

## MEMORANDUM

Date: May 8, 2012  
To: Bryan H. Montgomery, City Manager  
From: Paul Abelson, Finance Director  
Subject: City of Oakley Quarterly Investment Report (3rd Quarter FY 2011-2012)

Approved and Forwarded to the  
City Council

  
Bryan H. Montgomery, City Manager

### Summary and Recommendation

California law and the City's Investment Policy require the City's fiscal officer to submit a quarterly investment report to the City Council at the end of each quarter.

Staff recommends the City Council accept the investment report for the 3rd Quarter of Fiscal Year 2011-2012.

### Fiscal Impact

City resources are organized and accounted for on a fund basis with some of those funds being restricted for specified uses and others that are unrestricted. For investment purposes, however, the funds are invested as a pool. The Investment Report for the Period Ending March 31, 2012 attached shows a combined pool balance of \$30,472,384.54. In addition, the pool had combined 3rd Quarter accrued interest earnings of \$19,349.71. Interest for the period continues to reflect the lower rates currently being offered on safe, short-term investments.

The City is in compliance with the adopted investment policy and able to meet its expenditure requirements for the next six months.

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### **Background and Analysis**

Legislation known as SB 564 and SB 866 requires local government agencies to annually prepare and submit a written investment policy to its governing body at a public meeting. The legislation also requires the fiscal officer to submit a quarterly report within 30 days of the quarter ended to the legislative body containing information on all securities held, and include a statement denoting the ability of the local agency to meet its expenditure requirements for the next six months.

### **Attachments**

City of Oakley Investment Report for the quarter ended March 31, 2012



## Quarterly Investment Report

For the Quarter Ended March 31, 2012

Type*	Name of Institution	Rate	Maturity	Cost Amount	Market Value**
<b>Investments in Wells Fargo Bank Account</b>					
12	Overnight Sweep Investment	0.060%	4/1/2012	\$ 1,666,734.16	\$ 1,666,734.16
<b>Investments with East County Bank</b>					
9	Institutional Money Market	0.182%	10/1/2011	\$ 225,570.57	\$ 225,570.57
<b>Investments with Wells Fargo Investment Advisors:</b>					
9	Institutional Money Market	0.067%	N/A	1,769,522.16	1,769,522.16
<b>Investments with State of California:</b>					
3	Local Agency Investment Fund (LAIF)-City	0.380%	N/A	14,337,847.19	14,355,211.94
<b>Investments with CalTRUST</b>					
11	Short-Term Investment Account-City	0.515%	N/A	9,986,944.91	9,986,944.91
<b>Total Investments Other than Bond Proceeds</b>				<b>27,986,618.99</b>	<b>28,003,983.74</b>
<b>Investments with Wells Fargo Trust (bond proceeds): ***</b>					
<b>2004 Limited Obligation Bonds</b>					
9	<i>Government Money Market</i> Wells Fargo Advantage Gov MM Svc	0.010%	N/A	1,147,818.87	1,147,818.87
<b>2006 Limited Obligation Bonds</b>					
9	<i>Government Money Market</i> Wells Fargo Advantage Gov MM Svc	0.010%	N/A	745,800.08	745,800.08
<b>2006 Certificates of Participation</b>					
9	<i>Government Money Market</i> Wells Fargo Advantage Gov MM Svc	0.010%	N/A	574,781.85	574,781.85
<b>Total Investments of Bond Proceeds</b>				<b>2,468,400.80</b>	<b>2,468,400.80</b>
<b>Total All City Investments</b>				<b>\$ 30,455,019.79</b>	<b>\$ 30,472,384.54</b>

**Accrued Interest of Investments other than Bond Proceeds:**

Wells Fargo Investment Advisors	104.94
Local Agency Investment Fund (LAIF)-City	15,575.92
Caltrust Short-Term Investment Account-City	3,668.85
Accrued Interest as of 03/31/12	<u>\$ 19,349.71</u>

\* Type of investment as described in Authorized Investments section of the City's adopted Investment Policy

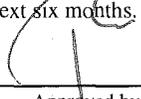
1. U.S. Government Securities	5. Bankers Acceptance	9. Money market funds
2. U.S. Government Agency Securities	6. Commercial Paper	10. Repurchase agreements
3. Local Agency Investment Fund	7. Medium term notes	11. CalTRUST Short Term Account
4. Certificates of Deposit	8. Mutual funds	12. Overnight Sweep

\*\* Market Valuation for LAIF was obtained at <http://www.treasurer.ca.gov/pmia-lai/mktvalue/2012/201203.pdf>

Market value for all other investments was obtained from FT Interactive Data. As the City holds its investments to maturity, market value fluctuations are not significant.

\*\*\* Investment of bond proceeds is governed by each bond's Trust Agreement. All of the amounts with Wells Fargo Trust are debt service reserve funds. Investment income remains with the individual bond accounts.

The City of Oakley is in compliance with the City's annually adopted investment policy and is able to meet its operating expenditure requirements for the next six months.

  
 Approved by Paul Abelson  
 Finance Director

5/1/12  
 Date