

*Finance Department
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Date: March 29, 2017
To: Mayor and City Council
From: David Persselin, Finance Director
Subject: Cash and Investments Report – February 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.

A handwritten signature in blue ink, appearing to read "David Persselin", is written over a horizontal line.

David Persselin
Finance Director

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

EXECUTIVE SUMMARY

City liquidity needs were met in February 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 1.45% last month to 1.48% this month. The yield for the same month last year was 1.38%. The LAIF (State of California Local Agency Investment Funds) apportionment yield of 0.79% was 0.69% 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 0.85%. The Federal Reserve Open Market Committee federal funds rate target remained in the range of 0.50% to 0.75%. The two-year U.S. Treasury Note yield increased from 1.19% last month to 1.22% and the five-year U.S. Treasury Note yield decreased from 1.90% to 1.89%.

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

Pooled cash and investment balances decreased by \$1.9 million during February to a total of \$289.9 million. Pooled cash and investment balances were \$23.2 million higher than the \$266.7 million on hand last year. Compared to January, cash decreased in the General Fund by \$4.4 million and in the Local Improvement District Funds by \$2.1 million. Cash increased in the Internal Service Funds by \$1.4 million and in the Housing Funds by \$2.4 million. All the remaining funds combined netted an increase of \$880 thousand. General Fund cash flows were as follows:

<u>Inflows:</u>	<u>Millions</u>	<u>Totals (Millions)</u>
Sales and use tax	\$ 4.4	
Business license fees	2.4	
Franchises	0.8	
Transient occupancy tax	0.6	
Other revenues	1.7	
Transfers-in	<u>0.6</u>	\$ 10.5
<u>Outflows:</u>		
Payroll	\$ 11.3	
Supplies, services, and other	1.6	
Internal service allocations	1.4	
Transfers-out	<u>0.6</u>	<u>(14.9)</u>
Net General Fund cash decrease		<u>(\$ 4.4)</u>

Other Fund changes greater than \$1 million

1. The Housing Funds increased by \$2.4 million as a result of the receipt of inclusionary housing in lieu fees.

2. The Internal Service Funds increased by \$1.4 million due to increases in allocations from other funds.
3. The Local Improvement District Funds decreased by \$2.1 million because of transfers to the trustee for debt service payments.

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 February negative month end estimated valuation adjustment of \$1.1 million increased by \$185 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 33.5% to 34.7% 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 0.79% remains significantly better than other investments of one year or less.

Current month interest income of \$235 thousand, exclusive of the fair value adjustment, was \$213 thousand less than the prior month. Accrued interest (earned but not yet received) related to City investments at the end of February 2017 was \$627 thousand.

This month, \$8.9 million of available funds were newly invested at an average rate of 1.76% (1183 day average maturity), compared to \$7.2 million at 1.84% (1609 days) in January, and \$18.1 million at 0.59% (623 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.

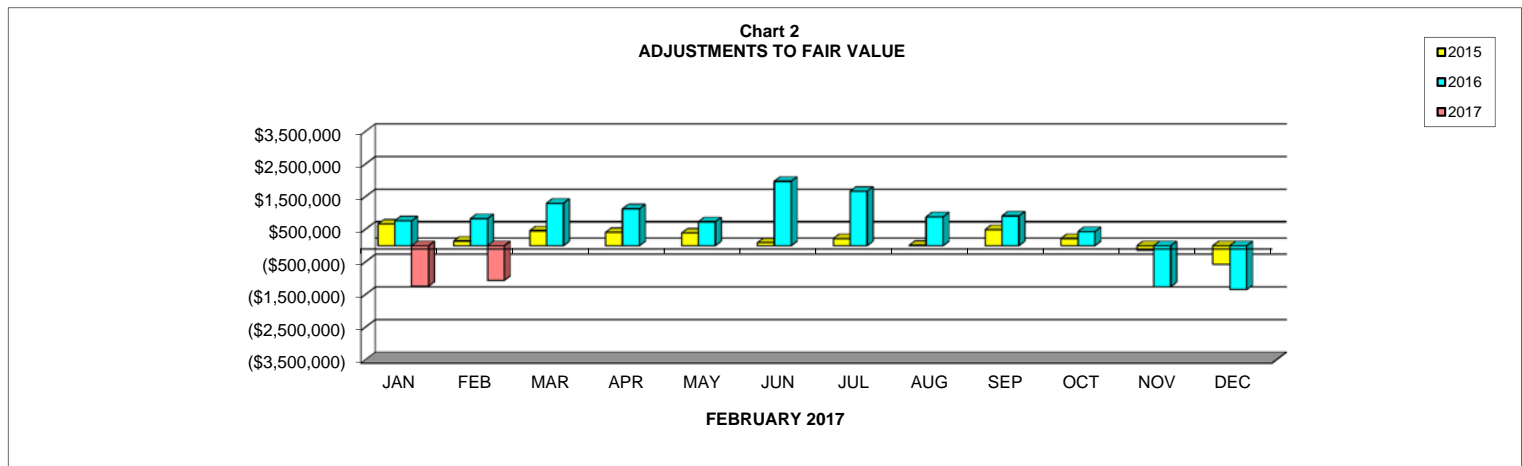
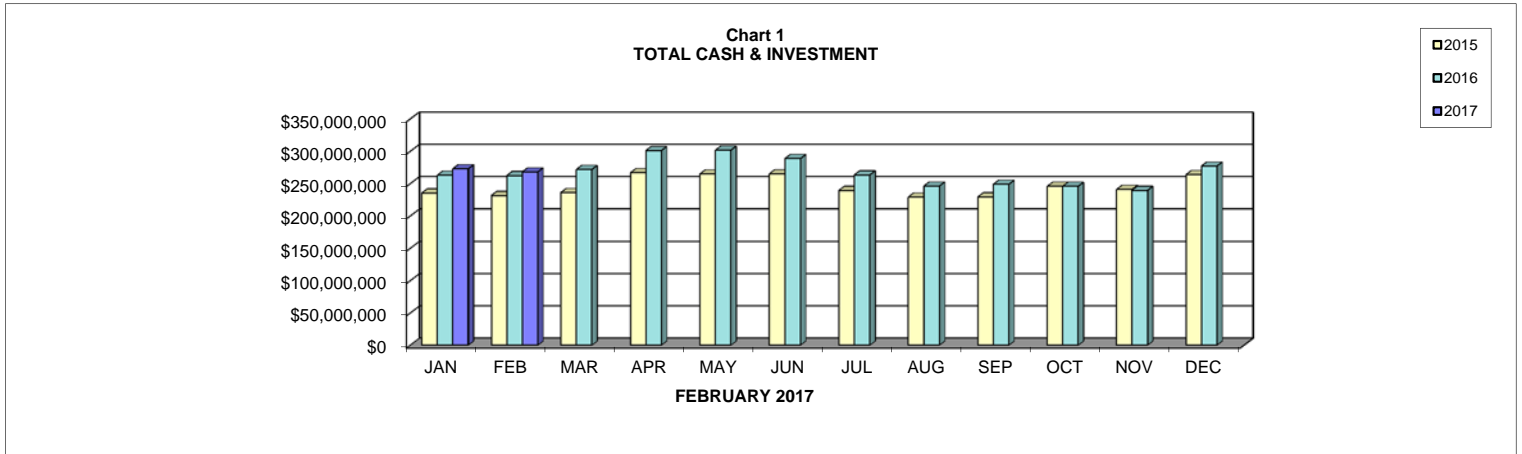
The dollar weighted-average portfolio life increased by 13 days compared to last month and was a decrease of 10 days from the prior year. The dollar weighted-average portfolio life only uses maturity dates and does not take early calls into account so it overstates the actual expected portfolio life. 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 February 2017, January 2017, and February 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 02/28/2017	Prior Month 01/31/2017	Prior Year 02/29/2016	Change from Prior Month 02/17 to 01/17	Change from Prior Year 02/17 to 02/16
CASH AND INVESTMENTS - TOTAL CITY					
INVESTMENTS CITY POOL					
Investment in Securities at Cost	\$ 175,968,112	\$ 176,019,381	\$ 173,688,988	\$ (51,269)	\$ 2,279,124
Adjustments to Fair Value (Chart 2)	(1,058,441)	(1,242,978)	831,357	184,537	(1,889,798)
State of California Local Agency Investment Funds (LAIF)	65,000,000	65,000,000	65,000,000	-	-
California Asset Management Program	28,121,812	33,098,053	10,000,923	(4,976,241)	18,120,889
Money Market - Bank of America	-	-	12,917,959	-	(12,917,959)
Subtotal - Investments (City Pool)	268,031,483	272,874,456	262,439,227	(4,842,973)	5,592,256
Impound and Other Cash	820,865	400,708	723,601	420,157	97,264
General Checking Account	21,025,715	18,466,615	3,527,805	2,559,100	17,497,910
Total - Cash and Investments (Chart 1)	289,878,063	291,741,779	266,690,633	(1,863,716)	23,187,430
PETTY CASH	25,860	25,860	26,910	-	(1,050)
CASH WITH FISCAL AGENTS	14,059,127	13,023,769	11,252,325	1,035,358	2,806,802
GRAND TOTAL - CASH AND INVESTMENTS, PETTY CASH & CASH WITH FISCAL AGENTS	\$ 303,963,050	\$ 304,791,408	\$ 277,969,868	\$ (828,358)	\$ 25,993,182



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

	Current Month <i>02/28/2017</i>	Prior Month <i>01/31/2017</i>	Prior Year <i>02/29/2016</i>	Change from Prior Month <i>02/17 to 01/17</i>	Change from Prior Year <i>02/17 to 02/16</i>
CASH AND INVESTMENT BALANCES BY FUND					
General Fund	\$ 5,365,645	\$ 9,783,368	\$ 4,714,015	\$ (4,417,723)	\$ 651,630
Capital Improvement Funds	66,826,824	67,539,583	69,644,507	(712,759)	(2,817,683)
Park Benefit & Impact Fee Funds	63,143,686	62,234,681	58,954,738	909,005	4,188,948
Internal Service Funds	23,966,232	22,611,588	25,898,343	1,354,644	(1,932,111)
Housing Funds	35,645,692	33,200,546	16,948,453	2,445,146	18,697,239
Development Cost Center Funds	19,139,731	18,890,298	12,767,987	249,433	6,371,744
Traffic Impact Fee Funds	13,528,111	13,720,743	22,643,484	(192,632)	(9,115,373)
Recreation Fund	10,013,624	10,098,449	9,056,417	(84,825)	957,207
Gas Tax Funds	7,646,279	8,060,449	10,693,000	(414,170)	(3,046,721)
Local Improvement Districts	8,527,947	10,653,640	8,331,837	(2,125,693)	196,110
Integrated Waste Management Fund	8,220,558	7,608,254	6,555,220	612,304	1,665,338
Other Agency Funds	7,959,619	7,948,308	2,986,802	11,311	4,972,817
Low and Moderate Income Housing Asset Fund	5,291,174	5,318,649	5,031,571	(27,475)	259,603
Community Assistance	4,266,057	4,599,125	3,889,132	(333,068)	376,925
County Roads Measure B Fund	4,776,086	4,322,534	4,603,440	453,552	172,646
Other Funds	2,372,146	2,296,469	(47,187)	75,677	2,419,333
Family Resource Center	1,121,478	1,119,868	1,225,008	1,610	(103,530)
Police Grants	422,206	41,941	902,251	380,265	(480,045)
Urban Runoff Funds	615,035	664,334	799,611	(49,299)	(184,576)
General Obligation Bond - Fire	1,029,933	1,028,952	1,092,004	981	(62,071)
Total - Cash and Investments	<u>289,878,063</u>	<u>291,741,779</u>	<u>266,690,633</u>	<u>(1,863,716)</u>	<u>23,187,430</u>
PETTY CASH	<u>25,860</u>	<u>25,860</u>	<u>26,910</u>	<u>-</u>	<u>(1,050)</u>
CASH WITH FISCAL AGENTS					
Local Improvement District Trust Accounts	6,951,772	5,047,974	7,828,103	1,903,798	(876,331)
Other Agency Trust Accounts	2,448,475	3,318,750	3,424,222	(870,275)	(975,747)
Lease Financing	4,658,880	4,657,045	-	1,835	4,658,880
Total - Cash with Fiscal Agents	<u>14,059,127</u>	<u>13,023,769</u>	<u>11,252,325</u>	<u>1,035,358</u>	<u>2,806,802</u>
GRAND TOTAL - CASH & INVESTMENTS, PETTY CASH AND CASH WITH FISCAL AGENT	<u>\$ 303,963,050</u>	<u>\$ 304,791,408</u>	<u>\$ 277,969,868</u>	<u>\$ (828,358)</u>	<u>\$ 25,993,182</u>

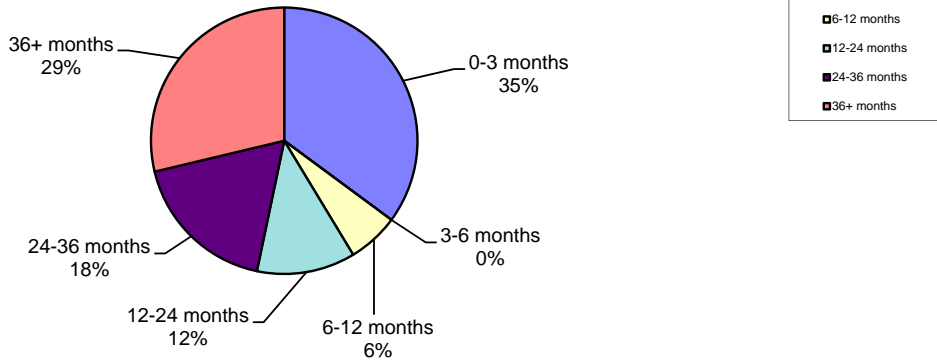
CITY OF FREMONT
Summary of Cash and Investments by Funds

Cash Balance

Cash & Investments January 2017	\$ 291,741,779
Receipts for the month of February 2017	24,344,226
Disbursements for the month of February 2017	(26,392,479)
February 2017 Fair Value Adjustment	184,537
Total Cash & Investments February 2017	\$ 289,878,063

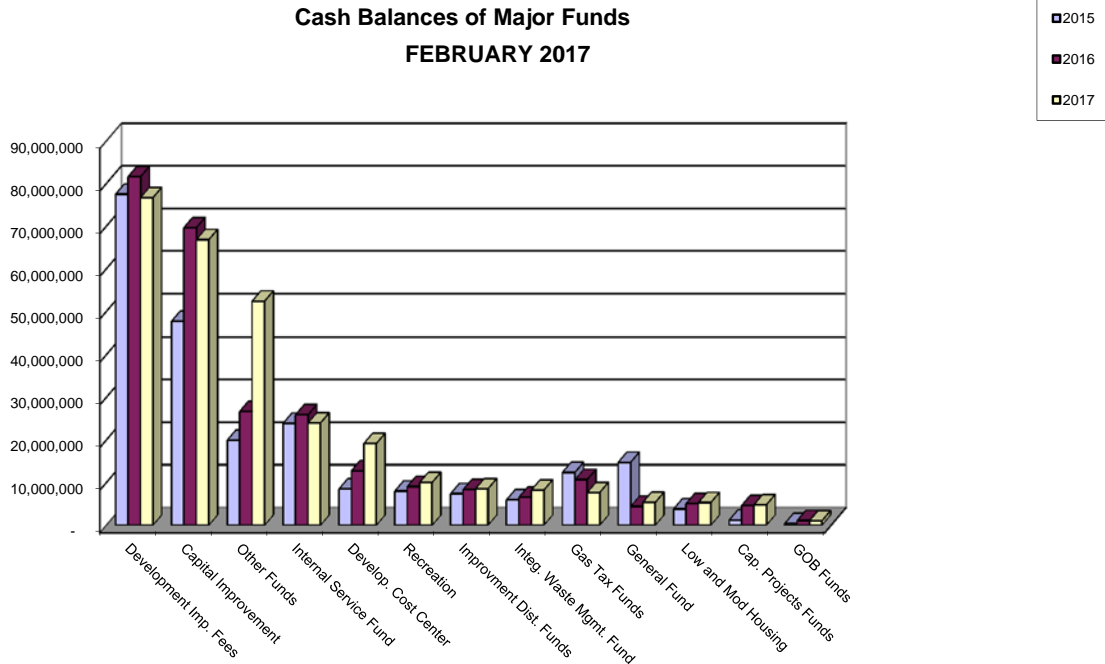
Cash & Investments City Pool	\$ 268,031,483
Cash & Investments, Impound and Other Cash	820,865
Bank of America Checking Account	21,025,715
Total Cash & Investments February 2017	\$ 289,878,063

Maturity Schedule by Percentage *
FEBRUARY 2017



* Subject to bond call provisions

Cash Balances of Major Funds
FEBRUARY 2017



**INVESTMENT PERFORMANCE
WITH COMPARISON
CITY POOLED INVESTMENTS**

	Current Month 02/28/2017	Prior Month 01/31/2017	Prior Year 02/29/2016	Change from Prior Month 02/17 to 01/17	Change from Prior Year 02/17 to 02/16
INVESTMENT YIELD					
State Pool	0.79%	0.76%	0.49%	0.03%	0.30%
California Asset Management Program	0.85%	0.85%	0.45%	0.00%	-
City of Fremont - End of Month	1.48%	1.45%	1.38%	0.03%	0.10%
City of Fremont - Fiscal Year to Date	1.41%	1.40%	1.33%	0.01%	0.08%

AVERAGE LIFE OF PORTFOLIO (In Days)

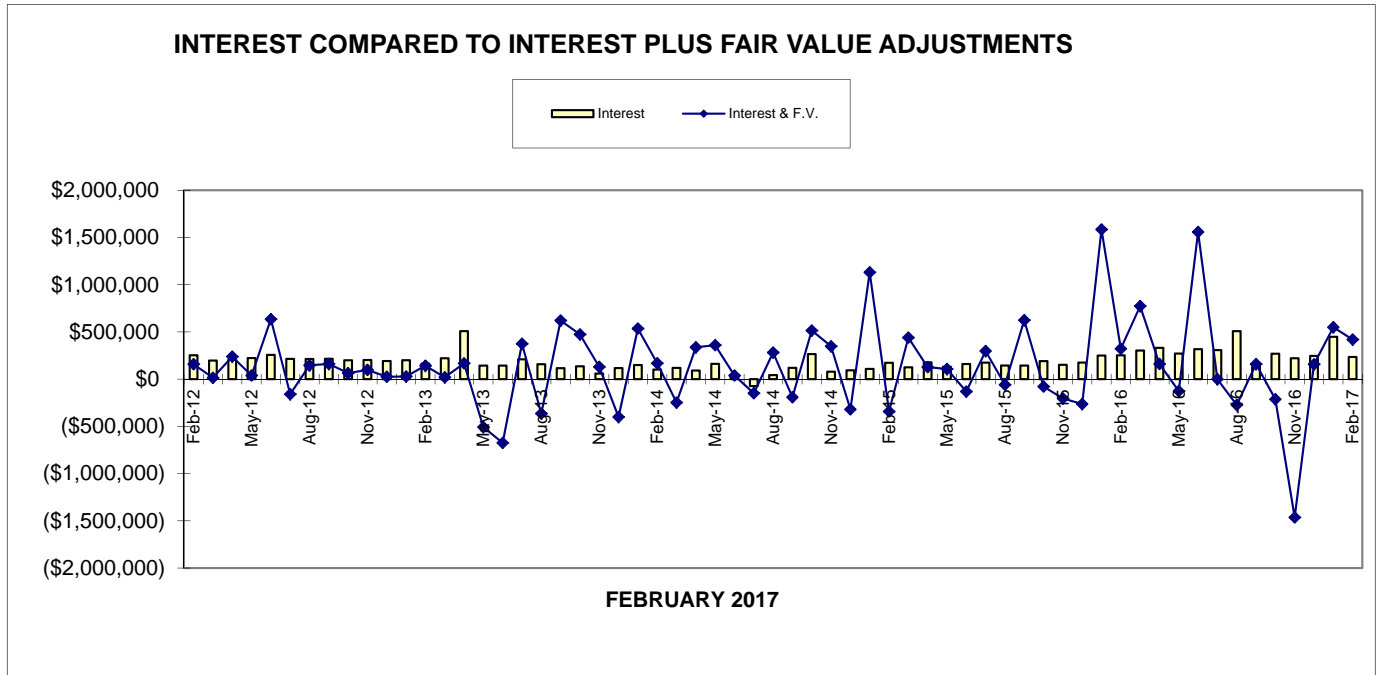
State Pool	186	180	159	6	27
City of Fremont	663	650	673	13	(10)

EARNINGS CURRENT MONTH

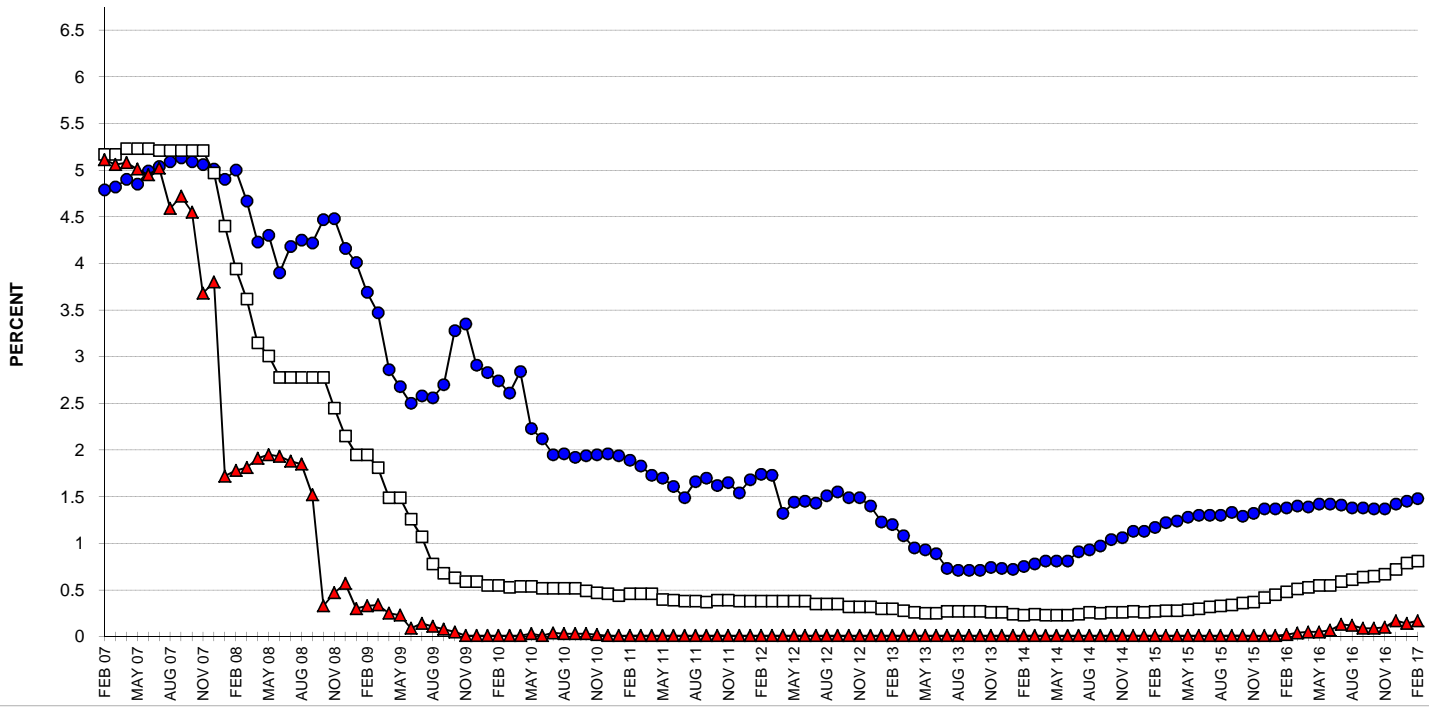
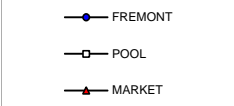
INTEREST EARNINGS (DISTRIBUTED)					
General, Capital and Grant Funds	\$ 232,538	\$ 432,361	\$ 245,619	\$ (199,823)	\$ (13,081)
Local Improvement Districts	2,304	15,653	6,499	(13,349)	(4,195)
Total	234,842	448,014	252,118	(213,172)	(17,276)
FAIR VALUE ADJUSTMENTS	184,537	101,389	69,550	83,148	114,987
TOTAL INTEREST EARNINGS	\$ 419,379	\$ 549,403	\$ 321,668	\$ (130,024)	\$ 97,711

FISCAL YEAR TO DATE EARNINGS

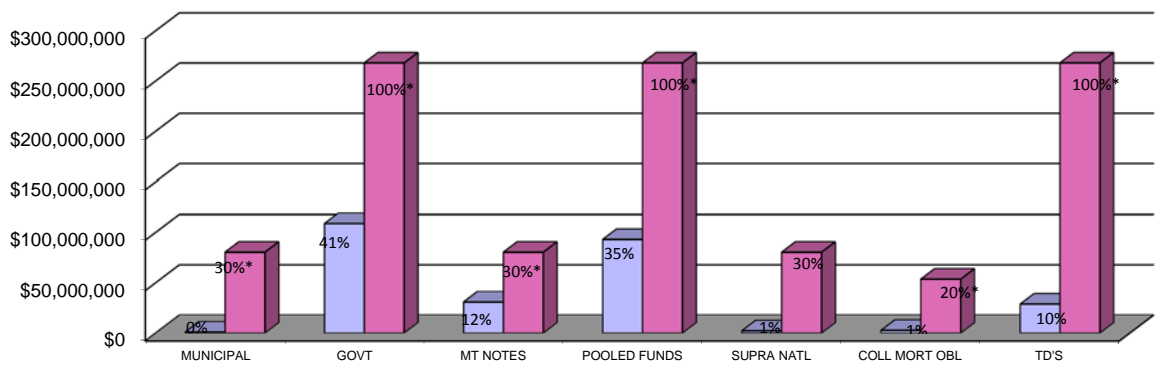
General, Capital and Grant Funds	\$ (649,073)	\$ (1,061,058)	\$ 2,151,679	\$ 411,985	\$ (2,800,752)
Local Improvement Districts	(17,497)	(24,891)	69,949	7,394	(87,446)
Total	\$ (666,570)	\$ (1,085,949)	\$ 2,221,628	\$ 419,379	\$ (2,888,198)



INTEREST RATE PERFORMANCE FEBRUARY 2017



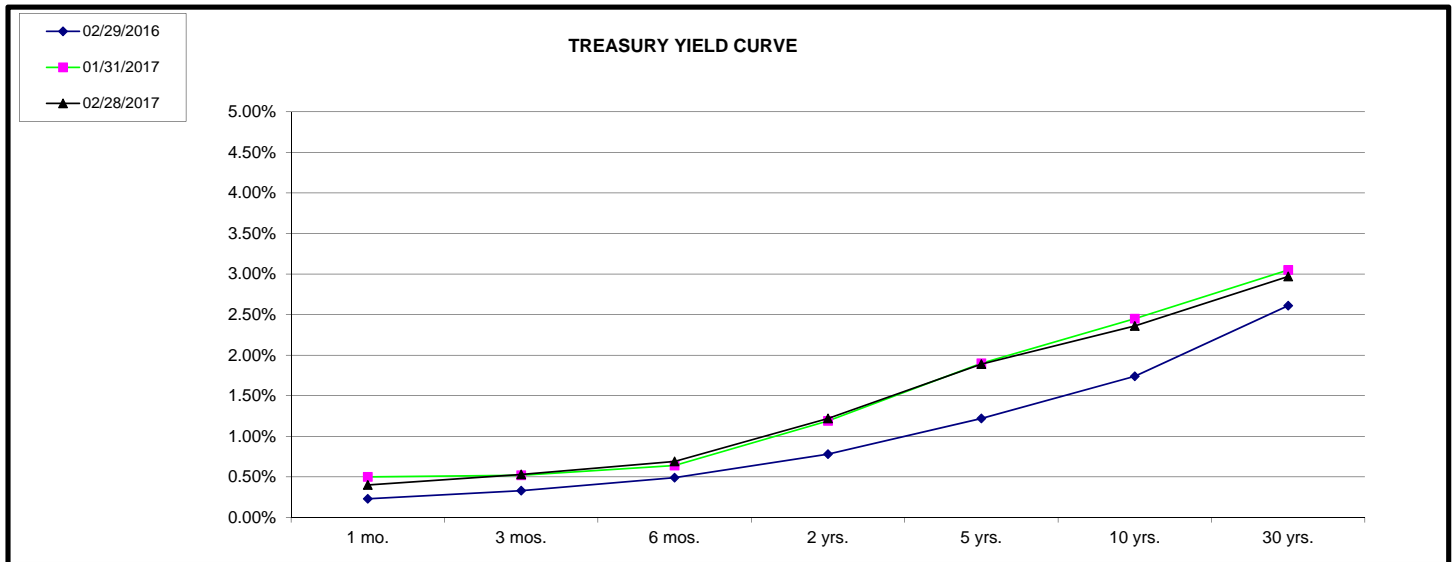
INVESTMENTS COMPARED TO LIMITS FEBRUARY 2017



*Limit represents maximum allowable percentage portion of portfolio.

INVESTMENT ACTIVITY FEBRUARY 2017

DATE	REDEMPTION POOLS /			PURCHASES POOLS /			AVG. RATE	AVG. MAT. DAYS
	SECURITIES	MONEY MARKET	TOTAL	SECURITIES	MONEY MARKET	TOTAL		
02/01/2017	\$0.00	\$0.00	\$0.00	\$0.00	\$23,758.95	\$23,758.95	0.01%	1
02/03/2017	(2,547,856.00)	-	(2,547,856.00)	634,531.25	-	634,531.25	1.25%	1731
02/06/2017	-	-	-	2,023,862.05	-	2,023,862.05	2.26%	1748
02/09/2017	(2,450,000.00)	-	(2,450,000.00)	2,500,000.00	-	2,500,000.00	1.88%	728
02/10/2017	-	(5,000,000.00)	(5,000,000.00)	-	-	-	-	-
02/24/2017	(236,164.68)	-	(236,164.68)	-	-	-	-	-
02/28/2017	(3,673,273.44)	-	(3,673,273.44)	3,697,632.00	-	3,697,632.00	1.50%	1095
TOTAL 02/17	(\$8,907,294.12)	(\$5,000,000.00)	(\$13,907,294.12)	\$8,856,025.30	\$23,758.95	\$8,879,784.25	1.76%	1183
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
TOTAL 02/16	(\$7,599,682.23)	(\$8,216,167.06)	(\$15,815,849.29)	\$8,061,306.05	\$10,000,923.19	\$18,062,229.24	0.59%	623



Graph Source: US Treasury - Daily Treasury Yield Curve Rates, February 28, 2017

**DETAIL OF CASH AND INVESTMENT, PETTY CASH AND CASH WITH FISCAL AGENTS
February 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
30231GAL6	EXXON MOBILE	1.31%	03/06/18	1.31%	600,000.00	600,000.00	600,210.00	3,806.25	AA+	Aaa
037833AJ9	APPLE INC	1.00%	05/03/18	1.08%	1,320,000.00	1,315,129.20	1,315,964.76	4,326.67	AA+	Aa1
84664BW0	BERKSHIRE HATHAWAY FIN CORP	1.30%	05/15/18	1.31%	1,060,000.00	1,059,385.20	1,059,891.88	4,057.44	AA	Aa2
06406HDB2	BANK OF NEW YORK MELLON CORP.	1.60%	05/22/18	1.60%	1,450,000.00	1,449,869.50	1,451,712.45	6,380.00	A	A1
166764AE0	CHEVRON CORP	1.71%	06/24/18	1.72%	1,900,000.00	1,900,000.00	1,908,059.80	6,075.04	AA-	Aa2
46625HJR2	JP MORGAN CHASE & CO	2.35%	01/28/19	2.16%	2,450,000.00	2,469,208.00	2,477,097.00	5,277.71	A-	A3
17275RAR3	CISCO SYSTEMS	2.13%	03/01/19	1.90%	1,143,000.00	1,153,858.50	1,156,129.64	12,144.38	AA-	A1
0258M0DK2	AMERICAN EXPRESS CREDIT	2.13%	03/18/19	1.90%	675,000.00	679,947.75	680,066.55	6,494.53	A-	A2
2665WAH4	AMERICAN HONDA FINANCE	2.25%	08/15/19	2.29%	2,450,000.00	2,445,467.50	2,477,403.25	2,450.00	A+	A1
12189TBC7	BURLINGTON NORTH CORP	4.70%	10/01/19	1.47%	800,000.00	883,120.00	859,725.60	15,666.67	A	A3
38145GAJ9	GOLDMAN SACHS GROUP INC	2.30%	12/13/19	2.33%	1,700,000.00	1,698,725.00	1,703,194.30	8,471.67	BBB+	A3e
94974BGF1	WELLS FARGO & COMPANY	2.15%	01/30/20	2.00%	1,000,000.00	1,006,990.00	1,003,983.00	1,851.39	A	A2
94974BGF1	WELLS FARGO & COMPANY	2.15%	01/30/20	2.11%	1,000,000.00	1,001,590.00	1,003,983.00	1,851.39	A	A2
89236TCF0	TOYOTA MOTOR CREDIT	2.15%	03/12/20	1.96%	800,000.00	807,104.00	804,388.80	8,074.44	AA-	Aa3
46625HLW8	JP MORGAN CHASE & CO	2.75%	06/23/20	2.49%	1,000,000.00	1,011,320.00	1,017,632.00	5,194.44	A-	A3
94974BGM6	WELLS FARGO & COMPANY	2.60%	07/22/20	2.48%	450,000.00	452,524.50	455,575.05	1,267.50	A	A2
94974BGM6	WELLS FARGO & COMPANY	2.60%	07/22/20	2.31%	1,000,000.00	1,013,030.00	1,012,389.00	2,816.67	A	A2
06406HDD8	BNY MELLON CORP	2.60%	08/17/20	2.21%	1,000,000.00	1,017,630.00	1,013,301.00	1,011.11	A	A1
713448DC9	PEPSICO	2.15%	10/14/20	2.09%	1,250,000.00	1,253,400.00	1,257,582.50	10,227.43	A	A1
61746BEA0	MORGAN STANLEY CORP	2.50%	04/21/21	2.36%	850,000.00	855,440.00	846,212.40	7,673.61	BBB+	A3
06406FAB9	BANK OF NEW YORK MELLON CORP.	2.05%	05/03/21	2.00%	1,000,000.00	1,002,130.00	984,965.00	6,719.44	A	A1
0258M0EB1	AMERICAN EXPRESS CREDIT	2.25%	05/05/21	2.13%	850,000.00	854,649.50	844,084.00	6,162.50	A-	A2
05531FAV5	BRANCH BANKING & TRUST	2.05%	05/10/21	2.06%	850,000.00	849,439.00	840,145.95	5,372.71	A-	A2
857477AV5	STATE STREET	1.95%	05/19/21	2.04%	460,000.00	458,045.00	452,451.00	2,541.50	A	A1
686389XBK0	ORACLE CORP	1.90%	09/15/21	2.44%	1,045,000.00	1,020,432.05	1,026,660.25	12,905.75	AA-	A1
713448DL9	PEPSICO INC	1.70%	10/06/21	2.34%	925,000.00	899,044.50	901,995.25	6,333.68	A	A1
20030NBV2	COMCAST CORP	1.63%	01/15/22	2.65%	850,000.00	809,939.50	816,034.00	1,764.93	A-	A3
91159HPH8	US BANCORP	2.62%	01/24/22	2.55%	1,000,000.00	1,003,430.00	1,005,627.00	2,697.92	AA-	A1
	SUBTOTAL				30,878,000.00	30,970,848.70	30,976,508.53	159,616.77		
FEDERAL AGENCY BOND / NOTE - BROKER										
3133ECCJ1	FFCB - UBS FINANCIAL SERVICES	0.93%	01/10/18	0.93%	1,000,000.00	1,000,000.00	998,850.00	1,317.50	AA+	Aaa
3137EAD7	FHLMC - BARCLAYS CAPITAL INC	0.87%	10/12/18	0.89%	4,575,000.00	4,573,032.75	4,553,305.35	18,347.66	AA+	Aaa
3135GOY14	FNMA - HSB SECURITIES (USA) INC	1.62%	11/27/18	1.62%	1,210,000.00	1,221,495.00	1,218,766.45	5,134.10	AA+	Aaa
3135GOU53	FNMA - JP MORGAN SECURITIES INC	1.00%	02/26/19	1.00%	2,500,000.00	2,494,100.00	2,485,550.00	347.22	AA+	Aaa
3137EAD29	FMCN - TD SECURITIES (USA) LLC	1.12%	04/15/19	0.86%	3,050,000.00	3,068,361.00	3,038,928.50	12,962.50	AA+	Aaa
3135GON33	FNMA - GOLDMAN SACHS	0.87%	08/02/19	0.93%	4,250,000.00	4,242,860.00	4,196,509.50	2,995.66	AA+	Aaa
3130A8Y72	FHLB - WELLS FARGO SECURITIES LLC	0.87%	08/05/19	0.94%	2,875,000.00	2,869,480.00	2,836,213.38	1,816.84	AA+	Aaa
3135G0P49	FNMA - GOLDMAN SACHS & CO	1.00%	08/28/19	1.05%	3,400,000.00	3,394,696.00	3,364,041.60	94.44	AA+	Aaa
3130AA3R7	FHLB - MERRILL LYNCH	1.37%	11/15/19	1.38%	3,685,000.00	3,684,152.45	3,673,149.04	14,637.64	AA+	Aaa
3135GOZY2	FNMA - MORGAN STANLEY DEAN WITTER	1.75%	11/26/19	1.62%	2,000,000.00	2,012,900.00	2,013,700.00	9,236.11	AA+	Aaa
3135GOT29	FNMA - JP MORGAN SECURITIES INC	1.50%	02/28/20	1.52%	3,700,000.00	3,697,632.00	3,686,125.00	154.17	NA	NA
3130A8QS5	FHLB - KEYBANC CAPITAL MARKETS	1.12%	07/14/21	1.16%	1,446,926.00	1,446,926.00	1,406,476.80	2,129.69	AA+	Aaa
3130A8QS5	FHLB - TD SECURITIES LLC	1.13%	07/14/21	1.25%	4,225,000.00	4,199,307.78	4,098,182.40	6,205.47	AA+	Aaa
3135GON82	FNMA - TD SECURITIES (USA) LLC	1.25%	08/17/21	1.32%	415,000.00	413,580.29	403,241.39	201.74	AA+	Aaa
3135GON82	FNMA - CITIGROUP GLOBAL MARKETS INC	1.25%	08/17/21	1.33%	1,335,000.00	1,329,593.25	1,297,174.11	648.96	AA+	Aaa
	SUBTOTAL				39,670,000.00	39,648,116.52	39,270,213.52	76,229.70		
FEDERAL AGENCY COLLATERALIZED MORTGAGE OBLIGATION										
3136AMKW8	MERRILL LYNCH - FNMA Series 2015-M1-ASQ2	1.63%	02/01/18	1.28%	518,992.20	524,178.23	519,629.21	703.23	AA+	Aaa
3136ANJY4	GOLDMAN SACHS - FNMA Series 2015-M7 ASQ2	1.55%	04/01/18	0.83%	575,000.00	580,747.93	574,729.75	742.71	AA+	Aaa
3136AQS11	GOLDMAN SACHS - FNMA Series 2015-M15 ASQ2	1.90%	01/25/19	1.20%	525,000.00	530,249.95	526,052.42	830.41	AA+	Aaa
3136AQDQ0	MORGAN STANLEY - FNMA Series 2015-M13 ASQ2	1.64%	09/01/19	1.08%	1,121,551.00	1,132,782.10	1,122,117.16	1,538.39	AA+	Aaa
	SUBTOTAL				2,740,543.20	2,767,958.21	2,742,528.54	3,814.74		
US TREASURY NOTES - BROKER										
912828D23	CITIGROUP	1.62%	04/30/19	1.06%	3,040,000.00	3,081,562.50	3,062,681.44	16,512.15	AA+	Aaa
912828W10	MORGAN STANLEY	1.50%	05/31/19	1.06%	3,020,000.00	3,053,031.25	3,034,036.96	11,325.00	AA+	Aaa
912828G61	BARCLAYS	1.50%	11/30/19	1.33%	1,750,000.00	1,761,552.73	1,753,213.00	6,562.50	AA+	Aaa
912828UQ1	MERRILL LYNCH	1.25%	02/29/20	1.32%	950,000.00	947,216.80	943,468.75	32.27	AA+	Aaa
912828UQ1	CITIGROUP	1.25%	02/29/20	1.55%	2,750,000.00	2,715,625.00	2,731,093.75	93.41	AA+	Aaa
912828J84	CITIGROUP	1.37%	03/31/20	1.04%	325,000.00	328,986.33	323,628.83	1,866.07	AA+	Aaa
912828J84	CITIGROUP	1.37%	03/31/20	1.03%	455,000.00	460,794.14	453,080.36	2,612.50	AA+	Aaa
912828J84	CITIGROUP	1.37%	03/31/20	1.06%	1,010,000.00	1,021,480.86	1,005,738.81	5,799.18	AA+	Aaa
912828VP2	MERRILL LYNCH	2.00%	07/31/20	1.57%	2,725,000.00	2,776,413.09	2,760,553.08	4,366.02	AA+	Aaa
912828VV9	CITIGROUP	2.12%	08/31/20	1.23%	700,000.00	727,289.06	711,921.70	40.42	AA+	Aaa
912828VV9	MORGAN STANLEY	2.12%	08/31/20	1.73%	5,300,000.00	5,391,714.84	5,390,264.30	306.05	AA+	Aaa
912828WC0	MERRILL LYNCH	1.75%	10/31/20	1.34%	4,050,000.00	4,124,988.28	4,062,340.35	23,690.26	AA+	Aaa
912828PC8	HSBC	2.63%	11/15/20	1.21%	2,560,000.00	2,718,800.00	2,647,400.96	19,677.35	AA+	Aaa
912828A42	MERRILL LYNCH	2.00%	11/30/20	1.37%	375,000.00	385,708.01	379,233.38	1,875.00	AA+	Aaa
912828A83	MERRILL LYNCH	2.38%	12/31/20	1.28%	2,550,000.00	2,678,097.66	2,613,750.00	10,037.98	AA+	Aaa
912828N48	MORGAN STANLEY	1.75%	12/31/20	1.36%	3,075,000.00	3,127,851.56	3,078,963.68	8,919.20	AA+	Aaa
912828N89	CITIGROUP	1.38%	01/31/21	1.35%	2,500,000.00	2,502,636.72	2,466,112.50	2,753.80	AA+	Aaa
912828B90	MORGAN STANLEY	2.00%	02/28/21	1.92%	2,375,000.00	2,491,152.34	2,399,120.50	129.08	AA+	Aaa
912828Q37	CITIGROUP	1.25%	03/31/21	0.97%	1,415,000.00	1,433,019.14	1,386,146.74	7,385.99	AA+	Aaa
912828WN6	BARCLAYS	2.00%	05/31/21	1.87%	3,500,000.00	3,518,867.19	3,529,393.00	17,500.00	AA+	Aaa
912828WN6	HSBC	2.00%	05/31/21	1.12%	4,950,000.00	5,127,890.63	4,991,570.10	24,750.00	AA+	Aaa
912828D72	HSB SECURITIES (USA) Inc	2.00%	08/31/21	1.20%	3,150,000.00	3,268,248.05	3,170,547.45	171.20	AA+	Aaa
912828D72	HSBC	2.00%	08/31/21	1.93%	5,450,000.00	5,466,179.69	5,485,550.35	296.20	AA+	Aaa
912828T67	MERRILL LYNCH	1.25%	10/31/21	1.94%	655,000.00	634,531.25	636,936.41	2,736.71	AA+	Aaa
	SUBTOTAL				58,630,000.00	59,743,637.12	59,016,746.40	169,438.34		
MUNICIPAL BONDS										
91412GUV5	UNIVERSITY OF CALIFORNIA TAXABLE REV BONDS	1.90%	05/15/18	1.90%	420,000.00	420,000.00	422,536.80	2,354.61	AA	Aa2
20772JZK1	CONNECTICUT STATE TAXABLE GO BONDS	1.97%	03/15/19	1.90%	700,000.00	701,967.00	700,014.00	6,371.63	AA-	Aa3
	SUBTOTAL				1,120,000.00	1,121,967.00	1,122,550.80	8,726.24		

**DETAIL OF CASH AND INVESTMENT, PETTY CASH AND CASH WITH FISCAL AGENTS
February 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										
43813NAC0	HONDA ABS 2015-2 A3	1.04%	02/21/19	1.05%	660,847.00	660,745.56	660,060.72	190.91	AAA	NR
43814MAC1	HONDA ABS 2015-3 A3	1.27%	04/18/19	1.27%	378,747.48	378,742.83	378,632.38	173.70	NR	Aaa
89237CAD3	TOYOTA ABS 2015-B A3	1.27%	05/15/19	1.27%	1,118,768.25	1,118,707.72	1,118,712.42	631.48	AAA	Aaa
14314EAB7	CARMAX AUTO OWNER TRUST 2016-3 A2A	1.17%	08/15/19	1.17%	922,252.28	922,177.02	921,485.15	479.57	AAA	NR
65477UAC4	NISSAN ABS 2015-A A3	1.05%	10/15/19	1.06%	666,963.81	666,823.61	665,583.60	311.25	NR	Aaa
34530VAD1	FORD ABS 2015-B A3	1.16%	11/18/19	1.16%	522,948.22	522,899.85	522,310.07	269.61	NR	Aaa
43814NAC9	HONDA ABS 2016-1 A3	1.22%	12/18/19	1.22%	360,000.00	359,948.84	358,761.02	158.60	AAA	NR
34530YAD5	FORD ABS 2015-C A3	1.41%	02/15/20	1.42%	520,000.00	519,898.81	519,846.86	325.87	AAA	Aaa
89237KAD5	TOYOTA ABS 2016-A A3	1.25%	03/16/20	1.25%	355,000.00	354,979.87	353,966.20	197.22	AAA	Aaa
65477WAD0	NISSAN ABS 2015-B A3	1.34%	03/15/20	1.34%	580,000.00	579,953.89	579,171.41	345.42	NR	Aaa
47788NAC2	JOHN DEERE ABS 2016-B A3	1.25%	06/15/20	1.25%	365,000.00	364,970.95	362,952.13	202.78	NR	Aaa
02007LAC6	ALLY ABS 2016-3 A3	1.44%	08/15/20	1.44%	600,000.00	599,941.74	598,917.96	384.00	AAA	Aaa
44930UAD8	HYUNDAI ABS 2016-A A3	1.56%	09/15/20	1.56%	95,000.00	94,981.57	94,947.79	65.87	AAA	Aaa
34532EAD7	FORD ABS 2016-B A3	1.33%	10/15/20	1.33%	230,000.00	229,978.20	228,963.09	135.96	NR	Aaa
65478WAD7	NISSAN ABS 2016-C A3	1.18%	01/15/21	1.19%	320,000.00	319,969.41	317,132.03	167.82	NR	Aaa
17305EAG7	CCCT ABS 2017-A2-A2	1.74%	01/19/21	1.74%	1,450,000.00	1,449,722.33	1,452,493.86	2,452.92	NR	Aaae
44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	04/15/21	1.29%	880,000.00	879,881.55	872,366.09	504.53	AAA	Aaa
34531EAD8	FORD ABS 2017-A A3	1.67%	5/15/2021	1.68%	475,000.00	474,998.24	474,849.19	352.56	NR	Aaa
	SUBTOTAL				10,500,527.04	10,499,321.99	10,481,151.97	7,350.07		
CERTIFICATES OF DEPOSIT										
90333VPF1	US BANK NA CINCINNATI	1.38%	09/11/17	1.41%	2,450,000.00	2,446,055.50	2,455,367.95	15,907.99	AA-	Aa1
06417GAS7	BANK OF NOVA SCOTIA HOUSTON	1.56%	11/06/17	1.55%	3,400,000.00	3,400,000.00	3,401,496.00	16,943.33	A+	Aa3
83050FBG5	SKANDINAVISKA ENSKILDA BANKEN NY	1.48%	11/16/17	1.48%	3,400,000.00	3,400,000.00	3,397,178.00	14,676.67	A-1	P-1
40428AR58	HSBC BANK USA NA	1.54%	11/17/17	1.54%	3,400,000.00	3,400,000.00	3,403,162.00	68,213.44	A-1+	P-1
78009NZZ2	ROYAL BANK OF CANADA NY	1.70%	03/09/18	1.70%	3,400,000.00	3,400,000.00	3,407,616.00	27,615.56	AA-	Aa3
13606A5Z7	CANADIAN IMPERIAL BANK NY	1.76%	11/30/18	1.80%	3,400,000.00	3,397,348.00	3,427,026.60	14,295.11	AA-	Aa3
65568LWA6	NORDEA BANK FINLAND NY	1.76%	11/30/18	1.76%	3,400,000.00	3,400,000.00	3,427,026.60	14,295.11	AA-	Aa3
06427KRC3	BANK OF MONTREAL CHICAGO	1.88%	02/07/19	1.88%	2,500,000.00	2,500,000.00	2,524,475.00	2,611.11	NR	Aa3e
	SUBTOTAL				25,350,000.00	25,343,403.50	25,443,348.15	174,558.32		
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	2,356,623.64	7,140.00	AAA	Aaa
	SUBTOTAL				2,380,000.00	2,372,860.00	2,356,623.64	7,140.00		
ADJUST INVESTMENTS FROM AMORTIZED COST TO FAIR VALUE										
						(1,058,441.49)				
TOTAL INVESTMENTS PFM ASSET MANAGEMENT					171,269,070.24	171,409,671.55	171,409,671.55	606,874.18		
TIME DEPOSITS - ISSUER										
1414442	HERITAGE BANK OF COMMERCE	0.60%	05/01/17	0.60%	1,000,000.00	1,000,000.00	999,242.73	466.67		
1413714	HERITAGE BANK OF COMMERCE	0.50%	12/14/17	0.50%	500,000.00	500,000.00	496,682.83	102.74		
273941000	FREMONT BANK	0.50%	12/29/17	0.50%	1,000,000.00	1,000,000.00	992,835.27	13.70		
272111000	FREMONT BANK	0.50%	12/31/17	0.50%	1,000,000.00	1,000,000.00	992,773.25	13.70		
	SUBTOTAL				3,500,000.00	3,500,000.00	3,481,534.08	596.81		
MONEY MARKET ACCOUNTS										
5080200	MMA/BANK OF AMERICA SWEEP ACCOUNT	0.43%	Daily	0.43%	-	-	-	97.01		
								97.01		
POOLED INVESTMENT FUNDS										
6037-001	CAMP (California Asset Management Program)	0.83%	Daily	0.83%	28,121,811.70	28,121,811.70	28,121,811.70	19,374.58		
98-01-318	LAIF (State of California Local Agency Investment Funds)	0.80%	Daily	0.80%	65,000,000.00	65,000,000.00	65,000,000.00	-		
	SUBTOTAL				93,121,811.70	93,121,811.70	93,121,811.70	19,374.58		
TOTAL GENERAL CITY INVESTMENTS					\$ 267,890,881.94	268,031,483.25	\$ 268,013,017.33	\$ 626,942.58		
MORGAN STANLEY GOVT INSTL SWEEP ACCOUNT						781,797.56				
BANK OF AMERICA CHECKING ACCOUNT						21,025,714.87				
POLICE-NARCOTIC(SACMCTF FLASH FUND)/ BOFA						33,567.64				
POLICE-BAIL ACCOUNT/ BOFA						5,500.00				
TOTAL CASH & INVESTMENTS						289,878,063.32				
PETTY CASH										
	CITY MANAGER (12001)					500.00				
	REVENUE & TAXATION (14000)					750.00				
	PURCHASING (14000)					2,000.00				
	HUMAN RESOURCES (15000)					200.00				
	POLICE ADMINISTRATION (21010)					7,000.00				
	POLICE ADMINISTRATION (21110)					7,400.00				
	POLICE INVESTIGATIVE SERVICES-BAIL (21999)					200.00				
	ANIMAL CONTROL (21910)					500.00				
	YOUTH & FAMILY SERVICES-PETTY CASH (53410, 10853990)					310.00				
	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				
	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%		5,023,597.53				
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%		1,902,428.13				
515439	2015 CFD#1 (PACIFIC COMMONS) IMPROVEMENT FUND - BNY	0.00%		0.0000%		25,891.89				
515454	2015 CFD#1 (PACIFIC COMMONS) ESCROW FUND - BNY	0.00%		0.0000%		2.00				
						6,951,771.62				

**DETAIL OF CASH AND INVESTMENT, PETTY CASH AND CASH WITH FISCAL AGENTS
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ID.#	SECURITY LISTING	FACE RATE	MATURITY DATE	PURCHASE YIELD	PAR	ORIGINAL COST	MARKET VALUE	ACCRUED INTEREST	CREDIT RATING	CREDIT RATING
GENERAL CITY INVESTMENTS (CONTINUED)										
CERTIFICATES OF PARTICIPATION/GO BONDS										
6711610301	1998 - FRC LEASE FUND - Union Bank	0.01%		0.0100%		0.12				
110485	2008 - FIXED COP LEASE PAYMENT FUND - BNY	0.00%		0.0000%		123.00				
110487	2008 - FIXED COP RESERVE FUND - BNY	0.00%		0.0000%		1,803,975.46				
6711858401	2008 - VRD LEASE FUND - Union Bank	0.01%		0.0100%		0.66				
6711858403	2008 - VRD LOC FUND - Union Bank	0.01%		0.0100%		488.19				
6711922601	2010 - VRD COP LEASE PAYMENT FUND - Union Bank	0.01%		0.0100%		0.22				
6711922603	2010 - VRD PROJECT FUND - Union Bank	0.01%		0.0100%		643,855.06				
6711981501	2012 - FIXED COP, SERIES A - LEASE PMT FUND - Union Bank	0.00%		0.0000%		32.05				
6711981601	2012 - VRD COP, SERIES B - LEASE PAYMENT FUND - Union Bank	0.01%		0.0100%		0.40				
						2,448,475.16				
LEASE FINANCING										
743930	2016 - ENERGY & WATER EFFICIENCY LEASE - ESCROW FUND - BNY	0.01%		0.0100%		4,658,879.93				
	TOTAL CASH WITH FISCAL AGENTS					14,059,126.71				
	GRAND TOTAL					\$ 303,963,050.03				