



Sacramento Public Library Authority

December 1, 2010

Agenda Item 17.0: Quarterly Investment Performance Report as of September 30, 2010

TO: Sacramento Public Library Authority Board Members

FROM: Denise M. Davis, Deputy Library Director

RE: Quarterly Investment Performance Report as of September 30, 2010

RECOMMENDED ACTION: Receive and File.

INFORMATION

The Library Authority's Investment Policy adopted by the Board on May 27, 2010 requires the Authority'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, 2010. All Library investments are currently 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 FY 2010-11 budget, past revenue and expenditure trends and current forecasts, the Authority's Treasurer projects that the Authority has sufficient monies on hand, anticipated revenues, and/or liquid investments to meet the Authority's expenditure requirements through March 31, 2011.

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 2010 (Attachment B) and the Library summary of the City's monthly investment report for September 2010 (Attachment C).



December 1, 2010

Sacramento Public Library Authority

Agenda Item 17.0: Quarterly Investment Performance Report as of September 30, 2010

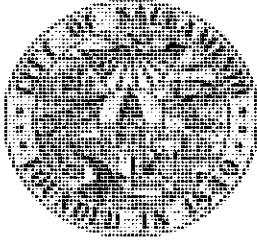
This report satisfies the State's investment reporting requirements and complies with the Authority's investment policy quarterly and monthly reporting requirements.

FISCAL IMPACT

At September 30, 2010, the Library Authority had investments totaling \$18,551,963. Total cash and investments at September 30, 2010 were \$20,131,003 including a balance of \$1,579,040 in the Authority's Bank of America account. Investment income for the month of September was \$24,856 and totals \$72,320 for FY 2010-11. These earnings are slightly below the \$300,000 investment income budgeted for FY 2010-11. The September portfolio yield was 2.47%, up 0.63% from the yield in August 2010 of 1.84%. This yield compares favorably to the State of California Local Agency Investment Fund rate of return for September 2010 of 0.50%.

ATTACHMENTS

- Attachment A: City of Sacramento Treasurer Report: Quarterly Investment Report for the period ended September 30, 2010
- Attachment B: City of Sacramento Treasurer Report: September 2010 – Monthly Investment Transaction Report (Pool A portion only)
- Attachment C: City of Sacramento Treasurer Report: Monthly Investment Report – September 2010 (Library portion only)



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
November 9, 2010

Honorable Mayor and
Members of the City Council

Title: September 2010 Monthly Investment Transactions Report

Location/Council District: Citywide

Recommendation: Receive and file

Contacts: Lydia Abreu, Investment and Operations Manager, 808-7746; Shirley
Tupaz, Investment Operations Analyst, 808-8295

Presenters: None

Department: City Treasurer

Division: Investment & Operations

Organization No: 05001011

Description/Analysis

Issue: Rendering of City Treasurer monthly investment transactions report to the City Council.

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 September 1, 2010 was \$642,280,690 and at month end the value was \$622,755,588. The interest yield for the month was 2.47%. There were 17 total transactions for the period (6 buys, 3 calls, and 8 maturities). The estimated duration of the portfolio is 1.30 years.

Consistent with the Investment Policy adopted by City Council on August 18, 2009, the monthly report herein includes the content described in Government Code sections 53607 and 63646 (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.

Respectfully Submitted by: Shirley Tupaz
Shirley Tupaz
Investment Operations Analyst

Approved by: Lydia Abreu
Lydia Abreu
Investment and Operations Manager

Recommendation Approved:

Russell T. Fehr
Russell T. Fehr
City Treasurer

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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. 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 that emphasizes 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 transactions for the month ended September 30, 2010 are attached as follows:

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**City of Sacramento
Summary of Transactions
September-10**

Attachment 2

Local Agency Funds:

	<u>Pool A</u>	<u>Ethel Hart Trust</u>	<u>Public Trust</u>	<u>George Clark</u>	<u>Total</u>
Purchases	\$ 40,989,763	\$ 31,030	\$ -	\$ -	\$ 41,020,793
Sales	-	26,272	-	-	26,272
Maturities	61,904,468	-	-	-	61,904,468
Calls	14,968,500	-	-	-	14,968,500
Contributions	41,093,114	-	-	-	41,093,114
Withdrawals	62,036,491	-	8,324	1,382	62,046,197
Total	\$ 220,992,336	\$ 57,302	\$ 8,324	\$ 1,382	\$ 221,059,344

Outside Agency Funds:

Sacramento Housing & Redevelopment Agency (SHRA) Funds:

	<u>Pool D</u>	<u>Pool J</u>	<u>Pool L</u>	<u>Pool M</u>	<u>Pool N</u>	<u>Total</u>
Purchases	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000
Sales	-	-	-	-	-	-
Maturities	3,060,510	-	-	-	-	3,060,510
Calls	5,981,100	-	-	-	-	5,981,100
Contributions	3,000,000	-	-	-	-	3,000,000
Withdrawals	14,300,000	-	-	-	-	14,300,000
Total	\$ 28,841,610	\$ -	\$ -	\$ -	\$ -	\$ 28,841,610

	<u>Pool Q</u>	<u>Pool R</u>	<u>Pool S</u>	<u>Pool T</u>	<u>Pool U</u>	<u>Pool V</u>	<u>Total</u>
Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-	-	-	-
Maturities	-	-	-	-	-	-	-
Calls	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-
Withdrawals	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total SHRA \$ 28,841,610

**City of Sacramento
Summary of Transactions
September-10**

Attachment 2

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	\$ 2,135,000	\$ -	\$ 2,576,724	\$ 1,224,600	\$ 5,936,324
Sales	4,978,050	-	5,253,439	-	10,231,489
Expenses	668	-	-	-	668
Maturities	128,244	-	-	-	128,244
Calls	-	-	-	-	-
Contributions	-	-	-	-	-
Withdrawals	686,574	241,246	173,511	29,532	1,130,863
Total	\$ 7,928,536	\$ 241,246	\$ 8,003,674	\$ 1,254,132	\$ 17,427,588

Capitol Area Development Authority (CADA) Funds:

	<u>CADA</u>	<u>CADA-A</u>	<u>CADA-B</u>	<u>Total</u>
Purchases	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Maturities	-	-	-	-
Calls	-	-	-	-
Contributions	-	-	-	-
Withdrawals	161,000	-	-	161,000
Total	\$ 161,000	\$ -	\$ -	\$ 161,000

All Other Funds:

	<u>United Way</u>	<u>American River</u>	<u>TNBC</u>	<u>SPLA</u>	<u>Total</u>
Purchases	\$ 40,339	\$ -	\$ -	\$ -	\$ 40,339
Sales	-	-	-	-	-
Expenses	-	-	-	-	-
Maturities	-	-	-	-	-
Calls	-	-	-	-	-
Contributions	-	-	-	7,580,427	7,580,427
Withdrawals	-	-	-	1,400,000	1,400,000
Total	\$ 40,339	\$ -	\$ -	\$ 8,980,427	\$ 9,020,766

GRAND TOTAL

\$ 276,510,308

**City of Sacramento
TRANSACTION SUMMARY
City Investment Pool A
From 09-01-10 To 09-30-10**

<u>Trade Date</u>	<u>Security</u>	<u>Quantity</u>	<u>Total Cost</u>
<u>PURCHASES</u>			
09/02/10	Federal Home Loan Bank 0.130% Due 01-25-11	7,000,000	\$ 6,996,335
09/07/10	General Electric Capital Corp 0.150% Due 09-08-10	7,000,000	6,999,971
09/17/10	General Electric Capital Corp 0.140% Due 09-22-10	5,000,000	4,999,903
09/22/10	UBS Finance 0.190% Due 09-29-10	4,000,000	3,999,852
09/22/10	Federal Farm Credit Bank 1.980% Due 09-29-15	5,000,000	5,000,000
09/24/10	Federal Natl Mtg Assn Disc Nt 0.160% Due 01-11-11	13,000,000	12,993,702
TOTAL PURCHASES		41,000,000	\$ 40,989,763
<u>CALLS</u>			
09/09/10	Roche Holdings Inc 4.500% Due 03-01-12	5,000,000	\$ 4,973,500
09/15/10	Fannie Mae 1.250% Due 03-15-13	5,000,000	5,000,000
09/24/10	Freddie Mac 2.125% Due 03-24-15	5,000,000	4,995,000
TOTAL CALLS		15,000,000	\$ 14,968,500
<u>MATURITIES</u>			
09/01/10	General Electric Capital Corp 0.330% Due 09-01-10	9,000,000	\$ 8,990,925
09/02/10	General Electric Capital Corp 0.140% Due 09-02-10	6,000,000	5,999,860
09/07/10	Toyota Motor Credit Corp 0.420% Due 09-07-10	13,000,000	12,982,407

**City of Sacramento
TRANSACTION SUMMARY
City Investment Pool A
From 09-01-10 To 09-30-10**

Trade Date	Security	Quantity	Total Cost
09/08/10	General Electric Capital Corp 0.150% Due 09-08-10	7,000,000	6,999,971
09/17/10	Federal Home Loan Bank 4.375% Due 09-17-10	5,000,000	4,940,000
09/21/10	Federal Home Loan Bank 0.180% Due 09-21-10	13,000,000	12,991,550
09/22/10	General Electric Capital Corp 0.140% Due 09-22-10	5,000,000	4,999,903
09/29/10	UBS Finance 0.190% Due 09-29-10	4,000,000	3,999,852
TOTAL MATURITIES		62,000,000	61,904,468

CONTRIBUTIONS

09/01/10	B Of A Cash	\$	25,747
09/01/10	B Of A Cash		3,505
09/01/10	Fidelity Fund		1,602
09/01/10	Fidelity Fund		845
09/01/10	Fidelity Fund		150,000
09/01/10	Fidelity Fund		15,500
09/01/10	Fidelity Fund		82,969
09/02/10	B Of A Cash		3,867
09/03/10	B Of A Cash		705,959
09/03/10	Fidelity Fund		3,525
09/03/10	Fidelity Fund		71
09/03/10	Fidelity Fund		75
09/03/10	Fidelity Fund		71
09/07/10	B Of A Cash		1,854,662
09/07/10	Fidelity Fund		742
09/07/10	Fidelity Fund		25
09/08/10	B Of A Cash		21
09/08/10	B Of A Cash		43,842
09/08/10	Fidelity Fund		6,369
09/09/10	B Of A Cash		1,032,702
09/09/10	B Of A Cash		710,282
09/09/10	Fidelity Fund		12,700

Attachment 3

City of Sacramento
TRANSACTION SUMMARY
 City Investment Pool A
 From 09-01-10 To 09-30-10

<u>Trade Date</u>	<u>Security</u>	<u>Quantity</u>	<u>Total Cost</u>
09/09/10	Fidelity Fund		30,328
09/10/10	B Of A Cash		3,682
09/10/10	Fidelity Fund		962
09/10/10	Fidelity Fund		195
09/10/10	Fidelity Fund		85
09/10/10	Fidelity Fund		40,887
09/10/10	Fidelity Fund		14,750
09/10/10	Fidelity Fund		18,375
09/13/10	B Of A Cash		2,688
09/13/10	B Of A Cash		1,649,448
09/13/10	Fidelity Fund		250
09/13/10	Fidelity Fund		3,600
09/14/10	B Of A Cash		1,780
09/14/10	Fidelity Fund		540
09/14/10	Fidelity Fund		270
09/14/10	Fidelity Fund		270
09/14/10	Fidelity Fund		16,200
09/15/10	B Of A Cash		44,138
09/15/10	B Of A Cash		69,595
09/15/10	Fidelity Fund		503,986
09/15/10	Fidelity Fund		6,000
09/15/10	Fidelity Fund		29,531
09/16/10	B Of A Cash		1,546,827
09/16/10	Fidelity Fund		1,927
09/16/10	Fidelity Fund		30,369
09/16/10	Fidelity Fund		419
09/16/10	Fidelity Fund		2,584,560
09/16/10	Fidelity Fund		64,982
09/16/10	Fidelity Fund		69
09/17/10	B Of A Cash		898,142
09/17/10	Fidelity Fund		46
09/20/10	B Of A Cash		1,350,936
09/20/10	Fidelity Fund		66
09/20/10	Fidelity Fund		324
09/20/10	Fidelity Fund		21,045
09/20/10	Fidelity Fund		158
09/21/10	B Of A Cash		2,863,054

Attachment 3

City of Sacramento
TRANSACTION SUMMARY
 City Investment Pool A
 From 09-01-10 To 09-30-10

<u>Trade Date</u>	<u>Security</u>	<u>Quantity</u>	<u>Total Cost</u>
09/21/10	Fidelity Fund		3,719
09/21/10	Fidelity Fund		142
09/22/10	B Of A Cash		9,893
09/23/10	B Of A Cash		919,962
09/23/10	Fidelity Fund		9
09/23/10	Fidelity Fund		266
09/23/10	Fidelity Fund		5,006,659
09/24/10	B Of A Cash		6,646,484
09/24/10	Fidelity Fund		7,154
09/24/10	Fidelity Fund		77,338
09/27/10	B Of A Cash		912,968
09/27/10	Fidelity Fund		55,528
09/27/10	Fidelity Fund		5,750
09/28/10	B Of A Cash		1,948,626
09/28/10	Fidelity Fund		1,375
09/28/10	Fidelity Fund		1,000
09/28/10	Fidelity Fund		157
09/28/10	Fidelity Fund		9
09/29/10	B Of A Cash		5,962
09/29/10	B Of A Cash		5,600,000
09/29/10	Fidelity Fund		168
09/29/10	Fidelity Fund		260
09/29/10	Fidelity Fund		3,347,911
09/30/10	B Of A Cash		3,665
09/30/10	Fidelity Fund		39,472
09/30/10	Fidelity Fund		20,625
09/30/10	Fidelity Fund		627
09/30/10	Fidelity Fund		18,000
09/30/10	Fidelity Fund		2,648
09/30/10	Fidelity Fund		1,172

TOTAL CONTRIBUTIONS

\$ 41,093,114

WITHDRAWALS

09/01/10	B Of A Cash	\$ 5,911,331
09/02/10	B Of A Cash	2,508,483

City of Sacramento
TRANSACTION SUMMARY
City Investment Pool A
From 09-01-10 To 09-30-10

Trade Date	Security	Quantity	Total Cost
09/03/10	B Of A Cash		900,000
09/03/10	B Of A Cash		451,447
09/07/10	B Of A Cash		13,444,970
09/08/10	B Of A Cash		1,373,297
09/10/10	B Of A Cash		500,000
09/10/10	B Of A Cash		2,597,893
09/13/10	B Of A Cash		2,207,741
09/14/10	B Of A Cash		2,657,507
09/15/10	B Of A Cash		611,033
09/16/10	B Of A Cash		218,207
09/16/10	Fidelity Fund		685,840
09/17/10	B Of A Cash		509,961
09/17/10	Fidelity Fund		464,400
09/20/10	B Of A Cash		2,446,820
09/21/10	B Of A Cash		10,644,680
09/21/10	Fidelity Fund		2,143,833
09/22/10	B Of A Cash		4,673,562
09/23/10	B Of A Cash		936,122
09/24/10	B Of A Cash		1,036,836
09/24/10	Fidelity Fund		31,018
09/27/10	B Of A Cash		760,490
09/27/10	Fidelity Fund		527,228
09/28/10	B Of A Cash		702,191
09/29/10	B Of A Cash		161,000
09/29/10	B Of A Cash		2,011,089
09/30/10	B Of A Cash		919,512

TOTAL WITHDRAWALS

\$ 62,036,491

TOTAL TRANSACTIONS

118,000,000 \$ 220,992,336

SUMMARY

Purchases and Contributions	\$ 82,082,877
Sales, Calls, Maturities and Withdrawals	<u>138,909,459</u>

TOTAL TRANSACTIONS

\$ 220,992,336

Sacramento Public Library Authority

Monthly Review - September 2010

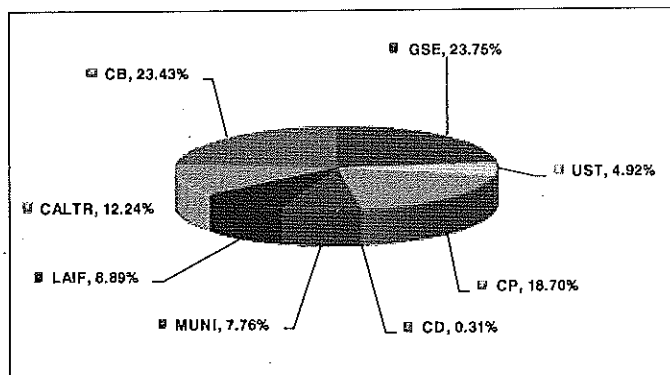
STRATEGY

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).

POOL A BY ASSET CLASS

PORTFOLIO STATISTICS

Portfolio's Beginning Balance	12,346,680
Contributions	7,580,427
Withdrawals	(1,400,000)
Interest Earned	24,856
Month-End Market Value	18,551,963



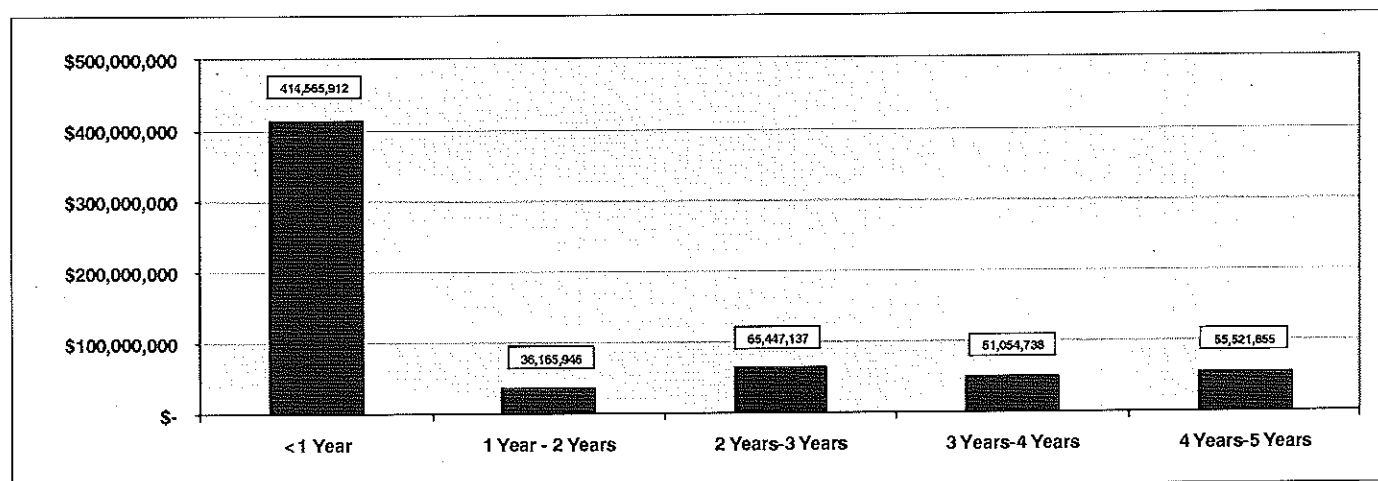
PERFORMANCE

Earned Interest Yield for the Month	2.47%
Laif Rate of Return (book value)	0.50%
ML Ready Asset	0.00%
90 Day T-Bill	0.13%
Federal Funds	0.21%

POOL A MATURITY SCHEDULE

Maturity	Market Value	%
< 1 Year	414,565,912	66.57%
1 Year - 2 Years	36,165,946	5.81%
2 Years-3 Years	65,447,137	10.51%
3 Years-4 Years	51,054,738	8.20%
4 Years-5 Years	55,521,855	8.91%
Total	\$ 622,755,588	100.00%

Investment Description	Portfolio at Cost	Yield at Month End
US Agency and Treasury Notes:		
US Agency Notes (GSE)	23.75%	0.76%
US Treasury Notes (UST)	4.92%	0.21%
Subtotal Agency/Notes	28.67%	0.67%
Commercial Paper (CP)	18.70%	0.68%
Certificates of Deposit (CD)	0.31%	2.10%
Municipals	7.76%	4.20%
LAIF	8.89%	0.50%
CaITRUST	12.24%	0.44%
Corporate Bonds (CB)	23.43%	5.05%



City of Sacramento
CASH LEDGER
Sacramento Public Library Authority
From 09-01-10 To 09-30-10

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						
09-01-10				Beginning Balance		12,299,215.54
09-03-10	09-03-10	lo		Pool A Cash	-900,000.00	11,399,215.54
09-10-10	09-10-10	lo		Pool A Cash	-500,000.00	10,899,215.54
09-20-10	09-20-10	li		Pool A Cash	1,980,427.50	12,879,643.04
				Q1 Gen Fund contribution to SPLA, per AJ#111680		
09-29-10	09-29-10	li		Pool A Cash	5,600,000.00	18,479,643.04
					6,180,427.50	
09-30-10				Ending Balance		18,479,643.04
Pool A Interest Receivable						
09-01-10				Beginning Balance		47,464.33
09-30-10	09-30-10	in		Pool A Cash	24,855.66	72,319.99
				Sep10 estimated Pool A interest		
					24,855.66	
09-30-10				Ending Balance		72,319.99