

Investments Update



November 5, 2013

Investment Policy - Objectives

Provide cash flows
to meet ongoing and
unexpected needs

Liquidity



Safety

Safeguard Principle



Yield



Maximize earning by recognizing
safety and liquidity restricted by
State Statutes and local Policies.

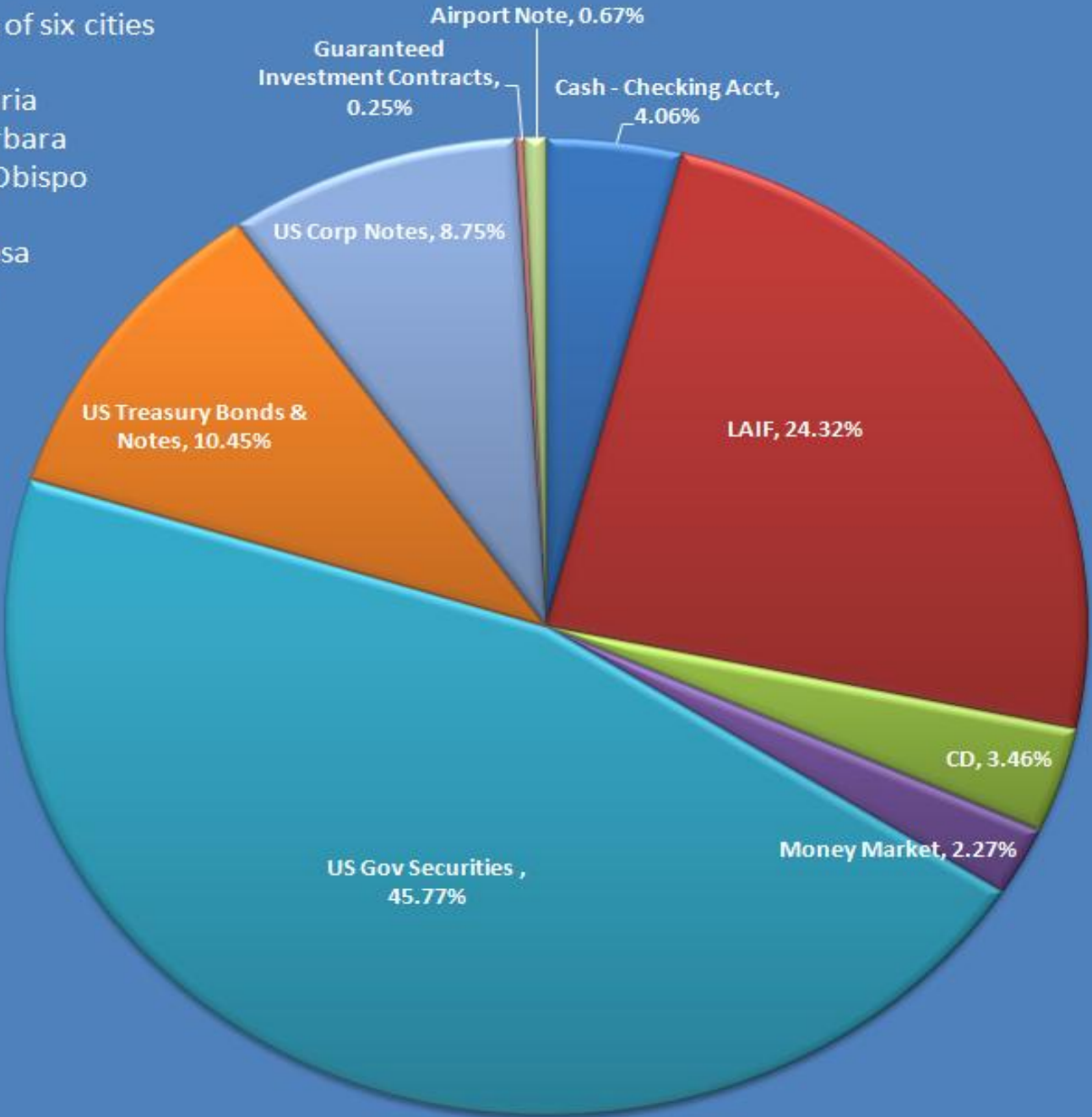
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Staff Recommendation

- Start investment beyond LAIF
- Reestablish Investment Oversight Committee – July 1, 2014

Averages of six cities

- Santa Maria
- Santa Barbara
- San Luis Obispo
- Oxnard
- Costa Mesa
- Redding



- City's Investments – Purchased In Layers

Summary of Investment Activity	Year of Maturity					Total
	2015-16	2016-17	2017-18	2018-19	2019-20	
Certificate of Deposits FDIC 5yr					\$ 500,000	\$ 500,000
Federal Farm Credit Bank 5yr (1yr BERM)					\$ 3,000,000	\$ 3,000,000
FNMA Fannie Mae 4yr (2yr 1X)				\$ 3,000,000		\$ 3,000,000
Certificate of Deposits FDIC 3yr			\$ 750,000			\$ 750,000
FHLMC Freddie Mac 3.25yr (11/21/14 BERM)			\$ 2,000,000			\$ 2,000,000
Federal Home Loan Bank 3yr (Cont. 10/17/14)		\$ 3,000,000				\$ 3,000,000
Total	-	3,000,000	2,750,000	3,000,000	3,500,000	\$ 12,250,000

*** Annual Interest \$173,875 ***

*** Annual Rate of Return 1.42% ***

Overall Effect - Current Budget

Increased Interest \$125,525
(compared to 2013-14)

General Fund \$15,486

City Investment Pool
Rate of Return .21% to .46%

Future Goals

- Maximize Investment Return while maintaining safety and liquidity
- Review and analyze future needs
- (Keep 15million in LAIF approx 28%)

