

*Finance Department
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Date: March 19, 2018
To: Mayor and City Council
From: David Persselin, Finance Director
Subject: Cash and Investments Report – January 2018

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
January 2018**

EXECUTIVE SUMMARY

City liquidity needs were met in January 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 1.72% to 1.73% this month. The yield for the same month last year was 1.45%. The LAIF (State of California Local Agency Investment Funds) apportionment yield of 1.35% was 0.38% lower than the City’s average month end yield. (See the portfolio-benchmark comparative yield graph on page 5.) The CAMP (California Asset Management Program) yield was 1.43%. The Federal Reserve Open Market Committee federal funds rate target remained in the range of 1.25%-1.50%. The two-year U.S. Treasury Note yield increased from 1.89% to 2.14% and the five-year U.S. Treasury Note yield increased from 2.2% to 2.52%.

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

Pooled cash and investment balances decreased by \$2.2 million during January to a total of \$309.4 million. Pooled cash and investment balances were \$17.7 million higher than the \$291.7 million on hand last year. Compared to December, cash decreased in the General Fund by \$7.1 million and in the Community Assistance Funds by \$2.0 million. Cash increased in the Capital Improvement Funds by \$2.3 million, in the Internal Service Funds by \$1.5 million, in the Housing Funds by \$1.2 million, and in the Traffic Impact Funds by \$1.1 million. All the remaining funds combined netted an increase of \$758 thousand. General Fund cash flows were as follows:

<u>Inflows:</u>	<u>Millions</u>	<u>Totals (Millions)</u>
Sales and use tax	\$ 8.7	
Business license fees	1.1	
Franchises	0.3	
Transient occupancy tax	0.9	
Other revenues	1.4	
Transfers-in	<u>0.8</u>	\$13.2
<u>Outflows:</u>		
Payroll	\$10.4	
Supplies, services, and other	4.2	
Internal service allocations	2.4	
Transfers-out	<u>3.3</u>	<u>(20.3)</u>
Net General Fund cash decrease		<u>(\$ 7.1)</u>

Other Fund changes greater than \$1 million

1. The Capital Improvement Funds increased \$2.3 million largely as a result of a transfer in from the General Fund.

2. The Housing Funds increased \$1.2 million due to the receipt of a housing grant.
3. The Internal Service Funds increased \$1.5 million as a result of a transfer in from the General Fund.
4. The Traffic Impact Funds increased \$1.1 million due to the receipt of Traffic Impact Fees.
5. The Community Assistance Funds decreased \$2.0 million as a result of a payment to a title company for the City Center Apartments project.

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 January negative month end estimated valuation adjustment of \$3.2 million decreased by \$1.1 million from the prior month. Valuations for the portfolio taken as a whole are shown in Chart 2 on page 3 for 2016, 2017, and 2018.

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

Money market and pooled funds account percentages of the pooled portfolio increased from 36.0% to 39.6% compared to last year. These highly liquid investments enable the City to meet its near-term operating needs and reserve requirements. The yield of the LAIF and CAMP investment pools is roughly equivalent to that of a one-month U.S. Treasury bill.

Current month interest income of \$532 thousand, exclusive of the fair value adjustment, was \$274 thousand more than the prior month. Accrued interest (earned but not yet received) related to City investments at the end of January was \$871 thousand.

This month, \$3.6 million of available funds were newly invested at an average rate of 1.43% (1128 day average maturity), compared to \$43.9 million at 0.14% (118 days) in December, and \$7.2 million at 1.84% (1609 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 7 days compared to last month and was a decrease of 53 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 January 2018, December 2018, and January 2017. 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.

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

	Current Month 01/31/2018	Prior Month 12/31/2017	Prior Year 01/31/2017	Change from Prior Month 01/18 to 12/17	Change from Prior Year 01/18 to 01/17
CASH AND INVESTMENTS - TOTAL CITY					
INVESTMENTS CITY POOL					
Investment in Securities at Cost	\$ 178,044,298	\$ 187,198,021	\$ 176,019,381	\$ (9,153,723)	\$ 2,024,917
Adjustments to Fair Value (Chart 2)	(3,209,590)	(2,115,079)	(1,242,978)	(1,094,511)	(1,966,612)
State of California Local Agency Investment Funds (LAIF)	65,000,000	65,000,000	65,000,000	-	-
California Asset Management Program	49,501,057	48,467,331	33,098,053	1,033,726	16,403,004
Subtotal - Investments (City Pool)	<u>289,335,765</u>	<u>298,550,273</u>	<u>272,874,456</u>	<u>(9,214,508)</u>	<u>16,461,309</u>
Impound and Other Cash	990,285	1,233,257	400,708	(242,972)	589,577
General Checking Account	19,119,718	11,904,447	18,466,615	7,215,271	653,103
Total - Cash and Investments (Chart 1)	<u>309,445,768</u>	<u>311,687,977</u>	<u>291,741,779</u>	<u>(2,242,209)</u>	<u>17,703,989</u>
PETTY CASH	25,860	25,860	25,860	-	-
CASH WITH FISCAL AGENTS	<u>6,628,772</u>	<u>6,213,612</u>	<u>13,023,769</u>	<u>415,160</u>	<u>(6,394,997)</u>
GRAND TOTAL - CASH AND INVESTMENTS, PETTY CASH & CASH WITH FISCAL AGENTS	<u>\$ 316,100,400</u>	<u>\$ 317,927,449</u>	<u>\$ 304,791,408</u>	<u>\$ (1,827,049)</u>	<u>\$ 11,308,992</u>

Chart 1
TOTAL CASH & INVESTMENT

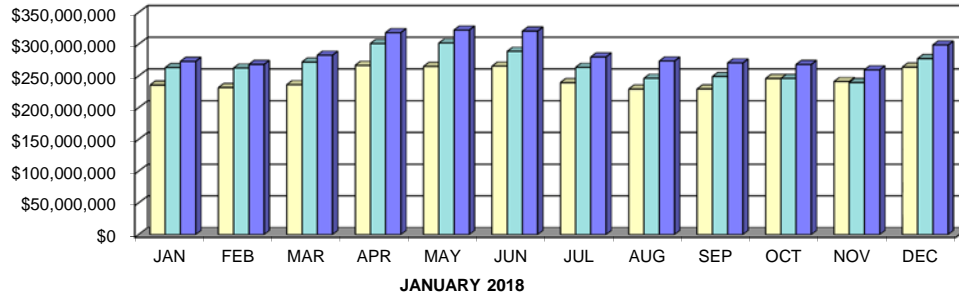
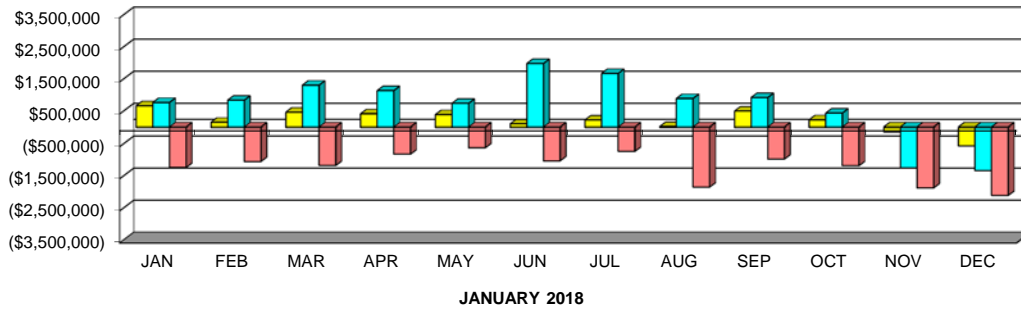


Chart 2
ADJUSTMENTS TO FAIR VALUE



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

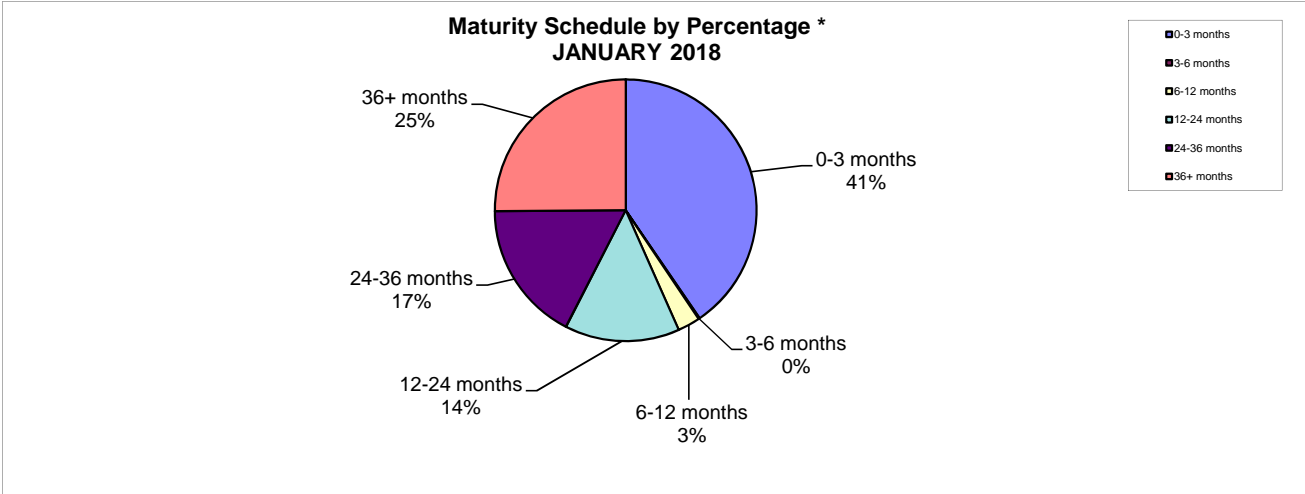
	Current Month <i>01/31/2018</i>	Prior Month <i>12/31/2017</i>	Prior Year <i>01/31/2017</i>	Change from Prior Month <i>01/18 to 12/17</i>	Change from Prior Year <i>01/18 to 01/17</i>
CASH AND INVESTMENT BALANCES BY FUND					
General Fund	\$ 6,857,724	\$ 13,980,873	\$ 9,783,368	\$ (7,123,149)	\$ (2,925,644)
Capital Improvement Funds	73,584,779	71,316,563	67,539,583	2,268,216	6,045,196
Park Benefit & Impact Fee Funds	72,521,010	72,882,464	62,234,681	(361,454)	10,286,329
Internal Service Funds	25,152,847	23,610,365	22,611,588	1,542,482	2,541,259
Housing Funds	44,432,060	43,228,360	33,200,546	1,203,700	11,231,514
Development Cost Center Funds	19,560,793	19,137,074	18,890,298	423,719	670,495
Traffic Impact Fee Funds	12,403,584	11,256,531	13,720,743	1,147,053	(1,317,159)
Recreation Fund	10,232,813	9,567,920	10,098,449	664,893	134,364
Gas Tax Funds	6,813,450	7,425,914	8,060,449	(612,464)	(1,246,999)
Local Improvement Districts	11,420,559	11,470,068	10,653,640	(49,509)	766,919
Integrated Waste Management Fund	6,647,223	7,087,274	7,608,254	(440,051)	(961,031)
Other Agency Funds	3,325,868	3,258,847	7,948,308	67,021	(4,622,440)
Low and Moderate Income Housing Asset Fund	5,267,298	5,179,341	5,318,649	87,957	(51,351)
Community Assistance	3,906,436	5,945,442	4,599,125	(2,039,006)	(692,689)
County Roads Measure B Fund	3,073,086	2,131,026	4,322,534	942,060	(1,249,448)
Other Funds	1,722,102	1,631,923	2,296,469	90,179	(574,367)
Family Resource Center	-	-	1,119,868	-	(1,119,868)
Police Grants	242,144	229,954	41,941	12,190	200,203
Urban Runoff Funds	372,295	431,564	664,334	(59,269)	(292,039)
General Obligation Bond - Fire	1,909,697	1,916,474	1,028,952	(6,777)	880,745
Total - Cash and Investments	<u>309,445,768</u>	<u>311,687,977</u>	<u>291,741,779</u>	<u>(2,242,209)</u>	<u>17,703,989</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	5,084,886	5,080,229	5,047,974	4,657	36,912
Other Agency Trust Accounts	147,009	445	3,318,750	146,564	(3,171,741)
Lease Revenue Bonds	770,821	219,522	-	551,299	770,821
Lease Financing	626,056	913,416	4,657,045	(287,360)	(4,030,989)
Total - Cash with Fiscal Agents	<u>6,628,772</u>	<u>6,213,612</u>	<u>13,023,769</u>	<u>415,160</u>	<u>(6,394,997)</u>
GRAND TOTAL - CASH & INVESTMENTS, PETTY CASH AND CASH WITH FISCAL AGENT	<u>\$ 316,100,400</u>	<u>\$ 317,927,449</u>	<u>\$ 304,791,408</u>	<u>\$ (1,827,049)</u>	<u>\$ 11,308,992</u>

CITY OF FREMONT
Summary of Cash and Investments by Funds

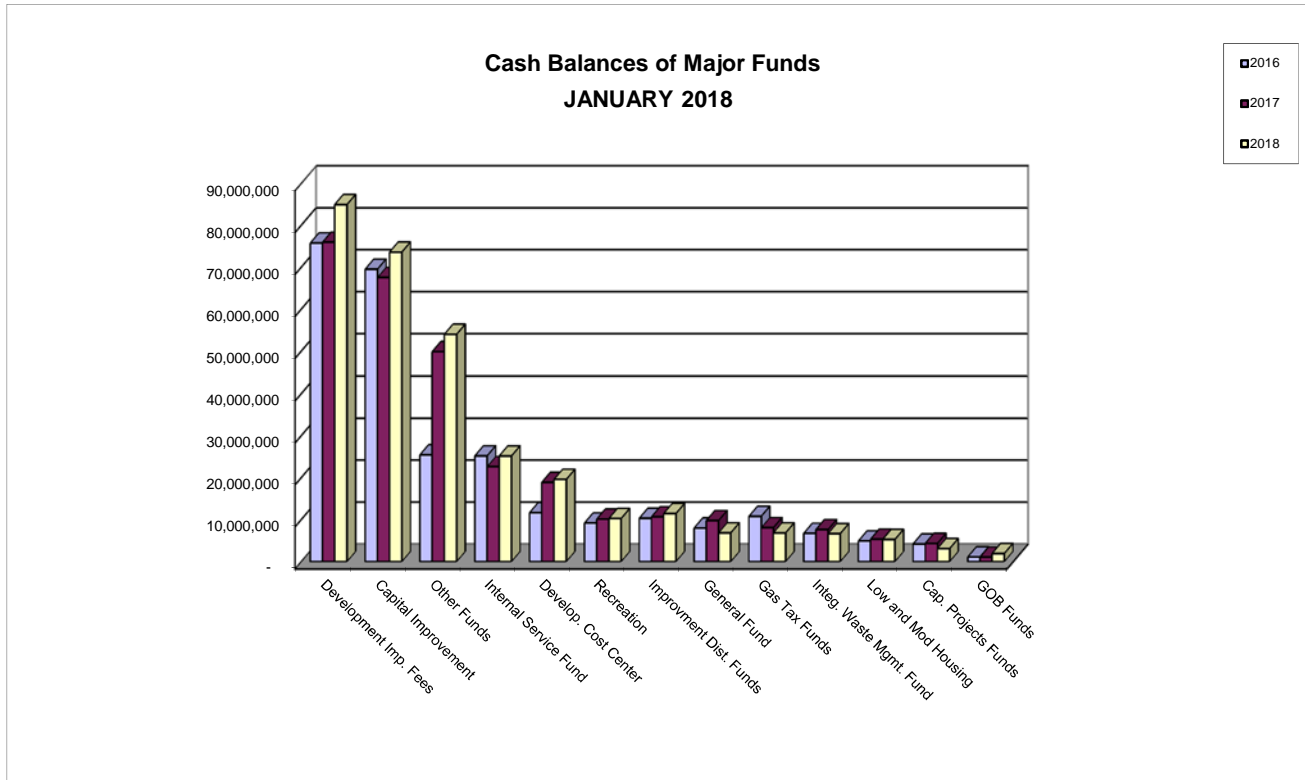
Cash Balance

Cash & Investments December 2017	\$ 311,687,977
Receipts for the month of January 2017	24,546,014
Disbursements for the month of January 2017	(25,693,712)
January 2017 Fair Value Adjustment	(1,094,511)
Total Cash & Investments January 2017	\$ 309,445,768

Cash & Investments City Pool	\$ 289,335,765
Cash & Investments, Impound and Other Cash	990,285
Bank of America Checking Account	19,119,718
Total Cash & Investments January 2017	\$ 309,445,768



* Subject to bond call provisions



**INVESTMENT PERFORMANCE
WITH COMPARISON
CITY POOLED INVESTMENTS**

	Current Month 01/31/18	Prior Month 12/31/2017	Prior Year 01/31/17	Change from Prior Month 01/18 to 12/17	Change from Prior Year 01/18 to 01/17
INVESTMENT YIELD					
State Pool	1.35%	1.24%	0.76%	0.11%	0.59%
California Asset Management Program	1.43%	1.29%	0.85%	0.14%	0.58%
City of Fremont - End of Month	1.73%	1.72%	1.45%	0.01%	0.28%
City of Fremont - Fiscal Year to Date	1.67%	1.66%	1.40%	0.01%	0.27%

AVERAGE LIFE OF PORTFOLIO (In Days)

State Pool	179	186	180	(7)	(1)
City of Fremont	597	590	650	7	(53)

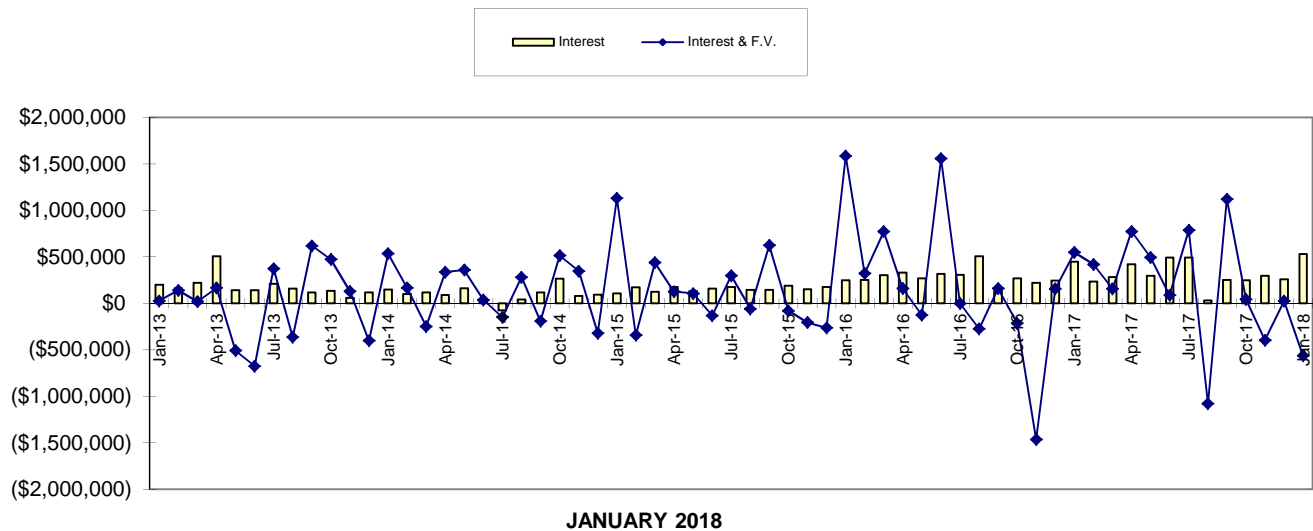
**EARNINGS CURRENT MONTH
INTEREST EARNINGS (DISTRIBUTED)**

General, Capital and Grant Funds	\$ 513,066	\$ 250,222	\$ 432,361	\$ 262,844	\$ 80,705
Local Improvement Districts	18,761	7,942	15,653	10,819	3,108
Total	<u>531,827</u>	<u>258,164</u>	<u>448,014</u>	<u>273,663</u>	<u>83,813</u>
FAIR VALUE ADJUSTMENTS	<u>(1,094,511)</u>	<u>(231,786)</u>	<u>101,389</u>	<u>(862,725)</u>	<u>(1,195,900)</u>
TOTAL INTEREST EARNINGS	<u>\$ (562,684)</u>	<u>\$ 26,378</u>	<u>\$ 549,403</u>	<u>\$ (589,062)</u>	<u>\$ (1,112,087)</u>

FISCAL YEAR TO DATE EARNINGS

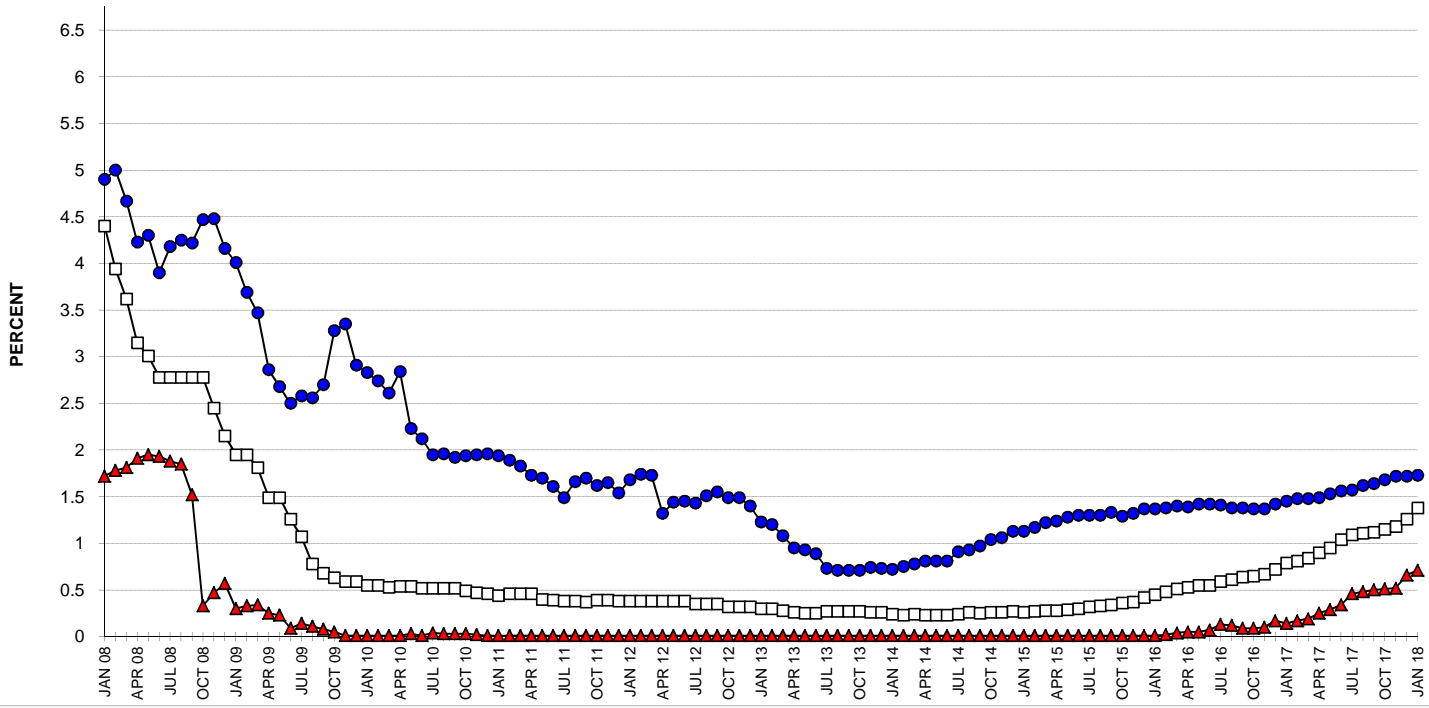
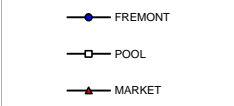
General, Capital and Grant Funds	\$ (73,818)	\$ 488,866	\$ (1,061,058)	\$ (562,684)	\$ 987,240
Local Improvement Districts	16,623	16,623	(24,891)	-	41,514
Total	<u>\$ (57,195)</u>	<u>\$ 505,489</u>	<u>\$ (1,085,949)</u>	<u>\$ (562,684)</u>	<u>\$ 1,028,754</u>

INTEREST COMPARED TO INTEREST PLUS FAIR VALUE ADJUSTMENTS



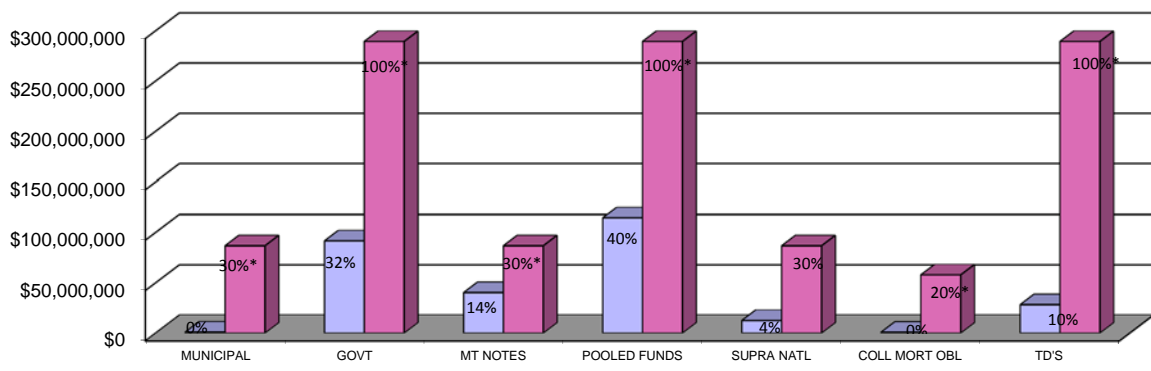
INTEREST RATE PERFORMANCE

JANUARY 2018



INVESTMENTS COMPARED TO LIMITS

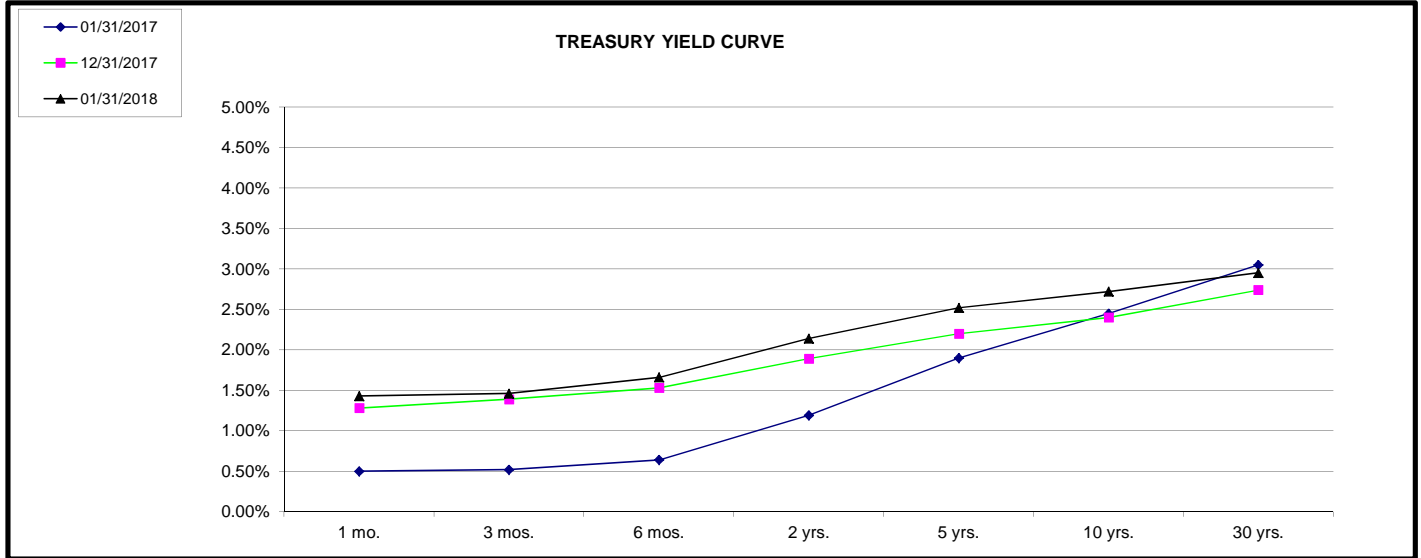
JANUARY 2018



*Limit represents maximum allowable percentage portion of portfolio.

INVESTMENT ACTIVITY JANUARY 2018

DATE	REDEMPTION POOLS / MONEY MARKET			PURCHASES POOLS / MONEY MARKET			AVG. RATE	AVG. MAT. DAYS
	SECURITIES		TOTAL	SECURITIES		TOTAL		
01/01/2018	\$0.00	\$0.00	\$0.00	\$0.00	\$33,725.70	33,725.70	0.01%	1
01/03/2018	-	-	-	-	1,000,000.00	1,000,000.00	0.01%	1
01/04/2018	(1,153,858.50)	-	(1,153,858.50)	1,967,656.25	-	1,967,656.25	1.88%	1730
01/08/2018	(633,544.92)	-	(633,544.92)	639,667.20	-	639,667.20	2.35%	1096
01/25/2018	(440,188.01)	-	(440,188.01)	-	-	-	-	-
01/31/2018	-	(9,533,454.69)	(9,533,454.69)	-	-	-	-	-
TOTAL 01/18	(\$2,227,591.43)	(\$9,533,454.69)	(\$11,761,046.12)	\$2,607,323.45	\$1,033,725.70	\$3,641,049.15	1.43%	1128
TOTAL 12/17	(\$3,123,341.68)	(\$1,500,000.00)	(\$4,623,341.68)	\$2,972,343.75	\$40,922,564.11	\$43,894,907.86	0.14%	118
TOTAL 01/17	(\$7,025,969.65)	(\$4,496,550.99)	(\$11,522,520.64)	\$7,152,571.76	\$13,155.67	\$7,165,727.43	1.84%	1609



Graph Source: US Treasury - Daily Treasury Yield Curve Rates, January 31, 2018

**DETAIL OF CASH AND INVESTMENT, PETTY CASH AND CASH WITH FISCAL AGENTS
JANUARY 2018**

LD.#	SECURITY LISTING	FACE	MATURITY	PURCHASE	PAR	ORIGINAL	MARKET	ACCRUED	CREDIT	CREDIT	
		RATE	DATE	YIELD		COST	VALUE	INTEREST	RATING	RATING	
GENERAL CITY INVESTMENTS											
										S & P	Moody's
<u>CORPORATE NOTES - ISSUER</u>											
02665WAH4	AMERICAN HONDA FINANCE	2.25%	08/15/19	2.29%	2,450,000.00	2,445,467.50	2,445,487.10	25,418.75	A+	A2	
12189TBC7	BURLINGTON NORTH CORP	4.70%	10/01/19	1.47%	800,000.00	883,120.00	829,244.80	12,533.33	A	A3	
38145GAJ9	GOLDMAN SACHS GROUP INC	2.30%	12/13/19	2.33%	1,700,000.00	1,698,725.00	1,689,844.20	5,213.33	BBB+	A3	
94974BGF1	WELLS FARGO & COMPANY	2.15%	01/30/20	2.00%	1,000,000.00	1,006,990.00	992,421.00	59.72	A	A2	
94974BGF1	WELLS FARGO & COMPANY	2.15%	01/30/20	2.11%	1,000,000.00	1,001,590.00	992,421.00	59.72	A	A2	
89236TCF0	TOYOTA MOTOR CREDIT	2.15%	03/12/20	1.96%	800,000.00	807,104.00	795,454.40	6,641.11	AA-	Aa3	
437076BQ4	HOME DEPOT INC	1.80%	06/05/20	1.82%	705,000.00	704,591.10	695,837.12	1,974.00	A	A2	
25468PDU7	WALT DISNEY COMPANY	1.80%	06/05/20	1.84%	1,000,000.00	998,840.00	986,885.00	2,800.00	A+	A2	
46625HLW8	JP MORGAN CHASE & CO	2.75%	06/23/20	2.49%	1,000,000.00	1,011,320.00	1,003,540.00	2,902.78	A-	A3	
94974BGM6	WELLS FARGO & COMPANY	2.60%	07/22/20	2.48%	450,000.00	452,524.50	449,647.20	292.50	A	A2	
94974BGM6	WELLS FARGO & COMPANY	2.60%	07/22/20	2.31%	1,000,000.00	1,013,030.00	999,216.00	650.00	A	A2	
06406HDD8	BNY MELLON CORP	2.60%	08/17/20	2.21%	1,000,000.00	1,017,630.00	1,001,633.00	11,844.44	A	A1	
14913Q2A6	CATERPILLAR	1.85%	09/04/20	1.88%	1,120,000.00	1,119,059.20	1,101,363.20	8,288.00	A	A3	
713448DC9	PEPSICO	2.15%	10/14/20	2.09%	1,250,000.00	1,253,400.00	1,241,088.75	7,987.85	A+	A1	
037833DJ6	Apple, Inc.	2.00%	11/13/20	2.03%	1,700,000.00	1,698,572.00	1,679,399.40	7,366.67	AA+	Aa1	
931142EA7	Wal-Mart Stores Inc	1.90%	12/15/20	1.95%	3,210,000.00	3,205,345.50	3,170,452.80	17,111.08	AA	Aa2	
44932HAB9	IBM CREDIT	1.80%	01/20/21	1.86%	1,500,000.00	1,496,895.00	1,489,000.00	960.89	A+	A1	
882508AY0	TEXAS INSTRUMENTS INC	2.75%	03/12/21	2.12%	320,000.00	327,292.80	1,465,566.00	825.00	A+	A1	
61746BEA0	MORGAN STANLEY CORP	2.50%	04/21/21	2.36%	850,000.00	855,440.00	322,150.72	3,397.78	BBB+	A3	
06406FAB9	BANK OF NEW YORK MELLON CORP.	2.05%	05/03/21	2.00%	1,000,000.00	1,002,130.00	839,341.00	5,902.78	A	A1	
0258M0EB1	AMERICAN EXPRESS CREDIT	2.25%	05/05/21	2.13%	850,000.00	854,649.50	977,907.00	5,011.11	A-	A2	
05531FAV5	BRANCH BANKING & TRUST	2.05%	05/10/21	2.06%	850,000.00	849,439.00	835,822.85	4,568.75	A-	A2	
857477AV5	STATE STREET	1.95%	05/19/21	2.04%	460,000.00	458,045.00	830,093.85	3,920.63	A	A1	
68389XBK0	ORACLE CORP	1.90%	09/15/21	2.44%	1,045,000.00	1,020,432.05	448,960.00	1,794.00	AA-	A1	
713448DL9	PEPSICO INC	1.70%	10/06/21	2.34%	925,000.00	899,044.50	1,016,566.60	7,500.78	A+	A1	
20030NBV2	COMCAST CORP	1.63%	01/15/22	2.65%	850,000.00	809,939.50	893,247.53	5,023.26	A-	A3	
91159HHP8	US BANCORP	2.62%	01/24/22	2.55%	1,000,000.00	1,003,430.00	815,486.60	613.89	A+	A1	
037833AY6	APPLE INC	2.15%	02/09/22	2.18%	1,000,000.00	998,660.00	991,651.00	510.42	AA+	Aa1	
594918BA1	MICROSOFT CORP	2.38%	02/12/22	2.27%	850,000.00	853,927.00	976,788.00	10,272.22	AAA	Aaa	
0258M0EG0	AMERICAN EXPRESS CREDIT	2.70%	03/03/22	2.49%	675,000.00	680,805.00	839,421.75	9,476.91	A-	A2	
25468PDC6	WALT DISNEY COMPANY	2.45%	03/04/22	2.44%	575,000.00	575,184.00	669,726.90	7,492.50	A+	A2	
05531FAX1	BB&T CORPORATION	2.75%	04/01/22	2.30%	850,000.00	866,124.50	567,851.03	5,752.40	A-	A2	
458140BB5	INTEL CORP	2.35%	05/11/22	2.22%	1,000,000.00	1,005,870.00	845,035.15	7,791.67	A+	A1	
68389XB00	ORACLE CORP	2.50%	05/15/22	2.19%	1,000,000.00	1,013,490.00	985,776.00	5,222.22	AA-	A1	
911312BC9	UNITED PARCEL SERVICE	2.35%	05/16/22	2.11%	1,000,000.00	1,010,920.00	989,155.00	5,277.78	A+	A1	
459200HG9	IBM CORP	1.87%	08/01/22	2.24%	1,750,000.00	1,719,550.00	982,574.00	4,895.83	A+	A1	
89236TEC5	TOYOTA	2.15%	09/08/22	2.18%	1,000,000.00	998,820.00	1,676,428.25	16,406.25	AA-	Aa3	
24422ETZ2	JOHN DEERE CAPITAL	2.35%	01/08/21	2.37%	640,000.00	639,667.20	971,623.00	8,540.28	A	A2	
SUBTOTAL					40,175,000.00	40,257,063.85	39,650,900.32	232,300.63			
<u>FEDERAL AGENCY BOND / NOTE - BROKER</u>											
3135G0N33	FNMA - GOLDMAN SACHS	0.87%	08/02/19	0.93%	4,250,000.00	4,242,860.00	4,173,155.75	18,490.45	AA+	Aaa	
3135G0P49	FNMA - GOLDMAN SACHS & CO	1.00%	08/28/19	1.05%	3,400,000.00	3,394,696.00	3,342,604.60	14,450.00	AA+	Aaa	
3130AA3R7	FHLB - MERRILL LYNCH	1.37%	11/15/19	1.38%	3,685,000.00	3,684,152.45	3,636,346.95	10,696.74	AA+	Aaa	
3135G0Z12	FNMA - MORGAN STANLEY DEAN WITTER	1.75%	11/26/19	1.62%	2,000,000.00	2,012,900.00	1,985,612.00	6,319.44	AA+	Aaa	
3135G0T29	FNMA - JP MORGAN SECURITIES INC	1.50%	02/28/20	1.52%	3,700,000.00	3,697,632.00	3,648,003.90	23,587.50	AA+	Aaa	
3130A8QS5	FHLB - KEYBANC CAPITAL MARKETS	1.12%	07/14/21	1.16%	1,450,000.00	1,446,926.00	1,045,805.08	2,244.53	AA+	Aaa	
3130A8QS5	FHLB - TD SECURITIES LLC	1.13%	07/14/21	1.25%	4,225,000.00	4,199,307.78	1,388,501.15	770.31	AA+	Aaa	
3135G0N82	FNMA - TD SECURITIES (USA) LLC	1.25%	08/17/21	1.32%	415,000.00	413,580.29	398,238.57	2,363.19	AA+	Aaa	
3135G0N82	FNMA - CITIGROUP GLOBAL MARKETS INC	1.25%	08/17/21	1.33%	1,335,000.00	1,329,593.25	1,281,080.69	7,602.08	AA+	Aaa	
SUBTOTAL					24,460,000.00	24,421,647.77	23,899,348.69	86,524.24			
<u>FEDERAL AGENCY COLLATERALIZED MORTGAGE OBLIGATION</u>											
3136ANJY4	GOLDMAN SACHS - FNMA Series 2015-M7 ASQ2	1.55%	04/01/18	0.83%	153,557.75	155,092.78	153,365.60	198.35	AA+	Aaa	
3136AQS0W1	GOLDMAN SACHS - FNMA Series 2015-M15 ASQ2	1.90%	01/01/19	1.20%	188,960.84	190,850.43	188,632.82	298.89	AA+	Aaa	
3136AQQD0	MORGAN STANLEY - FNMA Series 2015-M13 ASQ2	1.65%	09/01/19	1.08%	542,244.43	547,674.41	539,810.89	743.78	AA+	Aaa	
SUBTOTAL					884,763.02	893,617.62	881,809.31	1,241.02			
<u>US TREASURY NOTES - BROKER</u>											
912828D23	CITIGROUP	1.63%	04/30/19	1.06%	1,165,000.00	1,180,927.74	1,159,311.31	4,863.55	AA+	Aaa	
912828UQ1	MERRILL LYNCH	1.25%	02/29/20	1.55%	335,000.00	330,812.50	328,767.95	1,781.42	AA+	Aaa	
912828J84	CITIGROUP	1.38%	03/31/20	1.04%	325,000.00	325,000.00	319,439.58	1,522.32	AA+	Aaa	
912828J84	CITIGROUP	1.38%	03/31/20	1.04%	455,000.00	460,794.14	447,215.41	2,131.25	AA+	Aaa	
912828J84	CITIGROUP	1.38%	03/31/20	1.04%	1,010,000.00	1,021,480.86	992,719.91	4,730.91	AA+	Aaa	
912828V99	CITIGROUP	2.13%	08/31/20	1.74%	700,000.00	727,289.06	1,176,082.40	10,667.27	AA+	Aaa	
912828V99	MORGAN STANLEY	2.13%	08/31/20	1.74%	1,180,000.00	1,200,419.53	697,676.00	6,328.04	AA+	Aaa	
912828WC0	MERRILL LYNCH	1.75%	10/31/20	1.35%	4,050,000.00	4,124,988.28	3,993,048.90	18,208.22	AA+	Aaa	
912828PC8	HSBC	2.63%	11/15/20	1.21%	2,560,000.00	2,718,800.00	2,582,999.04	14,479.56	AA+	Aaa	
912828A83	MERRILL LYNCH	2.38%	12/31/20	1.28%	2,550,000.00	2,678,097.66	2,555,179.05	5,353.59	AA+	Aaa	
912828N89	CITIGROUP	1.38%	01/31/21	1.35%	2,500,000.00	2,502,636.72	2,432,130.00	94.96	AA+	Aaa	
912828B90	MORGAN STANLEY	2.00%	02/28/21	0.92%	875,000.00	917,792.97	866,558.00	7,444.75	AA+	Aaa	
912828Q37	CITIGROUP	1.25%	03/31/21	0.98%	1,415,000.00	1,433,019.14	1,388,017.76	6,025.41	AA+	Aaa	
912828WN6	BARCLAYS	2.00%	05/31/21	1.87%	3,500,000.00	3,518,867.19	4,893,540.30	17,134.62	AA+	Aaa	
912828WN6	HSBC	2.00%	05/31/21	1.22%	4,950,000.00	5,127,890.63	3,460,079.00	12,115.38	AA+	Aaa	
912828D72	HSB SECURITIES (USA) Inc	2.00%	08/31/21	1.93%	1,400,000.00	1,452,554.69	1,381,023.00	11,911.60	AA+	Aaa	
912828D72	HSBC	2.00%	08/31/21	1.93%	5,450,000.00	5,466,179.69	5,376,125.25	46,370.17	AA+	Aaa	
912828T67	MERRILL LYNCH	1.25%	10/31/21	2.11%	655,000.00	630,181.64	3,349,397.80	17,469.61	AA+	Aaa	
912828F96	CITIGROUP	2.00%	10/31/21	1.64%	3,400,000.00	3,448,476.56	627,776.89	2,103.42	AA+	Aaa	
912828U65	MERRILL LYNCH	1.75%	11/30/21	1.82%	3,000,000.00	2,991,093.75	2,926,173.00	9,086.54	AA+	Aaa	
912828G87	BARCLAYS	2.13%	12/31/21	1.72%	7,250,000.00	7,377,441.41	7,165,602.75	13,618.78	AA+	Aaa	
912828V72	BARCLAYS	1.88%	01/31/22	1.88%	700,000.00	699,699.22	684,796.70	36.26	AA+	Aaa	
912828L24	BNP-PARI	1.88%	02/01/22	2.08%	3,000,000.00	2,972,343.75	2,918,907.00	23,929.56	AA+	Aaa	
9128282W9	MERRILL LYNCH	1.88%	09/30/22	2.24%	2,000,000.00	1,967,656.25	1,944,062.00	12,774.73	AA+	Aaa	
SUBTOTAL					54,425,000.00	55,278,429.71	53,646,619.00	250,181.92			
<u>MUNICIPAL BONDS</u>											
91412GUV5	UNIVERSITY OF CALIFORNIA TAXABLE REV BONDS	1.90%	05/15/18	1.90%	420,000.00	420,000.00	420,247.80	1,688.21	AA	Aa2	
20772JZK1	CONNECTICUT STATE TAXABLE GO BONDS	1.97%	03/15/19	1.90%	700,000.00	701,967.00	696,948.00	5,220.13	A+	A1	
SUBTOTAL					1,120,000.00	1,121,967.00	1,117,195.80	6,908.34			

**DETAIL OF CASH AND INVESTMENT, PETTY CASH AND CASH WITH FISCAL AGENTS
JANUARY 2018**

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%	294,174.65	294,158.73	293,809.70	166.05	AAA	Aaa
14314EAB7	CARMAX ABS 2016-3 A2A	1.17%	08/15/19	1.18%	202,129.43	202,112.94	201,918.97	105.11	AAA	NR
65477UAC4	NISSAN ABS 2015-A A3	1.05%	10/15/19	1.06%	210,997.55	210,953.20	210,587.20	98.47	NR	Aaa
34530VAD1	FORD ABS 2015-B A3	1.16%	11/15/19	1.16%	169,507.93	169,492.25	169,172.58	87.39	NR	Aaa
43814NAC9	HONDA ABS 2016-1 A3	1.22%	12/18/19	1.23%	253,914.04	253,877.96	252,902.04	111.86	AAA	NR
34530YAD5	FORD ABS 2015-C A3	1.41%	02/15/20	1.42%	259,003.20	258,952.79	258,435.46	162.31	AAA	Aaa
89237KAD5	TOYOTA ABS 2016-A A3	1.25%	03/15/20	1.25%	275,259.45	275,243.84	274,649.67	203.55	AAA	Aaa
65475WAD0	NISSAN ABS 2015-B A3	1.34%	03/15/20	1.34%	341,775.03	341,747.84	341,312.12	152.92	NR	Aaa
47788NAC2	JOHN DEERE ABS 2016-B-A3	1.25%	06/15/20	1.25%	365,000.00	364,970.95	362,918.99	202.78	NR	Aaa
02007LAC6	ALLY ABS 2016-3 A3	1.44%	08/15/20	1.44%	522,452.90	522,402.17	520,587.53	334.37	AAA	Aaa
44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	09/15/20	1.57%	95,000.00	94,981.57	94,562.04	65.87	AAA	Aaa
34532EAD7	FORD ABS 2016-B A3	1.33%	10/15/20	1.33%	230,000.00	229,978.20	228,784.50	135.96	Aaa	NR
65478WAD7	NISSAN ABS 2016-C A3	1.18%	01/15/21	1.18%	320,000.00	319,969.41	316,372.83	167.82	NR	Aaa
17305EAG7	CCCIT ABS 2017-A2-A2	1.74%	01/17/21	1.75%	1,450,000.00	1,449,722.33	1,444,947.19	981.17	AAA	Aaa
89238MAD0	TOYOTA ABS 2017-A A3	1.73%	02/15/21	1.74%	310,000.00	309,963.51	307,955.02	238.36	AAA	Aaa
44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	04/15/21	1.30%	880,000.00	879,881.55	869,085.18	504.53	AAA	Aaa
34531EAD8	FORD ABS 2017-A A3	1.67%	06/15/21	1.67%	475,000.00	474,998.24	470,910.73	352.56	NR	Aaa
44931PAD8	HAROT ABS 2017-A A3	1.76%	08/15/21	1.76%	430,000.00	429,965.21	428,435.00	1,120.00	AAA	NR
43811BAC8	HYUNDAI ABS 2017-2 A3	1.68%	08/15/21	1.68%	1,500,000.00	1,499,870.25	1,484,215.65	336.36	AAA	Aaa
47789BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	1.82%	600,000.00	599,956.08	593,137.68	485.33	NR	Aaa
89237RAD0	TOYOTA ABS 2017-C A3	1.78%	11/15/21	1.78%	250,000.00	249,980.08	247,095.03	197.78	AAA	Aaa
02582JHG8	AMXCA 2017-4 A	1.64%	12/15/21	1.65%	560,000.00	559,910.29	556,097.98	408.18	AAA	NR
89238KAD4	Toyota Auto Receivables	1.93%	01/15/22	2.26%	635,000.00	634,941.45	628,808.75	544.69	AAA	Aaa
02007YAC8	Ally Auto Receivables Trust	1.99%	03/15/22	1.99%	1,370,000.00	1,369,893.69	1,359,369.35	1,211.69	AAA	Aaa
34532AAD5	Ford Credit Auto Owner Trust	2.01%	03/15/22	2.02%	1,765,000.00	1,764,681.77	1,751,457.86	1,576.73	AAA	NR
	SUBTOTAL				13,784,214.18	13,762,606.30	13,664,249.05	9,951.84		
CERTIFICATES OF DEPOSIT										
13806A5Z7	CANADIAN IMPERIAL BANK NY	1.76%	11/30/18	1.80%	3,400,000.00	3,397,348.00	3,351,249.54	31,453.78	A-1	P-1
65558LWA6	NORDEA BANK FINLAND NY	1.76%	11/30/18	1.76%	3,400,000.00	3,400,000.00	3,392,662.80	10,139.56	A-1+	P-1
06427KRC3	BANK OF MONTREAL CHICAGO	1.88%	02/07/19	1.88%	2,500,000.00	2,500,000.00	3,401,028.80	10,472.00	A+	A1
06417GUE6	BANK OF NOVA SCOTIA	1.91%	04/05/19	1.91%	3,400,000.00	3,400,000.00	2,500,542.50	22,716.67	A+	A1
86563YVNO	SUMITOMO MITSUBI BANK NY	2.05%	05/03/19	2.05%	2,450,000.00	2,450,000.00	3,384,683.00	21,466.28	A	A1
83050FXT3	SKANDINAV ENSKILDA BK NY	1.84%	08/02/19	1.85%	3,400,000.00	3,398,674.00	2,445,327.85	12,556.25	A+	Aa3
06539RGM3	Mitsubishi UFJ Financial Group	2.07%	09/25/19	2.07%	1,700,000.00	1,700,000.00	1,689,094.50	12,414.25	A	A1
96121TA43	WESTPAC BANKING CORP	2.05%	08/03/20	2.05%	2,660,000.00	2,660,000.00	2,646,295.68	26,356.17	AA-	Aa3
87019U6D6	Swedbank	2.27%	11/16/20	2.30%	3,400,000.00	3,400,000.00	3,368,944.40	16,293.56	AA-	Aa3
	SUBTOTAL				26,310,000.00	26,306,022.00	26,179,827.07	163,868.52		
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	2,344,464.22	5,156.67	AAA	Aaa
459058FS7	INTL BK RECON & DEVELOPMENT	1.12%	11/27/19	1.49%	1,750,000.00	1,735,647.67	1,714,842.50	3,500.00	AAA	Aaa
459058GA5	INTL BK RECON & DEVELOPMENT	1.62%	09/04/20	1.63%	2,000,000.00	1,999,580.00	1,961,624.00	13,722.22	AAA	Aaa
45905UP32	Intl Bank of Reconstruction and Dev	1.56%	09/12/20	1.64%	3,000,000.00	2,992,800.00	2,929,365.00	17,171.00	AAA	Aaa
4581XOCD8	Inter-American Development Bank	2.13%	11/09/20	1.81%	3,500,000.00	3,532,441.86	3,474,849.00	16,940.97	AAA	Aaa
	SUBTOTAL				12,630,000.00	12,633,329.53	12,425,144.72	56,490.86		
ADJUST INVESTMENTS FROM AMORTIZED COST TO FAIR VALUE										
							(3,209,589.82)			
TOTAL INVESTMENTS PFM ASSET MANAGEMENT					173,768,977.20	171,465,093.96	171,465,093.96	807,467.37		
TIME DEPOSITS - ISSUER										
273941000	FREMONT BANK	1.37%	12/29/18	1.37%	1,000,000.00	1,000,000.00	992,924.01	103.17		
1414442	HERITAGE BANK OF COMMERCE	0.60%	05/01/18	0.60%	1,000,000.00	1,000,000.00	994,325.37	466.78		
	SUBTOTAL				2,000,000.00	2,000,000.00	1,987,249.38	569.95		
MONEY MARKET ACCOUNTS										
5080200	MMA/BANK OF AMERICA SWEEP ACCOUNT	0.71%	Daily	0.71%	1,369,614.31	1,369,614.31	1,369,614.31	2,981.68		
					1,369,614.31	1,369,614.31	1,369,614.31	2,981.68		
POOLED INVESTMENT FUNDS										
6037-001	CAMP (California Asset Management Program)	1.43%	Daily	1.43%	49,501,057.01	49,501,057.01	49,501,057.01	59,808.61		
98-01-318	LAIF (State of California Local Agency Investment Funds)	1.35%	Daily	1.35%	65,000,000.00	65,000,000.00	65,000,000.00	-		
	SUBTOTAL				114,501,057.01	114,501,057.01	114,501,057.01	59,808.61		
TOTAL GENERAL CITY INVESTMENTS					\$ 291,639,648.52	\$ 289,335,765.28	\$ 289,323,014.66	\$ 870,827.61		
MORGAN STANLEY GOVT INSTL SWEEP ACCOUNT						956,154.90				
BANK OF AMERICA CHECKING ACCOUNT		0.00%				19,119,718.49				
POLICE-NARCOTIC(S)SACMCTF FLASH FUND/ BOFA		0.20%				33,629.68				
POLICE-BAIL ACCOUNT/ BOFA		0.00%				500.00				
TOTAL CASH & INVESTMENTS						309,445,768.35				
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			
	ANIMAL CONTROL (21910)						500.00			
	POLICE INVESTIGATIVE SERVICES-BAIL (21999)						200.00			
	YOUTH & FAMILY SERVICES-PETTY CASH (53410, 10853990)						270.00			
	FRC SUPPORT SVC PRG (530304)						40.00			
	SENIOR CENTER #186 (53310)						250.00			
	RECREATION SNACK BARS #189 (00000)						3,500.00			
	RECREATION ADMIN #189 (61002)						2,000.00			
	RECR REGISTRATION #189 (61003)						200.00			
	RECR WATER PARK #189 (61011)						500.00			
	SPORTS TENNIS CENTER #189 (61022)						175.00			
	PKS BOAT RENTAL #189 (61047)						375.00			
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%		5,057,958.37				
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%		25,867.68				
515454	2015 CFD#1 (PACIFIC COMMONS) ESCROW FUND - BNY	0.00%		0.0000%		2.00				

**DETAIL OF CASH AND INVESTMENT, PETTY CASH AND CASH WITH FISCAL AGENTS
JANUARY 2018**

I.D. #	SECURITY LISTING	FACE RATE	MATURITY DATE	PURCHASE YIELD	PAR	ORIGINAL COST	MARKET VALUE	ACCRUED INTEREST	CREDIT RATING	CREDIT RATING
						5,084,886.20				
CASH WITH FISCAL AGENTS (CONTINUED)										
CERTIFICATES OF PARTICIPATION/GO BONDS										
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%		147,006.56				
6711981502	2012 - FIXED COP, SERIES A - RESERVE FUND - Union Bank	0.00%		0.0000%		1.00				
						147,008.56				
LEASE REVENUE BONDS										
6712196601	2017A - LRB REVENUE FUND- Union Bank	0.60%		0.6000%		555,484.85				
6712196605	2017A - LRB PROJECT FUND- Union Bank	0.06%		0.0600%		209,713.67				
657936	2017B - LRB COI FUND- BNY	0.14%		0.1400%		5,591.43				
657938	2017B - BOND FUND-BNY					26.38				
						770,821.33				
LEASE FINANCING										
743930	2016 - ENERGY & WATER EFFICIENCY LEASE - ESCROW FUND - BNY	0.01%		0.0100%		626,056.31				
	TOTAL CASH WITH FISCAL AGENTS					6,628,772.40				
	GRAND TOTAL					\$ 316,100,400.75				