



## Town of Atherton

### **CITY COUNCIL STAFF REPORT – CONSENT AGENDA**

**TO: HONORABLE MAYOR AND CITY COUNCIL  
GEORGE RODERICKS, CITY MANAGER**

**FROM: ROBERT BARRON III, FINANCE DIRECTOR**

**DATE: JUNE 18, 2014**

**SUBJECT: ACCEPTANCE OF TREASURER’S REPORT FOR THE THIRD  
QUARTER ENDED MARCH 31, 2014**

#### **RECOMMENDATION**

Accept the Treasurer’s Report for the third Quarter Ended March 31, 2014.

#### **BACKGROUND**

The Town’s Statement of Investment Policy requires the City Manager or designee to submit quarterly and annual Treasurer’s Report to the City Council. The Treasurer’s Report provides an update on the cash and investment position of the Town of Atherton.

The 3<sup>rd</sup> Quarter Treasurer’s report, as of March 31, 2014 is attached. The total cash and investments for the Town is \$23,770,373. Of the total amount, \$11,746,820 is listed as “non-restricted” and although may be listed as such, this amount is not all available for spending. “Non-restricted” is to mean not legally restricted but the Town does have obligations and unfunded liabilities that must or may be met with non-restricted funds.

Cutwater Asset Management (formerly MBIA) provides non-discretionary investment advisory services to the Town for investments. Staff is working in conjunction with Cutwater to ensure cash and investments adhere to our goals of safety, liquidity, and yield. To facilitate the trading and safekeeping of securities, Wells Fargo Bank serves as the safe-keeping agent for the Town.

#### **FISCAL IMPACT**

None.

**Attachment:** Treasurer’s Report for Third Quarter Ended March 31, 2014

**Town of Atherton  
Quarterly Treasurer's Report  
Portfolio Summary  
March 31, 2014**

	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>
<b>Cash In Bank (Schedule A)</b>	1,255,804	1,255,804	1,255,804	5.3%
<b>Investments (Schedule B)</b>	<u>22,325,584</u>	<u>22,443,106</u>	<u>22,514,569</u>	94.7%
<b>Total Cash and Investments</b>	<u><u>23,581,388</u></u>	<u><u>23,698,911</u></u>	<u><u>23,770,373</u></u>	100%

The above investments are consistent with the Town's Statement of Investment Policy and are allowable under current legislation of the State of California. Investments are selected using safety, liquidity, and yield as the criteria. The Town has sufficient cash flow to cover anticipated expenditures through the next six months.



\_\_\_\_\_  
Robert Barron, Finance Director

\_\_\_\_\_  
6/9/2014

Date

**Town of Atherton  
Quarterly Treasurer's Report  
Portfolio Details - Cash In Bank  
March 31, 2014**

Schedule A

<u>Name of Depository</u>	<u>Investment Type</u>	<u>Reconciled Bank Balance</u>
Wells Fargo	General Account	1,100,799
Wells Fargo	Wells Fargo Trust MMF-Cash	155,005
<b>Total</b>		<u><u>1,255,804</u></u>



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Cutwater Asset Management  
1900 Sixteenth Street, Suite 200  
Denver, CO 80202  
Tel: 303 860 1100  
Fax: 303 860 0016

## **Treasurer's Report Schedule B**

### **TOWN OF ATHERTON**

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Report for the period March 1, 2014 - March 31, 2014

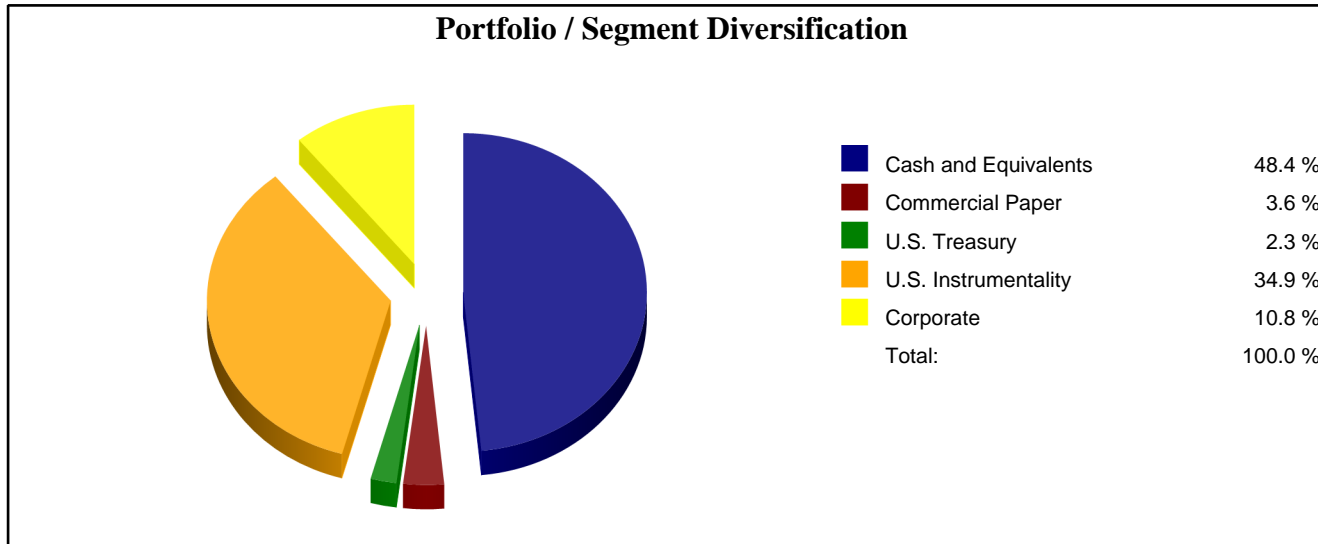
Please contact Accounting by calling the number above or email [camreports@cutwater.com](mailto:camreports@cutwater.com) with questions concerning this report.

( This report was prepared on April 8, 2014 )

**Town of Atherton  
Recap of Securities Held  
March 31, 2014**

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	10,901,583.90	10,901,583.90	10,901,583.90	0.00	1	1	48.42	0.24	0.00
Commercial Paper	806,918.77	808,167.98	808,559.62	391.64	94	94	3.58	0.41	0.00
U.S. Treasury	511,835.94	505,556.04	510,625.00	5,068.96	853	853	2.27	1.01	2.29
U.S. Instrumentality	7,864,894.50	7,828,391.20	7,797,834.05	(30,557.15)	987	949	34.93	0.72	2.54
Corporate	2,429,335.75	2,427,881.88	2,424,503.63	(3,378.25)	994	986	10.79	0.86	2.61
<b>Total</b>	<b>22,514,568.86</b>	<b>22,471,581.00</b>	<b>22,443,106.20</b>	<b>(28,474.80)</b>	<b>475</b>	<b>461</b>	<b>100.00</b>	<b>0.49</b>	<b>1.22</b>

\* Weighted Average Yield is calculated on a "yield to worst" basis.



**Town of Atherton  
Activity and Performance Summary  
for the period March 1, 2014 - March 31, 2014**

**Amortized Cost Basis Activity Summary**

<b>Beginning Amortized Cost Value</b>		21,047,950.57
Additions		
Contributions	1,415,857.14	
Interest Received	25,250.00	
Accrued Interest Sold	0.00	
Gain on Sales	0.00	
<b>Total Additions</b>		1,441,107.14
Deductions		
Withdrawals	0.00	
Fees Paid	1,000.00	
Accrued Interest Purchased	13,016.39	
Loss on Sales	0.00	
<b>Total Deductions</b>		(14,016.39)
Accretion (Amortization) for the Period		(3,460.32)
<b>Ending Amortized Cost Value</b>		22,471,581.00
Ending Fair Value		22,443,106.20
Unrealized Gain (Loss)		(28,474.80)

**Detail of Amortized Cost Basis Return**

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
<b>Current Holdings</b>				
Cash and Equivalents	1,972.42	0.00	0.00	1,972.42
Commercial Paper	0.00	278.27	0.00	278.27
U.S. Treasury	642.26	(202.16)	0.00	440.10
U.S. Instrumentality	7,919.79	(3,357.64)	0.00	4,562.15
Corporate	831.30	(215.39)	0.00	615.91
<b>Sales and Maturities</b>				
Commercial Paper	0.00	36.60	0.00	36.60
<b>Total</b>	<b>11,365.77</b>	<b>(3,460.32)</b>	<b>0.00</b>	<b>7,905.45</b>

**Annualized Comparative Rates of Return**

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.09 %	0.08 %	0.08 %
Overnight Repo	0.06 %	0.06 %	0.08 %
3 Month T-Bill	0.04 %	0.04 %	0.04 %
6 Month T-Bill	0.06 %	0.06 %	0.06 %
1 Year T-Note	0.12 %	0.12 %	0.13 %
2 Year T-Note	0.33 %	0.35 %	0.40 %
5 Year T-Note	1.37 %	1.52 %	1.64 %

**Summary of Amortized Cost Basis Return for the Period**

	Total Portfolio	Excl. Cash Eq.
Interest Earned	11,365.77	9,393.35
Accretion (Amortization)	(3,460.32)	(3,460.32)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	7,905.45	5,933.03
Average Daily Historical Cost	21,029,435.40	10,127,851.50
Annualized Return	0.44%	0.69%
Annualized Return Net of Fees	0.39%	0.57%
Annualized Return Year to Date Net of Fees	0.40%	0.59%
Weighted Average Effective Maturity in Days	461	893

**Town of Atherton  
Activity and Performance Summary  
for the period March 1, 2014 - March 31, 2014**

<b><u>Fair Value Basis Activity Summary</u></b>	
<b>Beginning Fair Value</b>	21,052,192.50
Additions	
Contributions	1,415,857.14
Interest Received	25,250.00
Accrued Interest Sold	0.00
<b>Total Additions</b>	1,441,107.14
Deductions	
Withdrawals	0.00
Fees Paid	1,000.00
Accrued Interest Purchased	13,016.39
<b>Total Deductions</b>	(14,016.39)
Change in Fair Value for the Period	(36,177.05)
<b>Ending Fair Value</b>	22,443,106.20

<b><u>Detail of Fair Value Basis Return</u></b>			
	<b>Interest Earned</b>	<b>Change in Fair Value</b>	<b>Total Income</b>
<b>Current Holdings</b>			
Cash and Equivalents	1,972.42	0.00	1,972.42
Commercial Paper	0.00	253.42	253.42
U.S. Treasury	642.26	(1,719.00)	(1,076.74)
U.S. Instrumentality	7,919.79	(28,578.60)	(20,658.81)
Corporate	831.30	(6,147.12)	(5,315.82)
<b>Sales and Maturities</b>			
Commercial Paper	0.00	14.25	14.25
<b>Total</b>	<b>11,365.77</b>	<b>(36,177.05)</b>	<b>(24,811.28)</b>

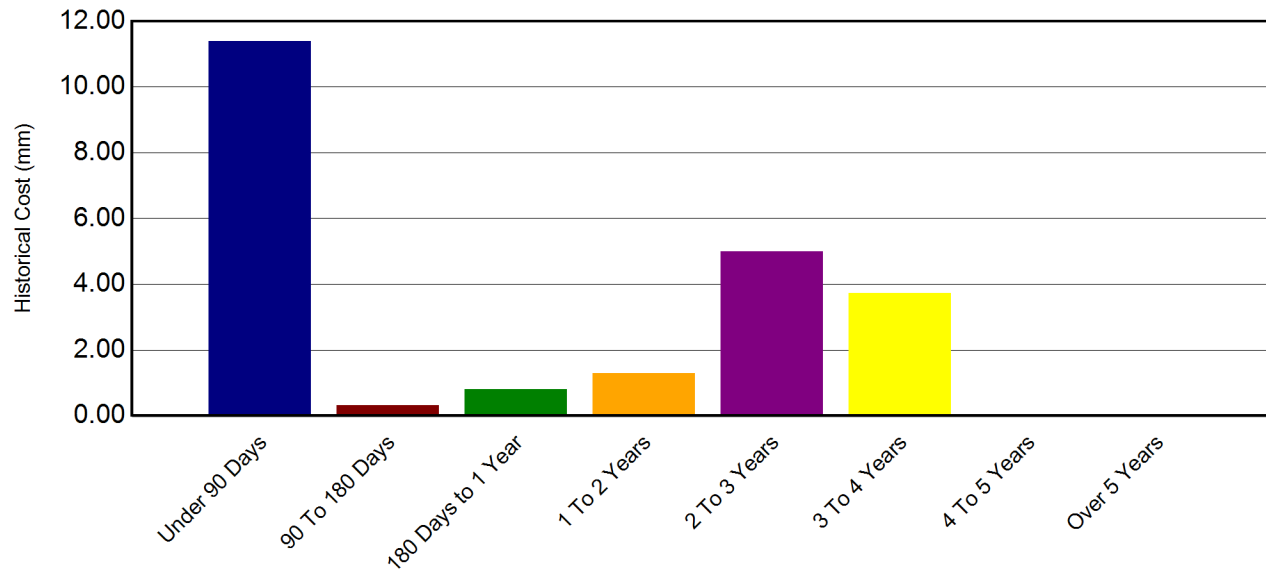
<b><u>Annualized Comparative Rates of Return</u></b>			
	<b>Twelve Month Trailing</b>	<b>Six Month Trailing</b>	<b>For the Month</b>
Fed Funds	0.09 %	0.08 %	0.08 %
Overnight Repo	0.06 %	0.06 %	0.08 %
3 Month T-Bill	0.10 %	0.10 %	0.12 %
6 Month T-Bill	0.16 %	0.13 %	0.18 %
1 Year T-Note	0.28 %	0.25 %	0.44 %
2 Year T-Note	0.39 %	0.51 %	-1.00 %
5 Year T-Note	-1.90 %	-0.33 %	-9.69 %

<b><u>Summary of Fair Value Basis Return for the Period</u></b>		
	<b>Total Portfolio</b>	<b>Excl. Cash Eq.</b>
Interest Earned	11,365.77	9,393.35
Change in Fair Value	<u>(36,177.05)</u>	<u>(36,177.05)</u>
Total Income on Portfolio	(24,811.28)	(26,783.70)
Average Daily Historical Cost	21,029,435.40	10,127,851.50
Annualized Return	(1.39%)	(3.11%)
Annualized Return Net of Fees	(1.45%)	(3.23%)
Annualized Return Year to Date Net of Fees	0.48%	0.77%
Weighted Average Effective Maturity in Days	461	893

**Town of Atherton  
Maturity Distribution of Securities Held  
March 31, 2014**

Maturity	Historical Cost	Percent
Under 90 Days	11,399,983.34	50.63 %
90 To 180 Days	308,519.33	1.37 %
180 Days to 1 Year	805,976.00	3.58 %
1 To 2 Years	1,296,137.50	5.76 %
2 To 3 Years	4,985,756.69	22.14 %
3 To 4 Years	3,718,196.00	16.51 %
4 To 5 Years	0.00	0.00 %
Over 5 Years	0.00	0.00 %
	<b>22,514,568.86</b>	<b>100.00 %</b>

**Maturity Distribution**





**Town of Atherton  
Securities Held  
March 31, 2014**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
<b>Cash and Equivalents</b>													
LAIF	03/31/14	0.236V		10,901,583.90	10,901,583.90	10,901,583.90	10,901,583.90	0.00	0.00	1,972.42	5,256.34	48.42	0.24
					0.00	0.00	0.00						
<b>TOTAL (Cash and Equivalents)</b>				10,901,583.90	10,901,583.90	10,901,583.90	10,901,583.90	0.00	0.00	1,972.42	5,256.34	48.42	
					0.00	0.00	0.00						
<b>Commercial Paper</b>													
06737JFT7	10/02/13	0.000	06/27/14	500,000.00	498,399.44	499,480.42	499,758.00	277.58	0.00	0.00	0.00	2.21	0.44
Barclays US Funding					0.00	185.14	153.00						
4497W1GE0	02/04/14	0.000	07/14/14	309,000.00	308,519.33	308,687.56	308,801.62	114.06	0.00	0.00	0.00	1.37	0.36
ING Funding					0.00	93.13	100.42						
<b>TOTAL (Commercial Paper)</b>				809,000.00	806,918.77	808,167.98	808,559.62	391.64	0.00	0.00	0.00	3.58	
					0.00	278.27	253.42						
<b>U.S. Treasury</b>													
912828QX1	08/12/11	1.500	07/31/16	500,000.00	511,835.94	505,556.04	510,625.00	5,068.96	0.00	642.26	1,243.09	2.27	1.01
T-Note					0.00	(202.16)	(1,719.00)						
<b>TOTAL (U.S. Treasury)</b>				500,000.00	511,835.94	505,556.04	510,625.00	5,068.96	0.00	642.26	1,243.09	2.27	
					0.00	(202.16)	(1,719.00)						
<b>U.S. Instrumentality</b>													
313370JB5	10/23/12	1.750	09/11/15	500,000.00	518,170.00	509,110.88	510,210.50	1,099.62	4,375.00	729.17	486.11	2.30	0.48
FHLB					0.00	(534.92)	(895.00)						
3133725D2	10/02/13	2.125	12/21/15	750,000.00	777,967.50	771,717.97	771,702.75	(15.22)	0.00	1,328.12	4,427.08	3.46	0.43
FHLB					0.00	(1,070.36)	(2,959.50)						
3135G0VH3	Call	0.750	03/04/16	800,000.00	805,976.00	802,944.32	803,949.60	1,005.28	3,000.00	500.00	450.00	3.58	0.35
FNMA			03/04/15		0.00	(270.84)	(450.40)						
313370TW8	10/02/13	2.000	09/09/16	1,000,000.00	1,035,900.00	1,029,844.18	1,032,549.00	2,704.82	10,000.00	1,666.66	1,222.22	4.60	0.76
FHLB					0.00	(1,037.18)	(2,049.00)						
3130A0LU2	Call	0.970	01/30/17	500,000.00	499,500.00	499,527.83	498,945.50	(582.33)	0.00	404.17	821.81	2.22	1.00
FHLB			04/30/14		0.00	14.14	(1,447.50)						
3130A0RF9	Call	0.500V	02/13/17	500,000.00	500,000.00	500,000.00	499,195.00	(805.00)	0.00	208.33	333.33	2.22	0.50
FHLB			05/13/14		0.00	0.00	(439.50)						
3135G0VM2	04/17/13	0.750	03/14/17	500,000.00	501,290.00	500,000.00	496,691.50	(3,308.50)	1,875.00	312.50	177.08	2.23	0.75
FNMA					0.00	(50.66)	(2,270.00)						
3137EADF3	08/06/12	1.250	05/12/17	500,000.00	511,200.00	507,318.62	503,953.50	(3,365.12)	0.00	520.83	2,413.19	2.27	0.77
FHLMC					0.00	(199.54)	(2,609.50)						

**Town of Atherton  
Securities Held  
March 31, 2014**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
313379DD8 FHLB	11/09/12	1.000	06/21/17	500,000.00	507,000.00	504,889.61	498,886.00	(6,003.61)	0.00	416.67	1,388.89	2.25	0.69
					0.00	(128.79)	(1,601.00)						
3137EADH9 FHLMC	07/31/12	1.000	06/29/17	500,000.00	504,650.00	503,071.49	498,271.50	(4,799.99)	0.00	416.67	1,277.78	2.24	0.81
					0.00	(80.35)	(3,100.00)						
3137EADJ5 FHLMC	02/13/14	1.000	07/28/17	500,000.00	499,965.00	499,966.30	497,842.00	(2,124.30)	0.00	416.67	875.00	2.22	1.00
					208.33	0.86	(2,986.00)						
3134G3M31 FHLMC	04/19/13	1.000	09/27/17	1,200,000.00	1,203,276.00	1,200,000.00	1,185,637.20	(14,362.80)	6,000.00	1,000.00	133.33	5.34	1.00
					0.00	0.00	(7,771.20)						
<b>TOTAL (U.S. Instrumentality)</b>				<b>7,750,000.00</b>	<b>7,864,894.50</b>	<b>7,828,391.20</b>	<b>7,797,834.05</b>	<b>(30,557.15)</b>	<b>25,250.00</b>	<b>7,919.79</b>	<b>14,005.82</b>	<b>34.93</b>	
					208.33	(3,357.64)	(28,578.60)						

**Corporate**

478160AY0 Johnson & Johnson	08/13/13	2.150	05/15/16	250,000.00	260,140.00	257,811.63	257,997.50	185.87	0.00	447.92	2,030.56	1.16	0.66
					0.00	(312.47)	(986.00)						
89236TAL9 Toyota Motor Credit	03/31/14	0.800	05/17/16	500,000.00	502,845.00	502,841.34	501,926.50	(914.84)	0.00	0.00	1,488.89	2.23	0.53
					1,488.89	(3.66)	(918.50)						
19416QDH0 Colgate-Palm Co.	03/31/14	5.200	11/07/16	500,000.00	556,755.00	556,695.38	555,333.50	(1,361.88)	0.00	0.00	10,400.00	2.47	0.78
					10,400.00	(59.62)	(1,421.50)						
90331HMC4 US Bank NA	Call 03/31/14	1.100	01/30/17 12/30/16	615,000.00	617,490.75	617,488.27	616,268.13	(1,220.14)	0.00	18.79	1,146.29	2.74	0.95
					1,127.50	(2.48)	(1,222.62)						
594918AP9 Microsoft	10/04/13	0.875	11/15/17	500,000.00	492,105.00	493,045.26	492,978.00	(67.26)	0.00	364.59	1,652.78	2.19	1.27
					0.00	162.84	(1,598.50)						
<b>TOTAL (Corporate)</b>				<b>2,365,000.00</b>	<b>2,429,335.75</b>	<b>2,427,881.88</b>	<b>2,424,503.63</b>	<b>(3,378.25)</b>	<b>0.00</b>	<b>831.30</b>	<b>16,718.52</b>	<b>10.79</b>	
					13,016.39	(215.39)	(6,147.12)						

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**GRAND TOTAL** **22,325,583.90** **22,514,568.86** **22,471,581.00** **22,443,106.20** **(28,474.80)** **25,250.00** **11,365.77** **37,223.77** **100.00**

**13,224.72** **(3,496.92)** **(36,191.30)**

V = variable rate, current rate shown, average rate for Cash & Equivalents

**Town of Atherton  
Quarterly Treasurer's Report  
Cash & Investments Balance By Fund  
March 31, 2014**

<b>Fund No.</b>	<b>Fund Name</b>	<b>MARCH Balance</b>
101	General Fund	9,538,801
105	Tennis Fund	16,388
610	Equipment Replacement Fund	314,051
614	Worker's Compensation	124,121
615	General Liability	369,356
616	Employee Benefits	1,384,103
<b>Total Non-Restricted</b>		<b><u>11,746,820</u></b>
201	Special Tax Fund	1,596,553
202	County Measure A Fund	552,860
203	Gas Tax Fund	165,678
204	Measure M	59,143
209	SLES/COPS Grant	69,127
210	Road Constructions Impact Fee	600,854
213	Library Fund	6,187,533
215	Evans Creative Design (formerly fund 715)	57,985
220	Traffic Congest. Relief	24,242
401	GF Projects	247,583
402	Storm Drainage	29,873
403	Atherton Channel Drainage District	206,591
406	Facilities Construction	2,194,427
730	H-P Park Improvement	6,059
740	Tree Committee	25,043
<b>Total Restricted</b>		<b><u>12,023,554</u></b>
<b>Total Cash &amp; Investments</b>		<b><u><u>23,770,373</u></u></b>