




## *Report to the Auburn City Council*

Action Item 4  
Agenda Item No.

  
 City Manager's Approval

<b>To:</b>	Honorable Mayor and City Council Members
<b>From:</b>	Donna Silva, City Treasurer Andy Heath, Finance Director
<b>Date:</b>	September 14, 2020
<b>Subject:</b>	Report of Investments – Quarter Ending June 30, 2020

### **The Issue**

The City Council is required by state law and the City of Auburn's Investment Policy to receive and review a Quarterly Investment Report.

### **Recommended Action Requested**

Receive, review and file the "City of Auburn Investment Report" for the quarter ending June 30, 2020.

### **Background**

The purpose of the Treasurer's Report is to update the Board and the public on the status of the City's cash balances and investments, and highlight material changes from one period to another. The Treasurer's Report is required to be prepared and presented on a quarterly basis.

The City's investment objectives are established by the City Council approved Investment Policy. The Investment Policy is guided and constrained by the California Government Code. The City Council periodically reviews and adjusts the Investment Policy to ensure ongoing compliance with the government code and to maximize investment flexibility as permitted. The current Investment Policy has the following objectives for the portfolio:

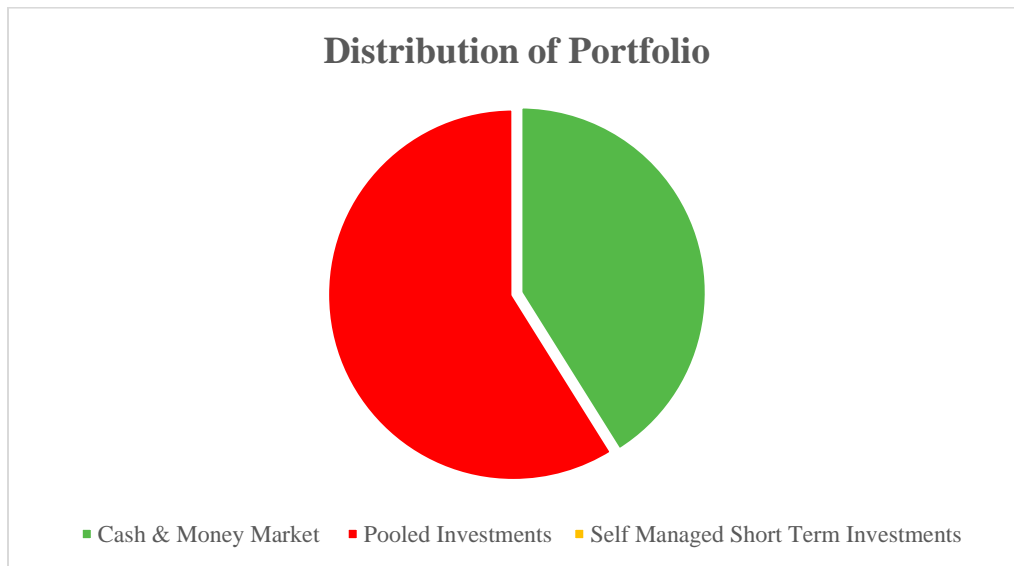
1. Safety
2. Liquidity
3. Yield

Attached is the Treasurer's Report for the quarter ended June 30, 2020.

At March 31, 2020, the end of the previous reporting period, the value of the City's total portfolio was \$22 million. Since that time, the value of the City's portfolio increased by \$2.9 million for an ending balance of approximately \$24.9 million as of June 30, 2020. The increase is predominately attributable to the receipt of Property Tax revenues, which are typically received in January, May and August.

The funds are currently held as follows:

Cash at Banking Institutions	\$ 7,848,247.83
Placer County Investment Pool	\$ 4,335,719.17
Local Agency Investment Fund (LAIF)	\$12,718,634.29
State of California – Unclaimed Funds in Transit	\$ 14,790.75
Self-Managed Short Term Investments	<u>\$ 1,400.00</u>
Total Portfolio	\$24,918,792.04



The City Finance Director and Treasurer periodically analyze cash flow needs to determine when additional transfers can be made into the Placer County investment pool, or LAIF without risking a funding shortfall in the general checking account. The Treasurer recommended a transfer to LAIF out of checking as the checking account balance was higher than needed. The Finance Director initiated a transfer of \$4 million into LAIF on May 22, 2020, which is reflected in this report.

During the past quarter, Hilltop Securities, the holder of the City's Money Market account, escheated the balance of the account to the State of California's Unclaimed Property Program. Hilltop Securities did not contact the City prior to escheating the funds. The state returned the funds to Hilltop Securities. It now appears that the funds are back in transit to the State of California's Unclaimed Property Program.

### **Fiscal Impact**

All investments held at June 30, 2020 were in conformance with the Investment Policy.

**City of Auburn**  
**Treasurer's Report**  
**Quarter Ended June 30, 2020**

	Yield %	Par Value	Cost	March 31, 2020 Market Value	Current Market Value	Maturity Date	Change
<b>CASH &amp; DEMAND DEPOSITS:</b>							
Wells Fargo - Commercial Checking				\$ 8,365,378.10	\$ 7,203,711.45	na	\$ (1,161,666.65)
Union Bank - Principal Cash				\$ 1,765.42	\$ 1,849.33	na	\$ 83.91
Bank of America - Recology				\$ 235,854.97	\$ 235,866.64	na	\$ 11.67
Wells Fargo - Payroll Checking				\$ 39,742.55	\$ 25,123.87	na	\$ (14,618.68)
Wells Fargo - CDBG				\$ 381,687.03	\$ 381,696.54	na	\$ 9.51
Hilltop Securities - Money Market	1.15%			\$ -	\$ -	na	\$ -
State of California - Unclaimed Funds (unverified)				\$ 14,790.75	\$ 14,790.75		\$ -
<b>TOTAL CASH &amp; DEMAND DEPOSITS</b>				<b>\$ 9,039,218.82</b>	<b>\$ 7,863,038.58</b>		<b>\$ (1,176,180.24)</b>
<b>POOLED INVESTMENTS</b>							
Local Agency Investment Fund (LAIF)	2.29%			\$ 8,674,974.66	\$ 12,718,634.29	na	\$ 4,043,659.63
Placer County Investment Pool	1.702%			\$ 4,323,360.28	\$ 4,335,719.17	na	\$ 12,358.89
<b>TOTAL POOLED INVESTMENTS</b>				<b>\$ 12,998,334.94</b>	<b>\$ 17,054,353.46</b>		<b>\$ 4,056,018.52</b>
<b>SELF MANAGED SHORT-TERM INVESTMENTS</b>							
<i>Corporate Bonds:</i>							
Mnlehman Brothers HLRR <sup>1</sup>	0.000%	125,000.00	66,276.16	1,562.50	1,400.00	2012 <sup>1</sup>	\$ (162.50)
<b>TOTAL SHORT TERM and POOLED INVESTMENTS</b>		<b>\$ 125,000.00</b>	<b>\$ 66,276.16</b>	<b>\$ 1,562.50</b>	<b>\$ 1,400.00</b>		<b>\$ (162.50)</b>
<b>TOTAL CASH &amp; INVESTMENTS</b>				<b>\$ 22,039,116.26</b>	<b>\$ 24,918,792.04</b>		<b>\$ 2,879,675.78</b>

Restricted Bond Funds Excluded from report

<sup>1</sup> Lehman Brothers entered Chapter 11 bankruptcy proceedings in September 2008. This corporate bond matured in 2012 but redemption is constrained by the bankruptcy plan. The City receives periodic principal repayments on this bond. The original par value of the bond was \$125,000. As a result of the distributions, the current cost basis is \$66,276.16

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