



## **Agenda Item No. 12a.**

### **Staff Report**

**Date:** November 10, 2016

**To:** Mayor Hoertkorn and Councilmembers

**From:** Joe Chinn, Town Manager

**Subject:** Investment Report for the Quarter Ended September 30, 2016

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#### **Recommendation**

The Council accepts the investment report for quarter ended September 30, 2016

#### **Background and discussion**

This report is provided as required by the investment policy approved by the Council on June 11, 2015. Current investments are consistent with the investment policy and are allowable under current California law. Investments are selected to meet the priority principals of the policy: safety, liquidity, and yield in respective order. Sufficient liquidity exists to fund operating and capital project requirements for the next six month.

Investment income for the operating fund was \$13,637 for the three months ended September 30, 2016, which was over the year to date budget of \$7,500 by \$6,137 and \$3,015 more than received in the same quarter of the previous year. Cash in Wells Fargo and US Bank is for day to day operations and there is no return on these funds. LAIF funds are currently yielding .60%. CalTRUST current yield is .49% for money market, .81% for short term, and 1.01% for medium term funds. The current RBC account consists primarily of taxable fixed income securities.

#### **Fiscal, resource and timeline impacts**

No financial impact from accepting this report.

#### **Alternative actions**

No alternative actions are suggested.

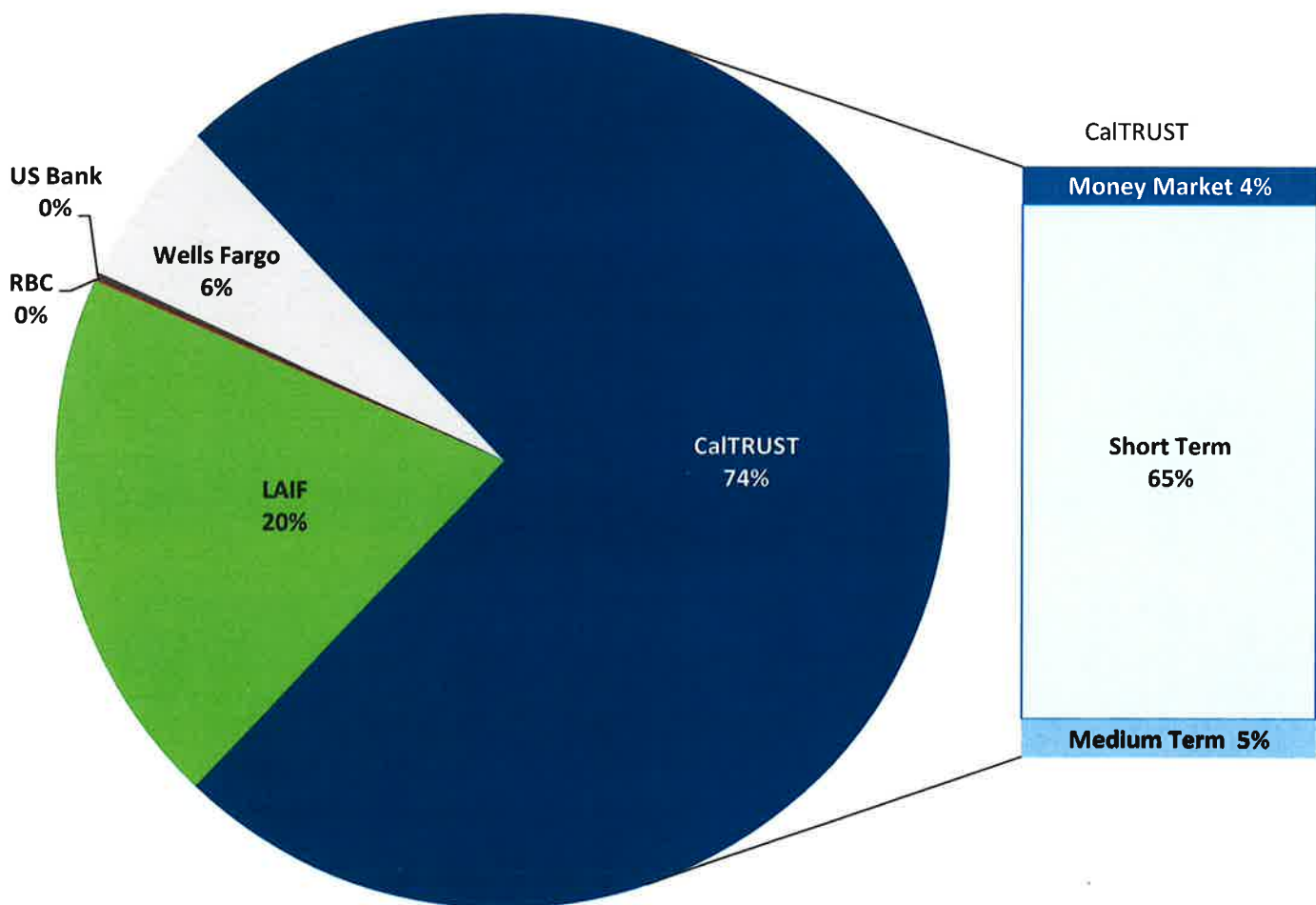
#### **Environmental review (if applicable)**

N/A

#### **Attachments**

- Summary of investment values and graph
- CalTRUST statement 09.30.16
- CalTRUST money market fund statistics 09.30.16
- CalTRUST short term fund statistics 09.30.16
- CalTRUST medium term fund statistics 09.30.16
- LAIF statement 09.30.16
- LAIF performance report 09.30.16
- RBC summary statement 09.30.16
- U.S. Bank summary statement 09.30.16
- Wells Fargo summary statement 09.30.16

Investment Balances September 30, 2016		
CalTRUST money market	\$ 502,712.74	4%
CalTRUST short term	6,882,793.97	65%
CalTRUST medium term	510,139.62	5%
Total CalTRUST	7,895,646.33	74%
LAIF	2,078,937.21	20%
RBC	9,936.26	0%
US Bank	21,847.98	0%
Wells Fargo	645,215.39	6%
	<u>\$ 10,651,583.17</u>	<u>100%</u>





**TOWN OF ROSS**  
**STATEMENT FOR PERIOD**  
**September 01, 2016 - September 30, 2016**

**The Heritage Money Market Fund - Select Class - TOWN OF ROSS**

Date	Transaction	Shares	Price Per Share	Amount	Average Cost NAV	Average Cost Amount	Realized Gain/Loss*
08/31/2016	BALANCE FORWARD	502,644.080	1.00	502,544.06	1.00	502,544.06	0.00
09/01/2016	INCOME DISTRIBUTION - AUGUST	168.680	1.00	168.68	1.00	168.68	0.00
09/30/2016	UNREALIZED GAIN (LOSS)	0.000		0.00		0.00	0.00
09/30/2016	ENDING BALANCE	502,712.740	1.00	502,712.74		502,712.74	
	INCOME DISTRIBUTION PAID - AUGUST			0.00			
	INCOME ACCRUAL - SEPTEMBER			187.88			
	CUMULATIVE UNREALIZED GAIN (LOSS)			0.00			

\* Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.

**CalTrust Short Term Fund - TOWN OF ROSS**

Date	Transaction	Shares	Price Per Share	Amount	Average Cost NAV	Average Cost Amount	Realized Gain/Loss*
08/31/2016	BALANCE FORWARD	685,778.218	10.03	6,878,355.53	10.02265708	6,873,319.91	
09/01/2016	INCOME DISTRIBUTION - AUGUST	442.517	10.03	4,438.45	10.02266182	4,438.45	0.00
09/30/2016	UNREALIZED GAIN (LOSS)	0.000		-0.01		0.00	
09/30/2016	ENDING BALANCE	686,220.735	10.03	6,882,793.97		6,877,758.36	
	INCOME DISTRIBUTION PAID - AUGUST			0.00			
	INCOME ACCRUAL - SEPTEMBER			4,518.42			
	CUMULATIVE UNREALIZED GAIN (LOSS)			5,035.61			

\* Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.

**CalTrust Medium Term Fund - TOWN OF ROSS**

Date	Transaction	Shares	Price Per Share	Amount	Average Cost NAV	Average Cost Amount	Realized Gain/Loss*
08/31/2016	BALANCE FORWARD	50,466.109	10.10	509,707.70	10.05037064	507,203.10	
09/01/2016	INCOME DISTRIBUTION - AUGUST	42.764	10.10	431.92	10.05041273	431.92	0.00
09/30/2016	UNREALIZED GAIN (LOSS)	0.000		0.00		0.00	
09/30/2016	ENDING BALANCE	50,508.873	10.10	510,139.62		507,635.02	
	INCOME DISTRIBUTION PAID - AUGUST			0.00			
	INCOME ACCRUAL - SEPTEMBER			423.08			
	CUMULATIVE UNREALIZED GAIN (LOSS)			2,504.60			

\* Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.

All information is as of 9-30-16 unless otherwise indicated. Information is subject to change.

## Heritage Money Market Fund - Select

### Key facts

S&P rating	AAAm
Moody's Rating	Aaa-mf
Share Class	Select
Investment Minimum	\$50 million
Ticker	WFJXX
CUSIP	94984B793
Net Expense Ratio	0.13%
Total fund assets	\$10.2 billion
Fund Manager	Jeffrey L. Weaver, CFA, Laurie R. White, Michael C. Bird
Inception Date	6-29-95
Trading deadline	5 p.m. Eastern Time

### Performance<sup>2</sup>

Current yield as of 9-30-16

	7-day SEC yield(%)
	0.49
Month	30-day current yield (%)
September 2015	0.14
October 2015	0.15
November 2015	0.15
December 2015	0.25
January 2016	0.37
February 2016	0.41
March 2016	0.43
April 2016	0.43
May 2016	0.43
June 2016	0.42
July 2016	0.41
August 2016	0.40
September 2016	0.45
Average annual total returns (%) as of 9-30-16	
1 year	0.36
3 year	0.18
5 year	0.15
10 year	1.10
Since Inception	2.68

The advisor has contractually committed to certain fee waivers and/or expense reimbursements. Without these reductions, the fund's seven-day current yield would have been 0.42%. These reductions may be discontinued.

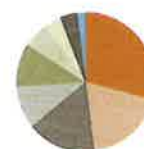
### Principal investment strategies

Seeks current income while preserving capital and liquidity by investing in high-quality, short-term, U.S. dollar-denominated money market instruments of domestic and foreign issuers.

### Portfolio composition<sup>1</sup>

% of portfolio

- Non-Negotiable Time Deposit: (29)
- Variable Rate Demand Note: (19)
- Asset Backed CP: (16)
- Government Agency Repo: (10)
- Other Instrument: (10)
- Other Repurchase Agreement: (6)
- Tender Option Bond: (4)
- Non-Financial Company Commercial Paper: (4)
- Financial Company CP: (2)



Total: 100%

### Portfolio maturity schedule (%)



### Money market fund statistics

Weighted average maturity: 4 days

Weighted average life: 4 days

Daily liquid assets: 60%

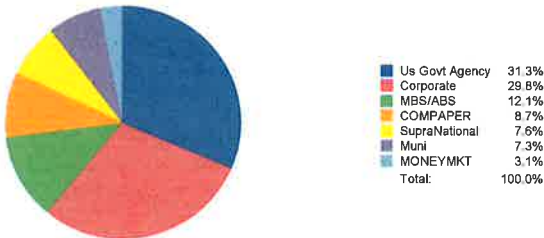
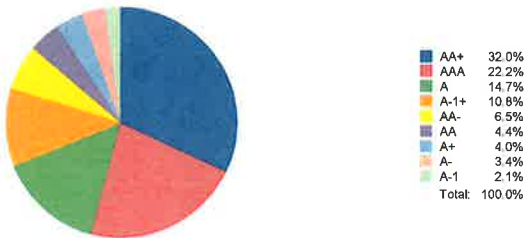
Weekly liquid assets: 100%

**Figures quoted represent past performance, which is no guarantee of future results and do not reflect taxes that a shareholder may pay on a fund.** Investment returns will fluctuate. The fund's yield figures more closely reflect the current earnings of the fund than the total return figures. Current performance may be lower or higher than the performance data quoted and assumes the reinvestment of dividends and capital gains. Current month-end performance is available at the fund's website, [wellsfargofunds.com](http://wellsfargofunds.com).

Money market funds are sold without a front-end sales charge or contingent deferred sales charge. Other fees and expenses apply to an investment in the fund and are described in the fund's current prospectus. (Continued on next page.)



Caltrust Short Term Fund  
MONTH END PORTFOLIO STATISTICS  
September 30, 2016

	CalTrust Short Term	LAIF		CalTrust Short Term Total Return	CalTrust Short Term Yield Return	LAIF Yield Return
Market Value	\$1,361,261,206.12	N/A	One Month	0.06%	0.07%	0.05%
NAV per Share	\$10.03	N/A	Three Month	0.17%	0.19%	0.15%
Yield	0.81%	0.64%	Six Month	0.44%	0.37%	0.29%
Period Total Return	0.06%	N/A	One Year*	0.71%	0.66%	0.50%
Period Yield Return	0.07%	0.05%	Two Year*	0.56%	0.56%	0.40%
Effective Duration	0.59 yrs.	N/A	Three Year*	0.52%	0.50%	0.35%
Average Maturity	1.07 yrs.	0.44 yrs.	Five Year*	0.50%	0.46%	0.34%
			Ten Year*	1.41%	1.37%	1.34%
			Since Inception*	1.78%	1.75%	1.68%
			*Annualized			
<b>Portfolio Sector Breakdown</b> 			<b>Portfolio Quality Breakdown</b> 			

Disclosure to Performance Information

- This performance information is based on an inception date of February 13, 2005, when the CalTrust Short-Term portfolio commenced investment operations according to its investment objective, and does not include any investment returns from temporary investments held before the commencement of those operations.
- First-month index returns, February 13-28, 2005, are intra-period and were calculated by calculating the average daily return during the month and multiplying the average daily return by number of days in the shortened period.
- Performance was calculated net of investment advisory and program administration fees.
- The Local Agency Investment Fund (LAIF) is a diversified portfolio managed by the State of California for local governments and special districts.
- Performance for the CalTRUST Short Term Account is on a trade date basis. LAIF's monthly performance was calculated by taking the average monthly effective yield and dividing it by 365 then multiplying the result by the number of days in the month.
- Yield represents the 7-day net distribution on investments for the period.
- Rating source - Standard & Poor's.
- Past performance is no guarantee of future results.



Caltrust Medium Term Fund  
MONTH END PORTFOLIO STATISTICS  
September 30, 2016

	CalTrust Medium Term	Merrill Lynch 1-3 Corp & Gov't, A Rated & Above		CalTrust Medium Term Total Return	CalTrust Medium Term Yield Return	Merrill Lynch 1-3 Corp & Gov't, A Rated & Above
Market Value	\$926,699,337.87	N/A	One Month	0.08%	0.08%	0.11%
NAV per Share	\$10.10	N/A	Three Month	-0.05%	0.25%	-0.04%
Distribution Yield	1.01%	N/A	Six Month	0.52%	0.50%	0.55%
Period Return	0.08%	0.11%	One Year*	1.16%	0.97%	1.12%
Effective Duration	1.78 yrs.	1.90 yrs.	Two Year*	1.08%	0.88%	1.16%
Average Maturity	2.00 yrs.	1.96 yrs.	Three Year*	0.95%	0.82%	1.00%
			Five Year*	0.84%	0.85%	0.96%
			Ten Year*	2.08%	1.96%	2.45%
			Since Inception*	2.23%	2.11%	2.54%
			*Annualized			
<b>Portfolio Sector Breakdown</b>  			<b>Portfolio Quality Breakdown</b>  			

Disclosure to Performance Information

- This performance information is based on an inception date of February 13, 2005, when the CalTrust Medium-Term portfolio commenced investment operations according to its investment objective, and does not include any investment returns from temporary investments held before the commencement of those operations.
- Performance was calculated net of investment advisor and program administration fees.
- Yield represents the 7-day net distribution on investments for the period.
- Rating source - Standard & Poor's.
- Past performance is no guarantee of future results.

Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001  
TOWN OF ROSS

[www.treasurer.ca.gov/pmla-laif/laif.asp](http://www.treasurer.ca.gov/pmla-laif/laif.asp)  
October 17, 2016

TREASURER  
P.O. BOX 320  
ROSS, CA 94957

PMLA Average Monthly Yields

Account Number:  
[REDACTED]

Trans Type Definitions

September 2016 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	2,078,937.21
Total Withdrawal:	0.00	Ending Balance:	2,078,937.21



**JOHN CHIANG  
TREASURER  
STATE OF CALIFORNIA**



**PMIA Performance Report**

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (In days)
09/12/16	0.63	0.61	163
09/13/16	0.63	0.61	163
09/14/16	0.63	0.61	161
09/15/16	0.64	0.61	163
09/16/16	0.63	0.61	161
09/17/16	0.63	0.61	161
09/18/16	0.63	0.61	161
09/19/16	0.63	0.61	158
09/20/16	0.63	0.61	156
09/21/16	0.63	0.61	156
09/22/16	0.64	0.61	155
09/23/16	0.64	0.61	160
09/24/16	0.64	0.61	160
09/25/16	0.64	0.61	160
09/26/16	0.64	0.61	157
09/27/16	0.64	0.61	157
09/28/16	0.64	0.61	160
09/29/16	0.64	0.61	162
09/30/16	0.65	0.61	165
10/01/16	0.65	0.65	165
10/02/16	0.65	0.65	165
10/03/16	0.65	0.65	169
10/04/16	0.65	0.65	170
10/05/16	0.65	0.65	170
10/06/16	0.65	0.65	169
10/07/16	0.65	0.65	171
10/08/16	0.65	0.65	171
10/09/16	0.65	0.65	171
10/10/16	0.65	0.65	168
10/11/16	0.65	0.65	169
10/12/16	0.65	0.65	168

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)



**LAIF Performance Report**

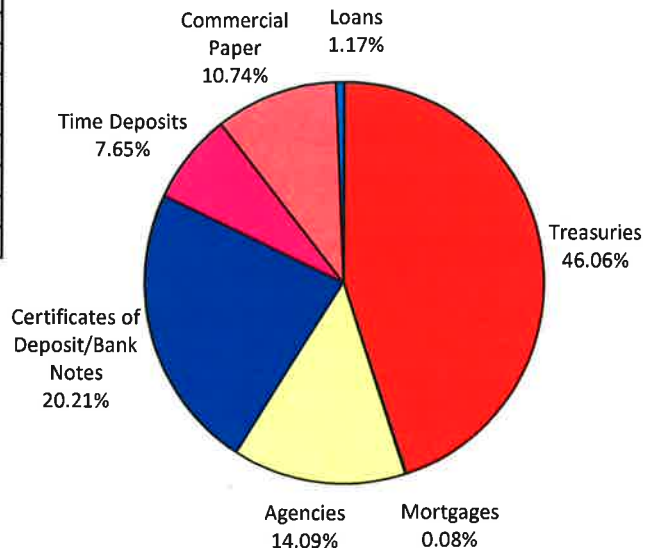
**Quarter Ending 09/30/16**

Apportionment Rate: 0.60%  
 Earnings Ratio: .00001651908048883  
 Fair Value Factor: 1.000306032  
 Daily: 0.65%  
 Quarter to Date: 0.61%  
 Average Life: 165

**PMIA Average Monthly  
Effective Yields**

**Sep 2016 0.634%**  
 Aug 2016 0.614%  
 Jul 2016 0.588%

**Pooled Money Investment Account  
Portfolio Composition  
09/30/16  
\$68.3 billion**



Based on data available as of 10/14/16





## Wealth Management

A division of RBC Capital Markets, LLC, Member NYSE/FINRA/SIPC.

TOWN OF ROSS  
ATTN JOE CHINN  
PO BOX 320  
ROSS CA 94957-0320

### YOUR INFORMATION

**Government Account**

## ACCOUNT STATEMENT

SEPTEMBER 1, 2016 - SEPTEMBER 30, 2016

Account number:

Page 1 of 7

### ACCOUNT VALUE SUMMARY

	THIS PERIOD	THIS YEAR
Beginning account value	\$10,047.08	\$23,404.89
Return of principal	838.14	12,414.20
Withdrawals	-140.00	-13,891.22
Taxable income	33.07	579.07
Change in asset value	-842.03	-12,570.68
Ending account value	\$9,936.26	\$9,936.26

### TOTAL PORTFOLIO VALUE

Ending account value	\$9,936.26
Estimated accrued interest	27.46
Total portfolio value	\$9,963.72

Please see "About Your Statement" on page 2 for further information.



P.O. Box 1800  
Saint Paul, Minnesota 55101-0800  
5839 IMG

Y ST01

## Business Statement

Account Number: [REDACTED]

Statement Period:

Sep 1, 2016  
through  
Sep 30, 2016

Page 1 of 3

[REDACTED]  
ROSS RECREATION  
PO BOX 320  
ROSS CA 94957-0320

**To Contact U.S. Bank**

**Commercial Customer  
Service:**

1-877-295-2509

**Telecommunications Device  
for the Deaf:**

1-800-685-5065

**Internet:**

usbank.com

## INFORMATION YOU SHOULD KNOW

Effective November 14th, 2016 for Overdraft Paid Fee and Overdraft Return Fee asterisk (\*) and footnote in the Consumer Pricing Information brochure will be updated and enhanced to read as follows:

-U.S. Bank limits the number of charges to a daily maximum of 4 Overdraft Fees per day, no matter how many items we pay or return on your behalf. The Overdraft Fees assessed can be Overdraft Paid Fees, Overdraft Return Fees or a combination of both.

Effective November 14th 2016, there will no longer be a Debit Card Replacement Card fee.

Effective November 14th, 2016, the "Your Deposit Account Agreement" booklet includes a number of updates and may affect your rights. As of November 14th, 2016 you may pick up copies at your local branch, view copies at usbank.com, or call 1-800-USBANKS (1-800-872-2657) for a copy. Please see the Additional Information Section of this statement for the main updates that were made to "Your Deposit Account Agreement" booklet.

## GOLD BUSINESS CHECKING

U.S. Bank National Association

### Account Summary

**Member FDIC**  
Account Number [REDACTED]

	# Items	\$	
Beginning Balance on Sep 1			282,730.39
Customer Deposits	3		30,508.55
Other Deposits	31		102,076.03
Other Withdrawals	5		393,466.99 -
<b>Ending Balance on Sep 30, 2016</b>		<b>\$</b>	<b>21,847.98</b>

# Business Checking - Public Funds

Account number: [REDACTED] ■ September 1, 2016 - September 30, 2016 ■ Page 1 of 7



TOWN OF ROSS  
PO BOX 320  
ROSS CA 94957-0320

## Questions?

Available by phone 24 hours a day, 7 days a week:  
Telecommunications Relay Services calls accepted

**1-800-CALL-WELLS** (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: [wellsfargo.com/biz](http://wellsfargo.com/biz)

Write: Wells Fargo Bank, N.A. (114)  
P.O. Box 6995  
Portland, OR 97228-6995

## Your Business and Wells Fargo

Get a clear look at the business financing process to decide if and when business credit is right for you. Visit [wellsfargoworks.com/credit](http://wellsfargoworks.com/credit) to find out more.

Credit decisions subject to credit qualification.

## Account options

A check mark in the box indicates you have these convenient services with your account(s). Go to [wellsfargo.com/biz](http://wellsfargo.com/biz) or call the number above if you have questions or if you would like to add new services.

Business Online Banking  
Online Statements  
Business Bill Pay  
Business Spending Report  
Overdraft Protection

<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>
<input type="checkbox"/>

## Activity summary

Beginning balance on 9/1	\$762,304.53
Deposits/Credits	747,900.44
Withdrawals/Debits	- 864,989.58
<b>Ending balance on 9/30</b>	<b>\$645,215.39</b>

Account number: [REDACTED]

**TOWN OF ROSS**

California account terms and conditions apply

For Direct Deposit use

Routing Number (RTN): 121042882

For Wire Transfers use