



# City of Woodland

## REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR  
AND CITY COUNCIL

DATE: May 18, 2010

SUBJECT: Treasurer's Investment Report Quarter Ending March 31, 2010

### **Report in Brief**

Based on current budget projections, the City's cash liquidity is sufficient to cover the expenditures anticipated for the next six months and the monthly cash flow and maturity of the investments are scheduled to meet the expected cash disbursements.

Staff recommends that City Council accept the quarterly Treasurer's Investment Report.

### **Discussion**

The City's securities are held in custodial care by U.S. Bank N.A., Custody Treasury Division, located in Minneapolis, MN and administered by its Sacramento office. U.S. Bank N.A. provides monthly statements to the City of Woodland. The source of valuations for the securities is marked to market by U.S. Bank N.A.

The yield on the Local Agency Investment Fund (LAIF) balances for the quarter ending March 2010 was 0.55%. The average yield on the City of Woodland's investments as of March 30, 2010 was 2.98%. This higher yield was attained through prudent financial planning enabling the City to lock in very safe investments to higher yields than are currently available on the open market. This higher yield places a premium on the City's investments which is evidenced by its quarter ending market value of \$9,277,025 which is \$277,025 higher than the City's cost of \$9,000,000.

The prudent investment policies of the City of Woodland have insulated its investments well in the face of such turbulent and uncertain economic times. In determining placements of investments, safety is the number one priority which is followed by liquidity and finally yield on investments.

The City of Woodland does not have any holdings in the riskier Corporate notes which have historically yielded only slightly higher yields as compared to our Agency Investments which have the implicit backing of the Federal Government. Unlike many other government agencies that have had to write off significant portions of their investments in Corporate notes, the City of Woodland has not had to write off any investments.

Attached are the monthly reports along with the corresponding investment activity charts. The charts include the investment interest rates as they have matured and current rates for new investments. All activities comply with the existing Investment Policy approved by City Council. Additionally, a report entitled "Cash with Fiscal Agent" is included which lists the most recent information available regarding investments for the assessment districts/bond reserve fund dollars. The source of this information is monthly reports from the various district/bond Trustees.

**Recommendation for Action**

Staff recommends that City Council accept the quarterly Treasurer's Investment Report.

Prepared by: Sarena Brumfield  
Accountant

Reviewed by: Kimberly McKinney  
Finance Officer

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Mark G. Deven  
City Manager

Attachments

**CITY OF WOODLAND  
INVESTMENT REPORT**

March-10

**SUMMARY OF INVESTMENTS**

TYPE OF INVESTMENT	AMOUNT	TOTAL	
Local Agency Investment Fund (LAIF)	31,765,000.69	77.9%	\$0.00
TRANS bond proceeds	0.00	0.0%	\$0.00
FHLB Bonds	0.00	0.0%	
FFCP Bonds	6,000,000.00	14.7%	
FNMA	2,000,000.00	4.9%	
Freddie Mac	1,000,000.00	2.5%	
<b>TOTAL</b>	<b>40,765,000.69</b>	<b>100.0%</b>	

**PORTFOLIO**

	<i>Interest</i>	<i>Amount</i>
LAIF		31,765,000.69
TRANS bond proceeds		0.00
<b>SUBTOTAL</b>		<b>31,765,000.69</b>

	<i>Maturity Date</i>	<i>Interest</i>	<i>Call Date</i>	<i>PAR Amount</i>	<i>Purchase Price</i>	<i>Current Market Value</i>
Federal Farm Credit	11/21/2011	4.35	Bullet	1,000,000	1,000,000	1,055,000.00
Federal Farm Credit	2/7/2013	3.40		5,000,000	5,002,361	5,215,625.00
				<u>6,000,000</u>		<u>6,270,625.00</u>
Fannei Mae Structured	1/27/2015	Variable		2,000,000	2,000,000	2,003,125.00
				<u>2,000,000</u>		<u>2,003,125</u>
Freddie Mac	2/9/2015	3.00		1,000,000	1,000,000	1,003,275.00
				<u>1,000,000</u>		<u>1,003,275</u>
Total Investments				<u>9,000,000.00</u>		<u>9,277,025.00</u>
<b>Total of LAIF Funds &amp; Investments Detail</b>				<u>40,765,000.69</u>		
Check Total (Should be zero)						-

CITY OF WOODLAND  
INVESTMENT REPORT

CASH ACCOUNTS as of 3/31/10

Bank Accounts with U.S. Bank	\$3,851,691.68
Petty Cash	<b>\$3,290.00</b>
Cash with Fiscal Agent	\$9,297,004.26

INTEREST SUMMARY

Interest Received in March - Investments	\$0.00
Interest Received for Mar - LAIF	\$0.00
Total Interest Received	<u>\$0.00</u>
Interest Received from July 1, 2009 to Feb 28, 2010	\$603,869.71
Total Fiscal Year-to-Date Interest Received	<u><b>\$603,869.71</b></u>

The interest received does not always represent the interest earned. LAIF records interest on a quarterly basis but does not report it until the 15th of the month following the end of the quarter. The interest received on Treasury Notes is received every six months either on the 15th or the last day of the month. Bond interest is posted every six months to the date of settlement.

**CITY OF WOODLAND  
ACTIVITY REPORT**

<b>DATE</b>	<b>DESCRIPTION</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>DEBITS</b>
<b>LAIF</b>	<b>TREASURER</b>			
12/31/09	Month Beginning Balance			<b>33,216,257.00</b>
01/04/10	Deposit to LAIF	4,000,000.00		<b>37,216,257.00</b>
01/07/10	Deposit to LAIF	500,000.00		<b>37,716,257.00</b>
01/15/10	Deposit to LAIF	1,000,000.00		<b>38,716,257.00</b>
01/15/10	Quarterly Interest Payment	48,743.69		<b>38,765,000.69</b>
01/20/10	Deposit to LAIF	11,200,000.00		<b>49,965,000.69</b>
01/22/10	Deposit to LAIF	500,000.00		<b>50,465,000.69</b>
01/25/10	Withdrew fr LAIF		1,700,000.00	<b>48,765,000.69</b>
01/26/10	Deposit to LAIF	200,000.00		<b>48,965,000.69</b>
01/27/10	Withdrew fr LAIF		2,000,000.00	<b>46,965,000.69</b>
01/29/10	Withdrew fr LAIF		1,500,000.00	<b>45,465,000.69</b>
02/03/10	Withdrew fr LAIF		800,000.00	<b>44,665,000.69</b>
02/05/10	Deposit to LAIF	400,000.00		<b>45,065,000.69</b>
02/09/10	Withdrew fr LAIF		1,200,000.00	<b>43,865,000.69</b>
02/11/10	Withdrew fr LAIF		1,300,000.00	<b>42,565,000.69</b>
02/12/10	Withdrew fr LAIF		6,000,000.00	<b>36,565,000.69</b>
02/16/10	Withdrew fr LAIF		500,000.00	<b>36,065,000.69</b>
02/17/10	Deposit to LAIF	500,000.00		<b>36,565,000.69</b>
02/22/10	Withdrew fr LAIF		1,800,000.00	<b>34,765,000.69</b>
02/25/10	Deposit to LAIF	400,000.00		<b>35,165,000.69</b>
02/26/10	Withdrew fr LAIF		1,300,000.00	<b>33,865,000.69</b>
03/01/10	Withdrew fr LAIF		400,000.00	<b>33,465,000.69</b>
03/05/10	Withdrew fr LAIF		300,000.00	<b>33,165,000.69</b>
03/30/10	Withdrew fr LAIF		1,400,000.00	<b>31,765,000.69</b>
03/30/10	Quarter End Balance			<b>31,765,000.69</b>

**TRANS bond proceeds in Guaranteed Investment Contract**

0.00

**Bonds and Other Investments**

12/31/09	BEGINNING BALANCE			<b>6,000,000.00</b>
01/27/10	Purchase Fannie Mae #3136FJV	2,000,000.00		<b>8,000,000.00</b>
02/09/10	Freddie Mac Purchase Cusip # 3	1,000,000.00		<b>9,000,000.00</b>
03/31/10	Quarter End Balance			<b>9,000,000.00</b>

**END OF MONTH TOTAL DEBITS**

**40,765,000.69**

Check Total (Should be Zero)

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Transactions w/LAIF	23
Purchase of New Bonds	2
Bonds Called	0
Purchase of New CD	0
CD Matured	0
Bonds Sold	0
Bonds Matured	0

<b>East-Main Assessment District</b>						Int Eamed
Series 2001 RDM FD issue		Current Balance		Current Balance		Current Month
Reserve Account		\$953,725.05		\$953,725.05	Cash Mgmt-1st Am Treasury	219.43
Refunding Bonds		\$7.34		\$7.34	Cash Mgmt-1st Am Treasury	7.33
<b>1992 Wastewater</b>						
reserve fund		\$920,025.15	AIG-Notes, Mortgages, etc	\$0.00	Cash Management-Fidelity	0.15
installment pmt fund		\$2.89		\$2.89	Cash Management-Fidelity	2.89
Revenue Fund		\$11.90		11.90	Cash Management-Fidelity	11.90
Revenue Fund		\$17.36		17.36	Cash Management-Fidelity	17.36
Reserve fund		\$937,595.71		\$937,595.71		143.83
<b>CFD - Gibson Ranch</b>						
94-1						
Spc tax debt svc		\$0.00		\$0.00	Cash Mgmt-1st Am Treasury	0.00
reserve acct		\$177,590.09		\$177,590.09	Cash Mgmt-1st Am Treasury	0.00
Spc tax debt svc		\$0.00		\$0.00	Cash Mgmt-1st Am Treasury	0.00
Series 2001 Acct		\$444.88		\$444.88	Cash Mgmt-1st Am Treasury	0.00
2004 Refunding spc tax		\$0.00		\$0.00	Cash Mgmt-1st Am Treasury	0.00
2004 Refunding spc tax		\$0.00		\$0.00	Cash Mgmt-1st Am Treasury	0.00
2004 refund spc tax rsv		\$1,107,671.62		\$1,107,671.62	Cash Mgmt-1st Am Treasury	0.00
2004 Subordinate (Incl Reserve)		\$227,037.50		\$227,037.50	Cash Mgmt-1st Am Treasury	0.00
<b>Spring Lake 2004</b>						
Special Tax Fund		\$0.00		\$0.00	Cash Mgmt-1st Am Treasury Cash Mgmt-1st Am Prime	0.00
Bond Reserve		\$2,415,602.50		\$2,415,602.50	Obligation	0.00
<b>Revenue Anticipation Notes</b>						
<b>Cap Projects/Revenue Bonds 2002</b>						
reserve acct.		\$757,322.87	Cash Mgmt-1st Am Treasury	\$757,322.87	FSA Capital Mgmt Svcs LLC Cash Mgmt-1st Am Prime	0.00
revenue fund		\$0.00		\$0.00	Obligation	0.00
<b>Cap Projects/Revenue Bonds 2005</b>						
reserve acct.		\$130.50	Cash Mgmt-1st Am Treasury	\$130.50	FSA Capital Mgmt Svcs LLC Cash Mgmt-1st Am Prime	130.49
Interest acct		\$0.00		\$0.00	Obligation	
revenue acct.						
<b>Cap Projects/Revenue Bonds 2007</b>						
reserve acct.		\$1,035,502.73	Cash Mgmt-1st Am Treasury	\$1,035,502.73	FSA Capital Mgmt Svcs LLC	238.62
Interest acct.		\$0.01		\$0.01		0.00
revenue acct.		\$135.00		\$135.00		135.00
<b>Water Revenue Bonds 2008</b>						
revenue acct.		\$0.00	Cash Mgmt-1st Am Treasury	\$0.00	FSA Capital Mgmt Svcs LLC	
Interest acct.		\$0.00				
reserve acct.		\$0.00	Cash Mgmt-1st Am Treasury		FSA Capital Mgmt Svcs LLC	
<b>Bond Anticipation Notes</b>						
<b>2007 RDA TABS</b>						
Tax Revenue Fund		\$587.79		\$587.79	Cash Mgmt - 1st Am Treasury Oblig	0.14
Interest Account		\$10.39		\$10.39	Cash Mgmt - 1st Am Treasury Oblig	0.00
Principal Account		\$7.89		\$7.89	Cash Mgmt - 1st Am Treasury Oblig	0.00
reserve account - 2007 A		\$498,401.28		\$498,401.28	Cash Mgmt - 1st Am Treasury Oblig	114.67
reserve account - 2007 B		\$114,406.83		\$114,406.83	Cash Mgmt - 1st Am Treasury Oblig	28.32
Certificate of Deposit/(Fund 582)		\$30,000.00	\$30,000.00 River City Bank			
CDBG Account						
Savings Account		\$120,266.98	\$120,266.98 Bank of America - Quarterly Bank Statement			0.00
Checking account		\$500.00	\$500.00 Bank of America - Monthly Bank Statement			
<b>TOTAL</b>		\$9,297,004.26				
Check Summary Total (Should be zero)		\$0.00				

**CITY OF WOODLAND**  
**CITY TREASURER**  
**GOVERNMENT-BACKED AGENCIES**  
**MATURITIES BY DATE      3/31/2010**

<b>Nov-11</b>					
	11/21/2011	FFCB	FFCB @ 4.35%		
				1,000,000.00	4.35 YTM
			<b>TOTAL</b>	<b>1,000,000.00</b>	
<b>Feb-13</b>					
	2/7/2013	FFCB	FFCB @ 3.40%		
				5,000,000.00	3.40 YTM
			<b>TOTAL</b>	<b>5,000,000.00</b>	
<b>Jan-15</b>					
	1/27/2015	Fannie M Fanie Mae	@ 1.25%		
				2,000,000.00	1.25 YTM
			<b>TOTAL</b>	<b>2,000,000.00</b>	
<b>Feb-15</b>					
		Freddie	Freddie Mac @3.00%		
				1,000,000.00	3.00 YTM
				<b>1,000,000.00</b>	
<b>All Investments Total</b>				<b>9,000,000.00</b>	
Check Difference (Should be zero)				-	