Sacramento Public Library Authority

August 22, 2013 **Agenda Item 8.0: Quarterly Investment Performance Report – June 2013**

TO: **Sacramento Public Library Authority Board**

FROM: **Denise M. Davis, Deputy Library Director**

RE: **Quarterly Investment Performance Report – June 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 June 30, 2013. 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 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 December 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 June 2013 (Attachment B) and the Library summary of the City's monthly investment report for June 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 $29,980,337 at June 30, 2013. Total cash and investments were $31,945,269, including a balance of $1,964,932 in the Authority's Bank of America account. Investment income for the month of June was $22,273 and totals $350,942 for FY 2012-13. Actual investment income is slightly below target for the $400,000 projected for the entire Fiscal Year mainly due to declining interest rates. The June portfolio yield was 0.89%, down 0.50% from the yield in May 2013 of 1.39%. This yield compares favorably to the State of California Local Agency Investment Fund rate of return for June 2013 of 0.24%.

ATTACHMENT(S):

Attachment A:	City of Sacramento Treasurer Report: Quarterly Investment Report for the period ended June 30, 2013
Attachment B:	City of Sacramento Treasurer Report: June 2013 – Monthly Investment Transaction Report (Pool A portion only)
Attachment C:	City of Sacramento Treasurer Report: Monthly Investment Report – June 2013 (Library portion only)

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City of SACRAMENTO

City Council Report
915 I Street, 1st Floor
www.CityofSacramento.org

Meeting Date: **7/30/2013**

Report Type: Consent

Report ID: 2013-00588

Title: June 2013 Monthly Investment Transactions 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
Joseph Cerullo
7/24/2013 6:27:47 PM

City Treasurer Review
Reviewed for Impact on Cash and Debt
John Colville
7/17/2013 3:33:29 PM

Approvals/Acknowledgements

Department Director or Designee: John Colville - 7/24/2013 9:19:24 AM

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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 May 31, 2013 was $994,846,934 and on June 30, 2013, the value was $991,330,054. The interest yield for the month was 0.89%. There were 21 total transactions for the period (14 purchases, 1 sale and 6 maturities). The estimated duration of the portfolio is 1.93 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.

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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. 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 June 30, 2013 are listed in Exhibits A, B, C, D, E and F.

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City of Sacramento
Summary of Transactions
June-13

Local Agency Funds:

	Pool A	Ethel Hart Trust	Public Trust	George Clark	Total
Purchases	$ 71,812,462	$ -	$ -	$ -	**$ 71,812,462**
Sales	330,000	-	-	-	**330,000**
Maturities	73,509,504	-	-	-	**73,509,504**
Calls	-	-	-	-	**-**
Contributions	85,737,534	-	-	-	**85,737,534**
Withdrawals	86,031,201	-	15,769	464	**86,047,434**
Total	**$ 317,420,701**	**$ -**	**$ 15,769**	**$ 464**	**$ 317,436,934**

Outside Agency Funds:

Sacramento City Employees' Retirement System (SCERS) Funds:

	Fixed Bonds	Equity Income	Large Cap	International	Total
Purchases	$ -	$ 818,359	$ 4,167,122	$ 7,800	**$ 4,993,281**
Sales	-	2,629,887	6,587,350	2,152,769	**11,370,006**
Maturities	171,331	-	-	-	**171,331**
Expenses	404	-	-	-	**404**
Calls	-	-	-	-	**-**
Contributions	-	-	-	-	**-**
Withdrawals	598,686	251,846	193,249	54,517	**1,098,298**
Total	**$ 770,421**	**$ 3,700,092**	**$ 10,947,721**	**$ 2,215,086**	**$ 17,633,320**

City of Sacramento
Summary of Transactions
June-13

SHRA Invetment Pool Fund:

	Pool D	Total
Purchases	$ -	**$ -**
Sales	-	**-**
Maturities	-	**-**
Calls	-	**-**
Contributions	684,130	**684,130**
Withdrawals	7,000,000	**7,000,000**
Total	**$ 7,684,130**	**$ 7,684,130**

Capitol Area Development Authority (CADA) Funds:

	CADA	CADA-A	CADA-B	Total
Contributions	$ -	$ -	$ -	**$ -**
Withdrawals	-	-	-	**-**
Total	**$ -**	**$ -**	**$ -**	**$ -**

All Other Funds:

	ARFCD	SPLA	TNBC	Total
Contributions	$ 500,000	$ 2,264,060	$ -	**2,764,060**
Withdrawals	-	2,800,000	-	**2,800,000**
Total	**$ 500,000**	**$ 5,064,060**	**$ -**	**$ 5,564,060**
GRAND TOTAL				**$ 348,318,444**

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City of Sacramento
TRANSACTION SUMMARY
City Investment Pool A
From 06-01-13 To 06-30-13

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/ Loss
PURCHASES							
06-07-13	5,000,000	General Electric Capital Corp 0.220% Due 01-07-14	99.87	4,993,461			
06-12-13	5,000,000	U.S. Treasury Note 1.000% Due 05-31-18	99.33	4,966,300			
06-12-13	5,000,000	Morgan Stanley 1.556% Due 04-25-18	99.85	4,992,350			
06-13-13	1,130,000	San Francisco Calif City & Cnt 2.000% Due 04-01-14	101.30	1,144,724			
06-13-13	1,525,000	San Francisco Calif City & Cnt 2.000% Due 10-01-14	102.09	1,556,888			
06-13-13	430,000	San Francisco Calif City & Cnt 4.000% Due 04-01-18	111.74	480,499			
06-19-13	5,000,000	Fannie Mae 1.060% Due 04-30-18	97.90	4,895,000			
06-19-13	5,000,000	U.S. Treasury Note 1.000% Due 05-31-18	98.80	4,940,228			
06-21-13	9,000,000	General Electric Capital Corp 0.220% Due 01-07-14	99.88	8,989,500			
06-21-13	8,000,000	General Electric Capital Corp 0.210% Due 01-21-14	99.88	7,990,013			
06-21-13	5,000,000	Fannie Mae 1.250% Due 06-20-18	97.85	4,892,500			
06-26-13	4,000,000	General Electric Capital Corp 0.210% Due 01-21-14	99.87	3,994,891			
06-27-13	9,000,000	UBS Finance 0.270% Due 02-18-14	99.82	8,984,070			
06-27-13	9,000,000	Freddie Mac 0.130% Due 02-27-14	99.91	8,992,038			
TOTAL				**71,812,462**			

City of Sacramento

TRANSACTION SUMMARY

City Investment Pool A

From 06-01-13 To 06-30-13

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/ Loss
SALES							
06-14-13	330,000	SAFCA Bond Anticipation Note, Series 2011 3.500% Due 06-15-16	100.00	330,000	100.00	330,000	0
TOTAL				**330,000**		**330,000**	**0**

City of Sacramento

TRANSACTION SUMMARY

City Investment Pool A

From 06-01-13 To 06-30-13

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/ Loss
MATURITIES							
06-01-13	7,440,000	Riverside Calif Pension Oblig 0.750% Due 06-01-13	100.00	7,440,000	100.00	7,440,000	0
06-11-13	5,000,000	General Electric Capital Corp 0.250% Due 06-11-13	99.87	4,993,542	99.87	4,993,542	0
06-11-13	9,000,000	UBS Finance 0.260% Due 06-11-13	99.88	8,988,820	99.88	8,988,820	0
06-20-13	35,500,000	California St 2.500% Due 06-20-13	101.70	36,103,855	100.00	35,500,000	-603,855
06-24-13	7,000,000	Toyota Motor Credit Corp 0.220% Due 06-24-13	99.90	6,992,685	99.90	6,992,685	0
06-25-13	9,000,000	General Electric Capital Corp 0.210% Due 06-25-13	99.90	8,990,602	99.90	8,990,602	0
TOTAL				**73,509,504**		**72,905,649**	**-603,855**

City of Sacramento
TRANSACTION SUMMARY
City Investment Pool A
From 06-01-13 To 06-30-13

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/ Loss
CONTRIBUTIONS							
06-03-13		B Of A Cash		25,779			
06-03-13		B Of A Cash		974,439			
06-03-13		Fidelity Fund		1,446			
06-03-13		Fidelity Fund		545			
06-03-13		Fidelity Fund		270,348			
06-03-13		Fidelity Fund		90,949			
06-03-13		Fidelity Fund		36,277			
06-04-13		B Of A Cash		2,079,097			
06-04-13		Fidelity Fund		720			
06-04-13		Fidelity Fund		459			
06-04-13		Fidelity Fund		22,800			
06-05-13		B Of A Cash		3,647,341			
06-05-13		Fidelity Fund		13,397			
06-06-13		B Of A Cash		1,925,531			
06-06-13		Fidelity Fund		29,654			
06-07-13		B Of A Cash		3,509,039			
06-07-13		Fidelity Fund		1,718			
06-10-13		B Of A Cash		1,868,452			
06-10-13		Fidelity Fund		1,427			
06-10-13		Fidelity Fund		585			
06-10-13		Fidelity Fund		49,360			
06-10-13		Fidelity Fund		30,815			
06-11-13		B Of A Cash		1,043,633			
06-11-13		Fidelity Fund		660			
06-11-13		Fidelity Fund		330			
06-11-13		Fidelity Fund		330			
06-11-13		Fidelity Fund		7,260			
06-12-13		B Of A Cash		2,983			
06-12-13		Fidelity Fund		6,181			
06-12-13		Fidelity Fund		7,405			
06-13-13		B Of A Cash		3,455			
06-13-13		Fidelity Fund		345			
06-13-13		Fidelity Fund		230			
06-13-13		Fidelity Fund		9,200			
06-14-13		B Of A Cash		5,395			
06-14-13		B Of A Cash		3,572			
06-14-13		Fidelity Fund		85			
06-14-13		Fidelity Fund		110			
06-14-13		Fidelity Fund		18			
06-14-13		Fidelity Fund		3,920			
06-14-13		Fidelity Fund		1,881,115			
06-17-13		B Of A Cash		63,770			
06-17-13		Fidelity Fund		1,099			
06-17-13		Fidelity Fund		385			
06-17-13		Fidelity Fund		399,415			
06-17-13		Fidelity Fund		431,615			
06-18-13		B Of A Cash		1,549,836			
06-18-13		Fidelity Fund		865,649			
06-18-13		Fidelity Fund		16,300			
06-19-13		B Of A Cash		2,635,031			
06-19-13		Fidelity Fund		8,000			

City of Sacramento

TRANSACTION SUMMARY

City Investment Pool A

From 06-01-13 To 06-30-13

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/ Loss
06-19-13		Fidelity Fund		1,207,501			
06-20-13		B Of A Cash		12,945,334			
06-20-13		Fidelity Fund		394			
06-20-13		Fidelity Fund		25,875			
06-21-13		B Of A Cash		500,000			
06-21-13		B Of A Cash		1,969,606			
06-21-13		Fidelity Fund		4,285,396			
06-24-13		B Of A Cash		2,930,610			
06-24-13		Fidelity Fund		11,437			
06-24-13		Fidelity Fund		648,204			
06-25-13		B Of A Cash		1,936			
06-25-13		Fidelity Fund		40,057			
06-26-13		B Of A Cash		6,279,368			
06-27-13		B Of A Cash		29,471,673			
06-27-13		Fidelity Fund		433,989			
06-27-13		Fidelity Fund		4,000			
06-28-13		B Of A Cash		1,424,590			
06-28-13		Fidelity Fund		156			
06-28-13		Fidelity Fund		28,031			
06-28-13		Fidelity Fund		1,692			
06-28-13		Fidelity Fund		178			
TOTAL				**85,737,534**			

City of Sacramento
TRANSACTION SUMMARY
City Investment Pool A
From 06-01-13 To 06-30-13

Trade Date	Quantity	Security	Unit Cost	Total Cost	Unit Price	Total Proceeds	Gain/ Loss
WITHDRAWALS							
06-03-13		B Of A Cash		1,630,851			
06-04-13		B Of A Cash		1,855,799			
06-04-13		Fidelity Fund		2,925			
06-04-13		Fidelity Fund		31,035			
06-05-13		B Of A Cash		468,548			
06-05-13		Fidelity Fund		975			
06-05-13		Fidelity Fund		1,925			
06-06-13		B Of A Cash		518,969			
06-06-13		Fidelity Fund		1,032			
06-07-13		B Of A Cash		400,000			
06-07-13		B Of A Cash		561,589			
06-07-13		Fidelity Fund		88			
06-10-13		B Of A Cash		3,367,661			
06-11-13		B Of A Cash		8,403,098			
06-12-13		B Of A Cash		3,560,168			
06-13-13		B Of A Cash		3,659,889			
06-13-13		Fidelity Fund		3,523			
06-14-13		B Of A Cash		1,292,577			
06-14-13		Fidelity Fund		579,978			
06-17-13		B Of A Cash		1,428,139			
06-17-13		Fidelity Fund		139,300			
06-18-13		B Of A Cash		791,533			
06-18-13		Fidelity Fund		3,296			
06-18-13		Fidelity Fund		11,606			
06-19-13		B Of A Cash		813,262			
06-20-13		B Of A Cash		988,585			
06-20-13		Fidelity Fund		17,119			
06-20-13		Fidelity Fund		2,950			
06-21-13		B Of A Cash		900,000			
06-21-13		B Of A Cash		3,382,218			
06-21-13		Fidelity Fund		37,905			
06-24-13		B Of A Cash		2,381,758			
06-24-13		Fidelity Fund		204,420			
06-25-13		B Of A Cash		106			
06-25-13		B Of A Cash		41,514,041			
06-25-13		Fidelity Fund		2,395			
06-26-13		B Of A Cash		1,000,913			
06-26-13		Fidelity Fund		24,121			
06-27-13		B Of A Cash		1,131,953			
06-28-13		B Of A Cash		1,500,000			
06-28-13		B Of A Cash		2,182,954			
06-28-13		Fidelity Fund		384,131			
06-28-13		Fidelity Fund		847,863			
TOTAL				**86,031,201**			

SACRAMENTO PUBLIC LIBRARY AUTHORITY

MONTHLY REVIEW - JUNE 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	30,494,004
Contributions	2,264,060
Withdrawals	(2,800,000)
Interest Earned	22,273
Month-End Market Value	29,980,337

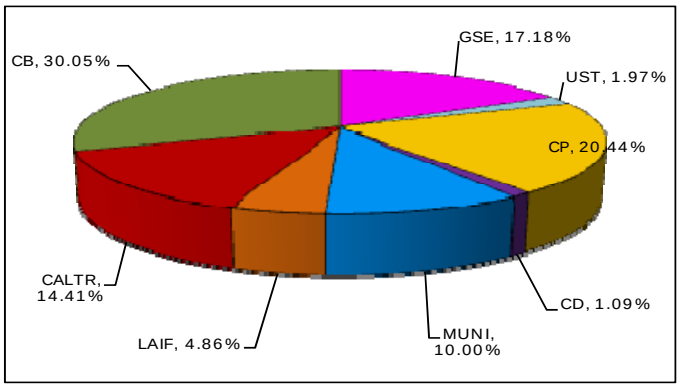
PERFORMANCE

Earned Interest Yield for the Month	0.89
Laif Rate of Return (book value)	0.24
ML Ready Asset	-
90 Day T-Bill	0.04
Federal Funds	0.09

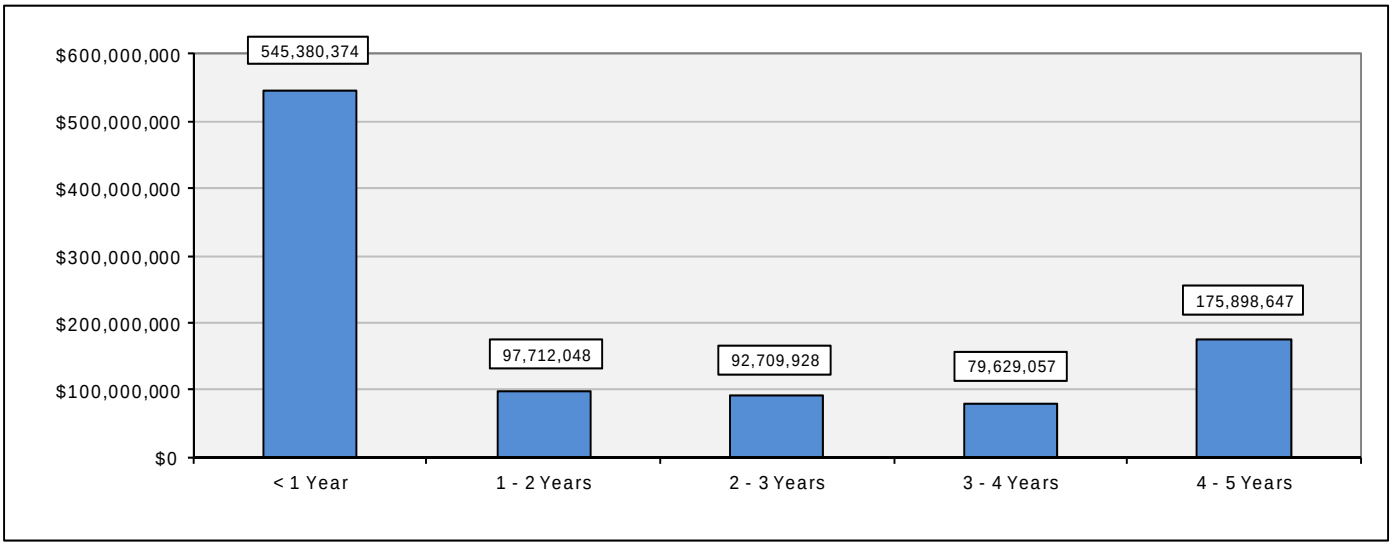
POOL A MATURITY SCHEDULE

Maturity	Market Value	%
< 1 Year	545,380,374	55.02%
1 - 2 Years	97,712,048	9.86%
2 - 3 Years	92,709,928	9.35%
3 - 4 Years	79,629,057	8.03%
4 - 5 Years	175,898,647	17.74%
Total	$ 991,330,054	100.00%

POOL A BY ASSET CLASS



Investment Description	Portfolio at Cost	Yield at Month End
US Agency Notes (GSE)	17.18%	0.69%
US Treasuries (UST)	1.97%	1.04%
Commercial Paper (CP)	20.44%	0.28%
Certificates of Deposit (CD)	1.09%	0.27%
Municipals	10.00%	1.77%
LAIF	4.86%	0.24%
CalTrust	14.41%	0.53%
Corporate Bonds (CB)	30.05%	1.90%



City of Sacramento
CASH LEDGER
Sacramento Public Library Authority
From 06-01-13 To 06-30-13

All Cash Accounts

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
Pool A Cash						
06-01-13				Beginning Balance		30,359,905.29
06-01-13	06-01-13	dp		Pool A Cash	134,098.40	30,494,003.69
06-01-13	06-01-13	in		Pool A Cash	402.81	30,494,406.50
	Jan-May 2013 Pool A interest adjustment					
06-07-13	06-07-13	lo		Pool A Cash	-400,000.00	30,094,406.50
06-21-13	06-21-13	lo		Pool A Cash	-900,000.00	29,194,406.50
06-28-13	06-28-13	lo		Pool A Cash	-1,500,000.00	27,694,406.50
06-30-13	06-30-13	li		Pool A Cash	2,264,060.09	29,958,466.59
	Q4 Gen Fund Contribution to SPLA, per AJ#176493 dated 6/30 posted 7/					
					-401,438.70	
06-30-13				**Ending Balance**		**29,958,466.59**
Pool A Interest Receivable						
06-01-13				Beginning Balance		134,098.40
06-01-13	06-01-13	wd		Pool A Interest Receivable	-134,098.40	0.00
06-30-13	06-30-13	in		Pool A Cash	21,870.32	21,870.32
	Jun 2013 estimated Pool A interest					
					-112,228.08	
06-30-13				**Ending Balance**		**21,870.32**