



Sacramento Public Library Authority

December 11, 2013

Agenda Item 7.0: Quarterly Investment Performance Report – September 2013

TO: Sacramento Public Library Authority Board
FROM: Denise M. Davis, Deputy Library Director
RE: Quarterly Investment Performance Report – September 2013

RECOMMENDED ACTION(S):

None. Information only.

INFORMATION

The Library Authority’s Investment Policy adopted by the Board on May 23, 2013, requires the library’s treasurer to submit quarterly investment reports in compliance with Government Code Section 53646(b) and monthly investment transaction reports consistent with Government Code Section 53607.

Attachment A is the City of Sacramento City Treasurer’s quarterly report for the quarter ended September 30, 2013. All Authority investments currently are managed and held by the Sacramento City Treasurer in the City’s Investment Pool “A”.

Certification of Liquidity and Cash Flow for the Next Six-Month Period

Based on the Authority Board’s adopted Fiscal Year 2013-14 budget, past revenue and expenditure trends and current forecasts, the Authority’s treasurer projects that the Library has sufficient monies on hand, anticipated revenues, and/or liquid investments to meet the Library’s expenditure requirements through March 31, 2014.

Compliance with Investment Policy

The Authority’s Investment Policy incorporates the City’s Investment Policy authorized investments by reference. The Authority’s Treasurer accepts the Sacramento City Treasurer’s certification that all City Investment Pool “A” investments held are in compliance with the city treasurer’s previously reviewed and current investment policy with no exceptions, as stated in Attachment A.

Also attached is the transaction report for the City of Sacramento “Investment Pool A” for the month of September 2013 (Attachment B) and the Library summary of the City’s monthly investment report for September 2013 (Attachment C).

This report satisfies the State’s investment reporting requirements and complies with the Library’s investment policy quarterly and monthly reporting requirements.

FISCAL IMPACT

The Library Authority had investments totaling \$25,045,701 at September 30, 2013. Total cash and investments were \$26,038,257, including a balance of \$992,556 in the Authority's Bank of America account. Investment income for the month of September was \$23,344 and totals \$69,695 for FY 2013-14. The September portfolio yield was 1.14%, up 0.20% from the yield in August 2013 of 0.94%. This yield compares favorably to the State of California Local Agency Investment Fund rate of return for September 2013 of 0.26%.

ATTACHMENT(S):

- Attachment A: City of Sacramento Treasurer Report: Quarterly Investment Report for the period ended September 30, 2013

- Attachment B: City of Sacramento Treasurer Report: September 2013 – Monthly Investment Transaction Report (Pool A portion only)

- Attachment C: City of Sacramento Treasurer Report: Monthly Investment Report – September 2013 (Library portion only)

Meeting Date: 10/29/2013

Report Type: Consent

Report ID: 2013-00800



Title: September 2013 Monthly Investment Transaction Report

Location: Citywide

Issue: The City Treasurer provides monthly reports to the City Council on current investment activity.

Recommendation: Receive and file.

Contact: John Colville, Chief Investment Officer, (916) 808-8297, Office of the City Treasurer

Presenter: None

Department: City Treasurer

Division: City Treasurer

Dept ID: 05001011

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Exhibit A (Summary of Transactions)
- 4-Exhibit B (City Pool A and City Trust Funds)
- 5-Exhibit C (SCERS)
- 6-Exhibit D (SHRA Investment Pool)
- 7-Exhibit E (CADA)
- 8-Exhibit F (All Other Funds)

City Attorney Review

Approved as to Form
Steve Itagaki
10/18/2013 1:39:13 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
10/16/2013 12:21:11 PM

Approvals/Acknowledgements

Department Director or Designee: Russell Fehr - 10/16/2013 4:11:46 PM

Description/Analysis

Issue: The City Treasurer provides monthly reports to the City Council on current investment activity.

Policy Considerations: The City Treasurer routinely reports on monthly investment transactions to keep the City Council advised of current investment activity.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under the California Environmental Quality Act (CEQA) guidelines, continuing administrative activities do not constitute a project and are therefore exempt from review.

Sustainability Considerations: There are no sustainability considerations applicable to this action.

Commission/Committee Action: None

Rationale for Recommendation: The City Treasurer is responsible for investing and reporting in accordance with the authority granted by City Charter Section 73, City Council ordinances and resolutions, and applicable state law.

Financial Considerations: The monthly investment report sets forth the monthly transactions of the City Treasurer's Office Investment Pool A funds. Portfolio value on August 31, 2013 was \$981,110,507 and on September 30, 2013, the value was \$963,779,069. The interest yield for the month was 1.14%. There were 10 total transactions for the period (4 purchases, 3 sales, 1 call and 2 maturities). The estimated duration of the portfolio is 1.87 years.

Consistent with the Investment Policy adopted by City Council on September 4, 2012, the monthly report herein includes the content described in Government Code sections 53607 and 53646 (b).

Emerging Small Business Development (ESBD): Because this transaction does not involve the purchase of goods or services for the City, ESBD efforts are not applicable.

Background Information:

California Statutes Chapter 783, Statutes of 1995 and Chapter 749, Statutes of 1996 were enacted to help avoid a repeat of the December 1994 Orange County investment fiasco which resulted in investment losses exceeding \$1.7 billion for Orange County and other local government entities. These statutes made revisions to certain state laws that addressed the investing of public funds, including, among other things, the requirement of reporting investment activity on a periodic basis. Specifically, Government Code section 53607 requires monthly reports to the City Council.

Commencing March, 1997, the City Treasurer, as the person vested with authority to invest City funds, has rendered monthly transaction reports to the City Council and this staff report accompanies the latest of such reports. This practice is consistent with prior City Council principles regarding investment authority, which emphasize full disclosure and prompt reporting of investment policy, strategies, programs and actual investments as reflected in Resolution 95-108.

For informational purposes, the City Treasurer also reports on transactions of other funds invested by the Treasurer's Office in addition to the City's funds. The summary and transactions detail for the month ended September 30, 2013 are listed in Exhibits A, B, C, D, E and F.

**City of Sacramento
Summary of Transactions
September-13**

Local Agency Funds:

	<u>Pool A</u>	<u>Ethel Hart Trust</u>	<u>Public Trust</u>	<u>George Clark</u>	<u>Total</u>
Purchases	\$ 15,613,845	\$ -	\$ -	\$ -	\$ 15,613,845
Sales	15,970,619	-	-	-	15,970,619
Maturities	27,934,608	-	-	-	27,934,608
Calls	5,136,987	-	-	-	5,136,987
Contributions	45,728,696	-	-	-	45,728,696
Withdrawals	66,051,730	-	9,513	2,000	66,063,243
Total	\$ 176,436,485	\$ -	\$ 9,513	\$ 2,000	\$ 176,447,998

Outside Agency Funds:

Sacramento City Employees' Retirement System (SCERS) Funds:

	<u>Fixed Bonds</u>	<u>Equity Income</u>	<u>Large Cap</u>	<u>International</u>	<u>Total</u>
Purchases	\$ -	\$ 25,552	\$ 112,857	\$ 7,237	\$ 145,646
Sales	-	1,639,002	579,386	-	2,218,388
Maturities	53,856	-	-	-	53,856
Expenses	401	-	-	-	401
Calls	-	-	-	-	-
Contributions	-	-	-	-	-
Withdrawals	654,989	243,606	229,426	22,734	1,150,755
Total	\$ 709,246	\$ 1,908,160	\$ 921,669	\$ 29,971	\$ 3,569,046

**City of Sacramento
Summary of Transactions
September-13**

SHRA Investment Pool Fund:

	<u>Pool D</u>		<u>Total</u>
Purchases	\$ -		\$ -
Sales	-		-
Maturities	-		-
Calls	-		-
Contributions	318,372		318,372
Withdrawals	-		-
Total	<u>\$ 318,372</u>		<u>\$ 318,372</u>

Capitol Area Development Authority (CADA) Funds:

	<u>CADA</u>	<u>CADA-A</u>	<u>CADA-B</u>	<u>Total</u>
Contributions	\$ -	\$ -	\$ -	\$ -
Withdrawals	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

All Other Funds:

	<u>ARFCD</u>	<u>SPLA</u>	<u>TNBC</u>	<u>Total</u>
Contributions	\$ -	\$ -	\$ -	-
Withdrawals	-	2,650,000	-	2,650,000
Total	<u>\$ -</u>	<u>\$ 2,650,000</u>	<u>\$ -</u>	<u>\$ 2,650,000</u>

GRAND TOTAL **\$ 182,985,416**

City of Sacramento
TRANSACTION SUMMARY
City Investment Pool A
 From 09-01-13 To 09-30-13

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/ Loss
PURCHASES							
09-05-13	3,100,000	Federal Farm Credit Bank 2.280% Due 09-11-18	100.00	3,100,000			
09-06-13	500,000	New York N Y 3.140% Due 10-01-17	105.42	527,090			
09-27-13	9,000,000	General Electric Capital Corp 0.190% Due 04-15-14	99.89	8,990,500			
09-27-13	3,000,000	UBS Finance 0.210% Due 04-29-14	99.88	2,996,255			
TOTAL				15,613,845			

City of Sacramento
TRANSACTION SUMMARY
City Investment Pool A
From 09-01-13 To 09-30-13

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/Loss
SALES							
09-17-13	5,000,000	Westpac Bkg Corp 144a 2.450% Due 11-28-16	99.53	4,976,400	103.30	5,165,000	188,600
09-19-13	1,120,000	Grossmont Calif Un High Sch Di 2.565% Due 08-01-16	100.00	1,120,000	101.90	1,141,280	21,280
09-25-13	10,000,000	U.S. Treasury Note 0.625% Due 04-30-18	98.74	9,874,219	96.97	9,696,875	-177,344
TOTAL				15,970,619		16,003,155	32,536

City of Sacramento
TRANSACTION SUMMARY
City Investment Pool A
 From 09-01-13 To 09-30-13

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/Loss
CALLS							
09-30-13	5,115,000	U S Bancorp Mtns Bk Ent 1.125% Due 10-30-13	100.43	5,136,987	100.00	5,115,000	-21,987
TOTAL				5,136,987		5,115,000	-21,987

City of Sacramento
TRANSACTION SUMMARY
City Investment Pool A
 From 09-01-13 To 09-30-13

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/Loss
MATURITIES							
09-03-13	14,000,000	Abbey National 0.460% Due 09-03-13	99.74	13,962,970	99.74	13,962,970	0
09-17-13	14,000,000	UBS Finance 0.330% Due 09-17-13	99.80	13,971,638	99.80	13,971,638	0
TOTAL				27,934,608		27,934,608	0

City of Sacramento
TRANSACTION SUMMARY
City Investment Pool A
From 09-01-13 To 09-30-13

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/Loss
CONTRIBUTIONS							
09-03-13		B Of A Cash		25,782			
09-03-13		B Of A Cash		1,556,391			
09-03-13		Fidelity Fund		1,446			
09-03-13		Fidelity Fund		770			
09-03-13		Fidelity Fund		198,750			
09-03-13		Fidelity Fund		1,547,969			
09-03-13		Fidelity Fund		35,000			
09-04-13		B Of A Cash		7,645			
09-04-13		Fidelity Fund		720			
09-04-13		Fidelity Fund		459			
09-04-13		Fidelity Fund		43,494			
09-04-13		Fidelity Fund		29,416			
09-04-13		Fidelity Fund		1,675			
09-05-13		B Of A Cash		107,474			
09-06-13		B Of A Cash		2,525,118			
09-09-13		B Of A Cash		1,842,682			
09-09-13		Fidelity Fund		305			
09-10-13		B Of A Cash		3,169,571			
09-10-13		Fidelity Fund		1,782			
09-10-13		Fidelity Fund		915			
09-10-13		Fidelity Fund		580			
09-10-13		Fidelity Fund		18,830			
09-10-13		Fidelity Fund		78,529			
09-11-13		B Of A Cash		2,379,383			
09-11-13		Fidelity Fund		39,950			
09-11-13		Fidelity Fund		28,035			
09-12-13		B Of A Cash		3,183,220			
09-12-13		Fidelity Fund		345			
09-12-13		Fidelity Fund		230			
09-12-13		Fidelity Fund		68,493			
09-12-13		Fidelity Fund		21,000			
09-13-13		B Of A Cash		6,194			
09-13-13		B Of A Cash		3,701			
09-13-13		Fidelity Fund		6,323			
09-13-13		Fidelity Fund		13,818			
09-13-13		Fidelity Fund		18,654			
09-13-13		Fidelity Fund		1			
09-13-13		Fidelity Fund		264			
09-13-13		Fidelity Fund		285			
09-13-13		Fidelity Fund		39			
09-16-13		B Of A Cash		10,880			
09-16-13		Fidelity Fund		650			
09-16-13		Fidelity Fund		442,320			
09-16-13		Fidelity Fund		4,730			
09-16-13		Fidelity Fund		19,500			
09-16-13		Fidelity Fund		22,852			
09-17-13		B Of A Cash		4,541,949			
09-17-13		Fidelity Fund		462			
09-17-13		Fidelity Fund		385			
09-18-13		B Of A Cash		2,996			
09-19-13		B Of A Cash		18,409			

City of Sacramento
TRANSACTION SUMMARY
City Investment Pool A
From 09-01-13 To 09-30-13

<u>Trade Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Unit Price</u>	<u>Total Proceeds</u>	<u>Gain/Loss</u>
09-19-13		Fidelity Fund		156			
09-19-13		Fidelity Fund		7,800			
09-19-13		Fidelity Fund		7,700			
09-20-13		B Of A Cash		1,413,214			
09-20-13		Fidelity Fund		648			
09-20-13		Fidelity Fund		934			
09-20-13		Fidelity Fund		405			
09-23-13		B Of A Cash		1,600,931			
09-23-13		Fidelity Fund		126,399			
09-23-13		Fidelity Fund		17,325			
09-24-13		B Of A Cash		1,517,391			
09-24-13		Fidelity Fund		11,437			
09-25-13		B Of A Cash		12,908,959			
09-25-13		Fidelity Fund		24,859			
09-25-13		Fidelity Fund		7,938			
09-26-13		B Of A Cash		3,885,942			
09-26-13		Fidelity Fund		13,169			
09-27-13		B Of A Cash		1,391,546			
09-27-13		Fidelity Fund		1,475			
09-27-13		Fidelity Fund		12,250			
09-27-13		Fidelity Fund		4,080			
09-30-13		B Of A Cash		648,936			
09-30-13		Fidelity Fund		13,066			
09-30-13		Fidelity Fund		2,497			
09-30-13		Fidelity Fund		1,242			
09-30-13		Fidelity Fund		885			
09-30-13		Fidelity Fund		73,519			
09-30-13		Fidelity Fund		3,032			
09-30-13		Fidelity Fund		394			
09-30-13		Fidelity Fund		106			
09-30-13		Fidelity Fund		91			
TOTAL				45,728,696			

City of Sacramento
TRANSACTION SUMMARY
City Investment Pool A
From 09-01-13 To 09-30-13

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/Loss
WITHDRAWALS							
09-03-13		B Of A Cash		8,373,402			
09-03-13		Fidelity Fund		546,005			
09-04-13		B Of A Cash		3,908,902			
09-05-13		B Of A Cash		2,026,965			
09-05-13		Fidelity Fund		866			
09-05-13		Fidelity Fund		882			
09-06-13		B Of A Cash		250,000			
09-06-13		B Of A Cash		557,580			
09-06-13		Fidelity Fund		2,550			
09-06-13		Fidelity Fund		4,100			
09-09-13		B Of A Cash		1,648,734			
09-09-13		Fidelity Fund		1,930			
09-10-13		B Of A Cash		1,561,686			
09-11-13		B Of A Cash		690,239			
09-12-13		B Of A Cash		2,805,600			
09-13-13		B Of A Cash		800,000			
09-13-13		B Of A Cash		7,602,157			
09-16-13		B Of A Cash		7,923,221			
09-17-13		B Of A Cash		10,050,024			
09-18-13		B Of A Cash		5,380,954			
09-18-13		Fidelity Fund		58,986			
09-19-13		B Of A Cash		2,525,862			
09-20-13		B Of A Cash		400,000			
09-20-13		B Of A Cash		878,520			
09-20-13		Fidelity Fund		315,185			
09-20-13		Fidelity Fund		76,590			
09-23-13		B Of A Cash		1,312,142			
09-24-13		B Of A Cash		614,568			
09-24-13		Fidelity Fund		7,112			
09-25-13		B Of A Cash		1,188,925			
09-25-13		Fidelity Fund		303			
09-26-13		B Of A Cash		862,633			
09-26-13		Fidelity Fund		1,670			
09-27-13		B Of A Cash		1,200,000			
09-27-13		B Of A Cash		859,406			
09-30-13		B Of A Cash		1,614,029			
TOTAL				66,051,730			

SACRAMENTO PUBLIC LIBRARY AUTHORITY

MONTHLY REVIEW -SEPTEMBER 2013

STRATEGY

The SPLA funds are invested in the City of Sacramento’s Pool A investment fund. The Fund seeks to maximize the level of current income consistent with the preservation of principal while meeting the liquidity needs of the City and the pooled investors. The Fund is invested pursuant to the prudent person standards and the California Code Section 53601 (GC 53601).

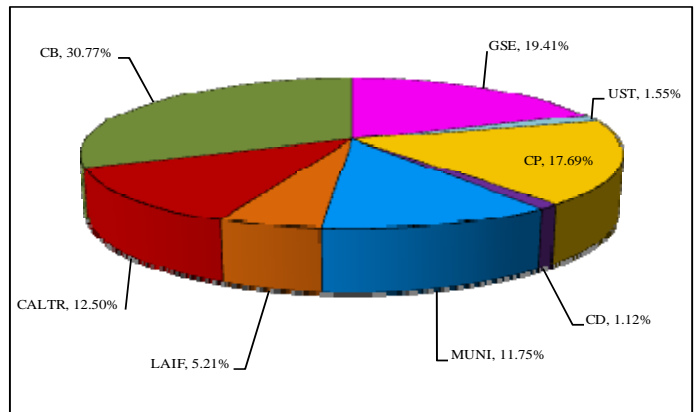
PORTFOLIO STATISTICS

Portfolio’s Beginning Balance	25,763,457
Contributions	1,908,900
Withdrawals	(2,650,000)
Interest Earned	23,344
Month-End Market Value	25,045,701

PERFORMANCE

Earned Interest Yield for the Month	1.14
Laif Rate of Return (book value)	0.26
ML Ready Asset	
90 Day T-Bill	0.01
Federal Funds	0.07

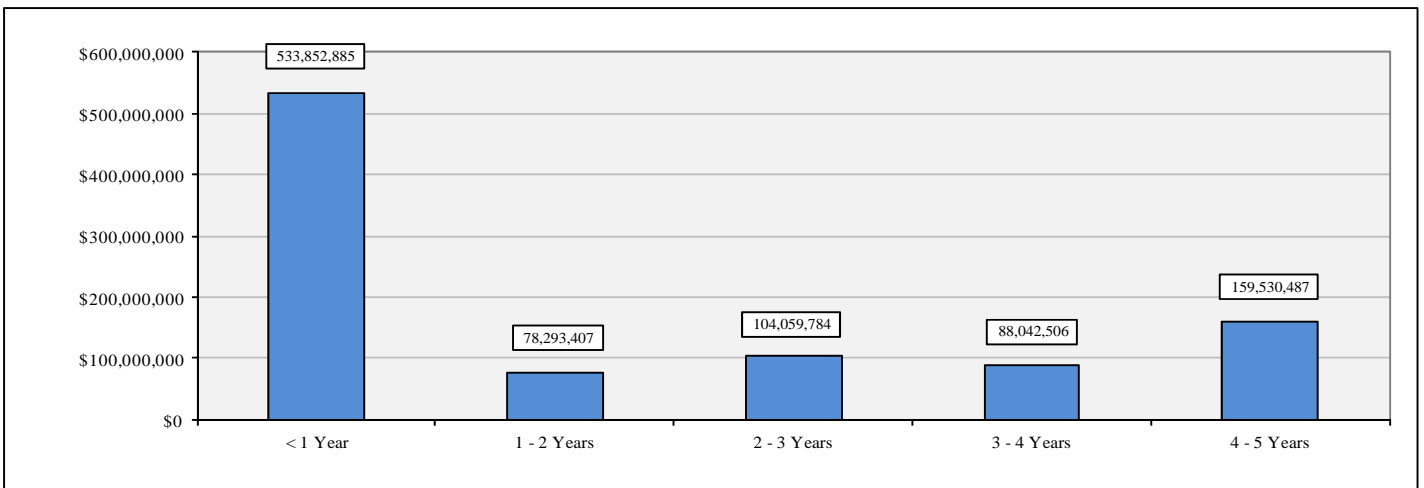
POOL A BY ASSET CLASS



POOL A MATURITY SCHEDULE

Maturity	Market Value	%
< 1 Year	533,852,885	55.39%
1 - 2 Years	78,293,407	8.12%
2 - 3 Years	104,059,784	10.80%
3 - 4 Years	88,042,506	9.14%
4 - 5 Years	159,530,487	16.55%
Total	963,779,069	100.00%

Investment Description	Portfolio at Cost	Yield at Month End
US Agency Notes (GSE)	19.41%	0.78%
US Treasuries (UST)	1.55%	1.33%
Commercial Paper (CP)	17.69%	0.24%
Certificates of Deposit (CD)	1.12%	0.27%
Municipals	11.75%	1.64%
LAIF	5.21%	0.26%
CalTrust	12.50%	0.65%
Corporate Bonds (CB)	30.77%	1.92%



City of Sacramento
CASH LEDGER
Sacramento Public Library Authority
From 09-01-13 To 09-30-13

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Cash						
09-01-13				Beginning Balance		25,717,105.90
09-06-13	09-06-13	lo		Pool A Cash	-250,000.00	25,467,105.90
09-13-13	09-13-13	lo		Pool A Cash	-800,000.00	24,667,105.90
09-20-13	09-20-13	lo		Pool A Cash	-400,000.00	24,267,105.90
09-27-13	09-27-13	lo		Pool A Cash	-1,200,000.00	23,067,105.90
09-30-13	09-30-13	li		Pool A Cash	1,908,900.00	24,976,005.90
				Q1 Gen Fund Contribution to SPLA, per AJ#183114		
					-741,100.00	
09-30-13				Ending Balance		24,976,005.90
Pool A Interest Receivable						
09-01-13				Beginning Balance		46,351.14
09-30-13	09-30-13	in		Pool A Cash	23,343.75	69,694.89
				Sep 2013 estimated Pool A interest		
					23,343.75	
09-30-13				Ending Balance		69,694.89