



## MEMORANDUM

**TO: CITY COUNCIL**

**FROM: SHANNON ESENWEIN, DIRECTOR OF ADMINISTRATIVE SERVICES**

**BY: NICOLE VALENTINE, ACCOUNTING MANAGER**

**SUBJECT: CONSIDERATION OF STATEMENT OF INVESTMENT DEPOSITS**

**DATE: OCTOBER 22, 2019**

**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 September 30, 2019 as required by Government Code Section 53646(b).

**BACKGROUND:**

This report represents the City's investments as of September 30, 2019. It includes all investments managed by the City, the investment institution, investment type, book value, maturity date, and rate of interest. As of September 30, the investment portfolio was in compliance with all State laws and the City's investment policy.

**ANALYSIS OF ISSUES:**

The Director of Administrative Services 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).

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3. Date of maturity.
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: September 30, 2019



City of Arroyo Grande  
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Phone: (805) 473-5400

**CITY OF ARROYO GRANDE**  
**Portfolio Management**  
**Portfolio Summary**  
**September 30, 2019**

<b>Investments</b>	<b>Principal Value</b>	<b>Current Market Value</b>	<b>Interest Rate</b>	<b>Date of Purchase</b>	<b>Term</b>	<b>Maturity Date</b>	<b>% of Portfolio</b>
<b>Local Agency Investment Fund</b>	\$ 4,882,508.50	\$ 4,882,508.50	2.341%				36.325%
<b>Certificates of Deposit</b>							
Goldman Sachs Bank USA	247,000.00	247,000.00	1.700%	October 18, 2017	24 mos	October 18, 2019	1.838%
Wex Bank	247,000.00	247,000.00	1.700%	October 18, 2017	24 mos	October 18, 2019	1.838%
Pacific Premier Bank	104,627.25	104,627.25	2.260%	February 21, 2019	12 mos	February 21, 2020	0.778%
Citibank	245,000.00	245,000.00	2.700%	May 11, 2018	24 mos	May 11, 2020	1.823%
Morgan Stanley	245,000.00	245,000.00	2.800%	August 18, 2018	24 mos	August 31, 2020	1.823%
Capital One Bank USA	247,000.00	247,000.00	2.000%	October 18, 2017	36 mos	October 19, 2020	1.838%
Comenity Capital Bank	249,000.00	249,000.00	1.950%	October 23, 2017	36 mos	October 23, 2020	1.853%
Bank Hapoalim New York	247,000.00	247,000.00	2.100%	July 19, 2019	24 mos	July 19, 2021	1.838%
TIAA FSB Jacksonville	247,000.00	247,000.00	2.100%	July 12, 2019	36 mos	July 12, 2022	1.838%
Ally Bank	247,000.00	247,000.00	2.150%	July 22, 2019	36 mos	July 22, 2022	1.838%
Morgan Stanley	247,000.00	247,000.00	2.250%	July 11, 2019	48 mos	July 11, 2023	1.838%
<b>Total Certificates of Deposit</b>	<b>2,572,627.25</b>	<b>2,572,627.25</b>					<b>19.140%</b>
<b>Agency Bonds</b>							
Federal Home Loan Bank	1,502,338.50	1,491,240.00	1.200%	July 13, 2016	48 mos	July 13, 2020	11.177%
Federal Farm Credit Bank	2,500,000.00	2,499,402.50	2.090%	November 15, 2017	48 mos	November 15, 2021	18.600%
Federal Home Loan Bank	1,983,675.83	2,020,340.48	2.150%	January 30, 2019	60 mos	September 26, 2022	14.758%
<b>Total Agency Bonds</b>	<b>5,986,014.33</b>	<b>6,010,982.98</b>					<b>44.535%</b>
<b>TOTAL INVESTMENTS</b>	<b>\$ 13,441,150.08</b>	<b>\$ 13,466,118.73</b>					<b>100.000%</b>

\* Effective Interest Rate

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