

November 29, 2012 Agenda Item 9.0: Quarterly Investment Performance Report – September 2012

TO: Sacramento Public Library Authority Board Members

FROM: Denise M. Davis, Deputy Library Director

RE: Quarterly Investment Performance Report – September 2012

RECOMMENDED ACTION(S): None – Information Only.

INFORMATION

The Library Authority's Investment Policy adopted by the Board on May 24, 2012 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, 2012. All Authority 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 2011-12 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, 2013.

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 2012 (Attachment B) and the Library summary of the City's monthly investment report for September 2012 (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

At September 30, 2012, the Library Authority had investments totaling \$24,792,280. Total cash and investments were \$25,659,548 including a balance of \$867,268 in the Authority's Bank of America account. Investment income for the month of September was \$47,843 and totals \$103,671 for FY 2012-13. The September portfolio yield was 2.89%, up 1.81% from the yield in August 2012 of 1.08%. This yield compares favorably to the State of California Local Agency Investment Fund rate of return for September 2012 of 0.35%.

ATTACHMENT(S)

Attachment A: City of Sacramento Treasurer Report: Quarterly Investment

Report for the period ended September 30, 2012

Attachment B: City of Sacramento Treasurer Report: September 2012 -

Monthly Investment Transaction Report (Pool A portion only)

Attachment C: City of Sacramento Treasurer Report: Monthly Investment

Report - September 2012 (Library portion only)



City of Sacramento City Council

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

Meeting Date: 10/30/2012 Report Type: Consent

Title: September 2012 Monthly Investment Transactions Report

Report ID: 2012-00854

Location: Citywide

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 Grace Arupo 10/25/2012 9:39:19 AM

Janelle Gray

City Treasurer Review

Reviewed for Impact on Cash and Debt 10/18/2012 8:55:27 AM

Approvals/Acknowledgements

Department Director or Designee: Russell Fehr - 10/22/2012 10:10:51 AM



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 August 31, 2012 was \$741,005,812 and on September 30, 2012, the value was \$717,255,143. The interest yield for the month was 2.89%. There were 20 total transactions for the period (12 purchases, 3 sales, 2 calls, and 3 maturities). The estimated duration of the portfolio is 1.86 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 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.



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, 2012 are listed in Exhibits A, B, C, D, E and F.



City of Sacramento Summary of Transactions September-12

Local Agency Funds:

	 Pool A	Eth	el Hart Trust	Public Trust	G	eorge Clark	Total
Purchases	\$ 37,923,712	\$	39,667	\$ -	\$	- \$	37,963,379
Sales	9,379,780		35,251	-		-	9,415,031
Maturities	22,975,319		-	-		-	22,975,319
Calls	10,010,235		-	-		-	10,010,235
Contributions	33,624,263		-	-		-	33,624,263
Withdrawals	59,627,595		-	7,954		735	59,636,284
Total	\$ 173,540,904	\$	74,918	\$ 7,954	\$	735 \$	173,624,511

Outside Agency Funds:

Sacramento City Employees' Retirement System (SCERS) Funds:

	Fixed Bonds		Fixed Bonds Equity Income		Equity Income		Large Cap		arge Cap International		International		Total	
Purchases	\$	3,612,850	\$	318,871	\$	71,902	\$	989,931	\$	4,993,554				
Sales		-		-		1,201,382		-		1,201,382				
Maturities		107,968		-		-		-		107,968				
Expenses		413		-		-		-		413				
Calls		-		-		-		-		-				
Contributions		-		-		-		-		-				
Withdrawals		647,438		243,736		140,195		34,345		1,065,714				
Total	\$	4,368,669	\$	562,607	\$	1,413,479	\$	1,024,276	\$	7,369,031				

City of Sacramento Summary of Transactions September-12

SHRA Invetment Pool Fund:

		Pool D						 Total
Purchases	\$	4,967,769						\$ 4,967,769
Sales		-						-
Maturities		1,999,860						1,999,860
Calls		2,997,000						2,997,000
Contributions		-						-
Withdrawals		296,719						296,719
Total	\$	10,261,348	- -					\$ 10,261,348
Capitol Area Dev	/elop	ment Authority	(CA	DA) Funds:				
		CADA		CADA-A	 CADA-B			 Total
Contributions	\$	-	\$	-	\$	-		\$ -
Withdrawals		-		-		-		-
Total	\$	-	\$		\$	-	:	\$ -
All Other Funds:	:							
		ARFCD		SPLA	TNBC			 Total
Contributions		-		-		-		-
Withdrawals		-		2,050,000		-		2,050,000
Total	\$		\$	2,050,000	\$	-		\$ 2,050,000
GRAND TOTAL								\$ 193,304,890



TRANSACTION SUMMARY

Trade			Unit	Total	Unit	Total	Gain/
Date	Quantity	Security	<u>Cost</u> _	Cost	Price	Proceeds	Loss
PURCH	ASES						
09-07-12	4,000,000	Toyota Motor Credit Corp 0.300% Due 04-02-13	99.83	3,993,100			
09-11-12	3,000,000	Federal Farm Credit Bank 0.370% Due 09-18-14	100.00	3,000,000			
09-11-12	3,000,000	San Diego Cnty Calif Pension O 5.648% Due 08-15-16	115.00	3,450,000			
09-14-12	5,000,000	General Electric Capital Corp 0.280% Due 04-03-13	99.84	4,992,183			
09-17-12	3,000,000	Freddie Mac 1.000% Due 08-14-17	100.00	3,000,000			
09-17-12	1,900,000	Illinois St 4.533% Due 02-01-16	107.69	2,046,110			
09-18-12	3,000,000	Freddie Mac 1.020% Due 09-28-17	100.00	3,000,000			
09-20-12	1,250,000	California St Dept Wtr Res Cen 0.991% Due 12-01-16	100.00	1,250,000			
09-21-12	600,000	Mountain View Los Altos Calif 1.020% Due 08-01-16	100.00	600,000			
09-21-12	1,835,000	Mountain View Los Altos Calif 1.420% Due 08-01-17	100.00	1,835,000			
09-27-12	10,000,000	Toyota Motor Credit Corp 0.290% Due 04-15-13	99.84	9,983,889			
09-27-12	725,000	Pasadena Calif Pension Fdg 7.280% Due 05-15-15	106.68	773,430			
TOTAL				37,923,712			

TRANSACTION SUMMARY

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/ Loss
SALES							
09-11-12	6,000,000	Lloyds Tsb Bank Plc 144a 4.375% Due 01-12-15	102.03	6,121,800	104.30	6,258,000	136,200
09-12-12	1,000,000	San Diego Cnty Calif Pension O 5.648% Due 08-15-16	115.00	1,150,000	115.29	1,152,860	2,860
09-17-12	2,000,000	Illinois St 4.421% Due 01-01-15	105.40	2,107,980	105.52	2,110,400	2,420
TOTAL				9,379,780		9,521,260	141,480

TRANSACTION SUMMARY

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/ Loss
CALLS							
09-14-12	5,000,000	Federal Home Loan Bank 0.400% Due 08-14-14	100.00	5,000,000	100.00	5,000,000	0
09-19-12	5,000,000	Fannie Mae 0.500% Due 09-19-13	100.20	5,010,235	100.00	5,000,000	-10,235
TOTAL				10,010,235		10,000,000	-10,235

TRANSACTION SUMMARY

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/ Loss
MATUR	ITIES						
09-04-12	5,000,000	General Electric Capital Corp 0.310% Due 09-04-12	99.84	4,992,207	99.84	4,992,207	0
09-04-12	9,000,000	Federal Home Loan Bank 0.110% Due 09-04-12	99.95	8,995,655	99.95	8,995,655	0
09-18-12	9,000,000	Toyota Motor Credit Corp 0.290% Due 09-18-12	99.86	8,987,457	99.86	8,987,457	0
TOTAL				22,975,319		22,975,319	0

TRANSACTION SUMMARY

Trade Date Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/ Loss	
CONTRIBUTIONS							
09-04-12	B Of A Cash		25,770				
09-04-12	B Of A Cash		1,607,312				
09-04-12	Fidelity Fund		1,216				
09-04-12	Fidelity Fund		620				
09-04-12	Fidelity Fund		198,750				
09-04-12	Fidelity Fund		29,287				
09-05-12	B Of A Cash		57,839				
09-05-12	Fidelity Fund		660				
09-05-12	Fidelity Fund		330				
09-05-12	Fidelity Fund		20,900				
09-06-12	B Of A Cash		161,175				
09-06-12	Fidelity Fund		7,000				
09-07-12	B Of A Cash		489,412				
09-10-12	B Of A Cash		2,814,204				
09-10-12	Fidelity Fund		1,713				
09-10-12	Fidelity Fund		525				
09-10-12	Fidelity Fund		38,040				
09-10-12	Fidelity Fund		25,875				
09-11-12	B Of A Cash		1,011,699				
09-11-12	Fidelity Fund		610				
09-11-12	Fidelity Fund		305				
09-11-12	Fidelity Fund		305				
09-11-12	Fidelity Fund		9,760				
09-12-12	B Of A Cash		1,679,379				
09-12-12	Fidelity Fund		15,850				
09-13-12	B Of A Cash		2,867,127				
09-13-12	Fidelity Fund		597,436				
09-13-12	Fidelity Fund		8,000				
09-13-12	Fidelity Fund		300				
09-13-12	Fidelity Fund		200				
09-14-12	B Of A Cash		298,604				
09-14-12	Fidelity Fund		6,141				
09-14-12	Fidelity Fund		1,152				
09-14-12	Fidelity Fund		1,965				
09-14-12	Fidelity Fund		176				
09-14-12	Fidelity Fund		131				
09-14-12	Fidelity Fund		46				
09-17-12	B Of A Cash		5,395				
09-17-12	B Of A Cash		2,392,272				
09-17-12	Fidelity Fund		4,300				
09-17-12	Fidelity Fund		29,531				
09-18-12	B Of A Cash		1,631,485				
09-18-12	Fidelity Fund		1,337				
09-18-12	Fidelity Fund		350				
09-18-12	Fidelity Fund		10,500				
09-18-12	Fidelity Fund		27,030				
09-19-12 09-20-12	B Of A Cash B Of A Cash		3,263				
09-20-12			966,118				
	Fidelity Fund		369 24.265				
09-20-12 09-20-12	Fidelity Fund Fidelity Fund		24,265 30,824				40.0
07-20-12	ridenty rund		30,624			174	10 of

TRANSACTION SUMMARY

Trade				Unit	Total	Unit	Total	Gain/
Date	Quantity		Security	Cost	Cost	Price	Proceeds	Loss
09-20-12		Fidelity Fund			70			
09-21-12		B Of A Cash			998,571			
09-24-12		B Of A Cash			4,429,814			
09-24-12		Fidelity Fund			11,437			
09-24-12		Fidelity Fund			74,822			
09-24-12		Fidelity Fund			90,115			
09-24-12		Fidelity Fund			325,559			
09-25-12		B Of A Cash			1,133,516			
09-25-12		Fidelity Fund			46,498			
09-25-12		Fidelity Fund			384			
09-26-12		B Of A Cash			6,987,804			
09-26-12		Fidelity Fund			12			
09-26-12		Fidelity Fund			42,056			
09-26-12		Fidelity Fund			13,000			
09-26-12		Fidelity Fund			8,006			
09-27-12		B Of A Cash			1,734,575			
09-27-12		Fidelity Fund			62,395			
09-28-12		B Of A Cash			500,788			
09-28-12		Fidelity Fund			4,480			
09-28-12		Fidelity Fund			20,599			
09-28-12		Fidelity Fund			8,062			
09-28-12		Fidelity Fund			22,800			
09-28-12		Fidelity Fund			1,508			
09-28-12		Fidelity Fund			172			
09-28-12		Fidelity Fund			363			
TOTAL		-			33,624,263			

TRANSACTION SUMMARY

Trade Date Quantity	Security	Unit Total Cost Cost	Unit Price	Total Proceeds	Gain/ Loss
WITHDRAWALS					
09-04-12	B Of A Cash	10,116,408			
09-04-12	Fidelity Fund	1,119,861			
09-05-12	B Of A Cash	7,522,658			
09-06-12	B Of A Cash	1,750,937			
09-06-12	Fidelity Fund	12,691			
09-06-12	Fidelity Fund	718,868			
09-07-12	B Of A Cash	150,000			
09-07-12	B Of A Cash	587,058			
09-10-12	B Of A Cash	2,110			
09-10-12	B Of A Cash	1,780,965			
09-11-12	B Of A Cash	1,096,370			
09-12-12	B Of A Cash	857,367			
09-13-12	B Of A Cash	1,318,293			
09-14-12	B Of A Cash	700,000			
09-14-12	B Of A Cash	318,042			
09-14-12	Fidelity Fund	3,037,625			
09-17-12	B Of A Cash	2,168,785			
09-17-12	Fidelity Fund	106,139			
09-17-12	Fidelity Fund	403,538			
09-18-12	B Of A Cash	7,540,909			
09-19-12	B Of A Cash	6,325,146			
09-19-12	Fidelity Fund	396,659			
09-19-12	Fidelity Fund	684,409			
09-20-12	B Of A Cash	1,629,633			
09-21-12	B Of A Cash	200,000			
09-21-12	B Of A Cash	1,736,792			
09-21-12	Fidelity Fund	1,432			
09-24-12	B Of A Cash	3,291,235			
09-25-12	B Of A Cash	640,508			
09-26-12	B Of A Cash	496,664			
09-27-12	B Of A Cash	1,246,523			
09-28-12	B Of A Cash	1,000,000			
09-28-12	B Of A Cash	669,971			
TOTAL		59,627,595			

Sacramento Public Library Authority

MONTHLY REVIEW - SEPTEMBER 2012

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	25,012,052
Contributions	1,782,385
Withdrawals	(2,050,000)
Interest Earned	47,843
Month-End Market Value	24,792,280

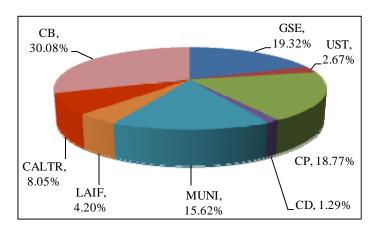
PERFORMANCE

Earned Interest Yield for the Month	2.89%
Laif Rate of Return (book value)	0.35%
ML Ready Asset	0.00%
90 Day T-Bill	0.08%
Federal Funds	0.16%

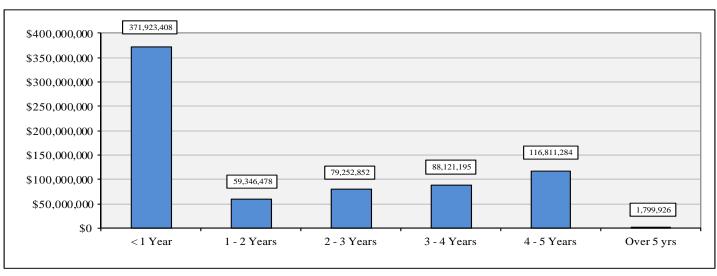
POOL A MATURITY SCHEDULE

Market Value	%
371,923,408	51.85%
59,346,478	8.27%
79,252,852	11.05%
88,121,195	12.29%
116,811,284	16.29%
1,799,926	0.25%
\$ 717,255,143	100.00%
	371,923,408 59,346,478 79,252,852 88,121,195 116,811,284 1,799,926

POOL A BY ASSET CLASS



Investment Description	Portfolio at Cost	Yield at Month End
US Agency Notes (GSE)	19.32%	0.97%
US Treasuries Notes (UST)	2.67%	0.15%
Commercial Paper (CP)	18.77%	0.44%
Certificates of Deposit (CD)	1.29%	0.77%
Municipals	15.62%	1.96%
LAIF	4.20%	0.35%
CalTRUST	8.05%	0.74%
Corporate Bonds (CB)	30.08%	2.68%



City of Sacramento CASH LEDGER

Sacramento Public Library Authority From 09-01-12 To 09-30-12

All Cash Accounts

Trade	Settle	Tran						
Date	Date	Code	Quantity	Security	Amount	Cash Balance		
Pool A Ca	ash							
09-01-12				Beginning Balance		24,956,224.19		
09-07-12	09-07-12	lo		Pool A Cash	-150,000.00	24,806,224.19		
09-14-12	09-14-12	lo		Pool A Cash	-700,000.00	24,106,224.19		
09-21-12	09-21-12	lo		Pool A Cash	-200,000.00	23,906,224.19		
09-28-12	09-28-12	lo		Pool A Cash	-1,000,000.00	22,906,224.19		
09-30-12	09-30-12	li		Pool A Cash	1,782,384.75	24,688,608.94		
	Q1 Gen I	Fund Con	tribution to Sl	PLA, per AJ#160803				
					-267,615.25			
09-30-12				Ending Balance		24,688,608.94		
Pool A Interest Receivable								
09-01-12				Beginning Balance		55,827.92		
09-10-12	09-10-12	in		Pool A Cash	14,924.27	70,752.19		
	Estimated	d allocati	on of recovery	from Leh Bros loss	,	•		
09-30-12	09-30-12	in	•	Pool A Cash	32,918.46	103,670.65		
	Sep 2012	estimate	ed Pool A inter	rest	•			
	•				47,842.73			
09-30-12				Ending Balance		103,670.65		