



MEMORANDUM

TO: CITY COUNCIL

FROM: NICOLE VALENTINE, ACCOUNTING MANAGER

SUBJECT: CONSIDERATION OF STATEMENT OF INVESTMENT DEPOSITS

DATE: FEBRUARY 25, 2020

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 January 31, 2020 as required by Government Code Section 53646(b).

BACKGROUND:

This report represents the City's investments as of January 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 January 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:

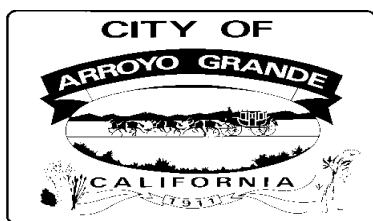
No environmental review is required for this item.

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: January 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
January 31, 2020

Investments	Principal Value	Current Market Value	Interest Rate	Date of Purchase	Term	Maturity Date	% of Portfolio
Local Agency Investment Fund	\$ 7,944,304.78	\$ 7,944,304.78	1.967%				44.661%
Certificates of Deposit							
Pacific Premier Bank	105,412.81	105,412.81	2.260%	February 21, 2019	12 mos	February 21, 2020	0.593%
Citibank	245,000.00	245,000.00	2.700%	May 11, 2018	24 mos	May 11, 2020	1.377%
Morgan Stanley	245,000.00	245,000.00	2.800%	August 18, 2018	24 mos	August 31, 2020	1.377%
Capital One Bank USA	247,000.00	247,000.00	2.000%	October 18, 2017	36 mos	October 19, 2020	1.389%
Comenity Capital Bank	249,000.00	249,000.00	1.950%	October 23, 2017	36 mos	October 23, 2020	1.400%
Bank Hapoalim New York	247,000.00	247,000.00	2.100%	July 19, 2019	24 mos	July 19, 2021	1.389%
Firstbank Puerto Rico	249,000.00	249,000.00	1.700%	October 25, 2019	30 mos	April 25, 2022	1.400%
Ally Bank	247,000.00	247,000.00	2.150%	July 22, 2019	36 mos	July 22, 2022	1.389%
TIAA FSB Jacksonville	247,000.00	247,000.00	2.100%	July 12, 2019	36 mos	July 12, 2022	1.389%
Sallie Mae Bank/Salt Lake	247,000.00	247,000.00	1.900%	October 3, 2019	36 mos	October 3, 2022	1.389%
Eaglebank Bethesda Maryland	249,000.00	249,000.00	1.850%	October 4, 2019	36 mos	October 4, 2022	1.400%
Goldman Sachs Bank USA	247,000.00	247,000.00	1.850%	October 24, 2019	36 mos	October 24, 2022	1.389%
1st Security Bank Washington	249,000.00	249,000.00	1.700%	October 4, 2019	42 mos	April 4, 2023	1.400%
Morgan Stanley Private Bank	247,000.00	247,000.00	2.250%	October 11, 2019	45 mos	July 11, 2023	1.389%
Merrick Bank	249,000.00	249,000.00	1.800%	October 16, 2019	48 mos	October 16, 2023	1.400%
Enerbank USA	247,000.00	247,000.00	1.850%	October 25, 2019	60 mos	October 25, 2024	1.389%
Total Certificates of Deposit	3,816,412.81	3,816,412.81					21.455%
Agency Bonds							
Federal Home Loan Bank	1,502,338.50	1,497,153.00	1.200%	July 13, 2016	48 mos	July 13, 2020	8.446%
Federal Farm Credit Bank	2,500,000.00	2,507,677.50	1.600%	November 15, 2017	48 mos	November 15, 2021	14.054%
Federal Farm Credit Bank	2,025,000.00	2,030,175.90	1.830%	December 26, 2019	64 mos	June 3, 2024	11.384%
Total Agency Bonds	6,027,338.50	6,035,006.40					33.884%
TOTAL INVESTMENTS	\$ 17,788,056.09	\$ 17,795,723.99					100.000%

* Effective Interest Rate

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