEREST RATE/YIELD	DOLLAR/PAR AMOUNT	MARKET VALUE	
State of California	Local Agency Investment Fund (LAIF)		Immediate	0.634%	7,733,930.25	7,733,930.25	
					7,733,930.25	7,733,930.25	
Bank of America	Checking	Pooled Cash	Immediate	0.000%	563,843.53	563,843.53	
					563,843.53	563,843.53	
N/A	Petty Cash	General	Immediate	0.000%	685.00	685.00	
					685.00	685.00	
Pro Equities	Cash					468.19	
Pro Equities	Certificate of Deposit	Ally Bank Midvale Utah	12/03/18	1.600%	248,000.00	251,467.04	
Pro Equities	Certificate of Deposit	American Express Fed Svgs Bk Instl CTF	01/16/18	1.450%	158,000.00	159,289.28	
Pro Equities	Certificate of Deposit	American Express Centurion Bk CTF	07/15/20	2.350%	247,000.00	256,924.46	
Pro Equities	Certificate of Deposit	BMW Bk North Amer Salt Lake City Utah	06/19/20	2.100%	247,000.00	253,547.97	
Pro Equities	Certificate of Deposit	Capital One Natl Assn Mclean VA CTF	01/16/18	1.350%	248,000.00	249,706.24	
Pro Equities	Certificate of Deposit	Capital One Bk USA Natl Assn Glen Allen	11/09/19	2.000%	247,000.00	254,261.80	
Pro Equities	Certificate of Deposit	Crescom Bk Myrtle Beach SC	01/25/18	0.950%	248,000.00	248,071.92	Callable
Pro Equities	Certificate of Deposit	Discover Bk Greenwood Del CTF	11/14/16	1.200%	248,000.00	248,200.88	
Pro Equities	Certificate of Deposit	Eaglebank Bethesda Md	11/08/16	0.700%	249,000.00	249,054.78	
Pro Equities	Certificate of Deposit	Everbank Jacksonville Fla	11/15/17	1.000%	248,000.00	248,617.52	
Pro Equities	Certificate of Deposit	First Amern Bk Elk Grove	11/15/17	0.900%	249,000.00	249,343.62	
Pro Equities	Certificate of Deposit	Firstbank P R Santurce	11/30/17	1.250%	249,000.00	250,332.15	
Pro Equities	Certificate of Deposit	GE Cap Bk Retail CTF Dep Program Book	11/09/16	1.350%	248,000.00	248,210.80	
Pro Equities	Certificate of Deposit	Goldman Sachs B USA New York	11/14/17	1.500%	248,000.00	249,984.00	
Pro Equities	Certificate of Deposit	Investors Cmnty Bk Manitowoc Wis	09/28/17	0.800%	248,000.00	248,131.44	
Pro Equities	Certificate of Deposit	Lakeside Bk Chicago Ill	11/09/16	0.650%	249,000.00	249,044.82	Callable
Pro Equities	Certificate of Deposit	Medallion Bk Salt Lake City Utah CTF	09/16/19	1.750%	249,000.00	255,623.40	
Pro Equities	Certificate of Deposit	Platinum Bk Brandon Fla CTF Dep Act/365	06/28/18	1.000%	248,000.00	248,089.28	Callable
Pro Equities	Certificate of Deposit	Privatebank & TC Chicago Ill CTF Dep	01/30/20	1.800%	247,000.00	255,188.05	
Pro Equities	Certificate of Deposit	Synchrony Bk Retail CTF Dep Program Book	04/24/20	1.900%	247,000.00	253,752.98	
Pro Equities	Government Securities	Wells Fargo BK N A Sioux Falls SD	06/17/21	1.750%	249,000.00	250,775.37	
Pro Equities	Government Securities	Worlds Foremost BK Sydney NEB CTF DEP	05/18/18	1.100%	200,000.00	200,496.00	
Pro Equities	Government Securities	Federal Natl Mtg Assn Benchmark	11/30/20	1.500%	500,000.00	506,730.00	
Pro Equities	Government Securities	Federal Home Ln Mtg Corp Reference Nts	08/01/19	1.250%	250,000.00	251,815.00	
Pro Equities	Government Securities	Federal Home Ln Mtg Corp Reference Nts	10/02/19	1.250%	1,000,000.00	1,007,060.00	
Pro Equities	Government Securities	Federal Agric Mtg Corp Medium Term Note	03/06/20	1.410%	490,000.00	491,876.70	
Pro Equities	Government Securities	Federal Home Ln MTG Corp Medium Term note	01/29/21	1.650%	485,000.00	493,278.95	
Pro Equities	Certificate of Deposit	Comenity Cap BK Salt Lake City Utah CTF Dep Act	07/26/21	1.500%	249,000.00	248,840.64	
Pro Equities	Government Securities	Federal Home Ln Bks Fixed Rate 4481	07/14/21	1.125%	500,000.00	496,325.00	
					8,793,000.00	8,874,508.28	
					17,091,458.78	17,172,967.06	
Pro Equities	Cash					1,125.00	
Pro Equities	Certificate of Deposit	American Express Fed Svgs Bk Instl Ctf	11/06/18	1.800%	90,000.00	91,278.00	
Pro Equities	Certificate of Deposit	Sallie Mae Bk Ctf Dep Act/365	12/09/20	2.200%	105,000.00	108,663.45	
Pro Equities	Government Securities	Federal Agric Mtf Corp Medium Term Nts	01/25/21	1.550%	95,000.00	95,966.15	
Pro Equities	Government Securities	Federal Natl Mtg Assn Benchmark Note	11/15/16	1.375%	97,000.00	97,110.58	
Pro Equities	Government Securities	Federal Natl Mtg Assn Fixed Rate	12/20/17	0.875%	85,000.00	85,126.65	
Pro Equities	Government Securities	Federal Natl Mtg Assn Fixed Rate	02/08/18	0.875%	100,000.00	100,134.00	
Pro Equities	Government Securities	Federal Home Ln Mtg Corp Reference Nts	07/28/17	1.000%	85,000.00	85,263.50	
Pro Equities	Government Securities	Federal Home Ln Mtg Corp Reference Nts	10/02/19	1.250%	180,000.00	181,270.80	
					837,000.00	845,938.13	
					837,000.00	845,938.13	
Umpqua Bank	Money Market			0.100%	2,005,170.77	2,005,170.77	
					2,005,170.77	2,005,170.77	
					2,005,170.77	2,005,170.77	
					19,933,629.55	20,024,075.96	