

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

ATTACHMENT

- None

PREPARED BY: David Baum, Finance Director, Finance



City of San Leandro

Meeting Date: September 18, 2017

Resolution - Council

File Number: 17-505 **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, 2017 (reviews the activities of the City's investment portfolio)

WHEREAS, the City of San Leandro Quarterly Investment Report for the quarter ended June 30, 2017, 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, 2017



City of San Leandro
June 30, 2017

COMPLIANCE WITH INVESTMENT POLICY

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

Category	Standard	Comment
Treasury Issues	No limitations	Complies
Agency Issues	No limitations	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% max per issuer	Complies
Municipal Securities	Issued by City of San Leandro and its Agencies	Complies
Banker's Acceptances	"A" or higher by a NRSRO; 40% maximum; 30% per issuer; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 or highest rating by a NRSRO; Issuer rating by S&P and Moody's; Issuer must be a domestic corporation having assets in excess of \$500 million; 25% maximum; 10% per issuer; 270 days max maturity	Complies
Negotiable Certificates of Deposit (including CDARS)	30% maximum (including CDARS); FDIC Insured or Collateralized 110%	Complies
Time Deposits (TD)/ Certificates of Deposit (CD)	Collateralized 110%	Complies
Medium Term Notes	"A" or better by a NRSRO; 30% maximum; Issuers must be corporations organized and operating within the U.S.	Complies
Money Market Funds	Highest rating by two NRSROs or SEC registered adviser with assets greater than \$500 million; 20% maximum	Complies
Asset Backed Securities, Mortgage Backed/ Pass-Through Securities, CMOs	"AA" or higher by a NRSRO; "A" or higher for the issuer's long term debt by at least one NRSRO; 20% maximum; 5% per single Asset-Backed or Commercial Mortgage issuer; There is no issuer limitation on any Mortgage security where the issuer is US Treasury or a Federal Agency/Government-sponsored Enterprise (GSE).	Complies
Repurchase Agreements	20% maximum; 360 days max maturity; 102% collateralized; Not used by IA	Complies
Reverse Repurchase Agreements	20% maximum; 92 days max maturity; Not used by IA	Complies
LAIF	Maximum program limit; Not used by IA	Complies
Maximum Maturity	5 years	Complies

The City of San Leandro is able to meet its pool's expenditure requirement for the next six months.

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

	6/30/2017	3/31/2017
LAIF - City Pool #98-01-809	\$63,479,625	\$50,874,344
LAIF - Successor Agency	2,373,085	2,368,554
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	10,809,693	10,811,427
Total LAIF and Bank Accounts	\$76,662,406	\$64,054,327
Investment Portfolio Market Value	\$44,969,189	\$44,842,668
Total Market Value	\$121,631,595	\$108,896,995
LAIF Quarterly Apportionment Rate	0.92%	0.78%
2 year US Treasury Yield to Maturity	1.38%	1.27%
5 year US Treasury Yield to Maturity	1.89%	1.93%
Investment Portfolio:		
Average Maturity (yrs)	1.61	1.59
Modified Duration	1.56	1.54
Average Book Yield	1.33%	1.28%
Average Yield to Maturity at Market	1.45%	1.32%
Average Quality S&P/Moody	AA+/Aa1	AA+/Aa1

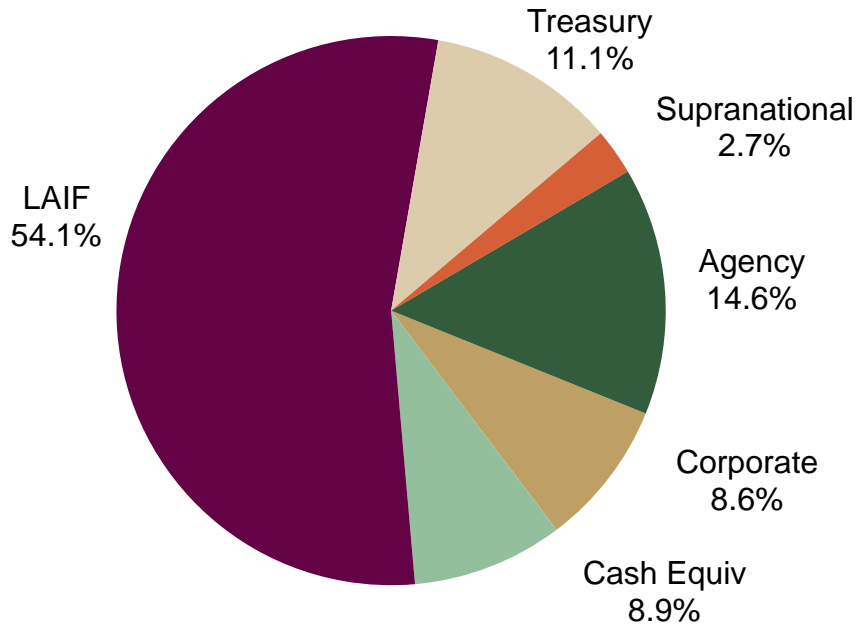
Portfolio Activity

Several securities were purchased across the Treasury, Agency, and Corporate sectors of the market to extend the maturity profile of the City's portfolio to be closer to internal targets and the benchmark. The purchased securities ranged in maturity from April 2020 to January 2021. One security was called and four matured to facilitate the new holdings in the portfolio.

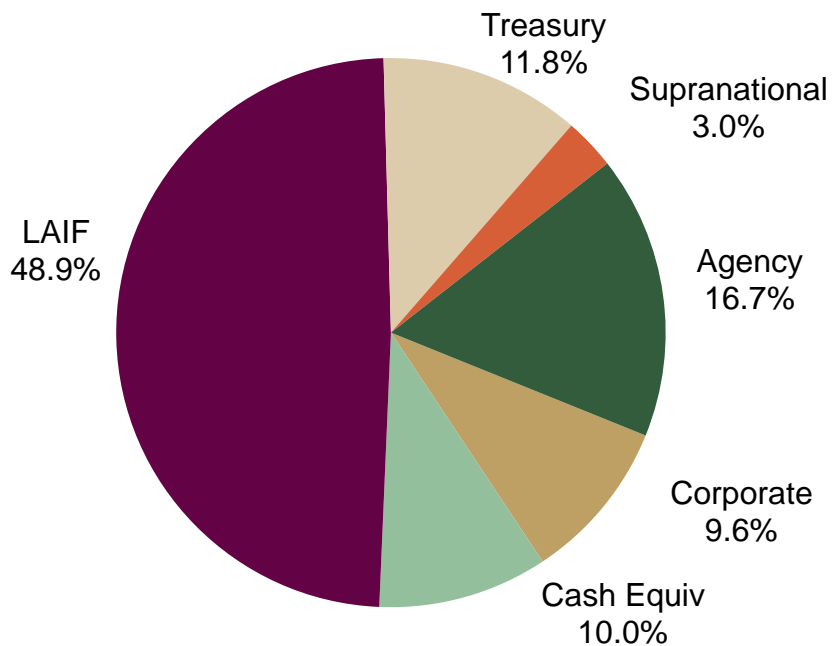


Sector Distribution

June 30, 2017



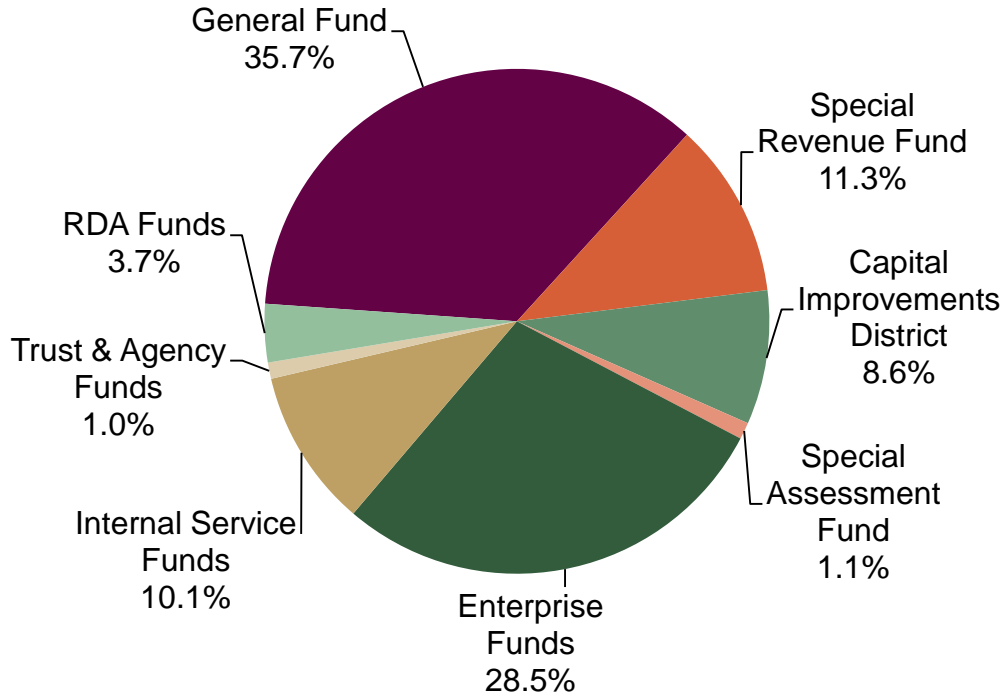
March 31, 2017



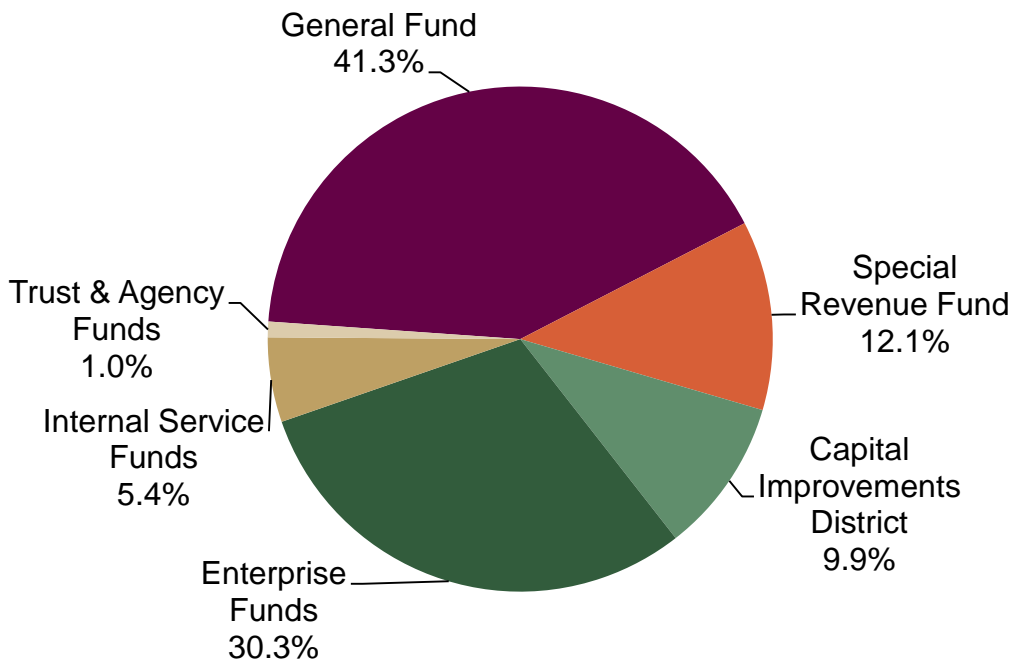


City Fund Allocation

June 30, 2017



March 31, 2017





**City of San Leandro
Investments by All Types
Active Investments
June 30, 2017**

CUSIP	Issuer	Coupon	Maturity Date	Par	Purchase Price	Book Value	Purchase Yield	MVACC
LAIF								
SYS113	LAIF - City Pool			\$63,479,625.11	100.00000	\$63,479,625.11		\$63,479,625.11
SYS114	LAIF - Successor Agency			2,373,085.28	100.00000	\$2,373,085.28		\$2,373,085.28
	LAIF - Economic Development Agency			2.34		\$2.34		\$2.34
	subtotal			\$65,852,712.73		\$65,852,712.73		\$65,852,712.73
Passbook/Checking Accounts								
	Public Funds Checking			10,809,693.07	100.00000	10,809,693.07		10,809,693.07
	subtotal			\$ 10,809,693.07		\$ 10,809,693.07		\$ 10,809,693.07
Government Issues								
60934N104	Government Obligations Fund Federated Investors	0.820	30-Jun-17	24,667.77	100.00000	24,667.77	0.82	24,667.77
3137EADJ5	Note FHLMC	1.000	28-Jul-17	800,000.00	100.00470	800,037.63	0.94	803,372.00
48126EAA5	Note JP Morgan	2.000	15-Aug-17	475,000.00	100.04702	475,223.35	1.61	478,928.04
912828TM2	Note US Treasury	0.625	31-Aug-17	825,000.00	99.94894	824,578.78	0.94	826,207.80
3133EDVU3	Note FFCB	1.125	22-Sep-17	750,000.00	99.98099	749,857.44	1.21	752,254.31
3133EDXA5	Note FFCB	1.150	10-Oct-17	775,000.00	100.03443	775,266.85	1.02	777,126.99
68389XAN5	Note Oracle Corp	1.200	15-Oct-17	400,000.00	99.99042	399,961.66	1.23	400,813.73
74005PBC7	Note Praxair	1.050	07-Nov-17	450,000.00	99.77609	448,992.40	1.71	450,048.60
912828UA6	Note US Treasury	0.625	30-Nov-17	1,020,000.00	99.89207	1,018,899.08	0.89	1,018,435.70
166764AA8	Callable Note Cont 11/5/17 Chevron Corp	1.104	05-Dec-17	650,000.00	99.81786	648,816.06	1.54	650,139.97
40428HPH9	Note HSBC USA Inc	1.625	16-Jan-18	500,000.00	100.01150	500,057.48	1.60	503,891.96
24422EST7	Note John Deere Capital Corp	1.350	16-Jan-18	500,000.00	100.02714	500,135.72	1.30	502,682.75
94974BFG0	Note Wells Fargo Corp	1.500	16-Jan-18	700,000.00	100.06414	700,449.01	1.38	704,587.80
912828UJ7	Note US Treasury	0.875	31-Jan-18	1,175,000.00	99.85410	1,173,285.66	1.13	1,177,231.17
3135G0TG8	Note FNMA	0.875	08-Feb-18	800,000.00	99.70757	797,660.56	1.37	801,219.76
912828H94	Note US Treasury	1.000	15-Feb-18	1,000,000.00	99.98944	999,894.40	1.02	1,002,352.91
3137EADP1	Note FHLMC	0.875	07-Mar-18	965,000.00	99.81029	963,169.26	1.16	965,175.47
313378A43	Note FHLB	1.375	09-Mar-18	800,000.00	100.07032	800,562.57	1.27	804,223.02
808513AK1	Callable Note Cont 2/10/2018 Charles Schwab Corp	1.500	10-Mar-18	500,000.00	100.02620	500,130.98	1.46	502,451.50
912828JF8	Note US Treasury	1.000	15-Mar-18	500,000.00	99.97163	499,858.16	1.04	500,627.39
36962G6W9	Note General Electric Capital Corp	1.625	02-Apr-18	128,000.00	100.01086	128,013.90	1.61	128,712.75
912828K25	Note US Treasury	0.750	15-Apr-18	800,000.00	99.93816	799,505.30	0.83	797,980.70
747525AG8	Note Qualcomm Inc	1.400	18-May-18	550,000.00	99.77202	548,746.12	1.66	550,530.99
3135G0WJ8	Note FNMA	0.875	21-May-18	1,050,000.00	99.70190	1,046,869.94	1.22	1,047,430.88
313379DT3	Note FHLB	1.250	08-Jun-18	650,000.00	100.12291	650,798.89	1.12	650,280.55
912828XK1	Note US Treasury	0.875	15-Jul-18	725,000.00	99.87326	724,081.11	1.00	724,754.67
3135G0E33	Note FNMA	1.125	20-Jul-18	400,000.00	100.04034	400,161.37	1.09	401,203.30
06406HCL1	Callable Note Cont 7/2/2018 Bank of New York	2.100	01-Aug-18	500,000.00	100.25898	501,294.90	1.83	506,860.50
3130AGAE7	Note FHLB	1.125	14-Sep-18	975,000.00	100.18010	976,755.93	0.97	975,257.16
912828L40	Note US Treasury	1.000	15-Sep-18	1,300,000.00	100.03345	1,300,434.81	0.97	1,298,940.22
912828L81	Note US Treasury	0.875	15-Oct-18	1,000,000.00	99.64225	996,422.53	1.16	996,059.85
89236TAY1	Note Toyota Motor Credit Corp	2.000	24-Oct-18	450,000.00	100.63215	452,844.69	1.51	454,118.05
313376BR5	Note FHLB	1.750	14-Dec-18	1,000,000.00	100.57211	1,005,721.13	1.35	1,006,214.39
912828N22	Note US Treasury	1.250	15-Dec-18	1,000,000.00	99.97499	999,749.89	1.27	999,062.45
3135G0H63	Note FNMA	1.375	28-Jan-19	1,000,000.00	99.99474	999,947.35	1.38	1,005,706.75
3133782M2	Note FHLB	1.500	08-Mar-19	775,000.00	100.79032	780,497.22	1.07	779,600.66
532457BF4	Note Eli Lilly & Co	1.950	15-Mar-19	400,000.00	101.40991	405,639.64	1.11	404,067.47
30231GAD4	Callable Note Cont 2/15/2019 Exxon Mobil Corp	1.819	15-Mar-19	450,000.00	100.86814	453,906.65	1.30	454,185.88
459058DL4	Note Intl. Bank Recon & Development	1.875	15-Mar-19	900,000.00	101.43247	912,892.20	1.02	910,223.85
912828C65	Note US Treasury	1.625	31-Mar-19	1,000,000.00	100.45254	1,004,525.38	1.36	1,008,576.70
3137EADZ9	Note FHLMC	1.125	15-Apr-19	385,000.00	100.24718	385,951.66	0.98	384,184.58
037833AQ3	Note Apple Inc	2.100	06-May-19	500,000.00	101.52101	507,605.06	1.26	506,291.67
3135G0ZE6	Note FNMA	1.750	20-Jun-19	1,000,000.00	100.72522	1,007,252.18	1.37	1,007,100.72
3130A8DB6	Note FHLB	1.125	21-Jun-19	550,000.00	100.16101	550,885.55	1.04	547,081.98
3137EADK2	Note FHLMC	1.250	01-Aug-19	450,000.00	99.40626	447,328.17	1.54	450,547.35
4581X0BY3	Note Inter-American Dev Bank	1.125	12-Sep-19	500,000.00	100.01078	500,053.89	1.12	495,025.13
45950KCD0	Note International Finance Corp	1.750	16-Sep-19	500,000.00	101.36074	506,803.72	1.12	504,687.58
3137EADM8	Note FHLMC	1.250	02-Oct-19	850,000.00	100.10464	850,889.44	1.20	847,950.89
3130AA3R7	Note FHLB	1.375	15-Nov-19	875,000.00	99.87316	873,890.16	1.43	873,847.58
912828UB4	Note US Treasury	1.000	30-Nov-19	775,000.00	100.04673	775,362.15	0.98	767,482.50
3135G0T29	Note FNMA	1.500	28-Feb-20	675,000.00	99.51266	671,710.45	1.69	676,690.21
912828UV0	Note US Treasury	1.125	31-Mar-20	1,000,000.00	98.83187	988,318.74	1.57	992,475.86
3137EAEF2	Note FHLMC	1.375	20-Apr-20	550,000.00	99.70196	548,360.76	1.48	548,238.24
3137EADR7	Note FHLMC	1.375	01-May-20	790,000.00	100.83555	796,600.82	1.07	786,559.29
313383HU8	Note FHLB	1.750	12-Jun-20	825,000.00	100.60691	830,007.02	1.54	828,564.51
912828XM7	Note US Treasury	1.625	31-Jul-20	500,000.00	100.47027	502,351.33	1.47	503,975.16
02665WAZ4	Note American Honda Finance	2.450	24-Sep-20	500,000.00	102.27191	511,359.55	1.72	510,075.19
912828L65	Note US Treasury	1.375	30-Sep-20	425,000.00	99.35344	422,252.11	1.58	423,314.57
00440EA74	Callable Note Cont 10/3/2020 ACE INA Holdings	2.300	03-Nov-20	500,000.00	100.76716	503,835.81	2.05	504,703.78
594918BG8	Callable Note Cont. 10/03/20 Microsoft	2.000	03-Nov-20	650,000.00	100.15043	650,977.80	1.95	654,435.09
91159HHL7	Callable Note 1X 12/29/2020 US Bancorp	2.350	29-Jan-21	500,000.00	101.09050	505,452.52	2.02	507,435.61
912828N89	Note US Treasury	1.375	31-Jan-21	425,000.00	99.10095	421,179.03	1.63	422,988.27
084670BQ0	Callable Note Cont 2/15/2021 Berkshire Hathaway	2.200	15-Mar-21	525,000.00	99.78410	523,866.50	2.26	532,430.21
459058FH1	Note Intl. Bank Recon & Development	1.375	24-May-21	600,000.00	97.62709	585,762.52	2.01	588,318.72
17275RBJ0	Callable Note Cont 8/20/2021 Cisco Systems	1.850	20-Sep-21	550,000.00	97.95887	538,773.79	2.36	546,074.80
4581X0CW6	Note Inter-American Dev Bank	2.125	18-Jan-22	800,000.00	99.68648	797,491.87	2.20	812,502.82
	subtotal			\$ 43,563,000.00		\$ 44,894,636.37		\$ 44,969,188.72
	Total			\$ 120,225,405.80		\$ 121,557,042.17		\$ 121,631,594.52