



AGENDA REPORT

Agenda Item 6
Reviewed: _____
City Manager _____
Finance Director _____

MEETING DATE: May 15, 2012

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: G. W. JEFFRIES, CITY TREASURER

SUBJECT: QUARTERLY INVESTMENT REPORT FOR THE CITY OF TUSTIN AND THE SUCCESSOR AGENCY FOR THE TUSTIN COMMUNITY REDEVELOPMENT

SUMMARY:


Government Code Section 53646 requires that the Treasurer make an Investment Report to the City Council at least quarterly showing balances by authorized investment and certifying its compliance with the adopted Investment Policy.

RECOMMENDATION:

Receive and file.

DISCUSSION:

In compliance with Government Code Section 53646, the attached Investment Report reporting cash and investments for the City of Tustin and the Successor Agency for the Tustin Community Redevelopment for the quarter ending March 31, 2012 is rendered.



G. W. Jeffries
Treasurer

Attachment: March 31, 2012
Quarterly Investment Report

CITY OF JUSTIN and THE SUCCESSOR AGENCY FOR THE JUSTIN COMMUNITY REDEVELOPMENT INVESTMENT REPORT
INVESTMENT SCHEDULE AS OF:
MARCH 31, 2012

(1) DESCRIPTION-LIMITS	CUSIP	(2) PAR VALUE	COUPON/ Dollar Price	MATURITY TO	YIELD	RATING	PURCHASE DATE	MATURITY DATE	(3) ORIGINAL BOOK PRICE	(4) CURRENT BOOK VALUE	(5) CURRENT MARKET VALUE
US TREASURY BILLS/NOTES-No Limit:											
U.S. Treasury Note	912828PD6	5,000,000	\$100	0.38%	AAA	11/01/10	10/31/12	5,001,344	5,001,344	5,006,055	
U.S. Treasury Note	912828MN7	2,000,000	\$101	1.38%	AAA	02/16/10	02/15/13	1,999,707	1,999,707	2,020,078	
U.S. Treasury Note	912828PU8	3,000,000	\$99	0.50%	AAA	01/31/10	11/15/13	3,002,588	3,002,588	3,009,024	
U.S. Treasury Note	912828RG7	\$5,000,000	\$99	0.25%	AAA	09/22/11	09/15/14	\$4,985,397	\$4,985,397	\$4,976,560	
		\$15,000,000					Current Totals:	\$14,989,036	\$14,989,036	\$15,011,717	
MONEY MARKET - No Limit:											
Svensk Handelsbanke NY Yankee CD	86959BV44	\$5,000,000	\$100	0.57%	A1+,P1	01/10/12	04/23/12	\$5,000,888	\$5,000,888	\$5,001,095	
Rabank Nederland NV NY Yankee CD	749777MA96	5,000,000	\$100	0.45%	A1+,P1	10/20/11	04/20/12	\$5,000,291	\$5,000,291	\$5,001,135	
		\$10,000,000					Current Totals:	\$10,001,179	\$10,001,179	\$10,002,230	
CORPORATE BONDS - 10% Limit:											
Barclays Bank PLC Domestic Sr. Unsecured	(7) (11) 06738KL90	\$5,000,000	\$99.28	2.00%	Aa	02/15/12	08/15/14	\$5,000,000	\$5,000,000	\$4,964,435	
Merrill Lynch & Co Global Sr. Unsecured	59018YE72	3,000,000	\$95.49	4.20%	A	06/25/09	06/05/12	2,694,905	2,694,905	2,999,232	
		\$8,000,000					Current Totals:	\$7,694,905	\$7,694,905	\$7,963,667	

DAILY-NO Limit:

General Checking Account Ending Balance Net of Outstanding Checks
 Overland Pacific Rental Account
 Deposits in Orange Co. Commingled Investment Pool
 Deposits in JP Morgan US Govt Money Market Fund
 Local Agency Investment Fund

	\$3,807,610		
	27,038		
	40,330,375		
	11,035,021		
	46,653,883		
Current Daily-No Limit Total:	\$101,853,927		
Total:	\$134,539,047		
	\$15,653,914		
	9,357,229		
	47,870,424		
CITY OF JUSTIN CASH AND INVESTMENTS TOTAL:	\$72,881,567		
	\$61,657,480		

CITY OF JUSTIN CASH AND INVESTMENTS

Unrestricted General Fund cash balance as of 3/31/12
 Semi-restricted Capital Projects Fund cash balance as of 3/31/12
 Restricted Cash balances as of 3/31/12 (Water, Special Revenue Funds, Community Facility Districts)

SUCCESSOR AGENCY FOR THE JUSTIN COMMUNITY DEVELOPMENT CASH AND INVESTMENTS TOTAL:

(10) Restricted Deposits with Fiscal Agents:	
2003 Water refunding Bonds	N/A
95-1 Assessment District	N/A
1998 RDA Tax Allocation Refunding Bonds	N/A
2010 RDA Housing Tax Allocation Bonds	N/A
2010 RDA Tax Allocation Bonds	N/A
2011 Water Revenue Bonds	N/A
CFD 04-1	N/A
CFD 06-1	N/A
CFD 07-1	N/A
	\$
	2,192,997
	2,359,142
	1,700,261
	1,872,498
	3,351,268
	1,782,730
	2,741,958
	32,515,946
	1,796,812
Total Restricted Deposits with Fiscal Agents:	\$50,313,612

PERFORMANCE MEASUREMENT:	
Average Days to Maturity:	75.89
Weighted Average Portfolio Yield:	0.52%
Current 3 mo Treasury Equivalent:	0.08%

FOOTNOTES:

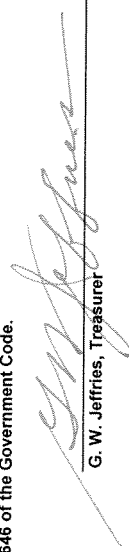
- (1) DESCRIPTION-LIMITS reflects the various authorized investments as documented in the most current adopted investment policy and the allowable percentage of total portfolio per investment type.
- (2) PAR VALUE is the full value of the security before any discount or premium is paid at purchase.
- (3) Original Purchase Price is the amount paid for securities less any discount plus any premium.
- (4) Current Book Value is original cost of securities less receipt of principal payments, net of amortized premiums/discounts.
- (5) Current Market Value is the price at which similar securities are currently trading. Current market values are provided by Bank of America and the State Treasurer's Office on all securities or deposits held in safekeeping for the City and the Successor Agency for the Tustin Community Redevelopment. Market value differences are only booked at year end.
- (6) Highest ratings from Standards & Poors or Moody's.
- (7) Corporate Bond Notes are floating rate notes of Merrill Lynch now owned and guaranteed, Bank of America Corporation (BAC). Current coupon subject to quarterly changes based upon 3 months London Interbank Borrowing Rate (LIBOR). Rating non conformity to Investment Policy was disclosed at time of purchase and is considered a prudent investment.
- (8) Earnings allowance on compensating bank balances to offset bank activity charges. Allowance is included in the Average Yield calculation. The cash balances include amounts "swept" from account for overnight investments.
- (9) Orange County Treasury Money Market Fund rating is AAAm. Orange County Treasury extended funds is not rated by sponsor's choice.
- (10) Investments and earnings on monies held by fiscal agents generally are limited as to type and yield by the bond documents or current IRS codes.
- (11) Effective 12/15/11 BAC was downgraded to Baa1 by Moody, however S&P and Fitch ratings remained A-rated. On 12/15/11, junior obligations only for BAC were lowered to Baa2. Although new purchases of BAC securities would be non-compliant with CA Govt. Code 53601, Treasurer feels strongly there is minimal risk to principal or interest, thereby intending to hold BAC to maturity in 3 months.

CERTIFICATION:

I certify that this report reflects all City of Tustin and the Successor Agency for the Tustin Community Redevelopment (SATCR) pooled investments. Excluding the Bank of America corporate notes, the investments represented in this report are in conformity with the current adopted investment policy of the City of Tustin. The market values represented in this report are provided by Custodians and Trustees currently holding securities for the City of Tustin and SATCR. The investment program herein shown provides sufficient cash flow liquidity to meet the next six (6) months estimated expenditures.

This statement is prepared in conformance with Section 53646 of the Government Code.

Signed:


G. W. Jeffries, Treasurer

CITY OF TUSTIN and THE SUCCESSOR AGENCY TO THE TUSTIN COMMUNITY REDEVELOPMENT INVESTMENT REPORT
INVESTMENT SUMMARY
MARCH 31, 2012

DESCRIPTION	PAR VALUE	Maximum Maturity	Allowable Portion of Portfolio	Original Purchase Total	Current Book Value	Current Market Value	Current Concentration
U. S. Treasuries	\$15,000,000	5 yrs	No Limit	\$14,989,036	\$14,989,036	\$15,011,717	8.11%
Corporate Bonds	\$8,000,000	5 yrs	10%	\$7,694,905	\$7,694,905	\$7,963,667	4.16%
Money Market	\$10,000,000	5 yrs	50%	\$10,001,179	\$10,001,179	\$10,002,230	5.41%
Cash	N/A	N/A	N/A	3,834,648	3,834,648	3,834,648	2.07%
Restricted Cash with Fiscal Agents *	N/A	N/A	N/A	50,313,612	50,313,612	50,313,612	27.22%
Deposits in JP Morgan US Govt Money Market Fund	N/A	N/A	N/A	11,035,021	11,035,021	11,035,021	5.97%
Deposits in Orange County Commingled Pool	N/A	N/A	N/A	40,330,375	40,330,375	40,330,375	21.82%
Local Agency Investment Fund	N/A	N/A	N/A	46,653,883	46,653,883	46,653,883	25.24%
				\$184,852,658	\$184,852,659	\$185,145,153	100.00%

PERFORMANCE MEASUREMENT:	
Weighted Average Portfolio Life (Days):	75.89
Weighted Average Portfolio Yield:	0.52%
Current 3 mo Treasury Equivalent:	0.08%

* Cash with Fiscal Agents are the Reserve and Construction funds held by Trustees for various City and RDA bond issues. Investment options are limited to those specifically permitted by bond documents.