



City of Rolling Hills

INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD
ROLLING HILLS, CA 90274
(310) 377-1521
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Agenda Item No: 10-A
Mtg. Date: 01/28/19

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: TERRY SHEA, FINANCE DIRECTOR

THRU: ELAINE JENG P.E., CITY MANAGER *EJS*

SUBJECT: QUARTERLY SCHEDULE OF INVESTMENTS REPORT FOR THE QUARTER ENDING DECEMBER 31, 2018.

DATE: JANUARY 28, 2019

ATTACHMENTS:

SCHEDULE OF INVESTMENTS
DASH BOARD REPORT CARD
INVESTMENT ALLOCATIONS SUMMARY REPORT BY QUARTER

Attached you will find the City's quarterly investment report for review. Pursuant to the City Council's direction, it is agendaized under "Matters from Staff" in order that it receives an appropriate level of review by the City Council.

Below are Cash and Yield comparative data from the second quarter as of December 31, 2018 to the first quarter as of September 30, 2018 FY 2018/19 and YTD Interest Income comparative data from the second quarter as of December 31, 2018 to second quarter as of December 31, 2017. The portfolio has been diversified by investment instrument and maturity between Money Market, Local Agency Investment Fund (LAIF), and FDIC insured Certificates of Deposits.

Also below are the CalPERS California Employers' Retiree Benefit Trust (CERBT) Strategy 2 Other Post Employment Benefit (OPEB) Irrevocable Trust results for the second quarter as of December 31, 2018 and Fiscal Year to Date FY 2018/2019.

Cash & Yield Comparative Data 2nd Quarter FY 2018/2019 to 1st Quarter FY 2018/2019:

	2nd Quarter FY 2018/19	1st Quarter FY 2018/19	Variance
Active Deposits	\$ 7,128,035	\$ 6,926,703	\$ 201,332
Inactive Deposits	53,677	19,140	34,537
Total Cash	<u>\$ 7,181,712</u>	<u>\$ 6,945,843</u>	<u>\$ 235,869</u>
Portfolio Yield at Cost	2.219%	2.050%	0.169%

YTD Interest Income Comparative Data 2nd Quarter FY 2018/2019 to 2nd Quarter FY 2017/2018:

	2nd Quarter FY 2018/19	2nd Quarter FY 2017/18
Annual Interest - Budget	\$ 57,000	\$ 32,550
Total YTD Interest Earned	60,676	28,663
Over (Under) Budget	<u>\$ 3,676</u>	<u>\$ (3,887)</u>
% of Annual Budget	106.45%	88.06%

CalPERS CERBT Strategy 2 OPEB Irrevocable Trust results for the second quarter as of December 31, 2018 and Fiscal Year to Date FY 2018/2019.

	2nd Quarter FY 2018/19	Fiscal YTD FY 2018/19
Beginning Balance	\$ 591,439	\$ 583,589
Contribution	-	-
Investment Earnings	(36,045)	(28,069)
Administrative Expense	(121)	(247)
Ending Balance	<u>\$ 555,273</u>	<u>\$ 555,273</u>

We are pleased to answer any questions you may have.

TS:EJ:yh

Investment Report cover memo.doc

**CITY OF ROLLING HILLS
SCHEDULE OF INVESTMENTS
as of December 31, 2018**

<u>INVESTMENT</u>	<u>INSTITUTION</u>	<u>PAR VALUE</u>	<u>BOOK VALUE PRICE @ COST</u>	<u>FAIR VALUE (MARKET VALUE)</u>	<u>YIELD</u>	<u>PURCHASE DATE</u>	<u>MATURITY DATE</u>
<u>ACTIVE DEPOSITS</u>							
Money Market	OPUS	\$ 62,784	\$ 62,784	\$ 62,784	0.150%		
Interest Checking	OPUS	\$ 1,036,029	\$ 1,036,029	\$ 1,036,029	2.350%	01/12/17	01/12/18
	% of Total		15.42%	15.42%			
LAIF	STATE TREASURY	\$ 3,329,222	\$ 3,329,222	\$ 3,329,222	2.291%		
	% of Total		46.71%	46.71%			
Morgan Stanley - CD	Morgan Stanley Bank	\$ 245,000	\$ 245,000	\$ 245,000	1.950%	01/11/18	07/11/19
Americian Exp - CD	American Express Bank	\$ 245,000	\$ 245,000	\$ 245,000	1.750%	08/30/17	08/29/19
Malaga Bank - CD	Malaga Bank	\$ 245,000	\$ 245,000	\$ 245,000	1.000%	09/14/18	09/14/19
First Tech CU - CD	First Technology CU	\$ 245,000	\$ 245,000	\$ 245,000	1.750%	10/30/17	02/28/19
Preferred Bank - CD	Preferred Bank	\$ 250,000	\$ 250,000	\$ 250,000	1.300%	12/27/17	06/27/19
Wells Fargo - CD	Wells Fargo Bank	\$ 245,000	\$ 245,000	\$ 245,000	2.000%	01/31/18	07/31/19
Sallie Mae - CD	Sallie Mae Bank	\$ 245,000	\$ 245,000	\$ 245,000	2.300%	02/08/18	02/10/20
Goldman Sachs - CD	Goldman Sachs Bank	\$ 245,000	\$ 245,000	\$ 245,000	2.500%	03/14/18	03/16/20
Morg Stanley Pvt - CD	Morgan Stanley Pvt Bk	\$ 245,000	\$ 245,000	\$ 245,000	2.600%	04/12/18	04/13/20
Synchrony Bank - CD	Synchrony Bank	\$ 245,000	\$ 245,000	\$ 245,000	2.750%	05/18/18	05/18/20
Deer Valley CU - CD	Deer Valley CU - CD	\$ 245,000	\$ 245,000	\$ 245,000	2.750%	07/06/18	04/06/20
	% of Total		37.88%	37.88%			
<u>ACTIVE DEPOSITS TOTALS</u>		<u>7,128,035</u>	<u>7,128,035</u>	<u>7,128,035</u>	2.219%		
<u>INACTIVE DEPOSITS</u>							
CHECKING	OPUS	\$ 52,177	\$ 52,177	\$ 52,177			
	% of Total		97.21%	97.21%			
PETTY CASH	N/A	\$ 1,500	\$ 1,500	\$ 1,500			
	% of Total		2.79%	2.79%			
<u>INACTIVE DEPOSITS TOTALS</u>		<u>\$53,677</u>	<u>\$53,677</u>	<u>\$53,677</u>			
<u>GRAND TOTAL CASH</u>			<u>\$7,181,712</u>				

NOTES:

- (1) Investment portfolio is in compliance with investment policy established by City Council.
- (2) The City has the ability to meet all expenditure requirements for the next six months.
- (3) LAIF fair market value is only adjusted in June of each year.

Prepared By:

Date

Approved By:

Date


Terry Shea, Finance Director

1-14-19


Elaine Jeng P.E., City Manager

1/19/19

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CITY OF ROLLING HILLS
DASH BOARD REPORT CARD
as of December 31, 2018

	JUNE FY 2016-17	JUNE FY 2017-18	JULY FY 2018-19	AUGUST FY 2018-19	SEPT FY 2018-19	OCTOBER FY 2018-19	NOVEMBER FY 2018-19	DECEMBER FY 2018-19
I. CASH FLOW								
ACTIVE DEPOSITS								
Book Value Price @ Cost								
OPUS Bank - Money Market	\$ 3,379	\$ 307,960	\$ 12,890	\$ 68,496	\$ 81,520	\$ 69,624	\$ 73,630	\$ 62,784
OPUS Bank - Interest Checking	1,010,793	1,024,881	1,026,653	1,028,416	1,030,074	1,032,096	1,033,990	1,036,029
LAIF	5,564,555	3,811,907	3,830,109	3,215,109	3,115,109	3,134,222	3,134,222	3,329,222
Malaga Bank CDARS - CD'S	-	-	-	-	-	-	-	-
Malaga Bank/Preferred Bank - CD'S	495,000	2,455,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
ACTIVE DEPOSITS TOTALS	\$ 7,073,727	\$ 7,599,748	\$ 7,569,652	\$ 7,012,021	\$ 6,926,703	\$ 6,935,942	\$ 6,941,842	\$ 7,128,035
INACTIVE DEPOSITS								
Opus Bank - Checking	\$ 68,972	\$ 33,019	\$ 34,129	\$ 82,356	\$ 17,640	\$ 22,578	\$ (45,788)	\$ 52,177
Petty Cash	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
INACTIVE DEPOSITS TOTALS	\$ 70,472	\$ 34,519	\$ 35,629	\$ 83,856	\$ 19,140	\$ 24,078	\$ (44,288)	\$ 53,677
GRAND TOTAL CASH	\$ 7,144,199	\$ 7,634,267	\$ 7,605,281	\$ 7,095,877	\$ 6,945,843	\$ 6,960,020	\$ 6,897,554	\$ 7,181,712
Active Deposits ^ From Previous Month	\$ (127,726)	\$ 15,125	\$ (30,096)	\$ (557,631)	\$ (85,318)	\$ 9,239	\$ 5,900	\$ 186,193
II. LIQUIDITY CALCULATION								
Liquidity	\$ 6,816,398	\$ 5,818,720	\$ 5,808,345	\$ 5,785,037	\$ 5,785,037	\$ 5,875,037	\$ 6,102,721	\$ 6,330,703
Average Cash Balance	\$ 6,651,321	\$ 6,992,235	\$ 7,038,354	\$ 7,046,317	\$ 7,085,238	\$ 7,256,394	\$ 7,303,464	\$ 7,346,226
Emergency Reserve Per Policy	\$ 807,904	\$ 847,730	\$ 847,730	\$ 847,730	\$ 847,730	\$ 847,730	\$ 847,730	\$ 847,730
Six Month Cash Reserve	\$ 1,330,412	\$ 1,257,423	\$ 1,255,823	\$ 1,472,074	\$ 1,313,733	\$ 1,303,466	\$ 1,321,677	\$ 1,325,892
Available Reserve for Longer Term Investment	\$ 5,743,315	\$ 6,342,325	\$ 6,313,829	\$ 5,539,947	\$ 5,612,970	\$ 5,632,476	\$ 5,620,165	\$ 5,802,143
III. PORTFOLIO DIVERSIFICATION								
DIVERSIFICATION BY INSTRUMENT								
Money Market	0.05%	4.05%		0.98%	1.18%	1.00%	1.06%	0.88%
Interest Checking	14.29%	13.49%		14.67%	14.87%	14.88%	14.90%	14.53%
LAIF	78.67%	50.16%		45.85%	44.97%	45.19%	45.15%	46.71%
Treasury Bills	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%
Certificates of Deposit	7.00%	32.30%		38.50%	38.98%	38.93%	38.89%	37.88%
	<u>100.01%</u>	<u>100.00%</u>	<u>0.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
DIVERSIFICATION BY MATURITY								
12 Months or Less	78.71%	60.66%	63.78%	60.88%	67.44%	82.34%	82.35%	82.81%
13 to 24 Months	0.00%	39.34%	36.22%	39.12%	32.56%	17.66%	17.65%	17.19%
25 to 36 Months	17.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
One Year - 52 Weeks	3.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Two Years - 104 Weeks	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
IV. PORTFOLIO PERFORMANCE MEASURES								
Yield at Cost Month	0.979%	1.840%	1.990%	2.010%	2.050%	2.010%	2.130%	2.219%
BENCHMARKS								
6 Month CD	0.72	1.10	1.15	1.20	1.25	1.30	1.32	2.20
1 Year CD	1.28	1.75	1.80	1.85	1.87	1.95	2.00	2.45
90 Day T-Bill	1.01	1.94	1.94	2.38	2.27	2.38	2.37	2.42
2 Year Treasury	1.38	2.57	2.57	2.63	2.89	2.75	2.73	2.50
10 Year Treasury	2.31	2.87	2.87	2.98	3.20	3.05	2.86	2.66
Annual Interest Budget	\$ 30,475	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000
Money Market	\$ 546	274	12	16	24	34	39	47
Interest Checking (2)	7,900	14,952	1,778	3,563	5,232	7,262	9,160	11,243
Certificate of Deposits	2,391	9,219	6,033	6,033	6,313	6,593	6,864	23,133
LAIF	21,127	43,106	-	-	-	19,113	19,113	19,113
LAIF Mark to Market (Net)	-	5,895	7,140	7,140	7,140	7,140	7,140	7,140
Total YTD Interest Earned	\$ 31,964	\$ 73,446	\$ 14,963	\$ 16,752	\$ 18,709	\$ 40,142	\$ 42,316	\$ 60,676
Over/(Under) Annual Budget	\$ 1,489	\$ 16,446	\$ (42,037)	\$ (40,248)	\$ (38,291)	\$ (16,858)	\$ (14,684)	\$ 3,676
% of Annual Budget	104.89%	128.85%	26.25%	29.39%	32.82%	70.42%	74.24%	106.45%

**CITY OF ROLLING HILLS
LIQUIDITY CALCULATION**

BASED ON FISCAL YEAR 2018-2019 ACTUAL/CASH BUDGET FORECAST

as of December 31, 2018

Month	MONTHLY CASH BALANCES					Total Cash By Month	Expenditures By Month
	OPUS	Interest Checking	LAI	Deposits	Cash By Month		
July	\$ 47,019	\$ 1,026,653	\$ 3,830,109	\$ 2,700,000	\$ 7,603,781	\$ 173,491	
August	150,852	1,028,416	3,215,109	2,700,000	7,094,377	593,193	
Sept	129,960	1,013,524	4,593,801	2,700,000	8,437,285	197,665	
Oct	92,202	1,032,096	3,134,222	2,700,000	6,958,520	113,547	
Nov	27,842	1,033,990	3,134,222	2,700,000	6,896,054	177,199	
Dec	115,961	1,036,029	3,329,222	2,700,000	7,181,212	578,315	
Jan	372,265	1,017,858	4,286,485	1,230,000	6,906,608	127,923	
Feb	436,969	1,018,975	4,041,485	1,720,000	7,217,429	130,828	
March	176,344	1,020,299	4,041,485	1,965,000	7,203,128	144,632	
April	356,579	1,021,782	3,811,907	2,210,000	7,400,268	150,362	
May	333,049	1,023,327	3,811,907	2,455,000	7,623,283	145,727	
June	340,979	1,024,881	3,811,907	2,455,000	7,632,767	118,901	
(1)	\$ 2,580,021	(2) \$ 12,297,830	(2) \$ 45,041,861	(2) \$ 28,235,000	\$ 88,154,712	(1) \$ 7,346,226	\$ 2,651,784
Average	\$ 215,002	\$ 1,024,819	\$ 3,753,488	\$ 2,352,917	\$ 7,346,226	\$ 220,982	\$ 220,982
		Lowest Balance	Highest Expense		Lowest Deposits	Liquidity	Six Month Cash Reserve
		(a) \$ 6,896,054	(b) \$ 593,193		(c) \$ 27,842	(4) \$ 6,330,703	(4) \$ 1,325,892
		(d) Liquidity Calculation	(e) Average Monthly Cash Balance		(d) \$ 6,330,703	(e) \$ 7,346,226	
			Less 40% Emergency Reserve		(3) -	(3) (847,730)	
			Available Investment Liquidity		\$ 6,330,703	\$ 6,498,496	

Notes:

- (1) Actual/Forecast Cash Budget FY 2018/19
- (2) Monthly Bank Reconciliations
- (3) Per Investment Policy FY 16/17 General Fund Audited Revenue \$2,119,324 X 40% = \$847,730
- (4) Six Month Cash Reserve based on FY 18/19 Actual/Forecasted Annual Expenditures divided by two.

INVESTMENT ALLOCATIONS SUMMARY

as of December 31, 2018

Investment Type	%	Book Value Price @ Cost	12 Months or Less	13 to 24 Months	25 to 36 Months
Money Market	0.88%	\$ 62,784	\$ 62,784	\$ -	\$ -
LAIIF	46.71%	3,329,222	3,329,222	-	-
Interest Checking	14.53%	1,036,029	1,036,029	-	-
CD'S	37.88%	2,700,000	1,475,000	1,225,000	-
Total Active Deposits	100.00%	\$ 7,128,035	\$ 5,903,035	\$ 1,225,000	\$ -

Liquidity	Active Deposits	Cash Reserve	Cash Reserve Per Policy	Six Month Cash Reserve
Liquidity FY 18/19 Cash Budget	\$ 6,330,703	\$ 7,128,035	\$ 797,332	\$ 847,730
				\$ 1,325,892

Maturity	Investment Allocation
12 Months or Less	82.81%
13 to 24 Months	17.19%
25 to 36 Months	0.00%
	100.00%



California State Treasurer
Fiona Ma, CPA



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POOLED MONEY INVESTMENT ACCOUNT

PMIA Average Monthly Effective Yields

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1977	5.770	5.660	5.660	5.650	5.760	5.850	5.930	6.050	6.090	6.090	6.610	6.730
1978	6.920	7.050	7.140	7.270	7.386	7.569	7.652	7.821	7.871	8.110	8.286	8.769
1979	8.777	8.904	8.820	9.082	9.046	9.224	9.202	9.528	9.259	9.814	10.223	10.218
1980	10.980	11.251	11.490	11.480	12.017	11.798	10.206	9.870	9.945	10.056	10.426	10.961
1981	10.987	11.686	11.130	11.475	12.179	11.442	12.346	12.844	12.059	12.397	11.887	11.484
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884	0.925	0.978	1.051	1.084	1.111	1.143	1.172	1.239
2018	1.350	1.412	1.524	1.661	1.755	1.854	1.944	1.998	2.063	2.144	2.208	2.291