

*Finance Department
Tel. (510) 494-4610
Fax (510) 494-4611*

Date: January 5, 2017
To: Mayor and City Council
From: David Persselin, Finance Director
Subject: Cash and Investments Report – October 2017

The following information concerning cash and investments is hereby transmitted to the City Council:

Cash & Investments

- Narrative and Highlights
- Summary of Cash and Investments
- Investment Performance
- Investment Rate Performance
- Investments Compared to Limits
- Investment Summary
- Investment Activity
- Detail of Cash and Investments, Petty Cash and Cash with Fiscal Agents

The treasurer's report has been prepared to comply with state regulations contained in Government Code Section 53646. Detailed information is provided on all investments and monies held by fiscal agents.

I verify that all investment activities since the last report have been made in full compliance with the City's investment policy, which has been approved by the City Council. The Treasurer's cash management program provides sufficient liquidity to meet expenditures for the next six months.

This report is available on the City's internet site.

David Persselin
Finance Director

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**CITY OF FREMONT
NARRATIVES AND HIGHLIGHTS
October 2017**

EXECUTIVE SUMMARY

City liquidity needs were met in October and investment categories were well within the allowed percentages under California law and the City investment policy (see page 5 for component percentages).

The overall portfolio month end yield increased from 1.64% last month to 1.68% this month. The yield for the same month last year was 1.37%. The LAIF (State of California Local Agency Investment Funds) apportionment yield of 1.14% was 0.54% lower than the City's average month end yield. (See the portfolio-benchmark comparative yield graph on page 5.) The California Asset Management Program yield was 1.17%. The Federal Reserve Open Market Committee federal funds rate target remained in the range of 1.00%-1.25%. The two-year U.S. Treasury Note yield increased from 1.47% to 1.60% and the five-year U.S. Treasury Note yield increased from 1.92% to 2.01%.

CHANGES IN CASH AND INVESTMENT POOLED BALANCES (Pages 3, 3.1, and 3.2)

Pooled cash and investment balances decreased by \$2.8 million during October to a total of \$287.2 million. Pooled cash and investment balances were \$22.5 million higher than the \$264.7 million on hand last year. Compared to September, cash decreased in the General Fund by \$4.4 million. Cash increased in the Capital Improvement Funds by \$1.4 million. All the remaining funds combined netted an increase of \$215 thousand. General Fund cash flows were as follows:

<u>Inflows:</u>	<u>Millions</u>	<u>Totals (Millions)</u>
Sales and use tax	3.4	
Business license fees	0.8	
Franchises	0.4	
Transient occupancy tax	0.8	
Other revenues	2.2	
Transfers-in	<u>0.9</u>	\$8.5
<u>Outflows:</u>		
Payroll	\$ 7.4	
Supplies, services, and other	1.5	
Internal service allocations	0.7	
Transfers-out	<u>3.3</u>	(12.9)
Net General Fund cash decrease		<u>(\$ 4.4)</u>

Other Fund changes greater than \$1 million

1. The Capital Improvement Funds increased by \$1.4 million due to budgeted transfers from the General Fund.

CHANGES IN THE PORTFOLIO FAIR MARKET VALUE ADJUSTMENT (Page 3)

The City periodically adjusts its investment carrying value to fair market value to comply with governmental accounting standards. Market Prices are supplied by PFM Asset Management. The graph entitled *Interest Compared to Interest plus Fair Value Adjustments* on page 4 shows the impact of unrealized gains/(losses) on the actual interest revenue.

The October negative month end estimated valuation adjustment of \$1.2 million decreased by \$206 thousand from the prior month. Valuations for the portfolio taken as a whole are shown in Chart 2 on page 3 for 2015, 2016, and 2017.

INVESTMENT ACTIVITY AND INTEREST RATE PERFORMANCE (Pages 4, 5 and 6)

Money market and pooled funds account percentages of the pooled portfolio increased from 28.4% to 33% compared to last year. These short term investments will help the City to more rapidly reallocate its portfolio if interest rates begin to rise from their current low levels. LAIF appears to remain safe and its yield of 1.14% remains significantly better than other investments of one year or less.

Current month interest income of \$248 thousand, exclusive of the fair value adjustment, was \$5 thousand less than the prior month. Accrued interest (earned but not yet received) related to City investments at the end of October 2017 was \$808 thousand.

This month, \$9.8 million of available funds were newly invested at an average rate of 1.93% (1251 day average maturity), compared to \$14.5 million at 0.96% (659 days) in September, and \$8.4 million at 0.79% (700 days) in the same month one year ago. (See page 7) The City did not enter into any repurchase or reverse repurchase agreements during the month.

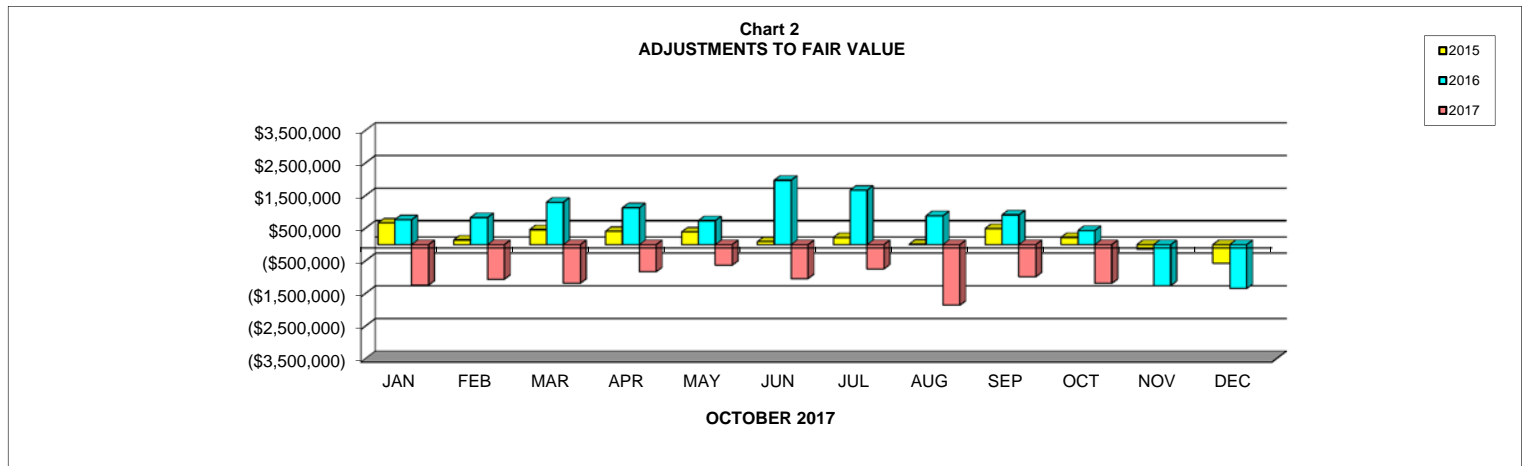
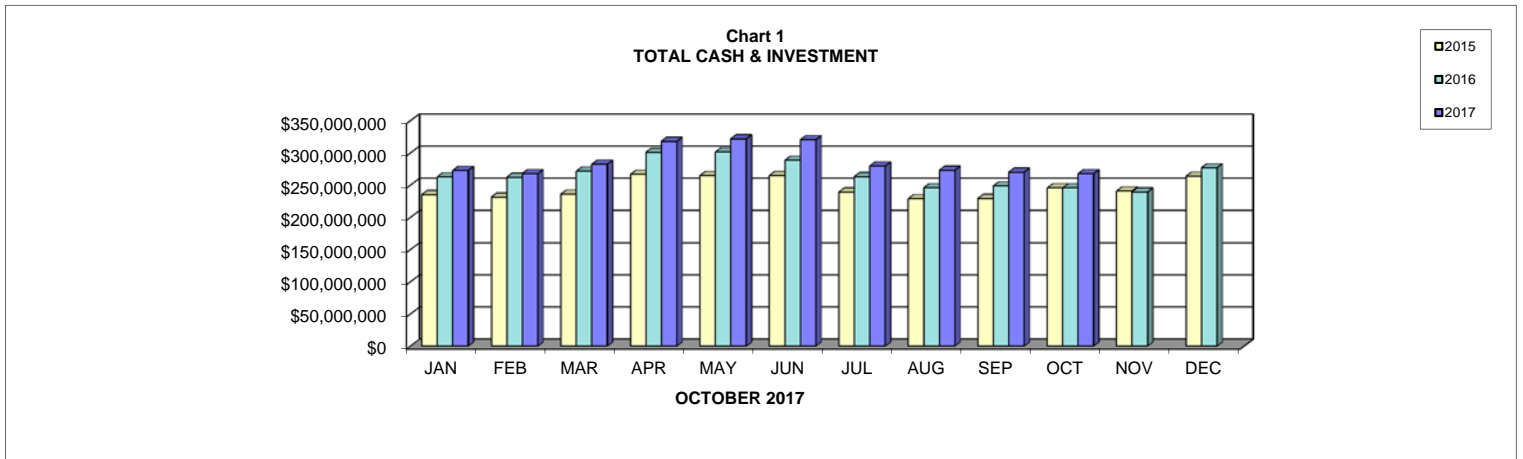
The dollar weighted-average portfolio life increased by 1 day compared to last month and was a decrease of 62 days from the prior year. The dollar weighted-average portfolio life only uses maturity dates and does not take early calls into account so it overstates the actual expected portfolio life. However, the statistic is a useful trend indicator.

THE YIELD CURVE (Page 6)

Page 6 compares U.S. Treasury bill and note yield curves at the end of October 2017, September 2017, and October 2016. The U.S. Treasury yield curve and comparable yield curves for other types of investments retained their “normal-curve” shape and are expected to do so for at least the next year. Interest rates for U.S. Treasuries of about six months and less remain near zero percent.

**SUMMARY OF CASH AND INVESTMENTS - TOTAL CITY
WITH COMPARISON**

	Current Month 10/31/2017	Prior Month 09/30/2017	Prior Year 10/31/2016	Change from Prior Month 10/17 to 09/17	Change from Prior Year 10/17 to 10/16
CASH AND INVESTMENTS - TOTAL CITY					
INVESTMENTS CITY POOL					
Investment in Securities at Cost	\$ 180,701,177	\$ 182,902,786	\$ 178,291,156	\$ (2,201,609)	\$ 2,410,021
Adjustments to Fair Value (Chart 2)	(1,190,208)	(984,667)	430,680	(205,541)	(1,620,888)
State of California Local Agency Investment Funds (LAIF)	65,000,000	65,000,000	60,000,000	-	5,000,000
California Asset Management Program	23,424,597	23,398,929	7,081,867	25,668	16,342,730
Subtotal - Investments (City Pool)	267,935,566	270,317,048	245,803,703	(2,381,482)	22,131,863
Impound and Other Cash	1,074,339	762,150	256,738	312,189	817,601
General Checking Account	18,178,881	18,894,279	18,678,324	(715,398)	(499,443)
Total - Cash and Investments (Chart 1)	287,188,786	289,973,477	264,738,765	(2,784,691)	22,450,021
PETTY CASH	25,860	25,860	25,860	-	-
CASH WITH FISCAL AGENTS	7,139,806	7,424,520	16,554,375	(284,714)	(9,414,569)
GRAND TOTAL - CASH AND INVESTMENTS, PETTY CASH & CASH WITH FISCAL AGENTS	\$ 294,354,452	\$ 297,423,857	\$ 281,319,000	\$ (3,069,405)	\$ 13,035,452



**SUMMARY OF CASH AND INVESTMENTS BY FUND
WITH COMPARISON**

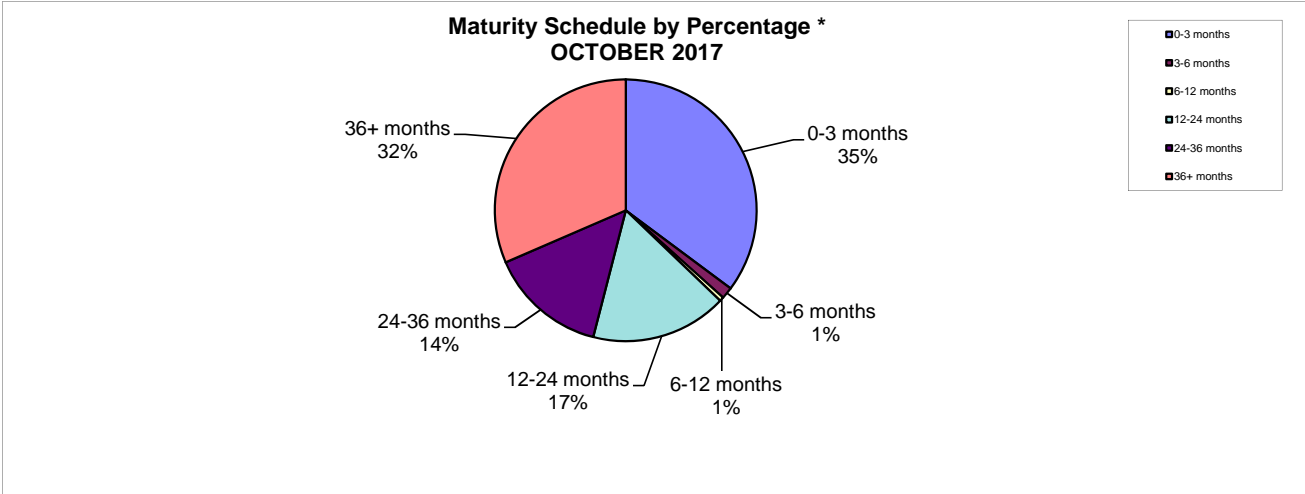
	Current Month <i>10/31/2017</i>	Prior Month <i>09/30/2017</i>	Prior Year <i>10/31/2016</i>	Change from Prior Month <i>10/17 to 09/17</i>	Change from Prior Year <i>10/17 to 10/16</i>
CASH AND INVESTMENT BALANCES BY FUND					
General Fund	\$ (14,935,240)	\$ (10,520,076)	\$ (3,221,722)	\$ (4,415,164)	\$ (11,713,518)
Capital Improvement Funds	72,801,134	71,386,120	64,396,046	1,415,014	8,405,088
Park Benefit & Impact Fee Funds	73,159,530	73,444,259	61,120,933	(284,729)	12,038,597
Internal Service Funds	23,184,595	23,307,661	22,481,954	(123,066)	702,641
Housing Funds	47,666,072	46,866,187	28,420,122	799,885	19,245,950
Development Cost Center Funds	17,973,814	18,380,637	17,061,607	(406,823)	912,207
Traffic Impact Fee Funds	11,799,637	12,239,148	15,713,611	(439,511)	(3,913,974)
Recreation Fund	10,535,449	10,022,186	10,589,859	513,263	(54,410)
Gas Tax Funds	7,855,940	8,009,920	8,359,198	(153,980)	(503,258)
Local Improvement Districts	8,793,476	8,802,516	7,958,388	(9,040)	835,088
Integrated Waste Management Fund	6,557,293	6,885,590	6,932,682	(328,297)	(375,389)
Other Agency Funds	3,228,754	2,950,505	6,917,360	278,249	(3,688,606)
Low and Moderate Income Housing Asset Fund	6,229,340	6,226,953	5,449,702	2,387	779,638
Community Assistance	7,018,177	6,591,608	5,039,719	426,569	1,978,458
County Roads Measure B Fund	2,716,645	2,621,642	3,185,428	95,003	(468,783)
Other Funds	1,684,622	2,093,483	1,422,888	(408,861)	261,734
Family Resource Center	-	-	1,123,096	-	(1,123,096)
Police Grants	209,410	(120,434)	765,467	329,844	(556,057)
Urban Runoff Funds	303,090	378,581	635,974	(75,491)	(332,884)
General Obligation Bond - Fire	407,048	406,991	386,453	57	20,595
Total - Cash and Investments	<u>287,188,786</u>	<u>289,973,477</u>	<u>264,738,765</u>	<u>(2,784,691)</u>	<u>22,450,021</u>
PETTY CASH	<u>25,860</u>	<u>25,860</u>	<u>25,860</u>	<u>-</u>	<u>-</u>
CASH WITH FISCAL AGENTS					
Local Improvement District Trust Accounts	5,072,699	5,069,136	5,044,981	3,563	27,718
Other Agency Trust Accounts	444	443	3,376,240	1	(3,375,796)
Lease Revenue Bonds	15,050	305,765	-	(290,715)	15,050
Lease Financing	2,051,613	2,049,176	8,133,154	2,437	(6,081,541)
Total - Cash with Fiscal Agents	<u>7,139,806</u>	<u>7,424,520</u>	<u>16,554,375</u>	<u>(284,714)</u>	<u>(9,414,569)</u>
GRAND TOTAL - CASH & INVESTMENTS, PETTY CASH AND CASH WITH FISCAL AGENT	<u>\$ 294,354,452</u>	<u>\$ 297,423,857</u>	<u>\$ 281,319,000</u>	<u>\$ (3,069,405)</u>	<u>\$ 13,035,452</u>

CITY OF FREMONT
Summary of Cash and Investments by Funds

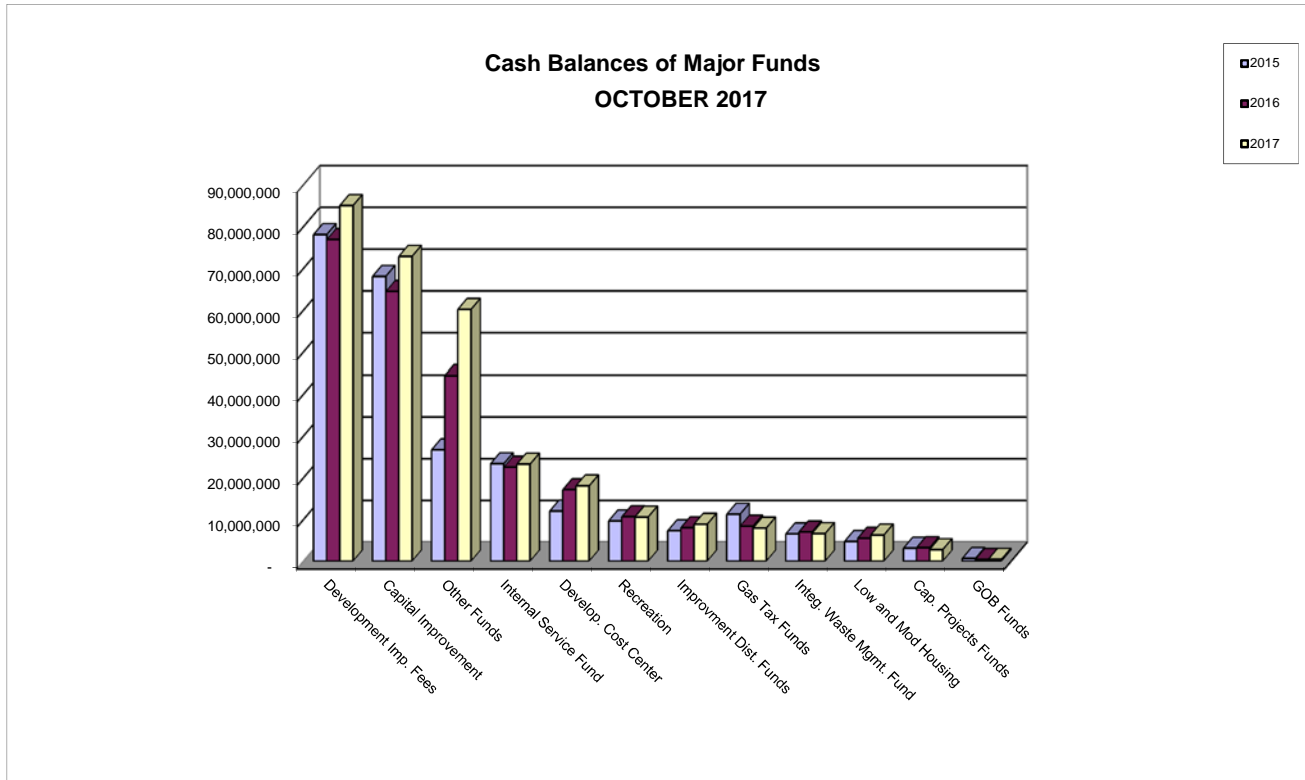
Cash Balance

Cash & Investments September 2017	\$ 289,973,477
Receipts for the month of October 2017	15,016,529
Disbursements for the month of October 2017	(17,595,679)
October 2017 Fair Value Adjustment	(205,541)
Total Cash & Investments October 2017	\$ 287,188,786

Cash & Investments City Pool	\$ 267,935,566
Cash & Investments, Impound and Other Cash	1,074,339
Bank of America Checking Account	18,178,881
Total Cash & Investments October 2017	\$ 287,188,786



* Subject to bond call provisions



**INVESTMENT PERFORMANCE
WITH COMPARISON
CITY POOLED INVESTMENTS**

	Current Month 10/31/2017	Prior Month 09/30/2017	Prior Year 10/31/2016	Change from Prior Month 10/17 to 09/17	Change from Prior Year 10/17 to 10/16
INVESTMENT YIELD					
State Pool	1.14%	1.11%	0.65%	0.03%	0.49%
California Asset Management Program	1.17%	1.14%	0.66%	0.03%	0.51%
City of Fremont - End of Month	1.68%	1.64%	1.37%	0.04%	0.31%
City of Fremont - Fiscal Year to Date	1.63%	1.61%	1.38%	0.02%	0.25%

AVERAGE LIFE OF PORTFOLIO (In Days)

State Pool	184	190	163	(6)	21
City of Fremont	658	657	720	1	(62)

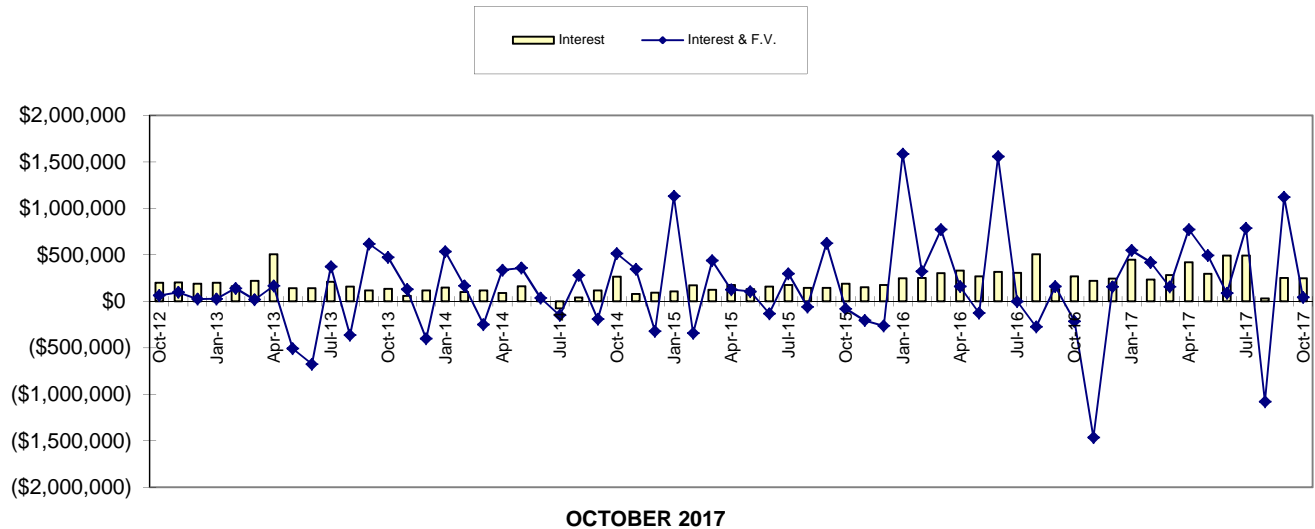
**EARNINGS CURRENT MONTH
INTEREST EARNINGS (DISTRIBUTED)**

General, Capital and Grant Funds	\$ 240,781	\$ 245,958	\$ 261,551	\$ (5,177)	\$ (20,770)
Local Improvement Districts	7,007	7,116	7,746	(109)	(739)
Total	247,788	253,074	269,297	(5,286)	(21,509)
FAIR VALUE ADJUSTMENTS	(205,541)	869,536	(482,540)	(1,075,077)	276,999
TOTAL INTEREST EARNINGS	\$ 42,247	\$ 1,122,610	\$ (213,243)	\$ (1,080,363)	\$ 255,490

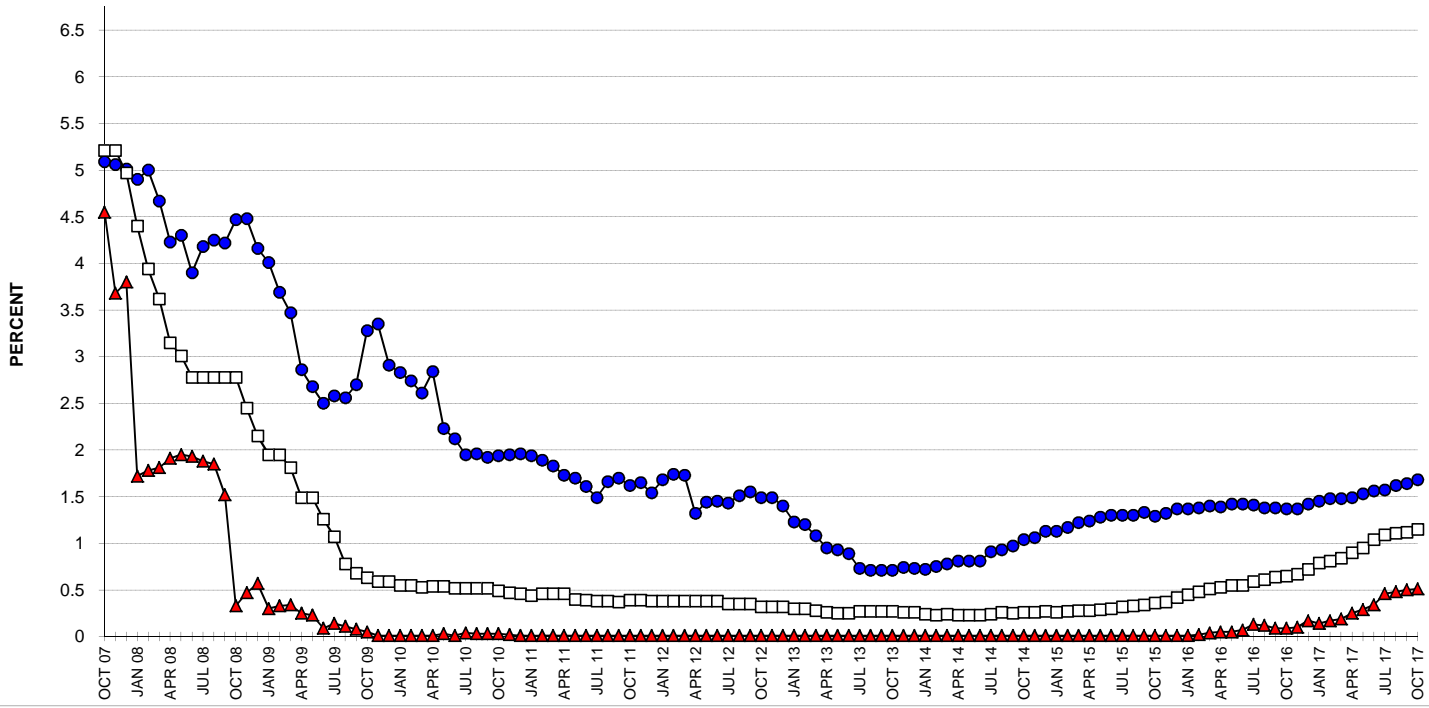
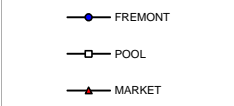
FISCAL YEAR TO DATE EARNINGS

General, Capital and Grant Funds	\$ 846,960	\$ 806,149	\$ (316,897)	\$ 40,811	\$ 1,163,857
Local Improvement Districts	27,272	25,836	(10,776)	1,436	38,048
Total	\$ 874,232	\$ 831,985	\$ (327,673)	\$ 42,247	\$ 1,201,905

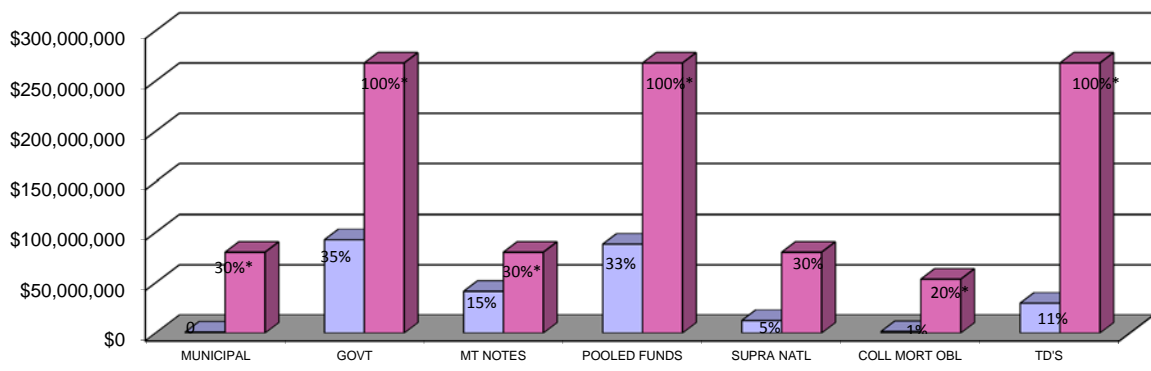
INTEREST COMPARED TO INTEREST PLUS FAIR VALUE ADJUSTMENTS



INTEREST RATE PERFORMANCE OCTOBER 2017



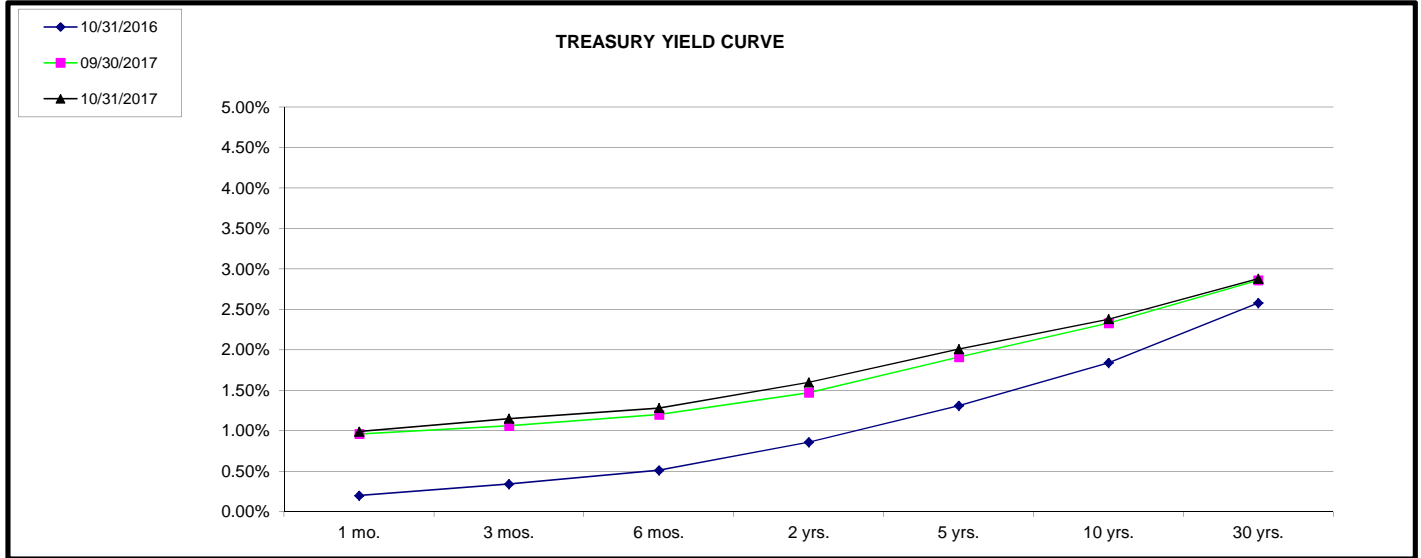
INVESTMENTS COMPARED TO LIMITS OCTOBER 2017



*Limit represents maximum allowable percentage portion of portfolio.

INVESTMENT ACTIVITY OCTOBER 2017

DATE	REDEMPTION POOLS /			PURCHASES POOLS /			AVG. RATE	AVG. MAT. DAYS
	SECURITIES	MONEY MARKET	TOTAL	SECURITIES	MONEY MARKET	TOTAL		
10/01/2017	\$0.00	\$0.00	\$0.00	\$0.00	\$25,667.75	25,667.75	0.01%	1
10/06/2017	(3,068,361.00)	-	(3,068,361.00)	2,991,093.75	-	2,991,093.75	1.75%	1516
10/10/2017	(2,945,288.75)	-	(2,945,288.75)	3,532,441.86	-	3,532,441.86	2.13%	1126
10/20/2017	(3,513,559.57)	-	(3,513,559.57)	3,205,345.50	-	3,205,345.50	1.90%	1152
10/25/2017	(408,455.71)	-	(408,455.71)	-	-	-	-	-
10/31/2017	-	(1,994,825.60)	(1,994,825.60)	-	-	-	-	-
TOTAL 10/17	(\$9,935,665.03)	(\$1,994,825.60)	(\$11,930,490.63)	\$9,728,881.11	\$25,667.75	\$9,754,548.86	1.93%	1251
TOTAL 09/17	(\$8,336,649.61)	(\$10,000,000.00)	(\$18,336,649.61)	\$9,173,698.70	\$5,355,002.64	\$14,528,701.34	0.96%	659
TOTAL 10/16	(\$3,202,685.66)	(\$7,777,206.81)	(\$10,979,892.47)	\$3,268,248.05	\$5,096,150.74	\$8,364,398.79	0.79%	700



Graph Source: US Treasury - Daily Treasury Yield Curve Rates, October 31, 2017

**DETAIL OF CASH AND INVESTMENT, PETTY CASH AND CASH WITH FISCAL AGENTS
OCTOBER 2017**

LD.#	SECURITY LISTING	FACE RATE	MATURITY DATE	PURCHASE YIELD	PAR	ORIGINAL COST	MARKET VALUE	ACCRUED INTEREST	CREDIT RATING	CREDIT RATING
GENERAL CITY INVESTMENTS										
	CORPORATE NOTES - ISSUER								S & P	Moody's
46625HJR2	JP MORGAN CHASE & CO	2.35%	01/28/19	2.16%	2,450,000.00	2,469,208.00	2,465,082.20	14,873.54	A-	A3
17275RAR3	CISCO SYSTEMS	2.13%	03/01/19	1.90%	1,143,000.00	1,153,858.50	1,149,273.93	4,048.13	AA-	A1
02665WAH4	AMERICAN HONDA FINANCE	2.25%	08/15/19	2.29%	2,450,000.00	2,445,467.50	2,465,043.00	11,637.50	A+	A2
12189TBC7	BURLINGTON NORTH CORP	4.70%	10/01/19	1.47%	800,000.00		841,538.40	3,133.33	A	A3
38145GAJ9	GOLDMAN SACHS GROUP INC	2.30%	12/13/19	2.33%	1,700,000.00	1,698,725.00	1,704,404.70	14,988.33	BBB+	A3
94974BGF1	WELLS FARGO & COMPANY	2.15%	01/30/20	2.00%	1,000,000.00	1,006,990.00	1,002,251.00	4,737.00	A	A2
94974BGF1	WELLS FARGO & COMPANY	2.15%	01/30/20	2.11%	1,000,000.00	1,001,590.00	1,002,251.00	5,434.72	A	A2
89236TCF0	TOYOTA MOTOR CREDIT	2.15%	03/12/20	1.96%	800,000.00	807,104.00	803,952.00	2,341.11	AA-	Aa3
437076BQ4	HOME DEPOT INC	1.80%	06/05/20	1.82%	705,000.00	704,591.10	704,098.31	5,146.50	A	A2
25468PDU7	WALT DISNEY COMPANY	1.80%	06/05/20	1.84%	1,000,000.00	998,840.00	997,570.00	7,250.00	A+	A2
46625HLW8	JP MORGAN CHASE & CO	2.75%	06/23/20	2.49%	1,000,000.00	1,011,320.00	1,015,662.00	9,777.78	A-	A3
94974BGM6	WELLS FARGO & COMPANY	2.60%	07/22/20	2.48%	450,000.00	452,524.50	456,494.95	3,217.50	A	A2
94974BGM6	WELLS FARGO & COMPANY	2.60%	07/22/20	2.31%	1,000,000.00	1,013,030.00	1,012,211.00	7,150.00	A	A2
06406HDD8	BNY MELLON CORP	2.60%	08/17/20	2.21%	1,000,000.00	1,017,630.00	1,013,875.00	5,344.44	A	A1
14913Q2A6	CATERPILLAR	1.85%	09/04/20	1.88%	1,120,000.00	1,119,059.20	1,113,507.36	3,108.00	A	A3
713448DC9	PEPSICO	2.15%	10/14/20	2.09%	1,250,000.00	1,253,400.00	1,257,610.50	1,269.10	A+	A1
931142EA7	Wal-Mart Stores Inc	1.90%	12/15/20	1.95%	3,210,000.00	3,205,345.50	3,203,239.74	1,863.58	AA	Aa2
44932HAB9	IBM CREDIT	1.80%	10/20/21	1.86%	1,500,000.00	1,496,895.00	1,482,735.00	3,975.00	AA	A1
882508AY0	TEXAS INSTRUMENTS INC	2.75%	03/12/21	2.12%	320,000.00	327,292.80	326,280.32	1,197.78	A+	A3
61746BEA0	MORGAN STANLEY CORP	2.50%	04/21/21	2.36%	850,000.00	855,440.00	851,865.75	590.28	BBB+	A3
06406FAB9	BANK OF NEW YORK MELLON CORP.	2.05%	05/03/21	2.00%	1,000,000.00	1,002,130.00	996,252.00	10,136.11	A	A1
0258MOEB1	AMERICAN EXPRESS CREDIT	2.25%	05/05/21	2.13%	850,000.00	854,649.50	850,702.95	9,350.00	A-	A2
05531FAV5	BRANCH BANKING & TRUST	2.05%	05/10/21	2.06%	850,000.00	849,439.00	844,555.75	8,276.88	A-	A2
857477AV5	STATE STREET	1.95%	05/19/21	2.04%	460,000.00	458,045.00	456,251.00	4,036.50	A	A1
68389XBK0	ORACLE CORP	1.90%	09/15/21	2.44%	1,045,000.00	1,020,432.05	1,034,099.61	2,537.03	AA-	A1
713448DL9	PEPSICO INC	1.70%	10/06/21	2.34%	925,000.00	909,044.50	909,632.98	1,092.01	AA-	A1
20030NBV2	COMCAST CORP	1.63%	01/15/22	2.65%	850,000.00	809,939.50	828,024.10	4,067.01	A-	A3
91159HPH8	US BANCORP	2.62%	01/24/22	2.55%	1,000,000.00	1,003,430.00	1,011,875.00	7,072.92	AA	A1
037833AY6	APPLE INC	2.15%	02/09/22	2.18%	1,000,000.00	998,660.00	996,340.00	4,897.22	AA+	Aa1
594918BA1	MICROSOFT CORP	2.38%	02/12/22	2.27%	850,000.00	853,927.00	855,802.10	4,430.03	AAA	Aaa
0258MOEG0	AMERICAN EXPRESS CREDIT	2.70%	03/03/22	2.49%	675,000.00	680,805.00	682,051.73	2,936.25	A-	A2
25468PDO6	WALT DISNEY COMPANY	2.45%	03/04/22	2.44%	575,000.00	575,184.00	579,738.58	2,230.52	AA-	A2
05531FAX1	BB&T CORPORATION	2.75%	04/01/22	2.30%	850,000.00	866,124.50	861,112.90	1,947.92	A-	A2
458140BB5	INTEL CORP	2.35%	05/11/22	2.22%	1,000,000.00	1,005,870.00	1,004,933.00	11,097.22	AA	A1
68389XB00	ORACLE CORP	2.50%	05/15/22	2.19%	1,000,000.00	1,013,490.00	1,007,545.00	11,527.78	AA-	A1
911312BC9	UNITED PARCEL SERVICE	2.35%	05/16/22	2.11%	1,000,000.00	1,010,920.00	1,002,245.00	10,770.83	A+	A1
459200HG9	IBM CORP	1.87%	08/01/22	2.24%	1,750,000.00	1,719,550.00	1,710,649.50	8,203.13	A+	A1
89236TEC5	TOYOTA	2.15%	09/08/22	2.18%	1,000,000.00	998,820.00	989,060.00	3,165.28	AA-	Aa3
	SUBTOTAL				41,428,000.00	41,541,891.15	41,488,824.36	219,555.98		
FEDERAL AGENCY BOND / NOTE - BROKER										
3135GON33	FNMA - GOLDMAN SACHS	0.87%	08/02/19	0.93%	4,250,000.00	4,242,860.00	4,195,217.50	9,193.58	AA+	Aaa
3130A8Y72	FHLB - WELLS FARGO SECURITIES LLC	0.87%	08/05/19	0.94%	2,875,000.00	2,869,480.00	2,837,501.38	6,009.55	AA+	Aaa
3135GOP49	FNMA - GOLDMAN SACHS & CO	1.00%	08/28/19	1.05%	3,400,000.00	3,394,696.00	3,362,086.60	5,950.00	AA+	Aaa
3130AA3R7	FHLB - MERRILL LYNCH	1.37%	11/15/19	1.38%	3,685,000.00	3,684,152.45	3,664,183.44	23,363.92	AA+	Aaa
3135GOZV2	FNMA - MORGAN STANLEY DEAN WITTER	1.75%	11/26/19	1.62%	2,000,000.00	2,012,900.00	2,002,870.00	15,069.44	AA+	Aaa
3135GOT29	FNMA - JP MORGAN SECURITIES INC	1.50%	02/28/20	1.52%	3,700,000.00	3,697,632.00	3,682,351.00	9,712.50	AA+	Aaa
3130A8QS5	FHLB - KEYBANC CAPITAL MARKETS	1.12%	07/14/21	1.16%	1,450,000.00	1,446,926.00	1,412,458.05	4,848.44	AA+	Aaa
3130A8QS5	FHLB - TD SECURITIES LLC	1.13%	07/14/21	1.25%	4,225,000.00	4,199,307.78	4,115,610.53	14,127.34	AA+	Aaa
3135GON82	FNMA - TD SECURITIES (USA) LLC	1.25%	08/17/21	1.32%	415,000.00	413,580.29	405,011.78	1,066.32	AA+	Aaa
3135GON82	FNMA - CITIGROUP GLOBAL MARKETS INC	1.25%	08/17/21	1.33%	1,335,000.00	1,329,593.25	1,302,869.22	3,430.21	AA+	Aaa
	SUBTOTAL				27,335,000.00	27,291,127.77	26,980,159.50	92,771.30		
FEDERAL AGENCY COLLATERALIZED MORTGAGE OBLIGATION										
3136AMKW8	MERRILL LYNCH - FNMA Series 2015-M1-ASQ2	1.63%	02/01/18	1.26%	246,786.87	249,252.89	246,591.19	334.40	AA+	Aaa
3136ANJY4	GOLDMAN SACHS - FNMA Series 2015-M7 ASQ2	1.55%	04/01/18	0.83%	246,102.59	248,562.73	245,930.47	317.88	AA+	Aaa
3136AQSW1	GOLDMAN SACHS - FNMA Series 2015-M15 ASQ2	1.90%	01/01/19	1.20%	330,003.20	333,303.20	330,128.04	521.98	AA+	Aaa
3136AQDQ0	MORGAN STANLEY - FNMA Series 2015-M13 ASQ2	1.65%	09/01/19	1.08%	785,896.88	793,766.77	784,865.31	1,077.99	AA+	Aaa
	SUBTOTAL				1,608,789.54	1,624,885.59	1,607,515.01	2,252.25		
US TREASURY NOTES - BROKER										
912828D23	CITIGROUP	1.63%	04/30/19	1.06%	2,190,000.00	2,219,941.41	2,192,822.91	98.31	AA+	Aaa
912828UQ1	MERRILL LYNCH	1.25%	02/29/20	1.55%	335,000.00	330,812.50	331,950.83	717.20	AA+	Aaa
912828J84	CITIGROUP	1.38%	03/31/20	1.04%	325,000.00	328,986.33	322,727.60	392.86	AA+	Aaa
912828J84	CITIGROUP	1.38%	03/31/20	1.04%	455,000.00	460,794.14	451,818.64	550.00	AA+	Aaa
912828J84	CITIGROUP	1.38%	03/31/20	1.04%	1,010,000.00	1,021,480.86	1,002,938.08	1,220.88	AA+	Aaa
912828VP2	MERRILL LYNCH	2.00%	07/31/20	1.58%	1,000,000.00	1,018,867.19	1,007,773.00	5,054.35	AA+	Aaa
912828VV9	CITIGROUP	2.13%	08/31/20	1.74%	700,000.00	727,289.06	707,765.80	2,547.65	AA+	Aaa
912828VV9	MORGAN STANLEY	2.13%	08/31/20	1.74%	1,180,000.00	1,200,419.53	1,193,090.92	4,294.61	AA+	Aaa
912828WC0	MERRILL LYNCH	1.75%	10/31/20	1.35%	4,050,000.00	4,124,988.28	4,051,105.65	195.79	AA+	Aaa
912828PC8	HSBC	2.63%	11/15/20	1.21%	2,560,000.00	2,718,800.00	2,626,298.88	31,043.48	AA+	Aaa
912828A83	MERRILL LYNCH	2.38%	12/31/20	1.28%	2,550,000.00	2,678,097.66	2,596,914.90	20,406.93	AA+	Aaa
912828N89	CITIGROUP	1.38%	01/31/21	1.35%	2,500,000.00	2,502,636.72	2,467,285.00	8,687.16	AA+	Aaa
912828B90	MORGAN STANLEY	2.00%	02/28/21	0.92%	875,000.00	917,792.97	880,707.63	2,997.24	AA+	Aaa
912828Q37	CITIGROUP	1.25%	03/31/21	0.98%	1,415,000.00	1,433,019.14	1,388,799.86	1,554.95	AA+	Aaa
912828WN6	BARCLAYS	2.00%	05/31/21	1.87%	3,500,000.00	3,518,867.19	3,519,278.00	29,453.55	AA+	Aaa
912828WN6	HSBC	2.00%	05/31/21	1.22%	4,950,000.00	5,127,890.63	4,977,264.60	41,655.74	AA+	Aaa
912828D72	HSB SECURITIES (USA) Inc	2.00%	08/31/21	1.21%	1,400,000.00	1,452,554.69	1,406,343.40	4,795.58	AA+	Aaa
912828D72	HSBC	2.00%	08/31/21	1.93%	5,450,000.00	5,466,179.69	5,474,693.95	18,668.51	AA+	Aaa
912828T67	MERRILL LYNCH	1.25%	10/31/21	2.11%	655,000.00	630,181.64	638,752.73	22.62	AA+	Aaa
912828F96	CITIGROUP	2.00%	10/31/21	1.64%	3,400,000.00	3,448,476.56	3,413,413.00	187.85	AA+	Aaa
912828U65	US TREASURY N/B	1.75%	11/30/21	1.82%	3,000,000.00	2,991,093.75	2,981,367.00	22,090.16	AA+	Aaa
912828G87	BARCLAYS	2.13%	12/31/21	1.72%	7,250,000.00	7,377,441.41	7,309,189.00	51,912.36	AA+	Aaa
912828V72	BARCLAYS	1.88%	01/31/22	1.88%	700,000.00	699,699.22	698,195.40	3,316.92	AA+	Aaa
	SUBTOTAL				51,450,000.00	52,396,310.57	51,640,496.78	251,864.70		
MUNICIPAL BONDS										
91412GUV5	UNIVERSITY OF CALIFORNIA TAXABLE REV BONDS	1.90%	05/15/18	1.90%	420,000.00	420,000.00	420,751.80	3,687.41	AA	Aa2
20772JZK1	CONNECTICUT STATE TAXABLE GO BONDS	1.97%	03/15/19	1.90%	700,000.00	701,967.00	701,351.00	1,765.63	A+	A1
	SUBTOTAL				1,120,000.00	1,121,967.00	1,122,102.80	5,453.04		

**DETAIL OF CASH AND INVESTMENT, PETTY CASH AND CASH WITH FISCAL AGENTS
OCTOBER 2017**

LD.#	SECURITY LISTING	FACE RATE	MATURITY DATE	PURCHASE YIELD	PAR	ORIGINAL COST	MARKET VALUE	ACCRUED INTEREST	CREDIT RATING	CREDIT RATING
GENERAL CITY INVESTMENTS (CONTINUED)										
ASSET-BACKED SECURITY / COLLATERALIZED MTG OBLIGATION - BROKER										
89237CAD3	TOYOTA ABS 2015-B A3	1.27%	05/15/19	1.27%	481,342.14	481,316.10	481,026.91	271.69	AAA	Aaa
14314EAB7	CARMAX ABS 2016-3 A2A	1.17%	08/15/19	1.18%	379,022.50	378,991.57	378,701.47	197.09	AAA	NR
65477UAC4	NISSAN ABS 2015-A A3	1.05%	10/15/19	1.06%	317,447.06	317,380.33	316,901.27	148.14	NR	Aaa
34530VAD1	FORD ABS 2015-B A3	1.16%	11/15/19	1.16%	253,733.90	253,710.43	253,411.10	130.81	NR	Aaa
43814NAC9	HONDA ABS 2016-1 A3	1.22%	12/18/19	1.23%	326,585.58	326,539.17	326,767.03	143.88	AAA	NR
34530YAD5	FORD ABS 2015-C A3	1.41%	02/15/20	1.42%	352,451.13	352,382.54	352,179.85	220.87	AAA	Aaa
89237KAD5	TOYOTA ABS 2016-A A3	1.25%	03/15/20	1.25%	345,440.48	345,420.89	344,536.12	191.91	AAA	Aaa
65475WAD0	NISSAN ABS 2015-B A3	1.34%	03/15/20	1.34%	439,096.22	439,061.30	438,465.37	261.51	NR	Aaa
4778NAC2	JOHN DEERE ABS 2016-B-A3	1.25%	06/15/20	1.25%	365,000.00	364,970.95	363,492.26	202.78	NR	Aaa
02007LAC6	ALLY ABS 2016-3 A3	1.44%	08/15/20	1.44%	600,000.00	599,941.74	599,126.16	384.00	AAA	Aaa
44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	09/15/20	1.57%	95,000.00	94,981.57	94,823.99	65.87	AAA	Aaa
34532EAD7	FORD ABS 2016-B A3	1.33%	10/15/20	1.33%	230,000.00	229,978.20	229,222.00	135.96	Aaa	NR
65478WAD7	NISSAN ABS 2016-C A3	1.18%	01/15/21	1.18%	320,000.00	319,969.41	317,496.61	167.82	NR	Aaa
17305EG47	CCIT ABS 2017-A2-A2	1.74%	01/17/21	1.75%	1,450,000.00	1,449,722.33	1,450,512.00	7,288.67	AAA	Aaa
89238MAD0	TOYOTA ABS 2017-A A3	1.73%	02/15/21	1.74%	310,000.00	309,963.51	309,603.60	238.36	AAA	Aaa
44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	04/15/21	1.30%	880,000.00	879,881.55	872,588.49	504.53	AAA	Aaa
34531EAD8	FORD ABS 2017-A A3	1.67%	06/15/21	1.67%	475,000.00	474,998.24	473,663.35	352.56	NR	Aaa
44931PAD8	HAROT ABS 2017-A A3	1.76%	08/15/21	1.76%	430,000.00	429,965.21	429,193.79	336.36	AAA	NR
43811BAC8	HYUNDAI ABS 2017-2 A3	1.68%	08/15/21	1.68%	1,500,000.00	1,499,870.25	1,495,206.60	1,120.00	AAA	Aaa
47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	1.82%	600,000.00	599,956.08	598,651.80	485.33	NR	Aaa
89237RAD0	TOYOTA ABS 2017-C A3	1.78%	11/15/21	2.00%	250,000.00	249,980.08	249,426.70	197.78	AAA	Aaa
02582JHG8	AMXCA 2017-4 A	1.64%	12/15/21	1.65%	560,000.00	559,910.29	558,884.98	408.18	AAA	NR
	SUBTOTAL				10,960,119.01	10,958,891.74	10,932,860.85	13,454.10		
CERTIFICATES OF DEPOSIT										
78009NZ22	ROYAL BANK OF CANADA NY	1.70%	03/09/18	1.70%	3,400,000.00	3,400,000.00	3,403,495.20	8,348.89	A-1+	P-1
13606A5Z7	CANADIAN IMPERIAL BANK NY	1.76%	11/30/18	1.80%	3,400,000.00	3,397,348.00	3,408,404.80	25,099.56	A+	A1
65558LWA6	NORDEA BANK FINLAND NY	1.76%	11/30/18	1.76%	3,400,000.00	3,400,000.00	3,408,404.80	25,764.44	AA-	Aa3
06427KRC3	BANK OF MONTREAL CHICAGO	1.88%	02/07/19	1.88%	2,500,000.00	2,500,000.00	2,509,822.50	10,966.67	A+	A1
A44176UE6	BANK OF NOVA SCOTIA	1.91%	04/05/19	1.91%	3,400,000.00	3,400,000.00	3,396,232.90	4,870.50	A+	A1
86563YVNO	SUMITOMO MITSUI BANK NY	2.05%	05/03/19	2.05%	2,450,000.00	2,450,000.00	2,454,385.50	24,693.96	A	A1
83050FTX3	SKANDINAV ENSKILDA BK NY	1.84%	08/02/19	1.85%	3,400,000.00	3,398,674.00	3,397,365.00	15,466.22	A+	Aa3
96121T4A3	WESTPAC BANKING CORP	2.05%	08/03/20	2.05%	2,660,000.00	2,660,000.00	2,670,560.20	12,723.67	AA-	Aa3
06539RGM3	Mitsubishi UFJ Financial Group	2.07%	09/25/19	2.07%	1,700,000.00	1,700,000.00	1,699,195.90	3,421.25	A+	A1
	SUBTOTAL				26,310,000.00	26,306,022.00	26,347,866.70	131,355.16		
SUPRA-NATIONAL AGENCY BOND / NOTE										
458182DX7	INTER-AMERICAN DEVELOPMENT BANK SN	1.00%	05/13/19	1.10%	2,380,000.00	2,372,860.00	2,355,688.30	11,106.67	AAA	Aaa
459058FS7	INTL BK RECON & DEVELOPMENT	1.12%	11/27/19	1.49%	1,750,000.00	1,735,647.67	1,727,855.50	8,421.88	AAA	Aaa
459058GA5	INTL BK RECON & DEVELOPMENT	1.62%	09/04/20	1.63%	2,000,000.00	1,999,580.00	1,987,738.00	5,597.22	AAA	Aaa
45905UP32	Intl Bank of Reconstruction and Dev	1.56%	09/12/20	1.64%	3,000,000.00	2,992,800.00	2,967,045.00	5,463.50	AAA	Aaa
4581XOCD8	Inter-American Development Bank	2.13%	11/09/20	1.81%	3,500,000.00	3,532,441.86	3,526,064.50	35,534.72	AAA	Aaa
	SUBTOTAL				12,630,000.00	12,633,329.53	12,564,391.30	66,123.99		
ADJUST INVESTMENTS FROM AMORTIZED COST TO FAIR VALUE										
						(1,190,208.05)				
TOTAL INVESTMENTS PFM ASSET MANAGEMENT					172,841,908.55	172,684,217.30	172,684,217.30	782,830.52		
TIME DEPOSITS - ISSUER										
1413714	HERITAGE BANK OF COMMERCE	0.50%	12/14/17	0.50%	500,000.00	500,000.00	499,051.27	123.29		
273941000	FREMONT BANK	0.50%	12/29/17	0.50%	1,000,000.00	1,000,000.00	997,362.65	44.10		
272111000	FREMONT BANK	0.50%	12/31/17	0.50%	1,000,000.00	1,000,000.00	997,258.38	21.69		
1414442	HERITAGE BANK OF COMMERCE	0.60%	05/01/18	0.60%	1,000,000.00	1,000,000.00	994,668.31	424.66		
	SUBTOTAL				3,500,000.00	3,500,000.00	3,488,340.61	610.74		
MONEY MARKET ACCOUNTS										
5080200	MMA/BANK OF AMERICA SWEEP ACCOUNT	0.87%	Daily	0.87%	3,326,751.17	3,326,751.17	3,326,751.17	1,510.42		
					3,326,751.17	3,326,751.17	3,326,751.17	1,510.42		
POOLED INVESTMENT FUNDS										
6037-001	CAMP (California Asset Management Program)	1.13%	Daily	1.13%	23,424,596.69	23,424,596.69	23,424,596.69	23,239.51		
98-01-318	LAIF (State of California Local Agency Investment Funds)	1.09%	Daily	1.09%	65,000,000.00	65,000,000.00	65,000,000.00	-		
	SUBTOTAL				88,424,596.69	88,424,596.69	88,424,596.69	23,239.51		
TOTAL GENERAL CITY INVESTMENTS					\$ 268,093,256.41	\$ 267,935,565.16	\$ 267,923,905.77	\$ 808,191.19		
MORGAN STANLEY GOVT INSTL SWEEP ACCOUNT						1,040,226.25				
BANK OF AMERICA CHECKING ACCOUNT						18,178,881.35				
POLICE-NARCOTIC(S)SACMCTFL FLASH FUND/ BOFA						33,612.73				
POLICE-BAIL ACCOUNT/ BOFA						500.00				
TOTAL CASH & INVESTMENTS						287,188,785.49				
PETTY CASH										
	CITY MANAGER (12001)						500.00			
	FINANCE (14000)						2,750.00			
	HUMAN RESOURCES (15000)						200.00			
	POLICE CHIEF'S OFF (21010)						7,000.00			
	POLICE ADMINISTRATION (21020)						7,400.00			
	POLICE INVESTIGATIVE SERVICES-BAIL (21999)						200.00			
	ANIMAL CONTROL (21910)						500.00			
	YOUTH & FAMILY SERVICES-PETTY CASH (53410, 10853990)						270.00			
	SENIOR CENTER #186 (53310)						250.00			
	RECREATION ADMIN #189 (61002)						2,000.00			
	RECR REGISTRATION #189 (61003)						200.00			
	SPORTS TENNIS CENTER #189 (61022)						175.00			
	RECR WATER PARK #189 (61011)						500.00			
	RECREATION SNACK BARS #189 (00000)						3,500.00			
	PKS BOAT RENTAL #189 (61047)						375.00			
	FRC SUPPORT SVC PRG (530304)						40.00			
	TOTAL CITY PETTY CASH						25,860.00			
CASH WITH FISCAL AGENTS										
LOCAL IMPROVEMENT/COMMUNITY FACILITY DISTRICTS										
515408	2015 CFD#1 (PACIFIC COMMONS) RESERVE FUND - BNY	0.00%		0.0000%		5,045,833.68				
515409	2015 CFD#1 (PACIFIC COMMONS) BOND FUND - BNY	0.00%		0.0000%		52.07				
515437	2015 CFD#1 (PACIFIC COMMONS) SPECTAX FUND - BNY	0.00%		0.0000%		1,006.08				
515439	2015 CFD#1 (PACIFIC COMMONS) IMPROVEMENT FUND - BNY	0.00%		0.0000%		25,805.61				
515454	2015 CFD#1 (PACIFIC COMMONS) ESCROW FUND - BNY	0.00%		0.0000%		2.00				
	TOTAL CASH WITH FISCAL AGENTS					5,072,698.44				

**DETAIL OF CASH AND INVESTMENT, PETTY CASH AND CASH WITH FISCAL AGENTS
OCTOBER 2017**

ID.#	SECURITY LISTING	FACE RATE	MATURITY DATE	PURCHASE YIELD	PAR	ORIGINAL COST	MARKET VALUE	ACCRUED INTEREST	CREDIT RATING	CREDIT RATING
CASH WITH FISCAL AGENTS (CONTINUED)										
CERTIFICATES OF PARTICIPATION/GO BONDS										
110485	2008 - FIXED COP LEASE PAYMENT FUND - BNY	0.00%		0.0000%		-				
110487	2008 - FIXED COP RESERVE FUND - BNY	0.00%		0.0000%		-				
6711981500	2012 - FIXED COP, SERIES A - FEE ACCOUNT - Union Bank					1.00				
6711981501	2012 - FIXED COP, SERIES A - LEASE PMT FUND - Union Bank	0.59%		0.5900%		442.00				
6711981502	2012 - FIXED COP, SERIES A - RESERVE FUND - Union Bank	0.00%		0.0000%		1.00				
						444.00				
LEASE REVENUE BONDS										
6712196601	2017A - VRD LRB PROJECT REVENUE FUND- Union Bank	0.60%		0.6000%		3,855.31				
6712196604	2017A - VRD LRB PROJECT COI FUND- Union Bank	0.60%		0.6000%		-				
6712196605	2017A - VRD LRB PROJECT FUND- Union Bank	0.06%		0.0600%		5,597.58				
657936	2017B - LRB COI FUND- BNY	0.14%		0.1400%		5,597.58				
						15,050.47				
LEASE FINANCING										
743930	2016 - ENERGY & WATER EFFICIENCY LEASE - ESCROW FUND - BNY	0.01%		0.0100%		2,051,613.07				
	TOTAL CASH WITH FISCAL AGENTS					7,139,806.98				
	GRAND TOTAL					\$ 294,354,452.47				