

Staff is in agreement with this approach, and carefully monitors maturity dates to ensure that both short and long-term liquidity needs are met.

ATTACHMENT

Attachment to Related Resolution

- Investment Report

PREPARED BY: David Baum, Finance Director, Finance



City of San Leandro

Meeting Date: September 8, 2015

Resolution - Council

File Number: 15-503

Agenda Section: CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: RESOLUTION Accepting Investment Report for the Quarter Ended June 30, 2015 (reviews the activities of the City's investment portfolio)

WHEREAS, the City of San Leandro Quarterly Investment Report for the quarter ended June 30, 2015, a copy of which is attached, is presented to this Council; and

WHEREAS, the City Council is familiar with the contents thereof.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

That said document is hereby accepted.



City of San Leandro

City Council Investment Report

Quarter Ending
June 30, 2015



City of San Leandro
June 30, 2015

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the City's investment policy.

Category	Standard	Comment
Treasury Issues	No limitations	Complies
Agency Issues	No limitations	Complies
Banker's Acceptances	"A" or higher by one NRSRO; 40% maximum; 30% per issuer; 180-day max maturity	Complies
Commercial Paper	A-1/P-1-rated; 25% maximum; 10% per issuer; 270-day max maturity	Complies
Negotiable Certificates of Deposit (including CDARS)	30% maximum; FDIC Insured or Collateralized 110%	Complies
Medium Term Notes	"A" or higher by one NRSRO; 30% maximum	Complies
Money Market Funds	AAA/Aaa rated or SEC registered adviser, assets greater than \$500MM; 20% maximum	Complies
Repurchase Agreements (excluded-not used by IA)	20% maximum; 360-day max. maturity	Complies
Reverse Repurchase Agreements (excluded- not used by IA)	20% maximum; 92-day max. maturity	Complies
LAIF	Currently not used by adviser	Complies
Maximum Maturity	5 years	Complies

City of San Leandro

The investment goals of the City of San Leandro are to preserve principal, to provide liquidity, and to attain a rate of return commensurate with the City's investment risk constraints and cash flow needs. Furthermore, the City is able to meet its cash obligations during the next six-month period.

Investment Report Performance Objectives

The performance objective for the City of San Leandro's portfolio managed by Chandler is to attain a rate of return greater than the benchmark 1-3 Year Treasury/Agency securities over a market cycle.

Strategy

In order to achieve these objectives, the City of San Leandro invests in US Treasury securities, federal agency securities, high quality money market instruments and high quality corporate medium term notes in accordance with the City's investment policy and California Government Code Section 53600 et seq.



Portfolio Characteristics

	6/30/2015	3/31/2015
LAIF - City Pool #98-01-809	\$48,246,854	\$38,921,244
LAIF - Successor Agency	2,617,652	2,615,974
LAIF - RDA 1999 Bond Proceeds #11-01-001	0	0
LAIF - RDA 2008 Bond Proceeds #11-01-038	0	0
LAIF - Economic Development Agency	2	2
Passbook/Checking Accounts	5,186,782	8,443,461
Total LAIF and Bank Accounts	\$56,051,290	\$49,980,682
Investment Portfolio Market Value	\$39,180,366	\$39,154,625
Total Market Value	\$95,231,656	\$89,135,307

LAIF Quarterly Apportionment Rate	0.28%	0.26%
2 year US Treasury Yield to Maturity	0.64%	0.56%
5 year US Treasury Yield to Maturity	1.63%	1.37%

Investment Portfolio:

Average Maturity (yrs)	1.72	1.81
Modified Duration	1.69	1.77
Average Book Yield	0.97%	0.95%
Average Yield to Maturity at Market	0.75%	0.66%
Average Quality S&P/Moody	AA/Aa1	AA/Aa1

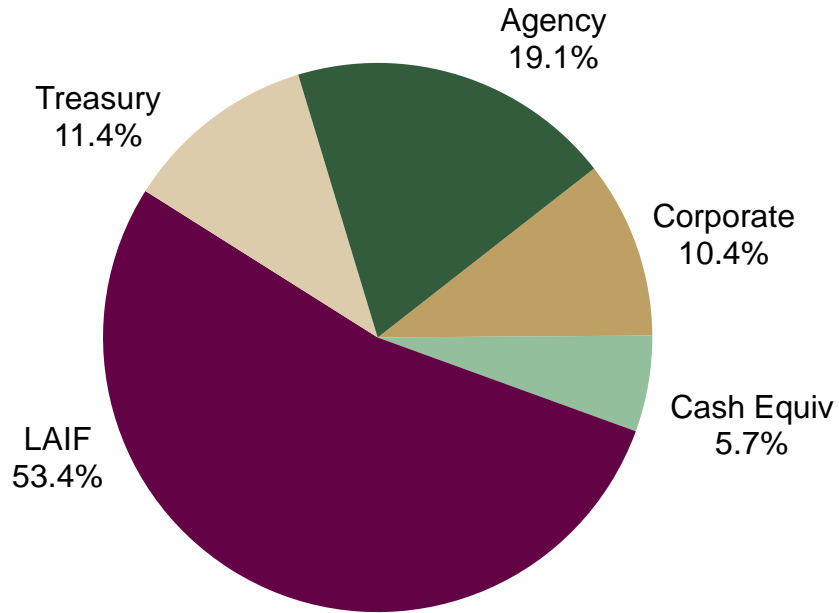
Portfolio Activity

During the second quarter of 2015 activity in the portfolio managed by Chandler Asset Management was influenced by the reinvestment of \$1.8 million from maturing securities. The newly purchased securities included a Treasury and Agency note and ranged in maturity from April 2018 to June 2019. The current duration of the portfolio is 1.69 year, close to the City's 1-3 year Treasury and Agency benchmark.

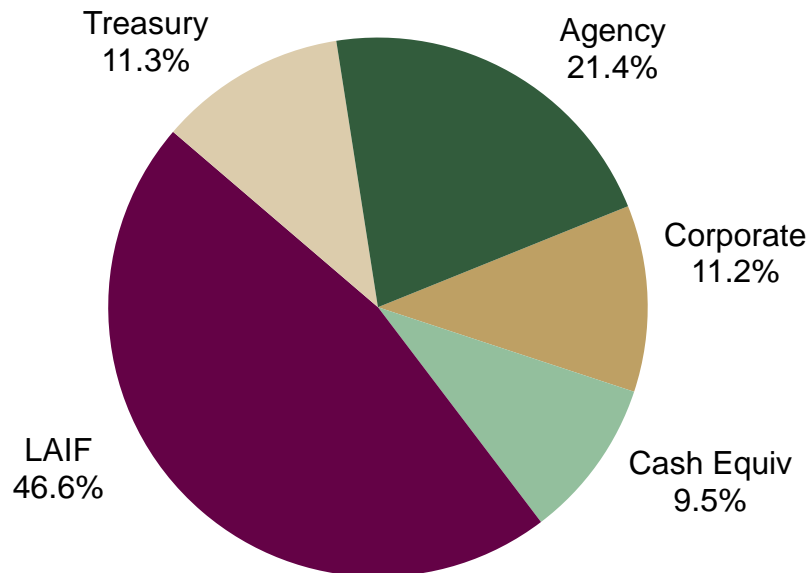


Sector Distribution

June 30, 2015



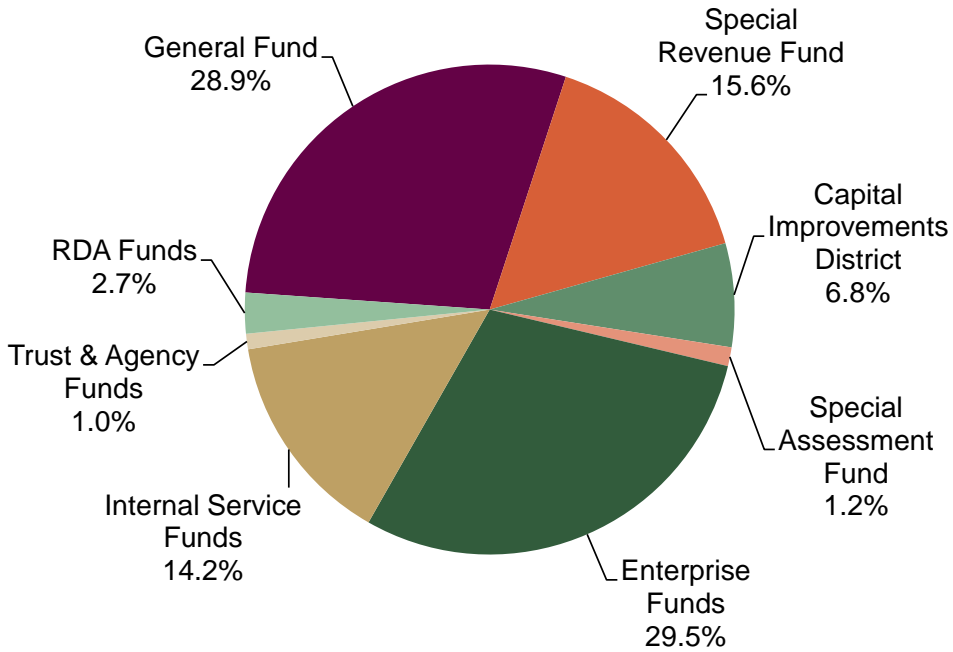
March 31, 2015



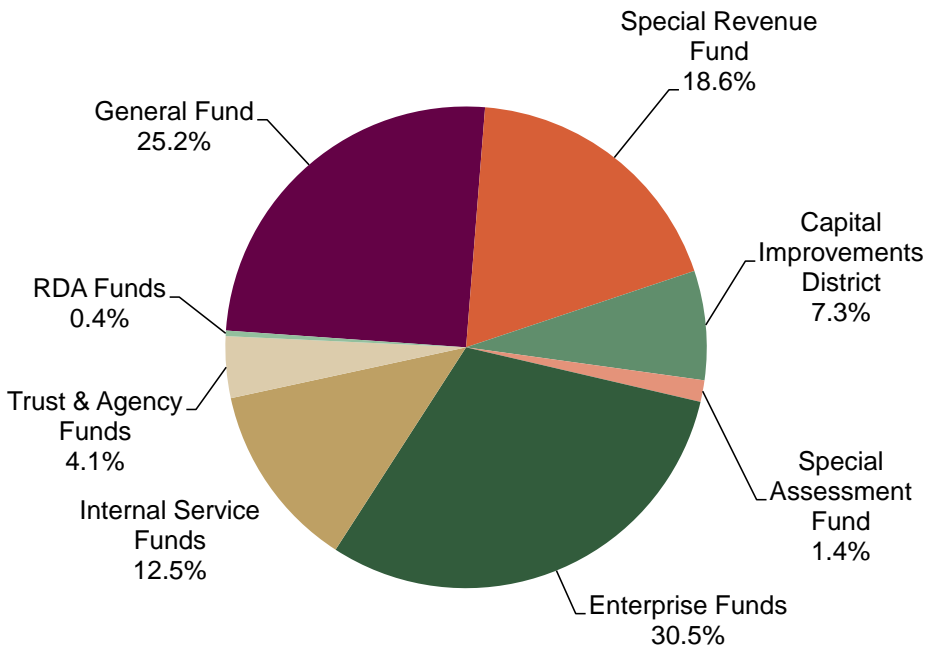


City Fund Allocation

June 30, 2015



March 31, 2015





**City of San Leandro
Investments by All Types
Active Investments
June 30, 2015**

CUSIP	Issuer	Coupon	Maturity Date	Par	Purchase Price	Book Value	Purchase Yield	MVACC
LAIF								
SYS113	LAIF - City Pool			\$48,246,853.85	100.00000	\$48,246,853.85		\$48,246,853.85
SYS114	LAIF - Successor Agency			2,617,651.83	100.00000	\$2,617,651.83		\$2,617,651.83
	LAIF - Economic Development Agency			2.34		\$2.34		\$2.34
			subtotal	\$50,864,508.02		\$50,864,508.02		\$50,864,508.02
Passbook/Checking Accounts								
	Public Funds Checking			5,186,781.92	100.00000	5,186,781.92		5,186,781.92
			subtotal	\$ 5,186,781.92		\$ 5,186,781.92		\$ 5,186,781.92
Government Issues								
60934N104	GOVT OBLIG MMF Federated	0.010	30-Jun-15	201,895.65	100.00000	201,895.65	0.01	201,895.65
31398AU34	Note FNMA	2.375	28-Jul-15	600,000.00	100.13167	600,790.04	0.58	607,035.45
3133EADW5	Note FFCB	0.550	17-Aug-15	650,000.00	99.99604	649,974.28	0.58	651,642.69
313370JB5	Note FHLM	1.750	11-Sep-15	1,225,000.00	100.15606	1,226,911.68	0.94	1,235,422.58
278642AB9	Note Ebay Inc	1.625	15-Oct-15	440,000.00	100.30393	441,337.29	0.57	442,525.84
31398A4M1	Note FNMA	1.625	26-Oct-15	950,000.00	100.27782	952,639.30	0.74	957,279.88
912828PE4	Note US Treasury	1.250	31-Oct-15	800,000.00	100.27814	802,225.11	0.41	804,809.58
36962G4T8	Note General Electric Capital Corp	2.250	09-Nov-15	500,000.00	100.41157	502,057.85	1.09	504,642.00
459200GU9	Note IBM Corp	2.000	05-Jan-16	440,000.00	100.68640	443,020.18	0.65	448,008.34
3134A4ZT4	Note FHLMC	4.750	19-Jan-16	550,000.00	102.23218	562,276.97	0.65	575,456.20
912828UM0	Note US Treasury	0.375	15-Feb-16	775,000.00	100.02059	775,159.54	0.34	777,060.60
3133EAJU3	Note FFCB	1.050	28-Mar-16	835,000.00	100.44080	838,680.71	0.45	841,955.14
3135G0BA0	Note FNMA	2.375	11-Apr-16	865,000.00	100.98343	873,506.68	1.08	883,361.17
037833AH3	Note Apple Inc	0.450	03-May-16	500,000.00	99.84621	499,231.06	0.63	500,127.50
3137EACT4	Note FHLMC	2.500	27-May-16	250,000.00	101.86516	254,662.90	0.43	255,439.78
912828QP8	Note US Treasury	1.750	31-May-16	760,000.00	101.21456	769,230.65	0.41	771,042.22
313373SZ6	Note FHLM	2.125	10-Jun-16	850,000.00	100.90687	857,708.43	1.14	864,852.55
742718DV8	Note Procter & Gamble Co	1.450	15-Aug-16	400,000.00	100.82622	403,304.88	0.71	405,238.71
3137EACW7	Note FHLMC	2.000	25-Aug-16	740,000.00	101.63059	752,066.36	0.57	748,295.02
912828RF9	Note US Treasury	1.000	31-Aug-16	775,000.00	100.56716	779,395.46	0.51	783,161.05
02665WAB7	Note American Honda Finance	1.125	07-Oct-16	475,000.00	100.43346	477,058.94	0.78	477,604.91
3135G0BA0	Note FNMA	1.375	15-Nov-16	650,000.00	100.53922	653,504.90	0.97	658,786.01
912828RU6	Note US Treasury	0.875	30-Nov-16	775,000.00	99.96426	774,723.00	0.90	780,115.10
084670BD9	Note Berkshire Hathaway	1.900	31-Jan-17	525,000.00	100.44861	527,355.19	1.61	537,375.53
912828SC5	Note US Treasury	0.875	31-Jan-17	800,000.00	100.31809	802,544.72	0.67	807,357.49
674599CB9	Note Occidental Petroleum	1.750	15-Feb-17	400,000.00	101.39189	405,567.56	0.88	406,266.44
17275RAT9	Note Cisco Systems	1.100	03-Mar-17	500,000.00	100.20234	501,011.70	0.98	503,569.78
3137EADC0	Note FHLMC	1.000	08-Mar-17	800,000.00	100.43299	803,463.88	0.74	807,550.31
3133782N0	Note FHLM	0.875	10-Mar-17	325,000.00	100.15506	325,503.95	0.78	326,979.22
3135G0ZB2	Note FNMA	0.750	20-Apr-17	1,000,000.00	99.89738	998,973.79	0.81	1,002,680.17
91159HHD5	Callable Note Cont 4/15/2017 US Bancorp	1.650	15-May-17	500,000.00	100.29218	501,460.90	1.48	507,078.17
912828SY7	Note US Treasury	0.625	31-May-17	775,000.00	99.58716	771,800.47	0.84	775,289.36
913017BU2	Note United Tech Corp	1.800	01-Jun-17	500,000.00	101.35108	506,755.41	1.08	508,034.50
313379DD8	Note FHLM	1.000	21-Jun-17	800,000.00	99.62985	797,038.80	1.19	804,403.02
3137EADJ5	Note FHLMC	1.000	28-Jul-17	800,000.00	100.13204	801,056.31	0.94	807,125.60
48126EAA5	Note JP Morgan	2.000	15-Aug-17	475,000.00	100.81084	478,851.47	1.61	483,406.34
912828TM2	Note US Treasury	0.625	31-Aug-17	825,000.00	99.33709	819,531.00	0.94	825,305.25
3133EDVU3	Note FFCB	1.125	22-Sep-17	750,000.00	99.81358	748,601.87	1.21	755,324.06
3133EDXA5	Note FFCB	1.150	10-Oct-17	775,000.00	100.28364	777,198.18	1.02	781,613.46
68389XAN5	Note Oracle Corp	1.200	15-Oct-17	400,000.00	99.92432	399,697.26	1.23	401,014.13
74005PBC7	Note Praxair	1.050	07-Nov-17	450,000.00	98.50725	443,282.64	1.71	448,920.45
912828UA6	Note US Treasury	0.625	30-Nov-17	1,020,000.00	99.37300	1,013,604.57	0.89	1,016,157.02
166764AA8	Callable Note Cont 11/5/17 Chevron Corp.	1.104	05-Dec-17	650,000.00	98.96978	643,303.56	1.54	647,733.67
40428HPH9	Note HSBC USA Inc	1.625	16-Jan-18	500,000.00	100.05372	500,268.61	1.60	502,357.46
24422EST7	Note John Deere Capital Corp	1.350	16-Jan-18	500,000.00	100.12686	500,634.29	1.30	504,694.75
94974BFG0	Note Wells Fargo Corp	1.500	16-Jan-18	700,000.00	100.29977	702,098.40	1.38	703,499.30
912828UJ7	Note US Treasury	0.875	31-Jan-18	1,175,000.00	99.35571	1,179,429.64	1.13	1,179,471.89
3135G0TG8	Note FNMA	0.875	08-Feb-18	800,000.00	98.74466	789,957.28	1.37	800,810.96
912828H94	Note US Treasury	1.000	15-Feb-18	1,000,000.00	99.95573	999,557.33	1.02	1,006,725.91
3137EADP1	Note FHLMC	0.875	07-Mar-18	965,000.00	99.25333	957,794.67	1.16	964,320.48
313378A43	Note FHLM	1.375	09-Mar-18	800,000.00	100.27512	802,200.97	1.27	810,385.42
808513AK1	Callable Note Cont 2/10/2018 Charles Schwab	1.500	10-Mar-18	500,000.00	100.10219	500,510.94	1.46	502,806.00
912828J68	Note US Treasury	1.000	15-Mar-18	500,000.00	99.89094	499,454.71	1.04	502,639.39
912828K25	Note US Treasury	0.750	15-Apr-18	800,000.00	99.78121	798,249.64	0.83	797,075.10
3135G0WJ8	Note FNMA	0.875	21-May-18	1,050,000.00	99.02933	1,039,807.99	1.22	1,044,736.58
06406HCL1	Callable Note Cont 7/2/2018 Bank of New York	2.100	01-Aug-18	500,000.00	100.77623	503,881.16	1.83	510,678.00
3135G0ZE6	Note FNMA	1.750	20-Jun-19	1,000,000.00	101.46254	1,014,625.41	1.37	1,011,222.72
			subtotal	\$ 37,415,000.00		\$ 38,934,436.13		\$ 39,180,365.90
			Total	\$ 93,466,289.94		\$ 94,985,726.07		\$ 95,231,655.84