



Office of the City Manager

INFORMATION CALENDAR
May 26, 2020

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Henry Oyekanmi, Director, Finance Department
 Subject: FY 2020 First Quarter Investment Report: Ended September 30, 2019

POLICY COMMITTEE RECOMMENDATION

On April 27, 2020, the Budget and Finance Committee adopted the following action: M/S/C (Droste/Arreguin) to move the item with a positive recommendation for Council to receive and file and include the response from Finance Director Oyekanmi to a constituent inquiry. Vote: All Ayes.

SUMMARY

The City's investment policy requires that a quarterly investment report be submitted to the City Council on the status of the investment portfolio. The report includes all investments managed by the City of Berkeley and provides information on the types, values (par, book, and market), term, and yield of each security.

- The return on pooled investments for the quarter ended September 30, 2019 was 2.30% equal the 2.30% earned by the State Local Agency Investment Fund (State LAIF), which is the benchmark for investment performance used by the City. The return on pooled investments of 2.30% for the quarter ended September 30, 2019 was 3.0 basis points more than the rate of 2.27% earned in the quarter ended June 30, 2019.
- The average return on all Retiree Medical Trust Fund investments was 3.588% for the quarter ended September 30, 2019.

CURRENT SITUATION AND ITS EFFECTS

Attached is a summary of quarterly reports for fiscal year 2020 First quarter ending September 30, 2019 representing the status of the City's investment portfolio. The report includes all investments managed by the City of Berkeley and provides information on the values (par, book, and market), term, and yield of each security.

Summary information by type of security and detailed information on each security is provided on Exhibit 2-A. An evaluation of portfolio performance for this accounting period compared to the previous three accounting periods is also included in Attachment 1.

A. Portfolio Results

As a result of the differences in the investment policies of different cities, including responsible investing policies, maturity restrictions, investment restrictions, etc., it was difficult for the City of Berkeley to come up with a reasonable performance measure for pooled cash investments. In order to provide some measure of the relative performance of the City's investment returns, many years ago the City established the State Local Agency Investment Fund (LAIF) as the performance measure to be reported in the quarterly investment reports, since many local governments invested significant portions of their investment portfolios in LAIF.

LAIF was intended to be a reference point to compare the City's investment performance against, rather than a true performance measure, since most cities typically earn a yield higher than LAIF during normal interest rate environments, and because LAIF's average maturity of its investments is generally shorter than most cities. As a result, past City Councilmembers requested that information about the rates earned by other California cities be included in the quarterly investment reports for comparison purposes, despite the differences in the investment policies of the various cities.

At the present time, the interest rate environment is far from being normal. On September 18, 2019, the Federal Funds rate range, which is the most important measure of short-term interest rates, was lowered to 1.75%-2%, which was moderately higher than the 2-year Treasury (1.77%), the 5-year Treasury (1.68%), the 10-year Treasury (1.80%), and nearly as high as the 30-year Treasury (2.25%). This environment is highly unusual, and currently results in portfolios with shorter average maturities outperforming portfolios with long-term maturities, which is the opposite of performances in a normal interest rate environment (i.e., the longer the maturity, the higher the rate would be).

1. Liquidity of Portfolio:

The average investment in the pooled portfolio matured in 750 days as of September 30, 2019. This is 165 days less than the 915 maturity days of as of June 30, 2019.

2. Comparison of Results to Performance Measures – Pooled investments: Quarter Ended September 30, 2019

The City's yield on investments for the quarter ended September 30, 2019 was 2.30%, an increase of 3.0 basis points (.030%) from the 2.27% earned during the quarter ended June 30, 2019. The average yield on a 90-day Treasury bill at the end of the quarter ended September 30, 2019 was 1.807%, a decrease of 28.0 basis points (.280%) from the 2.087% at the end of the previous quarter.

As summarized in Table 1, staff's overall results equaled the performance measure for the quarter. Staff's performance was under the performance measure in July by 11.7 basis points (-.117%); under the performance measure in August by 2.5 basis points (-.025%); and, was over the performance measure in September by 2.7 basis points (+027%). The performance measure for the return on investments is compared to the rate of return of the State LAIF.

Table 1

For Quarter Ending September 30, 2019			
Period	City	State LAIF	Difference
July-19	2.262%	2.379%	-0.117%
August-19	2.316%	2.341%	-0.025%
September-19	2.307%	2.28%	0.027%
July-September 19	2.30%	2.30%	0.000%

3. Investment Results-Retiree Health Insurance Funds:

Average interest rates earned on the retiree health insurance trust funds for the quarter ended September 30, 2019 compared to the quarter ended June 30, 2019, were as follows:

Table 2

EARNED INTEREST RATES		
For Quarter Ended 9/30/2019 Compared To 6/30/2019		
Trust Fund	1st Qtr 09/30/19	4th Qtr 6/30/19
Retiree Medical Trust Fund (Misc Employees)	3.863%	3.932%
Fire Retiree Medical Trust Fund	3.532%	3.580%
Police Retiree Medical Trust Fund	3.863%	3.405%

The rates earned on these plans will continue to drop slightly over the next few quarters as staff reinvests the proceeds of maturing securities at lower rates.

Details related to retiree health trust fund investments are in Attachment 3, Exhibits 3-A, 3-B, and 3-C of this report.

B. Discussion of Interest Rate Environment and Outlook

On September 18, 2019 the Federal Open Market Committee issued its statement on the economy and interest rates:

Information received since the Federal Open Market Committee met in July indicates that the labor market remains strong and that economic activity has been rising at a moderate rate. Job gains have been solid, on average, in recent months, and the unemployment rate has remained low. Although household spending has been rising at a strong pace, business fixed investment and exports have weakened. On a 12-month basis, overall inflation and inflation for items other than food and energy are running below 2 percent. Market-based measures of inflation compensation remain low; and survey-based measures of longer-term inflation expectations are little changed.

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability.

The Committee continues to view sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2 percent objective as the most likely outcomes, but uncertainties about this outlook remain. As the Committee contemplates the future path of the target range for the federal funds rate, it will continue to monitor the implications of incoming information for the economic outlook and will act as appropriate to sustain the expansion, with a strong labor market and inflation near its symmetric 2 percent objective.

Yield Trend

In light of the implications of global developments for the economic outlook as well as muted inflation pressures, the Committee decided to lower the target range for the federal funds rate to 1-3/4 to 2 percent.

In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its maximum employment objective and its symmetric 2 percent inflation objective. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments.

In the current interest rate environment, staff expects returns in FY 2020 to be about the same as those returns earned in FY 2019. Also, the City's rate earned is expected to be about the same as the City's benchmark (State LAIF) and the City's return to be comparable to rates earned by most other cities in California. A sample of rates earned by Northern and Southern California cities is reflected in table 3 below (previously only Northern California cities were included):

Table 3

Other California Cities Earned Interest Rates	
For the Quarter Ending September 30, 2019	
City	Rates Earned
San Diego	2.40%
Palo Alto	2.38%
San Jose	2.36%
Sacramento	2.33%
San Francisco	2.33%
Berkeley	2.30%
Oakland	2.25%
Los Angeles	2.16%
Santa Monica	2.05%
Riverside	2.03%

The City's investment strategy will continue to focus on (1) locking in reasonable rates on long-term investments, when opportunities for attractive rates present themselves and (2) matching of investment maturities to cash flow.

BACKGROUND

- Pooled Investments

Short-term cash is invested primarily in government sponsored enterprises (referred to as Federal Agency) notes and medium-term corporate notes for periods of one to five years. Additional cash is invested in a money market fund or overnight securities to meet the liquidity needs of the City.

In some cases, the City may have investments with a current market value that is greater or less than the recorded cost. These changes in market value are due to fluctuations in the market and have no effect on yield, as the City does not intend to sell securities prior to maturity.

- Retiree Health Trust Fund Investments

The City agreed to provide retiree Health insurance coverage for fire, police and miscellaneous employees under certain terms and conditions. An actuarial study commissioned by the City many years ago determined that, in addition to City Contributions, an average rate of return of 7% on miscellaneous employees trust fund assets invested must be achieved to fund the retiree health benefit at the desired 70% level. Primarily as a result of the Federal Reserve Board's decision to keep short-term rates near zero for the last 12 years, the average rate currently earned is significantly below that 7% level. City Finance Department staff manages these investment portfolios.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

CONTACT PERSON

Henry Oyekanmi, Director, Finance Department, 981-7326

ATTACHMENTS

1. Portfolio Evaluation FY 2020
2. Investment Report Analysis FY 2020
 - a. Exhibit 2-A: Pooled Cash and Investments
 - b. Exhibit 2-B.1 through 2-B.3: Interest Earnings July 2019 – September 2019
 - c. Exhibit 2-C: Book Value By Investment Type
 - d. Exhibit 2-D: Current Holdings vs. Policy Limits
 - e. Exhibit 2-E: Investment Portfolio Trend
3. Summary of Pooled and Cash Investments FY 2020 –Trust Funds
 - a. Exhibit 3-A: Retiree Medical Trust Funds –Misc.
 - b. Exhibit 3-B: Retiree Medical Trust Funds –Fire
 - c. Exhibit 3-C: Retiree Medical Trust Funds –Police



Portfolio Evaluation
Quarter Ended September 30, 2019

	Quarter Ending							
	September 2019	June 2019	March 2019	December 2018				
Total Portfolio								
Pooled Cash and Investments (COB)	\$ 422,069,258	\$ 459,308,376	\$ 421,335,434	\$ 401,582,141				
Pooled Cash and Investments (Trust)	48,394,215	47,383,337	46,484,598	44,766,863				
Total Cash and Investments	<u>\$ 470,463,473</u>	<u>\$ 506,691,713</u>	<u>\$ 467,820,032</u>	<u>\$ 446,349,004</u>				
Average Life of Investment Portfolio								
Pooled Investments (CoB)	750 days	915 days	713 days	716 days				
Trust Investments	5.962 years	6.212 years	5.809 years	5.878 years				
Weighted Yield								
Pooled Investments (CoB)	2.295%	2.270%	2.195%	2.005%				
Trust Investments	3.588%	3.639%	3.970%	3.772%				
Prime Rate	5.000%	5.500%	5.500%	5.500%				
91-day Treasury Bill Rate	1.807%	2.087%	2.381%	2.355%				
2-year Treasury Note Rate	1.622%	1.755%	2.260%	2.488%				
Cash and Investments Maturity								
Within one year	\$ 265,228,059	56.38%	\$ 298,356,400	58.88%	\$ 273,797,880	58.53%	\$ 210,359,453	47.13%
Between 1 to 3 years	78,428,464	16.67%	62,290,505	12.29%	86,143,761	18.41%	140,177,122	31.41%
Between 3 to 5 years	57,261,873	12.17%	72,075,845	14.22%	76,234,240	16.30%	54,854,262	12.29%
Between 5 to 10 years	69,545,077	14.78%	73,968,963	14.60%	31,644,151	6.76%	40,958,167	9.18%
Over 10 years	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total	<u>\$ 470,463,473</u>	<u>100.00%</u>	<u>\$ 506,691,713</u>	<u>100.00%</u>	<u>\$ 467,820,032</u>	<u>100.00%</u>	<u>\$ 446,349,004</u>	<u>100.00%</u>



City of Berkeley
Pooled Cash and Investments
As of September 30, 2019

CUSIP	Investment #	Issuer	Book Value	Par Value	Market Value	Current Rate	YTM/C 365	Maturity Date	Days To Maturity	Credit Rating
Certificates of Deposit - S & L										
254673RD0	14539	Discover Bank	250,000.00	250,000.00	263,220.00	3.300	3.300	07/05/2023	1,373	N/A
795450T47	14540	Sallie Mae Bank	250,000.00	250,000.00	263,202.50	3.300	3.300	07/03/2023	1,371	N/A
Subtotal and Average			500,000.00	500,000.00	526,422.50		3.300		1,372	
Medium Term Notes										
037833AK6	14536	Apple Inc	4,863,952.75	5,000,000.00	5,082,350.00	2.400	3.225	05/03/2023	1,310	AA1
084670BJ6	14542	Berkshire Hathaway	4,976,634.99	5,000,000.00	5,180,200.00	3.000	3.150	02/11/2023	1,229	AA2
20030NBN0	14563	Comcast Corp	5,072,750.91	5,000,000.00	5,287,500.00	3.375	3.100	08/15/2025	2,145	A3
233851CU6	14571	Daimler Finance	5,083,224.10	5,000,000.00	5,198,300.00	3.450	3.190	01/06/2027	2,654	A2
233851CU6	14574	Daimler Finance	3,833,238.34	3,725,000.00	3,872,733.50	3.450	3.000	01/06/2027	2,654	A2
24422EUM9	14554	John Deere Cap	5,064,628.18	5,000,000.00	5,327,000.00	3.650	3.300	10/12/2023	1,472	A2
375558BF9	14570	Gilead Sciences	5,152,770.85	5,000,000.00	5,359,150.00	3.650	3.118	03/01/2026	2,343	A3
49327M2X1	14560	Key Bank NA	5,022,118.05	5,000,000.00	5,142,900.00	3.300	3.100	02/01/2022	854	A3
53944VAS8	14580	Lloyds Bank Plc	5,006,867.70	5,000,000.00	4,987,650.00	2.250	2.200	8/14/2022	1,048	AA3
540424AQ1	14555	Loews Corporation	4,878,607.45	5,000,000.00	5,074,700.00	2.625	3.350	05/15/2023	1,322	A3
589331AT4	14545	Merck & Co Inc	4,913,005.64	5,000,000.00	5,077,900.00	2.400	3.030	09/15/2022	1,080	A1
68389XAS4	14548	Oracle Corp	5,039,083.41	5,000,000.00	5,279,500.00	3.625	3.388	07/15/2023	1,383	A1
747525AT0	14564	Qualcomm Inc	4,967,943.73	5,000,000.00	5,139,750.00	2.900	3.050	05/20/2024	1,693	A2
Subtotal and Average			63,874,826.10	63,725,000.00	66,009,633.50		3.094		1,616	
Medium Term Notes - Callable										
05531FBF9	14561	BB&T Corporation	5,142,718.62	5,000,000.00	5,290,700.00	3.750	3.012	12/06/2023	1,527	A2
06406HBY4	14538	Bank of New York Mellon Corp	3,573,616.36	3,542,000.00	3,648,897.56	3.550	3.150	09/23/2021	723	A1
06406FAB9	14541	Bank of New York Mellon Corp	1,435,733.18	1,458,000.00	1,459,093.50	2.050	3.060	05/03/2021	580	A1
693475AV7	14557	PNC Financial Services	5,025,260.85	5,000,000.00	5,278,900.00	3.500	3.425	01/23/2024	1,575	A3
751212AC5	14566	Ralph Lauren	5,170,267.09	5,000,000.00	5,365,700.00	3.750	3.106	09/15/2025	2,176	A2
91159HHU7	14562	US BANCORP	5,259,168.09	5,000,000.00	5,499,300.00	3.950	2.848	11/17/2025	2,239	A1
Subtotal and Average			25,606,764.19	25,000,000.00	26,542,591.06		3.100		1,648	



City of Berkeley
Pooled Cash and Investments
As of September 30, 2019

CUSIP	Investment #	Issuer	Book Value	Par Value	Market Value	Current Rate	YTM/C 365	Maturity Date	Days To Maturity	Credit Rating
Federal Agency Coupon Securities										
3133EJAD1	14528	Federal Farm Credit Bank	10,000,000.00	10,000,000.00	10,037,700.00	2.150	2.150	12/23/2020	449	AAA
3130ADKF8	14529	Federal Home Loan Banks	15,000,000.00	15,000,000.00	15,011,700.00	2.100	2.100	01/30/2020	121	AAA
3130ADUB6	14533 T1	Federal Home Loan Banks	21,000,000.00	21,000,000.00	21,021,000.00	2.320	2.321	12/19/2019	79	AAA
3133EG7F6	14517	Federal Farm Credit Bank	5,000,000.00	5,000,000.00	4,995,200.00	1.750	1.750	02/16/2021	504	AAA
3133EHBA0	14520	Federal Farm Credit Bank	6,500,000.00	6,500,000.00	6,491,680.00	1.520	1.520	03/02/2020	153	AAA
3133EHQB2	14527	Federal Farm Credit Bank	9,001,000.00	9,001,000.00	8,982,998.00	1.550	1.550	07/06/2020	279	AAA
3130AAS82	14519	Federal Home Loan Banks	9,999,762.58	10,000,000.00	9,988,000.00	1.550	1.557	02/06/2020	128	AAA
3130ABTD8	14526	Federal Home Loan Banks	15,000,000.00	15,000,000.00	14,997,300.00	1.450	1.450	10/18/2019	17	AAA
3137EAAE5	14516	Federal Home Loan Mortgage Co	4,999,949.72	5,000,000.00	4,993,900.00	1.500	1.503	01/17/2020	108	AAA
3135G0T29	14521	Federal National Mortgage Assn	3,500,000.00	3,500,000.00	3,494,050.00	1.500	1.500	02/28/2020	150	AAA
3135G0T29	14522	Federal National Mortgage Assn	9,994,401.49	10,000,000.00	9,983,000.00	1.500	1.641	02/28/2020	150	AAA
Subtotal and Average			109,995,113.79	110,001,000.00	109,996,528.00		1.826		164	
Federal Agency Callable										
3130AFKR7	14550	Federal Home Loan Banks	5,000,000.00	5,000,000.00	5,070,400.00	3.100	3.100	12/28/2023	1,549	AAA
Subtotal and Average			5,000,000.00	5,000,000.00	5,070,400.00		3.100		1,549	
Federal Agency Continuously Callable										
31422BAR1	14553	Farmer Mac	5,000,000.00	5,000,000.00	5,011,100.00	3.230	3.230	12/27/2023	1,548	N/A
3133EKQ66	14581	Federal Farm Credit Bank	5,000,000.00	5,000,000.00	5,000,250.00	2.100	2.100	09/19/2022	1,084	AAA
3130A7GZ2	14500	Federal Home Loan Banks	5,000,000.00	5,000,000.00	5,001,200.00	1.250	1.250	03/30/2021	546	AAA
3130A9YW5	14512	Federal Home Loan Banks	4,999,952.78	5,000,000.00	4,995,600.00	1.190	1.197	11/22/2019	52	AAA
3130AAJZ2	14513	Federal Home Loan Banks	3,742,500.00	3,742,500.00	3,742,911.68	1.750	1.750	04/27/2020	209	AAA
3130AGQV0	14575	Federal Home Loan Banks	35,000,000.00	35,000,000.00	35,001,750.00	2.100	2.100	07/15/2019	288	AAA
3130AGT54	14578	Federal Home Loan Banks	5,000,000.00	5,000,000.00	5,000,500.00	2.100	2.100	04/29/2021	576	AAA
3130AGTJ4	14579	Federal Home Loan Banks	5,000,000.00	5,000,000.00	5,002,250.00	2.100	2.101	04/29/2021	576	AAA
3134G7S77	14358	Federal Home Loan Mortgage Co	5,000,000.00	5,000,000.00	4,999,650.00	2.000	1.125	10/29/2020	394	AAA
3134GTL92	14576	Federal Home Loan Mortgage Co	5,000,000.00	5,000,000.00	5,000,850.00	2.450	2.450	07/25/2024	1,759	AAA
3134GTK69	14577	Federal Home Loan Mortgage Co	10,000,000.00	10,000,000.00	10,007,600.00	2.200	2.200	7/29/2022	1,032	AAA
3135G0S46	14514	Federal National Mortgage Assn	5,000,000.00	5,000,000.00	4,994,450.00	1.650	1.650	01/27/2020	118	AAA
3135G0S46	14515	Federal National Mortgage Assn	5,000,000.00	5,000,000.00	4,994,450.00	1.650	1.650	01/27/2020	118	AAA
3136G4LP6	14518	Federal National Mortgage Assn	5,000,000.00	5,000,000.00	4,996,100.00	1.800	1.800	08/28/2020	332	AAA
Subtotal and Average			103,742,452.78	103,742,500.00	103,748,661.68		1.979		546	



City of Berkeley
 Pooled Cash and Investments
 As of September 30, 2019

CUSIP	Investment #	Issuer	Book Value	Par Value	Market Value	Current Rate	YTM/C 365	Maturity Date	Days To Maturity	Credit Rating
Municipal Bonds										
13063DGB8	14559	General Obligation Unlimited	5,080,740.89	5,000,000.00	5,309,350.00	3.375	3.087	04/01/2025	2,009	AA3
672319CA6	14282	Oakland CA Pension Obligation	5,000,000.00	5,000,000.00	5,011,250.00	3.267	3.267	12/15/2019	75	AA3
Subtotal and Average			10,080,740.89	10,000,000.00	10,320,600.00		3.177		1,049	
Fidelity Money Market										
SYS14265	14265	Fidelity Money Market	51,059,112.96	51,059,112.96	51,059,112.96	0.003	0.003		1	
SYS14190	14190	Fidelity Money Market - TRANS	34,929,373.03	34,929,373.03	34,929,373.03	0.002	0.002			
Subtotal and Average			85,988,485.99	85,988,485.99	85,988,485.99		0.003		1	
Total Investments and Average			404,788,383.74	403,956,985.99	408,203,322.73		0.003		1	

Total Investments (Book Value)	404,788,383.74
Cash	13,865,935.00
Total Investments (Book Value) and Cash	418,654,318.74
Increase / (Decrease) in Market Value of Securities	3,414,938.99
Total Investments (Market Value) and Cash	422,069,257.73



Pooled Investment - Long Term
Interest Earnings
Sorted by Fund - Fund
September 1, 2019 - September 30, 2019
Yield on Beginning Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Pooled Investment - Long Term												
3130AFKR7	14550	010	MC4	5,000,000.00	5,000,000.00	5,000,000.00	12/28/2023	3.100	3.143	12,916.67	0.00	12,916.67
3130ADUB6	14533 T1	010	FAC	21,000,000.00	21,000,000.00	21,000,000.00	12/19/2019	2.320	2.352	40,600.00	0.00	40,600.00
3130AAJZ2	14513	010	MC5	3,742,500.00	3,742,500.00	3,742,500.00	04/27/2020	1.750	1.774	5,457.81	0.00	5,457.81
3130A9YW5	14512	010	MC5	5,000,000.00	4,999,925.00	4,999,952.78	11/22/2019	1.190	1.213	4,958.33	27.78	4,986.11
3130AAS82	14519	010	FAC	10,000,000.00	9,999,705.60	9,999,762.58	02/06/2020	1.550	1.579	12,916.67	56.98	12,973.65
3130ABTD8	14526	010	FAC	15,000,000.00	15,000,000.00	15,000,000.00	10/18/2019	1.450	1.470	18,125.00	0.00	18,125.00
3130ADKF8	14529	010	FAC	15,000,000.00	15,000,000.00	15,000,000.00	01/30/2020	2.100	2.129	26,250.00	0.00	26,250.00
3130AGQV0	14575	010	MC5	35,000,000.00	35,000,000.00	35,000,000.00	07/15/2020	2.100	2.129	61,250.00	0.00	61,250.00
3130AGTJ4	14579	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	04/29/2021	2.100	2.129	8,750.00	0.00	8,750.00
3130AGT54	14578	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	04/29/2021	2.100	2.129	8,750.00	0.00	8,750.00
3133EHBA0	14520	010	FAC	6,500,000.00	6,500,000.00	6,500,000.00	03/02/2020	1.520	1.541	8,233.33	0.00	8,233.33
3133EG7F6	14517	010	FAC	5,000,000.00	5,000,000.00	5,000,000.00	02/16/2021	1.750	1.774	7,291.67	0.00	7,291.67
3133EKQ66	14581	010	MC5	5,000,000.00	0.00	5,000,000.00	09/19/2022	2.100	2.129	3,500.00	0.00	3,500.00
3133EKQZ2	14573	010	MC5	0.00	5,000,000.00	0.00	12/17/2021	2.370	2.403	5,266.67	0.00	5,266.67
3133EKQT6	14572	010	FAC	0.00	5,000,000.00	0.00	09/13/2023	2.490	2.525	4,150.00	0.00	4,150.00
3133EHQB2	14527	010	FAC	9,001,000.00	9,001,000.00	9,001,000.00	07/06/2020	1.550	1.572	11,626.29	0.00	11,626.29
3133EJAD1	14528	010	FAC	10,000,000.00	10,000,000.00	10,000,000.00	12/23/2020	2.150	2.180	17,916.67	0.00	17,916.67
3134GSVB8	14547	010	MC5	0.00	5,000,000.00	0.00	09/13/2023	3.250	3.295	5,416.67	0.00	5,416.67
3134GTK69	14577	010	MC5	10,000,000.00	10,000,000.00	10,000,000.00	07/29/2022	2.200	2.231	18,333.33	0.00	18,333.33
3134GTL92	14576	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	07/25/2024	2.450	2.484	10,208.33	0.00	10,208.33
3137EAEE5	14516	010	FAC	5,000,000.00	4,999,935.48	4,999,949.72	01/17/2020	1.500	1.524	6,250.00	14.24	6,264.24
3134G7S77	14358	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	10/29/2020	2.000	2.028	8,333.33	0.00	8,333.33
3135G0S46	14515	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	01/27/2020	1.650	1.673	6,875.00	0.00	6,875.00
3135G0T29	14522	010	FAC	10,000,000.00	9,993,258.94	9,994,401.49	02/28/2020	1.500	1.661	12,500.00	1,142.55	13,642.55
3135G0S46	14514	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	01/27/2020	1.650	1.673	6,875.00	0.00	6,875.00
3136G4LP6	14518	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	08/28/2020	1.800	1.825	7,500.00	0.00	7,500.00
3135G0T29	14521	010	FAC	3,500,000.00	3,500,000.00	3,500,000.00	02/28/2020	1.500	1.521	4,375.00	0.00	4,375.00
53944VAS8	14580	010	MTN	5,000,000.00	0.00	5,006,867.70	08/14/2022	2.250	2.230	4,687.50	-99.72	4,587.78
672319CA6	14282	010	MUN	5,000,000.00	5,000,000.00	5,000,000.00	12/15/2019	3.267	3.312	13,612.50	0.00	13,612.50
037833AK6	14536	010	MTN	5,000,000.00	4,860,793.75	4,863,952.75	05/03/2023	2.400	3.294	10,000.00	3,159.00	13,159.00

Pooled Investment - Long Term
Interest Earnings
September 1, 2019 - September 30, 2019

Exhibit 2-B.1

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Annualized Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Pooled Investment - Long Term												
254673RD0	14539	010	SCD	250,000.00	250,000.00	250,000.00	07/05/2023	3.300	3.300	678.08	0.00	678.08
06406HBY4	14538	010	MC3	3,542,000.00	3,574,948.51	3,573,616.36	09/23/2021	3.550	3.113	10,478.42	-1,332.15	9,146.27
06406FAB9	14541	010	MC3	1,458,000.00	1,434,565.34	1,435,733.18	05/03/2021	2.050	3.103	2,490.75	1,167.84	3,658.59
795450T47	14540	010	SCD	250,000.00	250,000.00	250,000.00	07/03/2023	3.300	3.300	678.08	0.00	678.08
084670BJ6	14542	010	MTN	5,000,000.00	4,976,055.69	4,976,634.99	02/11/2023	3.000	3.198	12,500.00	579.30	13,079.30
31422BAR1	14553	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	12/27/2023	3.230	3.275	13,458.33	0.00	13,458.33
589331AT4	14545	010	MTN	5,000,000.00	4,910,552.79	4,913,005.64	09/15/2022	2.400	3.085	10,000.00	2,452.85	12,452.85
68389XAS4	14548	010	MTN	5,000,000.00	5,039,943.01	5,039,083.41	07/15/2023	3.625	3.439	15,104.17	-859.60	14,244.57
24422EUM9	14554	010	MTN	5,000,000.00	5,065,964.40	5,064,628.18	10/12/2023	3.650	3.332	15,208.33	-1,336.22	13,872.11
540424AQ1	14555	010	MTN	5,000,000.00	4,875,814.68	4,878,607.45	05/15/2023	2.625	3.426	10,937.50	2,792.77	13,730.27
693475AV7	14557	010	MC3	5,000,000.00	5,025,749.14	5,025,260.85	01/23/2024	3.500	3.412	14,583.33	-488.29	14,095.04
13063DGB8	14559	010	MUN	5,000,000.00	5,081,964.24	5,080,740.89	04/01/2025	3.375	3.074	14,062.50	-1,223.35	12,839.15
49327M2X1	14560	010	MTN	5,000,000.00	5,022,907.98	5,022,118.05	02/01/2022	3.300	3.139	13,750.00	-789.93	12,960.07
05531FBF9	14561	010	MC3	5,000,000.00	5,145,563.51	5,142,718.62	12/06/2023	3.750	3.022	15,625.00	-2,844.89	12,780.11
91159HHU7	14562	010	MC3	5,000,000.00	5,262,692.59	5,259,168.09	11/17/2025	3.950	2.990	16,458.33	-3,524.50	12,933.83
20030NBN0	14563	010	MTN	5,000,000.00	5,073,783.32	5,072,750.91	08/15/2025	3.375	3.125	14,062.50	-1,032.41	13,030.09
747525AT0	14564	010	MTN	5,000,000.00	4,967,367.52	4,967,943.73	05/20/2024	2.900	3.101	12,083.33	576.21	12,659.54
751212AC5	14566	010	MC3	5,000,000.00	5,172,649.55	5,170,267.09	09/15/2025	3.750	-0.560	0.00	-2,382.46	-2,382.46
375558BF9	14570	010	MTN	5,000,000.00	5,154,754.88	5,152,770.85	03/01/2026	3.650	3.121	15,208.33	-1,984.03	13,224.30
233851CU6	14574	010	MTN	3,725,000.00	3,834,480.08	3,833,238.34	01/06/2027	3.450	3.004	10,709.38	-1,241.74	9,467.64
233851CU6	14571	010	MTN	5,000,000.00	5,084,178.87	5,083,224.10	01/06/2027	3.450	3.212	14,375.00	-954.77	13,420.23
			Subtotal	312,968,500.00	318,801,054.87	313,799,897.75			2.307	605,377.13	-8,124.54	597,252.59
			Total	312,968,500.00	318,801,054.87	313,799,897.75			2.307	605,377.13	-8,124.54	597,252.59



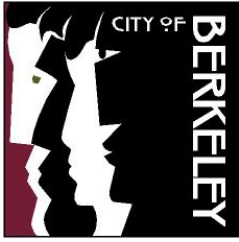
**Pooled Investment - Long Term
Interest Earnings
Sorted by Fund - Fund
August 1, 2019 - August 30, 2019
Yield on Average Book Value**

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Pooled Investment - Long Term												
3130AFKR7	14550	010	MC4	5,000,000.00	5,000,000.00	5,000,000.00	12/28/2023	3.100	3.143	12,916.67	0.00	12,916.67
3130ADUB6	14533 T1	010	FAC	21,000,000.00	21,000,000.00	21,000,000.00	12/19/2019	2.320	2.352	40,600.00	0.00	40,600.00
3130AAJZ2	14513	010	MC5	3,742,500.00	3,742,500.00	3,742,500.00	04/27/2020	1.750	1.774	5,457.81	0.00	5,457.81
3130A9YW5	14512	010	MC5	5,000,000.00	4,999,897.22	4,999,911.57	11/22/2019	1.190	1.213	4,958.33	27.78	4,986.11
3130AAS82	14519	010	FAC	10,000,000.00	9,999,648.62	9,999,678.06	02/06/2020	1.550	1.579	12,916.67	56.98	12,973.65
3130ABTD8	14526	010	FAC	15,000,000.00	15,000,000.00	15,000,000.00	10/18/2019	1.450	1.470	18,125.00	0.00	18,125.00
3130ADKF8	14529	010	FAC	15,000,000.00	15,000,000.00	15,000,000.00	01/30/2020	2.100	2.058	25,375.00	0.00	25,375.00
3130AGQV0	14575	010	MC5	35,000,000.00	35,000,000.00	35,000,000.00	07/15/2020	2.100	2.129	61,250.00	0.00	61,250.00
3130AGTJ4	14579	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	04/29/2021	2.100	2.129	8,750.00	0.00	8,750.00
3130AGT54	14578	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	04/29/2021	2.100	2.129	8,750.00	0.00	8,750.00
3133EHBA0	14520	010	FAC	6,500,000.00	6,500,000.00	6,500,000.00	03/02/2020	1.520	1.541	8,233.33	0.00	8,233.33
3133EG7F6	14517	010	FAC	5,000,000.00	5,000,000.00	5,000,000.00	02/16/2021	1.750	1.774	7,291.67	0.00	7,291.67
3133EKQZ2	14573	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	12/17/2021	2.370	2.403	9,875.00	0.00	9,875.00
3133EKQT6	14572	010	FAC	5,000,000.00	5,000,000.00	5,000,000.00	09/13/2023	2.490	2.525	10,375.00	0.00	10,375.00
3133EHQB2	14527	010	FAC	9,001,000.00	9,001,000.00	9,001,000.00	07/06/2020	1.550	1.572	11,626.29	0.00	11,626.29
3133EJAD1	14528	010	FAC	10,000,000.00	10,000,000.00	10,000,000.00	12/23/2020	2.150	2.180	17,916.67	0.00	17,916.67
3133EGAW5	14504	010	MC5	0.00	5,000,000.00	3,000,000.00	08/19/2019	1.250	1.267	3,125.00	0.00	3,125.00
3134GSVB8	14547	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	09/13/2023	3.250	3.295	13,541.67	0.00	13,541.67
3134GTK69	14577	010	MC5	10,000,000.00	10,000,000.00	10,000,000.00	07/29/2022	2.200	2.231	18,333.33	0.00	18,333.33
3134GTL92	14576	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	07/25/2024	2.450	2.484	10,208.33	0.00	10,208.33
3137EAEE5	14516	010	FAC	5,000,000.00	4,999,921.25	4,999,928.61	01/17/2020	1.500	1.524	6,250.00	14.23	6,264.23
3134G7S77	14358	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	10/29/2020	2.000	2.028	8,333.33	0.00	8,333.33
3135G0S46	14515	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	01/27/2020	1.650	1.673	6,875.00	0.00	6,875.00
3135G0T29	14522	010	FAC	10,000,000.00	9,992,116.39	9,992,706.71	02/28/2020	1.500	1.661	12,500.00	1,142.55	13,642.55
3135G0S46	14514	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	01/27/2020	1.650	1.673	6,875.00	0.00	6,875.00
3136G4LP6	14518	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	08/28/2020	1.800	1.825	7,500.00	0.00	7,500.00
3135G0T29	14521	010	FAC	3,500,000.00	3,500,000.00	3,500,000.00	02/28/2020	1.500	1.521	4,375.00	0.00	4,375.00
672319CA6	14282	010	MUN	5,000,000.00	5,000,000.00	5,000,000.00	12/15/2019	3.267	3.312	13,612.50	0.00	13,612.50
037833AK6	14536	010	MTN	5,000,000.00	4,857,634.76	4,859,266.91	05/03/2023	2.400	3.295	10,000.00	3,158.99	13,158.99
254673RD0	14539	010	SCD	250,000.00	250,000.00	250,000.00	07/05/2023	3.300	3.300	678.08	0.00	678.08

Pooled Investment - Long Term
Interest Earnings
August 1, 2019 - August 30, 2019

Exhibit 2-B.2

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Pooled Investment - Long Term												
06406HBY4	14538	010	MC3	3,542,000.00	3,576,280.66	3,575,592.38	09/23/2021	3.550	3.112	10,478.42	-1,332.15	9,146.27
06406FAB9	14541	010	MC3	1,458,000.00	1,433,397.50	1,434,000.89	05/03/2021	2.050	3.104	2,490.75	1,167.84	3,658.59
795450T47	14540	010	SCD	250,000.00	250,000.00	250,000.00	07/03/2023	3.300	3.300	678.08	0.00	678.08
084670BJ6	14542	010	MTN	5,000,000.00	4,975,476.39	4,975,775.70	02/11/2023	3.000	3.198	12,500.00	579.30	13,079.30
31422BAR1	14553	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	12/27/2023	3.230	3.275	13,458.33	0.00	13,458.33
3132X04Z1	14544	010	MC5	0.00	5,000,000.00	2,333,333.33	08/15/2023	3.250	3.295	6,319.44	0.00	6,319.44
589331AT4	14545	010	MTN	5,000,000.00	4,908,099.94	4,909,367.25	09/15/2022	2.400	3.086	10,000.00	2,452.85	12,452.85
68389XAS4	14548	010	MTN	5,000,000.00	5,040,802.62	5,040,358.49	07/15/2023	3.625	3.438	15,104.17	-859.61	14,244.56
24422EUM9	14554	010	MTN	5,000,000.00	5,067,300.61	5,066,610.23	10/12/2023	3.650	3.331	15,208.33	-1,336.21	13,872.12
540424AQ1	14555	010	MTN	5,000,000.00	4,873,021.90	4,874,464.84	05/15/2023	2.625	3.427	10,937.50	2,792.78	13,730.28
693475AV7	14557	010	MC3	5,000,000.00	5,026,237.43	5,025,985.15	01/23/2024	3.500	3.412	14,583.33	-488.29	14,095.04
13063DGB8	14559	010	MUN	5,000,000.00	5,083,187.58	5,082,555.52	04/01/2025	3.375	3.073	14,062.50	-1,223.34	12,839.16
49327M2X1	14560	010	MTN	5,000,000.00	5,023,697.91	5,023,289.78	02/01/2022	3.300	3.139	13,750.00	-789.93	12,960.07
05531FBF9	14561	010	MC3	5,000,000.00	5,148,408.40	5,146,938.54	12/06/2023	3.750	3.021	15,625.00	-2,844.89	12,780.11
91159HHU7	14562	010	MC3	5,000,000.00	5,266,217.08	5,264,396.09	11/17/2025	3.950	2.989	16,458.33	-3,524.49	12,933.84
20030NBN0	14563	010	MTN	5,000,000.00	5,074,815.74	5,074,282.32	08/15/2025	3.375	3.124	14,062.50	-1,032.42	13,030.08
747525AT0	14564	010	MTN	5,000,000.00	4,966,791.32	4,967,089.03	05/20/2024	2.900	3.101	12,083.33	576.20	12,659.53
751212AC5	14566	010	MC3	5,000,000.00	5,175,032.02	5,173,801.08	09/15/2025	3.750	-0.560	0.00	-2,382.47	-2,382.47
375558BF9	14570	010	MTN	5,000,000.00	5,156,738.92	5,155,713.83	03/01/2026	3.650	3.121	15,208.33	-1,984.04	13,224.29
233851CU6	14574	010	MTN	3,725,000.00	3,835,721.82	3,835,080.26	01/06/2027	3.450	3.004	10,709.38	-1,241.74	9,467.64
233851CU6	14571	010	MTN	5,000,000.00	5,085,133.64	5,084,640.34	01/06/2027	3.450	3.211	14,375.00	-954.77	13,420.23
			Subtotal	317,968,500.00	328,809,079.72	324,138,266.91			2.315	624,717.40	-8,024.85	616,692.55
			Total	317,968,500.00	328,809,079.72	324,138,266.91			2.315	624,717.40	-8,024.85	616,692.55



Pooled Investment - Long Term
Interest Earnings
Sorted by Fund - Fund
July 1, 2019 - July 31, 2019
Yield on Average Book Value

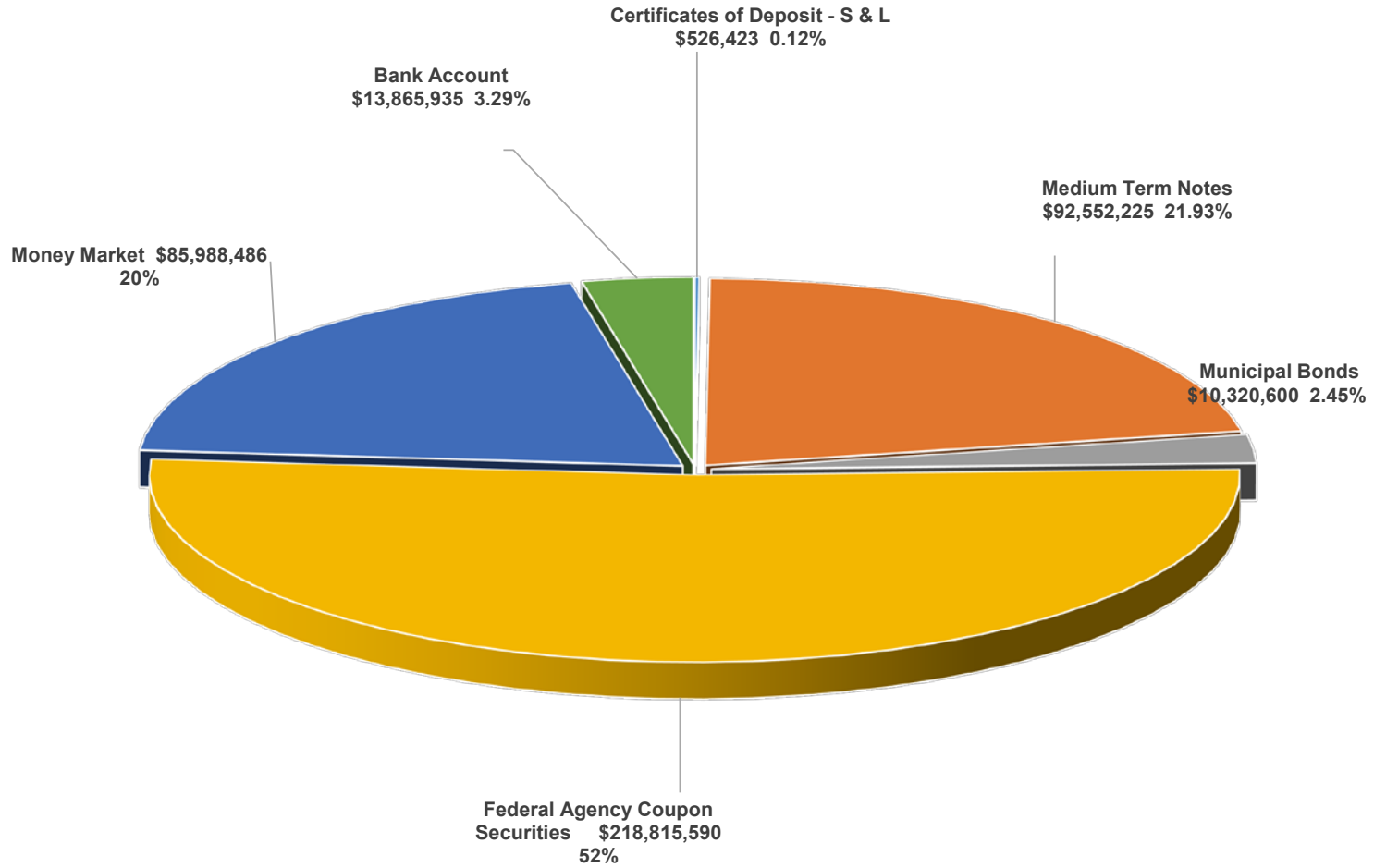
CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Pooled Investment - Long Term												
3130AFKR7	14550	010	MC4	5,000,000.00	5,000,000.00	5,000,000.00	12/28/2023	3.100	3.042	12,916.67	0.00	12,916.67
3130ADUB6	14533 T1	010	FAC	21,000,000.00	21,000,000.00	21,000,000.00	12/19/2019	2.320	2.276	40,600.00	0.00	40,600.00
3130AAJZ2	14513	010	MC5	3,742,500.00	3,742,500.00	3,742,500.00	04/27/2020	1.750	1.717	5,457.81	0.00	5,457.81
3130A9YW5	14512	010	MC5	5,000,000.00	4,999,869.44	4,999,884.23	11/22/2019	1.190	1.174	4,958.33	27.78	4,986.11
3130AAS82	14519	010	FAC	10,000,000.00	9,999,591.64	9,999,621.97	02/06/2020	1.550	1.528	12,916.67	56.98	12,973.65
3130ABTD8	14526	010	FAC	15,000,000.00	15,000,000.00	15,000,000.00	10/18/2019	1.450	1.423	18,125.00	0.00	18,125.00
3130ADKF8	14529	010	FAC	15,000,000.00	15,000,000.00	15,000,000.00	01/30/2020	2.100	2.060	26,250.00	0.00	26,250.00
3130AGQV0	14575	010	MC5	35,000,000.00	0.00	19,193,548.39	07/15/2020	2.100	2.004	32,666.67	0.00	32,666.67
3130AGTJ4	14579	010	MC5	5,000,000.00	0.00	483,870.97	04/29/2021	2.100	1.419	583.33	0.00	583.33
3130AGT54	14578	010	MC5	5,000,000.00	0.00	483,870.97	04/29/2021	2.100	1.419	583.33	0.00	583.33
3133EHBA0	14520	010	FAC	6,500,000.00	6,500,000.00	6,500,000.00	03/02/2020	1.520	1.491	8,233.33	0.00	8,233.33
3133EG7F6	14517	010	FAC	5,000,000.00	5,000,000.00	5,000,000.00	02/16/2021	1.750	1.717	7,291.67	0.00	7,291.67
3133EKQZ2	14573	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	12/17/2021	2.370	2.325	9,875.00	0.00	9,875.00
3133EKJB3	14565	010	MC5	0.00	5,000,000.00	3,548,387.10	07/23/2025	3.040	3.082	9,288.89	0.00	9,288.89
3133EKQT6	14572	010	FAC	5,000,000.00	5,000,000.00	5,000,000.00	09/13/2023	2.490	2.443	10,375.00	0.00	10,375.00
3133EHQB2	14527	010	FAC	9,001,000.00	9,001,000.00	9,001,000.00	07/06/2020	1.550	1.521	11,626.29	0.00	11,626.29
3133EJAD1	14528	010	FAC	10,000,000.00	10,000,000.00	10,000,000.00	12/23/2020	2.150	2.110	17,916.67	0.00	17,916.67
3133EGAW5	14504	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	08/19/2019	1.250	1.226	5,208.33	0.00	5,208.33
3134GSVB8	14547	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	09/13/2023	3.250	3.189	13,541.67	0.00	13,541.67
3134GTK69	14577	010	MC5	10,000,000.00	0.00	967,741.94	07/29/2022	2.200	1.487	1,222.22	0.00	1,222.22
3134GTL92	14576	010	MC5	5,000,000.00	0.00	1,129,032.26	07/25/2024	2.450	2.129	2,041.67	0.00	2,041.67
3137EAAE5	14516	010	FAC	5,000,000.00	4,999,907.02	4,999,914.60	01/17/2020	1.500	1.475	6,250.00	14.23	6,264.23
3134G7S77	14358	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	10/29/2020	2.000	1.962	8,333.33	0.00	8,333.33
3135G0S46	14515	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	01/27/2020	1.650	1.619	6,875.00	0.00	6,875.00
3135G0T29	14522	010	FAC	10,000,000.00	9,990,973.84	9,991,581.97	02/28/2020	1.500	1.608	12,500.00	1,142.55	13,642.55
3135G0S46	14514	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	01/27/2020	1.650	1.619	6,875.00	0.00	6,875.00
3136G4LP6	14518	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	08/28/2020	1.800	1.766	7,500.00	0.00	7,500.00
3135G0T29	14521	010	FAC	3,500,000.00	3,500,000.00	3,500,000.00	02/28/2020	1.500	1.472	4,375.00	0.00	4,375.00
672319CA6	14282	010	MUN	5,000,000.00	5,000,000.00	5,000,000.00	12/15/2019	3.267	3.206	13,612.50	0.00	13,612.50
037833AK6	14536	010	MTN	5,000,000.00	4,854,475.77	4,856,157.17	05/03/2023	2.400	3.191	10,000.00	3,158.99	13,158.99

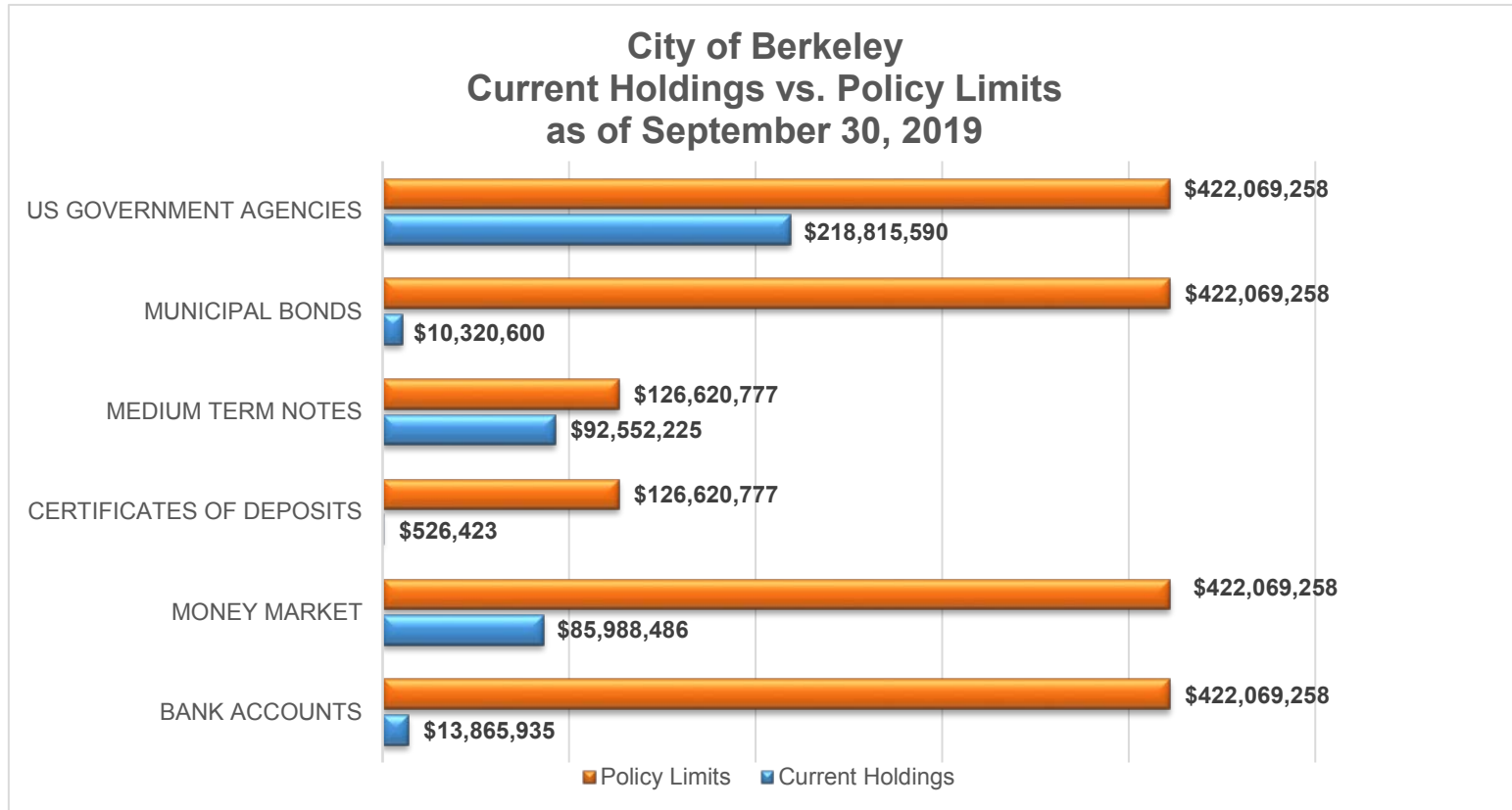
Pooled Investment - Long Term
Interest Earnings
July 1, 2019 - July 31, 2019

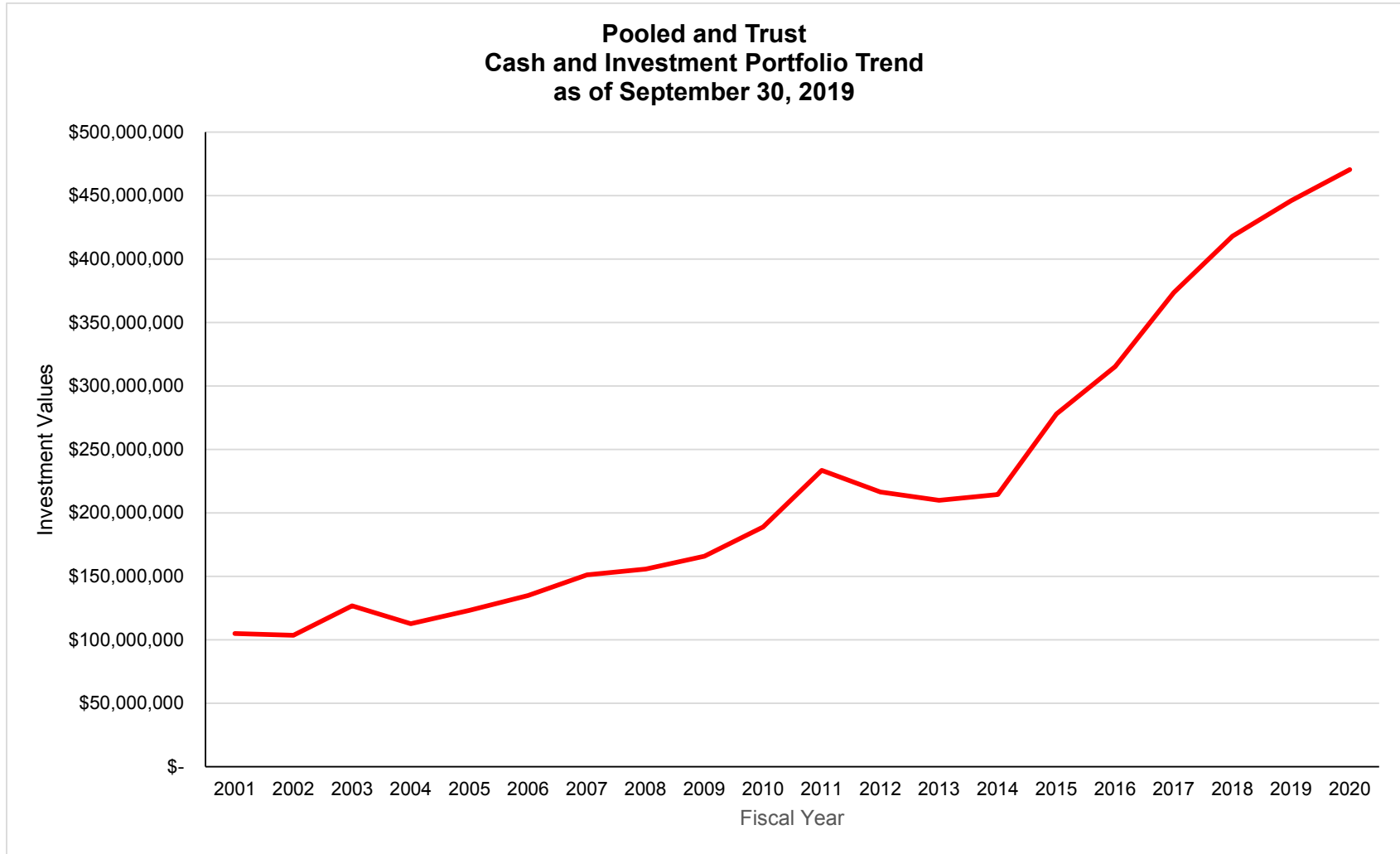
Exhibit 2-B.3

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Annualized Yield	Adjusted Interest Earnings			
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings	
Fund: Pooled Investment - Long Term													
254673RD0	14539	010	SCD	250,000.00	250,000.00	250,000.00	07/05/2023	3.300	3.300	700.68	0.00	700.68	
06406HBY4	14538	010	MC3	3,542,000.00	3,577,612.81	3,576,903.76	09/23/2021	3.550	3.011	10,478.42	-1,332.15	9,146.27	
06406FAB9	14541	010	MC3	1,458,000.00	1,432,229.66	1,432,851.25	05/03/2021	2.050	3.006	2,490.75	1,167.84	3,658.59	
795450T47	14540	010	SCD	250,000.00	250,000.00	250,000.00	07/03/2023	3.300	3.300	700.68	0.00	700.68	
084670BJ6	14542	010	MTN	5,000,000.00	4,974,897.09	4,975,205.43	02/11/2023	3.000	3.095	12,500.00	579.30	13,079.30	
31422BAR1	14553	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	12/27/2023	3.230	3.169	13,458.33	0.00	13,458.33	
3132X04Z1	14544	010	MC5	5,000,000.00	5,000,000.00	5,000,000.00	08/15/2023	3.250	3.189	13,541.67	0.00	13,541.67	
589331AT4	14545	010	MTN	5,000,000.00	4,905,647.09	4,906,952.64	09/15/2022	2.400	2.988	10,000.00	2,452.85	12,452.85	
68389XAS4	14548	010	MTN	5,000,000.00	5,041,662.23	5,041,204.69	07/15/2023	3.625	3.327	15,104.17	-859.61	14,244.56	
24422EUM9	14554	010	MTN	5,000,000.00	5,068,636.82	5,067,925.61	10/12/2023	3.650	3.223	15,208.33	-1,336.21	13,872.12	
540424AQ1	14555	010	MTN	5,000,000.00	4,870,229.13	4,871,715.61	05/15/2023	2.625	3.318	10,937.50	2,792.77	13,730.27	
693475AV7	14557	010	MC3	5,000,000.00	5,026,725.72	5,026,465.83	01/23/2024	3.500	3.302	14,583.33	-488.29	14,095.04	
13063DGB8	14559	010	MUN	5,000,000.00	5,084,410.93	5,083,759.79	04/01/2025	3.375	2.974	14,062.50	-1,223.35	12,839.15	
49327M2X1	14560	010	MTN	5,000,000.00	5,024,487.84	5,024,067.39	02/01/2022	3.300	3.037	13,750.00	-789.93	12,960.07	
05531FBF9	14561	010	MC3	5,000,000.00	5,151,253.29	5,149,739.07	12/06/2023	3.750	2.922	15,625.00	-2,844.89	12,780.11	
91159HHU7	14562	010	MC3	5,000,000.00	5,269,741.58	5,267,865.64	11/17/2025	3.950	2.891	16,458.33	-3,524.50	12,933.83	
20030NBN0	14563	010	MTN	5,000,000.00	5,075,848.15	5,075,298.64	08/15/2025	3.375	3.023	14,062.50	-1,032.41	13,030.09	
747525AT0	14564	010	MTN	5,000,000.00	4,966,215.11	4,966,521.80	05/20/2024	2.900	3.001	12,083.33	576.21	12,659.54	
751212AC5	14566	010	MC3	5,000,000.00	5,177,414.49	5,176,146.40	09/15/2025	3.750	-0.542	0.00	-2,382.47	-2,382.47	
375558BF9	14570	010	MTN	5,000,000.00	5,158,722.96	5,157,666.94	03/01/2026	3.650	3.019	15,208.33	-1,984.04	13,224.29	
233851CU6	14574	010	MTN	3,725,000.00	3,836,963.56	3,836,302.64	01/06/2027	3.450	2.906	10,709.38	-1,241.74	9,467.64	
233851CU6	14571	010	MTN	5,000,000.00	5,086,088.41	5,085,580.23	01/06/2027	3.450	3.107	14,375.00	-954.77	13,420.23	
			Subtotal	327,968,500.00	273,817,104.58	294,619,284.92				2.262	574,037.61	-8,024.86	566,012.75
			Total	327,968,500.00	273,817,104.58	294,619,284.92				2.262	574,037.61	-8,024.86	566,012.75

Pooled Cash and Investments
(Market Value)
as of September 30, 2019









Summary of Pooled Cash and Investments - Trust Funds
(Market Value)
As of September 30, 2019

		<u>Pooled Cash</u>	<u>Investments (Book Value)</u>	<u>Gain/Loss on Investments</u>	<u>Pooled Cash & Investments (Market Value)</u>
Retiree Medical Trust Fund					
Fund No.					
941	BHA	\$ 88,894	\$ 310,142	\$ 10,855	\$ 409,891
942	M1=IBEW	(4,996)	168,374	9,564	172,942
943	M2=Local 1	1,403,014	6,845,689	394,166	8,642,869
944	MUI=Z1	213,329	1,725,351	110,003	2,048,683
945	MUI=Z2 to Z6	301,029	2,264,381	134,379	2,699,789
946	M535= Local 535	1,046,449	7,236,178	455,913	8,738,540
947	M3=Local 790	664,140	5,120,881	234,537	6,019,558
Total Retiree Medical Trust Fund		3,711,859	23,670,996	1,349,417	28,732,273
Fire Medical Trust Fund					
949	Fire Medical Trust Fund	407,166	10,727,003	395,073	11,529,242
Total Fire Medical Trust Fund		407,166	10,727,003	395,073	11,529,242
Police Medical Trust Fund					
903	Police EE Retiree HLT Assistance Plan	102,101	2,025,019	392,740.64	2,127,120
905	Safety Members Pension Fund	(1,602)	-	-	(1,602)
950	Police Medical Trust Fund	(42,525)	5,805,389	(148,421.38)	5,614,442
Total Police Medical Trust Fund		57,974	7,830,407	244,319	8,132,701
Total Trust Funds		\$ 4,176,999	\$ 42,228,407	\$ 1,988,809	\$ 48,394,216



Retiree Medical Trust Fund
Fund 941 - 947
Interest Earnings
July 1 to September 30, 2019

Investments September 30, 2019									Interest Earnings July 1 to September 30, 2019				
CUSIP	Investment #	Issuer	Par Value	Beginning Book Value	Ending Book Value	Market Value	Maturity Date	Moody's Rating	Adjusted Interest Earnings				
									Current Rate	Annualized Yield	Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Medium Term Notes													
06744CUS8	14530	Barclays Bank PLC	6,000,000.00	6,000,000.00	6,000,000.00	6,019,500.00	02/08/2028	A2	3.125	3.100	46,875.00	-	46,875.00
61747WAF6	14224	Morgan Stanley	1,666,666.67	1,682,117.44	1,679,651.89	1,743,966.67	01/25/2021	A3	5.750	5.069	23,958.33	(2,465.55)	21,492.78
Federal Agency Coupon Securities													
3133EFQT7	14361	Fed Farm Credit Bank	2,600,000.00	2,611,642.09	2,611,187.32	2,748,512.00	11/25/2025	AAA	2.700	2.597	17,550.00	(454.77)	17,095.23
Federal Agency Continuously Callable													
3130HOCE1	14567	Farmer Mac	3,556,000.00	3,556,000.00	3,556,000.00	3,573,282.16	05/01/2029	N/A	3.400	3.372	30,226.00	-	30,226.00
3134GAWD2	14510	Fed Home Loan Mortgage Corp	1,500,000.00	1,500,000.00	1,500,000.00	1,498,530.00	11/27/2019	AAA	1.300	1.289	4,875.00	-	4,875.00
Municipal Bonds													
672319CC2	14283	OAKGEN	2,750,000.00	2,737,697.34	2,738,949.87	2,835,772.50	12/15/2021	AA3	3.800	3.967	26,125.00	1,252.53	27,377.53
786091AG3	14316	SACGEN	5,000,000.00	5,328,715.55	5,315,206.69	6,330,850.00	08/01/2025	A3	7.250	5.742	90,625.00	(13,508.86)	77,116.14
Savo Island Loan													
SYS10988	10988	EMPMED	270,000.00	304,000.00	270,000.00	270,000.00	09/01/2025		8.000	7.667	5,874.77	-	5,874.77
Total			\$ 23,342,666.67	\$ 23,720,172.42	\$ 23,670,995.77	\$ 25,020,413.33				3.863	\$ 246,109.10	\$ (15,176.65)	\$ 230,932.45

Total Investments (Book Value)	\$ 23,670,995.77
Gain/Loss on Investments	<u>1,349,417.56</u>
Total Investments (Market Value)	25,020,413.33
Temporarily Invested with Pooled Cash & Investments	<u>3,711,859.00</u>
Total Pooled Cash and Investments	<u>\$ 28,732,272.33</u>



**Fire Retiree Medical
Fund 949
Interest Earnings
July 1 to September 30, 2019**

Investments September 30, 2019									Interest Earnings July 1 to September 30, 2019					
CUSIP	Investment #	Issuer	Par Value	Beginning Book Value	Ending Book Value	Market Value	Maturity Date	Credit Rating	Current Rate	Annualized Yield	Adjusted Interest Earnings			
											Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings	
Medium Term Notes														
06744CUS8	14531	Barclays Bank PLC	2,000,000.00	2,000,000.00	2,000,000.00	2,006,500.00	02/18/2028	A2	3.125	3.100	15,625.00	-	15,625.00	
6174467X1	14318	Morgan Stanley DW DTC#0015	2,000,000.00	2,049,384.71	2,047,454.79	2,241,180.00	11/24/2025	BAA2	5.000	4.466	25,000.00	(1,929.92)	23,070.08	
61747WAF6	14225	Morgan Stanley	1,666,666.67	1,682,117.44	1,679,651.89	1,743,966.67	01/25/2021	A3	5.750	5.069	23,958.33	(2,465.55)	21,492.78	
Federal Agency Coupon Securities														
3133EFQT7	14362	Fed Farm Credit Bank	2,300,000.00	2,310,298.78	2,309,896.48	2,431,376.00	11/25/2025	AAA	2.700	2.597	15,525.00	(402.30)	15,122.70	
Federal Agency Continuously Callable														
3130H0CE1	14568	Farmer Mac	2,190,000.00	2,190,000.00	2,190,000.00	2,200,643.40	05/01/2029	N/A	3.400	3.372	18,615.00	-	18,615.00	
3130A9WA5	14508	FHLB	500,000.00	500,000.00	500,000.00	498,410.00	04/27/2020	AAA	1.300	1.289	1,625.00	-	1,625.00	
Total			<u>\$ 10,656,666.67</u>	<u>\$ 10,731,800.93</u>	<u>\$ 10,727,003.16</u>	<u>\$ 11,122,076.07</u>					<u>3.532</u>	<u>\$ 100,348.33</u>	<u>\$ (4,797.77)</u>	<u>\$ 95,550.56</u>

Total Investments (Book Value)	\$ 10,727,003.16
Gain/Loss on Investments	<u>395,072.91</u>
Total Investments (Market Value)	11,122,076.07
Temporarily Invested with Pooled Cash & Investments	<u>407,166.00</u>
Total Pooled Cash and Investments	<u>\$ 11,529,242.07</u>



**Police Retiree Medical
Fund 903, 950 and 970
Interest Earnings
July 1 to September 30, 2019**

Investments September 30, 2019								Interest Earnings July 1 to September 30, 2019						
CUSIP	Investment #	Issuer	Par Value	Beginning Book Value	Ending Book Value	Market Value	Maturity Date	Credit Rating	Current Rate	Annualized Yield	Adjusted Interest Earnings			
											Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings	
Medium Term Notes														
06744CUS8	14532	Barclays Bank PLC	2,000,000.00	6,000,000.00	2,000,000.00	2,006,500.00	02/08/28	A2	3.125	3.100	15,625.00	-	15,625.00	
6174467X1	14319	Morgan Stanley DW DTC#0015	500,000.00	2,049,384.71	511,863.70	560,295.00	11/24/25	BAA2	5.000	4.466	6,250.00	(482.48)	5,767.52	
61747WAF6	14226	Morgan Stanley	1,666,666.67	1,682,117.44	1,679,651.89	1,743,966.67	01/25/21	A3	5.750	5.069	23,958.33	(2,465.55)	21,492.78	
Federal Agency Coupon Securities														
3133EFQT7	14363	Fed. Farm Credit Banks Funding	2,300,000.00	2,611,642.09	2,309,896.48	2,431,376.00	11/25/25	AAA	2.700	2.597	15,525.00	(402.30)	15,122.70	
Federal Agency Continuously Callable														
3130HOCE1	14569	Farmer Mac	829,000.00	3,556,000.00	829,000.00	833,028.94	05/01/29	N/A	3.400	3.372	7,046.50	-	7,046.50	
3130A9YW5	14511	Federal Home Loan Banks	500,000.00	499,986.94	499,995.28	499,560.00	11/22/19	AAA	1.190	1.187	1,487.50	8.34	1,495.84	
Total			<u>\$ 7,795,666.67</u>	<u>\$ 16,399,131.18</u>	<u>\$ 7,830,407.35</u>	<u>\$ 8,074,726.61</u>					<u>3.370</u>	<u>\$ 69,892.33</u>	<u>\$ (3,341.99)</u>	<u>\$ 66,550.34</u>

Total Investments (Book Value)	\$ 7,830,407.35
Gain/Loss on Investments	<u>244,319.26</u>
Total Investments (Market Value)	8,074,726.61
Temporarily Invested with Pooled Cash & Investments	<u>57,974.00</u>
Total Pooled Cash and Investments	<u>\$ 8,132,700.61</u>



Finance Department
Office of the Director

April 27, 2020

To: Budget and Finance Committee
From: Henry Oyekanmi, Director, Finance

Request from the Budget and Finance Committee that the below information be attached to the Investment Reports for FY2019 Fourth Quarter ended June 30, 2019 and for FY2020 First Quarter ended September 30, 2019

From: Oyekanmi, Henry
Sent: Tuesday, March 10, 2020 3:03 PM
To: Droste, Lori <ldroste@cityofberkeley.info>
Cc: Williams-Ridley, Dee <DWilliams-Ridley@cityofberkeley.info>
Subject: FW: Request

Hi CM Droste-please see my responses in red. Thank you

From: Droste, Lori
Sent: Tuesday, March 03, 2020 3:10 PM
To: Oyekanmi, Henry <HOyekanmi@cityofberkeley.info>; Williams-Ridley, Dee <DWilliams-Ridley@cityofberkeley.info>
Subject: Fwd: Request

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From: Gordon Wozniak <gordonwozniak@gmail.com>
Sent: Tuesday, March 3, 2020 2:31:00 PM
To: Droste, Lori <ldroste@cityofberkeley.info>; Harrison, Kate <KHarrison@cityofberkeley.info>
Subject: Request

Dear Lori and Kate,
I'm writing to you in your capacity as Chairs of the Budget & Finance Policy and the Facilities, Infrastructure, Transportation, Environment & Sustainability Policy Committees.

I would like to bring to your attention Items 29 & 30 on the [Information Calendar](#) for the March 10, 2020 City Council meeting. See Fig. 1 below attachment.

First - Over the last two decades, the value of the Investment Portfolio has increased from ~\$100 Million to \$450 Million.

Currently, Investment Portfolio is twice the size of the City's annual General Fund Budget (~\$200 M/yr) and comparable to the City's Total Annual budget of ~\$450 M/yr.

and yet the Council does not regularly review this very large pot of money is used or even came into being.

First of all, it is not appropriate to take one asset type (or even all the assets) on the Balance Sheet and assume that there is a "very large pot of money" without considering the liabilities reported in each of the funds and the large liabilities (i.e. pension liabilities and OPEB liabilities) that GASB does not allow to be reflected on governmental fund Balance Sheets. If one wants to get a picture of money available (or not available) in the City, the Government-wide Statement of Net Position would be a better place to look because it considers all the assets (including infrastructure that cannot be converted to cash/investments) and all of the liabilities, including pension and OPEB liabilities. That said, following is a table that summarizes the increase in the cash/investments balances from FY 2008 to FY2019, by major fund/fund type:

Cash and Investment Balances Reported in CAFR- FY 2008 vs FY

2019

	June 30, 2008	June 30, 2019	Increase	Comments
General Fund	\$62,483,357	\$107,359,937	\$44,876,580	TRAN=\$14,418,833; Stabilization Reserve Fund=\$20,022,922; Catastrophic Reserve Fund=\$16,622,481. Total =\$51,064,236
Grant Funds	6,717,731	23,924,312	17,206,581	
Library Fund	2,896,462	12,650,407	9,753,945	
Capital Improvement Fund	8,042,560	11,733,511	3,690,951	
Other Special Revenue Funds	17,995,092	89,611,935	71,616,843	
Other Capital Project Funds	12,355,124	35,454,624	23,099,500	
Debt Service Funds	5,706,481	11,526,275	5,819,794	
Total Governmental Funds	116,196,807	292,261,001	176,064,194	
Enterprise Funds		81,956,522	42,199,175	

	39,757,347			
Internal Service Funds	19,594,626	61,813,068	42,218,442	
Total Proprietary Funds	59,351,973	143,769,590	84,417,617	
Total Excluding Trust Funds and Rent Board	\$ 175,548,780	\$436,030,591	\$260,481,811	

As you can see, the overwhelming majority of the increase came from funds other than the General Fund or the Capital Improvement Fund. Furthermore, the amounts set aside to pay TRAN (\$14,418,833), the amount in the Stabilization Reserve Fund (\$20,022,922), and the amount in the Catastrophic Reserve Fund (\$16,622,481), or a total of \$51,064,236 is greater than the \$44,876,580 increase in the General Fund increase in cash/investments since FY 2008.

The difference between the cash/investments total above at June 30, 2019 (\$436,030,591) and the cash/investments on the quarterly investment report for the same date is the balance for the Rent Board and trust and agency funds other than the Retiree Medical Trust Funds (Miscellaneous, Police and Fire) that are separately shown in the quarterly investment reports.

Second, In FY2018, the Investment Portfolio generated Investment earnings of \$3,563,720, whereas in FY2019, it generated earnings of \$12,452,394. See Fig. 3 It would be interesting for the Council to understand why the Investment earning increased by almost a factor of four in a single year. Was it due to the recent changes in the City's Investment Policy and could further changes lead to even increased returns? Or is there some other explanation.

First of all, Investment Income is not the same as Interest Income. Investment Income includes (1) Interest Income received in cash; (2) + or – the increase in accrued Interest Receivable collected on or before August 31st; and (3) + or- the increase in the fair value of the investments. The Investment Income for FY 2018 and FY 2019 are calculated below. The FY 2019 total should have been \$12,912,033 as \$459,638 of Interest Income was incorrectly classified as Rental Income

	Cash Interest Income	Accrued Int. Receivable	Change in Invest. Value	
Investment Income				
FY 2018	\$4,936,358	\$1,108,794	(\$2,478,432)	\$3,563,720
FY 2019	7,926,499	(21,743)	5,007,277	12,912,033

The Interest Income portion in FY 2019 (\$7,926,499) actually increased approximately 61% from that of FY 2018 (\$4,936,358), and that was due to a significant increase in the City's long-term and short-term interest rates as summarized below:

Monthly Interest Rates on Long-Term Portion of Portfolio-FY 2018

July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018
1.229%	1.328%	1.251%	1.188%	1.223%	1.086%	1.286%	1.477%	1.41%	1.583%	1.567%	1.6

Monthly Interest Rates on Long-Term Portion of Portfolio-FY 2019

July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019
1.781%	1.856%	1.972%	1.952%	2.058%	2.005%	2.144%	2.311%	2.129%	2.172%	2.271%	2.311%

Monthly Interest Rates on Fidelity Overnight Portion of Portfolio-FY 2018

July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018
.9035%	.9419%	.9311%	.9764%	.9789%	1.1918%	1.2573%	1.3028%	1.4216%	1.5637%	1.6962%

Monthly Interest Rates on Fidelity Overnight Portion of Portfolio-FY 2019

July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019
1.8456%	1.8726%	1.8808%	2.10762%	2.0983%	2.2675%	2.3596%	2.1387%	2.3810%	2.3142%	2.3611%

Third, the Investment Income credited to the General Fund in FY2019 was \$6,914,450, whereas the total Investment Income from All Funds was \$12,452,394. A natural question would be to ask for an annual report to the Council on the disbursement of all of these Investment Returns to individual department budgets.

If you look deeply in the CAFR you will find bits and pieces of where these funds go, but no overall report of the disbursements that a non-CPA could understand.

For example, In FY2019

Measure T1 = \$888,910

Zero Waste = \$838,695

Sanitary Sewer = \$852,581

Clean Water = \$74,186

Permit Center = \$281,203

To increase budget transparency, it would be very helpful to have an annual report to Council on how the Investment Income was distributed and what it was spent on.

Again, you are making the assumption that this is the total amount of Interest Income received in cash by the City during the fiscal year (since the City budgets revenue using the cash basis). It is not. The only amount that can be budgeted is the amount of Interest Income received on the cash basis (in FY 2018 and in FY 2019 shown above). Governmental Accounting Standards Board Statement 31 requires state and local governments to mark-investments-to-market as of the end of the fiscal year. However, since the City holds its investments to maturity, it never actually receives market value for the investments; it only receives the par value or the price paid for the securities.

Fourth, why is the total cash value of the Investment Portfolio (IP) increasing? I believe that City pays out all of the Investment Returns to various accounts, but have never seen this policy in writing. If all returns are paid out, then the only way that the IP can continue to increase if there are new funds coming in.

This would mean that the City is regularly running substantial surpluses and these surpluses are parked in the IP.

I realize that this scenario is contrary to the one regularly put forth by the City Manager that fiscally expenses are outrunning revenues and the City has a structural deficit. This doomsday scenario is contradicted by the recent bond upgrading by [Moody's which stated that for the last five fiscal years, the City General Fund revenues had exceed expenses by an average of 8%](#). If one looks at the audited "actuals" in the City's 2019CAFR, you also see sizable surpluses for ALL Funds as well. See Fig. 3Item 29 is a report on the City's Investment Portfolio for the 4th Quarter of FY19/19 and Item 30 is the same report for the 1st quarter of FY2019/20.

Again, GASB does not allow long-term liabilities such as pension liabilities and OPEB liabilities to be reflected in governmental funds. Any analysis that just looks at governmental funds is ignoring unfunded pension and OPEB liabilities.

These two items contain very important financial information that should be reviewed and discussed by the City Council and not buried on the Information Calendar. Thus, I'm requesting that you pull the items and refer them to your respective Council Committees for review. .

Fiscal Year
2018 2019

Total Revenues

\$406,374,714 \$456,975,008

Total Expenses

\$387,216,873 \$426,981,960

If you would like to discuss this matter further, I'd be happy to meet with you individually or together.