



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: January 18, 2017
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 December 31, 2016 and shows that cash and investments held citywide, totaled \$21,195,915.94. 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 November 8, 2016, the Eaglebank Certificate of Deposit (CD) (.700%) matured and was replaced with a Nationwide Bank CD at 1.500%.
2. On November 9, 2016, the GE Capital Bank (1.350%) and Lakeside Bank (.650%) CDs matured and were replaced, respectively, with a Washington Trust CD at 1.350% and a 4-year Beneficial Bank CD at 1.350%.
3. On November 14, 2016, the Discover Bank CD (1.200%) matured and was replaced by a new issue CD from Discover Bank at 1.8%.
4. On November 15, 2016, a Federal National Mortgage Association (Fannie Mae) Benchmark Note (1.375%) in the Yount endowment account matured and was replaced by another Fannie Mae instrument, also at a 1.375% coupon rate. However, the coupons were discounted at purchase and yield 1.640% to maturity.

Notes:

- The replacement purchases for the five transactions listed above resulted in the City being invested in four higher yielding instruments and one same yield instrument. Pursuant to City Policy 400-5, Investments, wire transfers to a brokerage account in the City's portfolio requires the dual approval of the Finance Director and the City Clerk. Although none of the trades required a wire transfer, the City Clerk participated in the conference call with the City's broker when the transactions were completed.
- Only two callable instruments remain in the City's portfolio – a Crescom CD that matures in January 2018 and a Platinum Bank CD that matures in June 2018. There are no market indicators or confirmed interest rate changes that suggest the instruments will be called in the next quarter.
- The unusually high balance in the pooled cash account with Bank of America (\$3,916,114.09) reflects the December 2016 property tax disbursement from the County that occurred during the City Hall holiday closure. These funds have since been transferred to LAIF for investment.
- The average yield on the City's portfolio for the reported quarter is 1.316% (up .052% over the prior quarter and up .014% over the same quarter in the prior year). [The LAIF interest rate yield is based on November 2016 performance as the State had not updated the yield rate in time for the publication of this report.]

FISCAL IMPACT

There is no fiscal impact associated with receipt of this report.

ATTACHMENTS

1. Treasurer's report for the quarter ended December 31, 2016.

RESPECTFULLY SUBMITTED:



Patty Maitland
Finance Director

REVIEWED BY:



Ben Harvey
City Manager

CITY OF PACIFIC GROVE TREASURER'S REPORT AS OF DECEMBER 31, 2016						
DEPOSITORY	DESCRIPTION OF SECURITY		MATURITY DATE	INTEREST RATE/YIELD	DOLLAR/PAR AMOUNT	MARKET VALUE
State of California	Local Agency Investment Fund (LAIF)		Immediate	0.678%	5,623,946.37	5,623,946.37
					5,623,946.37	5,623,946.37
Bank of America	Checking	Pooled Cash	Immediate	0.000%	3,916,114.09	3,916,114.09
					3,916,114.09	3,916,114.09
N/A	Petty Cash	General	Immediate	0.000%	685.00	685.00
					685.00	685.00
Pro Equities	Cash					64,141.27
Pro Equities	Certificate of Deposit	Ally Bank Midvale Utah	12/03/18	1.600%	248,000.00	249,438.40
Pro Equities	Certificate of Deposit	American Express Fed Svgs Bk Instl CTF	01/16/18	1.450%	158,000.00	158,657.28
Pro Equities	Certificate of Deposit	American Express Centurion Bk CTF	07/15/20	2.350%	247,000.00	252,419.18
Pro Equities	Certificate of Deposit	BMW Bk North Amer Salt Lake City Utah	06/19/20	2.100%	247,000.00	249,405.78
Pro Equities	Certificate of Deposit	Beneficial Bank Philadelphia	11/16/20	1.350%	248,000.00	243,134.24
Pro Equities	Certificate of Deposit	Capital One Natl Assn Mclean VA CTF	01/16/18	1.350%	248,000.00	248,776.24
Pro Equities	Certificate of Deposit	Capital One Bk USA Natl Assn Glen Allen	11/09/19	2.000%	247,000.00	250,818.62
Pro Equities	Certificate of Deposit	Comenity Cap Bk Salt Lake City Utah CTF Dep Act	07/26/21	1.500%	249,000.00	243,260.55
Pro Equities	Certificate of Deposit	Crescom Bk Myrtle Beach SC	01/25/18	0.950%	248,000.00	247,729.68
Pro Equities	Certificate of Deposit	Discover Bk Greenwood Del CTF	11/16/21	1.800%	247,000.00	244,031.06
Pro Equities	Certificate of Deposit	Everbank Jacksonville Fla	11/15/17	1.000%	248,000.00	248,079.36
Pro Equities	Certificate of Deposit	First Amern Bk Elk Grove	11/15/17	0.900%	249,000.00	248,865.54
Pro Equities	Certificate of Deposit	Firstbank P R Santurce	11/30/17	1.250%	249,000.00	249,595.11
Pro Equities	Certificate of Deposit	Goldman Sachs B USA New York	11/14/17	1.500%	248,000.00	249,145.76
Pro Equities	Certificate of Deposit	Investors Cmnty Bk Manitowoc Wis	09/28/17	0.800%	248,000.00	247,833.84
Pro Equities	Certificate of Deposit	Medallion Bk Salt Lake City Utah CTF	09/16/19	1.750%	249,000.00	252,349.05
Pro Equities	Certificate of Deposit	Nationwide Bank	11/18/21	1.500%	249,000.00	242,516.04
Pro Equities	Certificate of Deposit	Platinum Bk Brandon Fla CTF Dep Act/365	06/28/18	1.000%	248,000.00	247,300.64
Pro Equities	Certificate of Deposit	Privatebank & TC Chicago Ill CTF Dep	01/30/20	1.800%	247,000.00	251,416.36
Pro Equities	Certificate of Deposit	Synchrony Bk Retail CTF Dep Program Book	04/24/20	1.900%	247,000.00	249,793.57
Pro Equities	Certificate of Deposit	Washington Trust	11/18/19	1.350%	248,000.00	246,683.12
Pro Equities	Government Securities	Wells Fargo BK N A Sioux Falls SD	06/17/21	1.750%	249,000.00	245,282.43
Pro Equities	Government Securities	Worlds Foremost BK Sydney NEB CTF DEP	05/18/18	1.100%	200,000.00	199,660.00
Pro Equities	Government Securities	Federal Home Ln Bks Fixed Rate 4481	07/14/21	1.125%	500,000.00	482,630.00
Pro Equities	Government Securities	Federal Agric Mtg Corp Medium Term Note	03/06/20	1.410%	490,000.00	485,506.70
Pro Equities	Government Securities	Federal Home Ln MTG Corp Medium Term note	01/29/21	1.650%	485,000.00	478,292.45
Pro Equities	Government Securities	Federal Natl Mtg Assn Benchmark	11/30/20	1.500%	500,000.00	493,730.00
Pro Equities	Government Securities	Federal Home Ln Mtg Corp Reference Nts	08/01/19	1.250%	250,000.00	248,970.00
Pro Equities	Government Securities	Federal Home Ln Mtg Corp Reference Nts	10/02/19	1.250%	1,000,000.00	994,150.00
					8,791,000.00	8,813,612.27
					18,331,745.46	18,354,357.73
Pro Equities	Cash					1,431.45
Pro Equities	Certificate of Deposit	American Express Fed Svgs Bk Instl Ctf	11/06/18	1.800%	90,000.00	90,572.40
Pro Equities	Certificate of Deposit	Sallie Mae Bk Ctf Dep Act/365	12/09/20	2.200%	105,000.00	106,529.85
Pro Equities	Government Securities	Federal Agric Mtf Corp Medium Term Nts	01/25/21	1.550%	95,000.00	93,482.85
Pro Equities	Government Securities	Federal Natl Mtg Assn Benchmark Note (Fannie Mae)	10/07/21	1.640%	97,000.00	94,368.39
Pro Equities	Government Securities	Federal Natl Mtg Assn Fixed Rate	12/20/17	0.875%	85,000.00	84,953.25
Pro Equities	Government Securities	Federal Natl Mtg Assn Fixed Rate	02/08/18	0.875%	100,000.00	99,932.00
Pro Equities	Government Securities	Federal Home Ln Mtg Corp Reference Nts	07/28/17	1.000%	85,000.00	85,131.75
Pro Equities	Government Securities	Federal Home Ln Mtg Corp Reference Nts	10/02/19	1.250%	180,000.00	178,947.00
					837,000.00	835,348.94
					837,000.00	835,348.94
Umpqua Bank	Money Market			0.100%	\$2,006,209.27	2,006,209.27
	Total Umpqua Bank				\$2,006,209.27	2,006,209.27
					2,006,209.27	2,006,209.27
					21,174,954.73	21,195,915.94