CITY OF DELANO
STAFF REPORT

August 4, 2014
Agenda Item:

TO: Honorable Mayor and Members of the City Council

FROM: Maribel Reyna, City Manager
By: Rosa Rios, Finance Director

SUBJECT: Acceptance and Approval of the City of Delano Quarterly Investment Report.

## Recommendation

Staff recommends that the City Council accept and approve the Quarterly Investment Report dated August 4, 2014.

## Discussion

The Quarterly Investment Report for the quarter ended June 30, 2014, is presented to the City Council for acceptance and approval. This report is required by the City of Delano Investment Policy and the Government Code of the State of California.

This report reflects only the pooled cash managed and invested by the Finance Director on a daily basis. At June 30, 2014, the City of Delano's total investment portfolio of pooled idle cash at cost was $25,257,451 earning a weighted average rate of return of 0.849%. This is equivalent to an average monthly income of $17,880 or $214,562 annually. A summary of the categories of investment is as follows:

| INVESTMENT TYPE | BOOK VALUE (COST) | INTEREST RATE AVERAGE | MONTHLY YIELD |
|---|---|---|---|
| Local Agency Investment Fund | $ 8,760,431 | 0.220% | $ 1,606 |
| Certificates of Deposit | 499,000 | 1.100% | 457 |
| US Government Agency | 15,998,020 | 1.186 % | 15,817 |
| Total | $ 25,257,451 | 0.849% | $ 17,880 |

## Budget Impact

Estimated Annual Investment Earnings of $214,562.

Attachment(s): LAIF statement, CD's schedule, Union Bank-Institutional Custody Investment Account Statement, and Corporate Trust Department Account Statement.

# CITY OF DELANO

## QUARTERLY INVESTMENT REPORT
## June 30, 2014

| TYPE OF INVESTMENT | INSURER/BROKER OF INVESTMENT | CUSIP | ACQUISITION DATE | MATURITY DATE | DOLLAR AMOUNT/PAR | INTEREST RATE | COST | MARKET VALUE | UNREALIZED (LOSS)GAIN | MONTHLY YIELD | ANNUAL YIELD |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ocal Agency Investment Fund (LAIF) | California State Treasurer | | n/a | On Demand | **8,760,430.91** | 0.220% | 8,760,430.91 | 8,760,430.91 | - | 1,606.08 | 19,272.95 |
| :ertificates of Deposit | Various | | See Schedule | See Schedule | **499,000.00** | 1.100% | 499,000.00 | 499,000.00 | - | 457.42 | 5,489.04 |
| JS Government Agency-State Tax Exempt | | | | | | | | | | | |
| Federal Home Loan Bank | Gilford Securities | **313379XM6** | 07/10/12 | 07/10/17 | 1,000,000.00 | 1.100% | 1,000,000.00 | 999,020.00 | (980.00) | 916.67 | 11,000.00 |
| Federal Home Loan Bank | Gilford Securities | **3133802C0** | 07/26/12 | 07/26/17 | 1,000,000.00 | 1.050% | 1,000,000.00 | 1,000,110.00 | 110.00 | 875.00 | 10,500.00 |
| Federal Farm Credit Banks | Gilford Securities | **3133ECWK6** | 08/07/13 | 08/07/17 | 1,000,000.00 | 1.330% | 1,000,000.00 | 1,001,060.00 | 1,060.00 | 1,108.33 | 13,300.00 |
| Federal Home Loan Bank | Gilford Securities | **313380A80** | 08/16/12 | 08/16/17 | 1,000,000.00 | 1.000% | 1,000,000.00 | 999,490.00 | (510.00) | 833.33 | 10,000.00 |
| Federal Home Loan Bank | Gilford Securities | **313380MF1** | 09/18/12 | 09/18/17 | 2,000,000.00 | 1.000% | 2,000,000.00 | 1,996,060.00 | (3,940.00) | 1,666.67 | 20,000.00 |
| Federal Farm Credit Banks | Gilford Securities | **3130A1AD0** | 03/27/14 | 09/27/17 | 1,000,000.00 | 1.150% | 1,000,000.00 | 1,000,770.00 | 770.00 | 958.33 | 11,500.00 |
| Federal Home Loan MTG Corp | Gilford Securities | **3134G33B4** | 01/14/13 | 01/11/18 | 1,000,000.00 | 1.000% | 1,000,000.00 | 991,430.00 | (8,570.00) | 833.33 | 10,000.00 |
| Federal Home Loan MTG Corp | Gilford Securities | **3134G34Y3** | 02/14/13 | 02/14/18 | 1,000,000.00 | 1.000% | 999,750.00 | 990,300.00 | (9,450.00) | 833.33 | 10,000.00 |
| Federal National Mtg. Assn. | Gilford Securities | **3136G1EJ4** | 02/28/13 | 02/28/18 | 1,000,000.00 | 1.150% | 1,000,000.00 | 991,110.00 | (8,890.00) | 958.33 | 11,500.00 |
| Federal National Mtg. Assn. | Gilford Securities | **3136G1GU7** | 03/27/13 | 03/27/18 | 1,000,000.00 | 1.050% | 1,000,000.00 | 987,950.00 | (12,050.00) | 875.00 | 10,500.00 |
| Federal Farm Credit Banks | Gilford Securities | **3133ECLJ1** | 04/16/13 | 04/16/18 | 1,000,000.00 | 0.980% | 999,000.00 | 992,850.00 | (6,150.00) | 816.67 | 9,800.00 |
| Federal Home Loan Bank | Gilford Securities | **313382L76** | 04/16/13 | 04/16/18 | 1,000,000.00 | 1.100% | 999,750.00 | 988,940.00 | (10,810.00) | 916.67 | 11,000.00 |
| Federal Home Loan Bank | Gilford Securities | **3130A16T0** | 03/27/14 | 06/27/18 | 1,000,000.00 | 1.500% | 1,000,000.00 | 1,001,120.00 | 1,120.00 | 1,250.00 | 15,000.00 |
| Federal Home Loan Bank | Gilford Securities | **3130A2BQ8** | 06/30/14 | 06/29/18 | 1,000,000.00 | 1.500% | 1,000,000.00 | 997,740.00 | (2,260.00) | 1,250.00 | 15,000.00 |
| Federal Home Loan Bank | Gilford Securities | **3130A1GQ5** | 04/15/14 | 04/15/19 | 1,000,000.00 | 2.070% | 999,520.00 | 999,290.00 | (230.00) | 1,725.00 | 20,700.00 |
| Total US Gov't. Agency State Tax Exempt | | | | | 16,000,000.00 | 1.186% | **15,998,020.00** | **15,937,240.00** | (60,780.00) | 15,816.67 | 189,800.00 |
| **'RINCIPAL PORTFOLIO TOTAL** | | | | | **25,259,430.91** | **0.849%** | **25,257,450.91** | **25,196,670.91** | **(60,780.00)** | **17,880.17** | **214,561.99** |

**:ERTIFICATION:**

certify that this report accurately reflects all City and Redevelopment Agency investments, and is in conformance with the adopted investment policy of the City of Delano. Furthermore, I certify to the best of my nowledge, sufficient investment liquidity and anticipated revenues are available to meet the city's budgeted expenditure requirements for the next six months.

Rosa Lara Rios
Finance Director

Date: August 4, 2014

# JOHN CHIANG

## California State Controller

### LOCAL AGENCY INVESTMENT FUND
### REMITTANCE ADVICE

| | |
|---|---|
| Agency Name | DELANO |
| Account Number | 98-15-242 |

As of 07/15/2014, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2014.

| | | |
|---|---|---|
| Earnings Ratio | | .00000606145493377 |
| Interest Rate | | 0.22% |
| Dollar Day Total | $ | 797,129,539.43 |
| Quarter End Principal Balance | $ | 8,760,430.91 |
| Quarterly Interest Earned | $ | 4,831.76 |

*CITY OF DELANO*
*CERTIFICATES OF DEPOSITS*
*AS OF JUNE 30, 2014*

| SAVINGS INSTITUTION | AMOUNT OF INVESTMENT | DATE INVESTMENT | MATURITY DATE | No. of DAYS | INTEREST RATE | MONTHLY INTEREST | DAILY INTEREST | YEARLY INTEREST |
|---|---|---|---|---|---|---|---|---|
| BROADWAY FEDERAL BANK | 200,000.00 | 04/21/14 | 04/21/17 | 30 | 1.15% | 191.67 | 6.39 | 2,300.00 |
| COMMUNITY COMMERCE BANK | 99,000.00 | 01/08/14 | 01/08/17 | 30 | 1.10% | 90.75 | 3.03 | 1,089.00 |
| HANMI BANK | 200,000.00 | 04/03/14 | 04/03/17 | 30 | 1.05% | 175.00 | 5.83 | 2,100.00 |
| **TOTALS** | **499,000.00** | | | | **1.10%** | **457.42** | **15.25** | **5,489.00** |

UnionBank

ITC, INSTITUTIONAL CUSTODY
350 CALIFORNIA STREET, 6TH FLOOR
SAN FRANCISCO CA 94104

MB 01 000795 55964 H 5 D

CITY OF DELANO
ATTN: LETTIE DEDIOS
1015 ELEVENTH AVE.
DELANO, CA 93215-2262

# Account Statement

***Statement Period***
June 1, 2014 through June 30, 2014

***Account Number***
6736305240

***Account Name***
CITY OF DELANO

***Relationship Manager***
JEANNETTE SIMMONS
415-705-7210

***Investment Manager***
DIRECTED

***Online Access***
unionbank.com/trustandcustody



## Overview of Total Account Value

| | |
|---|---|
| Closing Value on 12/31/2013 | $13,792,980.00 |
| Opening Value on 06/01/2014 | $15,945,200.00 |
| Closing Value on 06/30/2014 | $15,937,240.00 |
| ***Net Change For Period*** | ***($7,960.00)*** |

## Contents


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Principal Portfolio Summary
Unrealized Gain/Loss Summary
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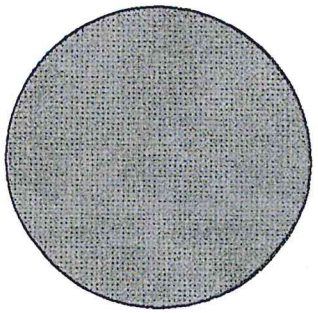
## Overview of Account by Investment Category

***Your Current Portfolio Mix***



| *% of Total Account* | *Market Value* | *Description* |
|---|---|---|
| 100.00% | 15,937,240.00 | Government Obligations |
| **100.00%** | **$15,937,240.00** | **Total Account Value** |

UnionBank

**Account Number**
6736305240

**Account Name**
CITY OF DELANO

## Account Statement

**Statement Period**
June 1, 2014 through June 30, 2014

## Principal Portfolio Summary

| Description | Market Value | Percentage of Portfolio | Current Yield |
|---|---|---|---|
| Government Obligations | 15,937,240.00 | 100.00% | 1.19% |
| **Total Principal Portfolio** | **$15,937,240.00** | **100.00%** | **1.19%** |

## Unrealized Gain/Loss Summary

| Description | Cost Basis | Market Value | Gain/Loss |
|---|---|---|---|
| Government Obligations | 15,998,020.00 | 15,937,240.00 | (60,780.00) |
| **Total Gain/Loss** | **$15,998,020.00** | **$15,937,240.00** | **($60,780.00)** |

## Cash Transactions Summary

| | Principal Cash |
|---|---|
| **Receipts** | |
| Checking/Savings Withdrawal | 1,000,000.00 |
| Interest | 5,416.67 |
| Sales | 1,000,000.00 |
| **Total Receipts** | **$2,005,416.67** |
| **Disbursements** | |
| Purchases | (1,000,000.00) |
| Checking / Savings Deposit | (1,005,416.67) |
| **Total Disbursements** | **($2,005,416.67)** |
| **Total Net Transactions** | **$0.00** |

# Asset Detail - Principal Portfolio

## Government Obligations

| Asset Name | CUSIP | Shares/ Units Held | Cost Basis | Market Value | Price/ Date Priced | Percentage of Portfolio | Current Yield | Estimated Annual Income |
|---|---|---|---|---|---|---|---|---|
| **Federal Govt Agency** | | | | | | | | |
| FEDERAL HOME LOAN BANKS 1.1000% 7/10/2017 | 313379XM6 | 1,000,000.000 | 1,000,000.00 | 999,020.00 | 99.9020 06/30/2014 | 6.27% | 1.10% | 11,000.00 |
| FEDERAL HOME LOAN BANKS 1.0500% 7/26/2017 | 3133802C0 | 1,000,000.000 | 1,000,000.00 | 1,000,110.00 | 100.0110 06/30/2014 | 6.28% | 1.05% | 10,500.00 |
| FEDERAL FARM CR BKS 1.3300% 8/7/2017 | 3133ECWK6 | 1,000,000.000 | 1,000,000.00 | 1,001,060.00 | 100.1060 06/30/2014 | 6.28% | 1.33% | 13,300.00 |
| FEDERAL HOME LOAN BANKS 1.0000% 8/16/2017 | 313380A80 | 1,000,000.000 | 1,000,000.00 | 999,490.00 | 99.9490 06/30/2014 | 6.27% | 1.00% | 10,000.00 |
| FEDERAL HOME LOAN BANKS 1.0000% 9/18/2017 | 313380MF1 | 2,000,000.000 | 2,000,000.00 | 1,996,060.00 | 99.8030 06/30/2014 | 12.52% | 1.00% | 20,000.00 |
| FEDERAL HOME LOAN BANKS 1.1500% 9/27/2017 | 3130A1AD0 | 1,000,000.000 | 1,000,000.00 | 1,000,770.00 | 100.0770 06/30/2014 | 6.28% | 1.15% | 11,500.00 |
| FEDERAL HOME LN MTG CORP 1.0000% 1/11/2018 | 3134G33B4 | 1,000,000.000 | 1,000,000.00 | 991,430.00 | 99.1430 06/30/2014 | 6.22% | 1.01% | 10,000.00 |
| FEDERAL HOME LN MTG CORP 1.0000% 2/14/2018 | 3134G34Y3 | 1,000,000.000 | 999,750.00 | 990,300.00 | 99.0300 06/30/2014 | 6.21% | 1.01% | 10,000.00 |
| FEDERAL NATL MTG ASSN 1.1500% 2/28/2018 | 3136G1EJ4 | 1,000,000.000 | 1,000,000.00 | 991,110.00 | 99.1110 06/30/2014 | 6.22% | 1.16% | 11,500.00 |
| FEDERAL NATL MTG ASSN 1.0500% 3/27/2018 | 3136G1GU7 | 1,000,000.000 | 1,000,000.00 | 987,950.00 | 98.7950 06/30/2014 | 6.20% | 1.06% | 10,500.00 |
| FEDERAL FARM CR BKS 0.9800% 4/16/2018 | 3133ECLJ1 | 1,000,000.000 | 999,000.00 | 992,850.00 | 99.2850 06/30/2014 | 6.23% | 0.99% | 9,800.00 |

## Asset Detail - Principal Portfolio (continued)

### Government Obligations

| Asset Name | CUSIP | Shares/ Units Held | Cost Basis | Market Value | Price/ Date Priced | Percentage of Portfolio | Current Yield | Estimated Annual Income |
|---|---|---|---|---|---|---|---|---|
| **Federal Govt Agency** | | | | | | | | |
| FEDERAL HOME LOAN BANKS 1.1000% 4/16/2018 | 313382L76 | 1,000,000.000 | 999,750.00 | 988,940.00 | 98.8940 06/30/2014 | 6.21% | 1.11% | 11,000.00 |
| FEDERAL HOME LOAN BANKS 1.5000% 6/27/2018 | 3130A16T0 | 1,000,000.000 | 1,000,000.00 | 1,001,120.00 | 100.1120 06/30/2014 | 6.28% | 1.50% | 15,000.00 |
| FEDERAL HOME LOAN BANKS 1.5000% 6/29/2018 | 3130A2BQ8 | 1,000,000.000 | 1,000,000.00 | 997,740.00 | 99.7740 06/30/2014 | 6.26% | 1.50% | 15,000.00 |
| FEDERAL HOME LOAN BANKS 2.0700% 4/15/2019 | 3130A1GQ5 | 1,000,000.000 | 999,520.00 | 999,290.00 | 99.9290 06/30/2014 | 6.27% | 2.07% | 20,700.00 |
| **Total Government Obligations** | | | **$15,998,020.00** | **$15,937,240.00** | | **100.00%** | **1.19%** | **$189,800.00** |
| **Total Principal Portfolio** | | | **$15,998,020.00** | **$15,937,240.00** | | **100.00%** | **1.19%** | **$189,800.00** |
| **Total Account Values** | | | **$15,998,020.00** | **$15,937,240.00** | | **100.00%** | **1.19%** | **$189,800.00** |

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UnionBank

**Account Number**
6736305240

**Account Name**
CITY OF DELANO

# Account Statement

**Statement Period**
June 1, 2014 through June 30, 2014

## Maturity Summary

| | Face Value | Par Value | Cost Basis | Market Value | Percentage of Market Value |
|---|---|---|---|---|---|
| 2014 | | | | | |
| 2015 | | | | | |
| 2016 | | | | | |
| 2017 | | 7,000,000.000 | 7,000,000.00 | 6,996,510.00 | 43.90% |
| 2018 | | 8,000,000.000 | 7,998,500.00 | 7,941,440.00 | 49.83% |
| 2019 | | 1,000,000.000 | 999,520.00 | 999,290.00 | 6.27% |
| 2020 | | | | | |
| 2021 | | | | | |
| 2022 | | | | | |
| 2023 | | | | | |
| Ten-to-Fourteen Years | | | | | |
| Fifteen-to-Nineteen Years | | | | | |
| Twenty Years and Over | | | | | |
| **Total** | **$0.00** | **16,000,000.000** | **$15,998,020.00** | **$15,937,240.00** | **100.00%** |

## Transaction Detail

| Date | Activity | Description | CUSIP | Principal Cash | Cost Basis |
|---|---|---|---|---|---|
| **Beginning Balance** | | | | **$0.00** | **$15,998,020.00** |
| 06/13/14 | Interest | CASH RECEIPT OF INTEREST EARNED ON FHLB BDS 2.000% 5/13/19 0.001667/$1 PV ON 1,000,000 PAR VALUE DUE 6/13/20 | 3130A1RZ3 | 1,666.67 | |
| 06/13/14 | Sales | FULL CALL 1,000,000 PAR VALUE OF FHLB BDS 2.000% 5/13/19 TRADE DATE 06/13/14 FULL CALL | 3130A1RZ3 | 1,000,000.00 | (1,000,000.00) |
| 06/13/14 | Checking / Savings Deposit | CASH DISBURSEMENT TRANSFER TO UB CHKING/SAVING ACCOUNT NUMBER: XXXXXX3281 | | (1,001,666.67) | |

UnionBank

**Account Number**
6736305240

**Account Name**
CITY OF DELANO

## Account Statement

**Statement Period**
June 1, 2014 through June 30, 2014

## Transaction Detail (continued)

| Date | Activity | Description | CUSIP | Principal Cash | Cost Basis |
|---|---|---|---|---|---|
| 06/27/14 | Interest | CASH RECEIPT OF INTEREST EARNED ON<br>FHLB BDS 1.500% 6/27/18<br>0.00375/$1 PV ON 1,000,000 PAR VALUE DUE 6/27/201 | 3130A16T0 | 3,750.00 | |
| 06/27/14 | Checking / Savings Deposit | CASH DISBURSEMENT<br>TRANSFER TO UB CHKING/SAVING<br>ACCOUNT NUMBER: XXXXXX3281 | | (3,750.00) | |
| 06/30/14 | Purchases | PURCHASED 1,000,000 PAR VALUE OF<br>FHLB BDS 1.500% 6/29/18<br>TRADE DATE 06/04/14<br>PURCHASED THROUGH STERNE AGEE & LEACH INC.<br>1,000,000 PAR VALUE AT 100 % | 3130A2BQ8 | (1,000,000.00) | 1,000,000.00 |
| 06/30/14 | Checking/Savings Withdrawal | CASH RECEIPT<br>W/D FROM UB CHECKING/SAVINGS<br>ACCOUNT NUMBER: XXXXXX3281 | | 1,000,000.00 | |
| **Net Activity** | | | | **$0.00** | **$0.00** |
| **Ending Balance** | | | | **$0.00** | **$15,998,020.00** |

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