



MEMORANDUM

TO: CITY COUNCIL

FROM: MICHAEL STEVENS, ADMINISTRATIVE SERVICES DIRECTOR

SUBJECT: CONSIDERATION OF STATEMENT OF INVESTMENT DEPOSITS

DATE: JANUARY 26, 2021

SUMMARY OF ACTION:

Presentation of investment deposits.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There is no funding impact to the City related to these reports. However, the City does receive interest revenue based on the interest rate of the investments. No or minimal future staff time is projected.

RECOMMENDATION:

It is recommended the City Council receive and file the attached report listing of investment deposits of the City of Arroyo Grande, as of December 31, 2020 as required by Government Code Section 53646(b).

BACKGROUND:

This report represents the City's investments as of December 31, 2020. It includes all investments managed by the City, the investment institution, investment type, book value, maturity date, and rate of interest. As of December 31, the investment portfolio was in compliance with all State laws and the City's investment policy.

ANALYSIS OF ISSUES:

The Administrative Services department has historically submitted to the City Council a monthly report, providing the following information:

1. Type of investment.
2. Financial institution (bank, savings and loan, broker, etc).
3. Date of maturity.

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4. Principal amount.
5. Rate of interest.
6. Current market value for all securities having a maturity of more than 12 months.
7. Relationship of the monthly report to the annual statement of investment policy.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

Recommended Alternative - Approve staff's recommendation to receive and file the attached report listing the investment deposits.

- Do not approve staff's recommendation
- Provide direction to staff

ADVANTAGES:

Safety of principal is the foremost objective of the City. Investments are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

DISADVANTAGES:

Some level of risk is present in any investment transaction. Losses could be incurred due to market price changes, technical cash flow complications such as the need to withdraw a non-negotiable Time Certificate of Deposit early, or even the default of an issuer. To minimize such risks, diversifications of the investment portfolio by institution and by investment instruments are being used as much as is practical and prudent.

ENVIRONMENTAL REVIEW:

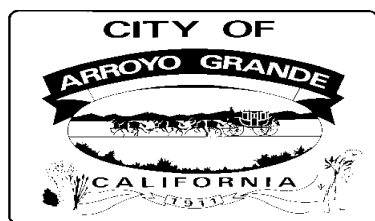
No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachments:

1. Portfolio Summary: December 31, 2020



City of Arroyo Grande
300 E. Branch St.
Arroyo Grande, CA 93420
Phone: (805) 473-5400

CITY OF ARROYO GRANDE
Portfolio Management
Portfolio Summary
December 31, 2020

| Investments | Principal Value | Current Market Value | Interest Rate | Date of Purchase | Term | Maturity Date | % of Portfolio |
|--------------------------------------|-------------------------|-------------------------|---------------|-------------------|--------|-------------------|-----------------|
| Local Agency Investment Fund | \$ 9,947,911.12 | \$ 9,947,911.12 | 0.540% | | | | 49.686% |
| Certificates of Deposit | | | | | | | |
| Pacific Premier Bank | 106,270.79 | 106,270.79 | 0.750% | February 21, 2020 | 12 mos | February 21, 2021 | 0.531% |
| Bank Hapoalim New York | 247,000.00 | 247,000.00 | 2.100% | July 19, 2019 | 24 mos | July 19, 2021 | 1.234% |
| Texas Exchange Bank | 248,000.00 | 248,000.00 | 1.000% | March 25, 2020 | 24 mos | March 25, 2022 | 1.239% |
| CIT Bank NA | 248,000.00 | 248,000.00 | 1.050% | March 28, 2020 | 24 mos | March 28, 2022 | 1.239% |
| Firstbank Puerto Rico | 249,000.00 | 249,000.00 | 1.700% | October 25, 2019 | 30 mos | April 25, 2022 | 1.244% |
| Ally Bank | 247,000.00 | 247,000.00 | 2.150% | July 22, 2019 | 36 mos | July 22, 2022 | 1.234% |
| TIAA FSB Jacksonville | 247,000.00 | 247,000.00 | 2.100% | July 12, 2019 | 36 mos | July 12, 2022 | 1.234% |
| Sallie Mae Bank/Salt Lake | 247,000.00 | 247,000.00 | 1.900% | October 3, 2019 | 36 mos | October 3, 2022 | 1.234% |
| Eaglebank Bethesda Maryland | 249,000.00 | 249,000.00 | 1.850% | October 4, 2019 | 36 mos | October 4, 2022 | 1.244% |
| Goldman Sachs Bank USA | 247,000.00 | 247,000.00 | 1.850% | October 24, 2019 | 36 mos | October 24, 2022 | 1.234% |
| 1st Security Bank Washington | 249,000.00 | 249,000.00 | 1.700% | October 4, 2019 | 42 mos | April 4, 2023 | 1.244% |
| Morgan Stanley Private Bank | 247,000.00 | 247,000.00 | 2.250% | July 11, 2019 | 45 mos | July 11, 2023 | 1.234% |
| Merrick Bank | 249,000.00 | 249,000.00 | 1.800% | October 16, 2019 | 48 mos | October 16, 2023 | 1.244% |
| Enerbank USA | 247,000.00 | 247,000.00 | 1.850% | October 25, 2019 | 60 mos | October 25, 2024 | 1.234% |
| Flagstar Bank | 245,000.00 | 245,000.00 | 0.850% | May 15, 2020 | 60 mos | May 15, 2025 | 1.224% |
| Total Certificates of Deposit | 3,572,270.79 | 3,572,270.79 | | | | | 17.842% |
| Agency Bonds | | | | | | | |
| Federal Farm Credit Bank | 2,500,000.00 | 2,595,672.50 | 1.600% | November 1, 2019 | 48 mos | November 1, 2023 | 12.486% |
| Federal Farm Credit Bank | 1,999,314.00 | 2,000,050.00 | 0.350% | December 4, 2020 | 42 mos | May 16, 2024 | 9.986% |
| Federal Farm Credit Bank | 1,002,184.00 | 1,001,411.00 | 1.125% | March 17, 2020 | 60 mos | March 17, 2025 | 5.005% |
| Federal Natl Mortgage Assn | 1,000,000.00 | 995,382.00 | 0.500% | October 20, 2020 | 60 mos | October 20, 2025 | 4.995% |
| Total Agency Bonds | 6,501,498.00 | 6,592,515.50 | | | | | 32.472% |
| TOTAL INVESTMENTS | \$ 20,021,679.91 | \$ 20,112,697.41 | | | | | 100.000% |

* Effective Interest Rate

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