



City of Huntington Beach

City Treasurer's Monthly Report

January 2017

<u>Investment Type</u>	<u>Market Value</u>	<u>Book Value</u>	<u>% of Portfolio</u>	<u>YTM 365-day</u>	<u>Policy Limit</u>
Federal Agency Issues	146,026,962	147,523,755	68%	1.43%	None
Local Agency Investment Fund (LAIF)	21,570,000	21,570,000	10%	0.75%	\$65 million
Medium Term Notes - IBRD	4,975,050	4,983,132	2%	1.11%	10%
Corporate Bonds	44,529,815	44,662,092	20%	1.44%	30%
Total Portfolio	217,101,828	218,738,979	100%	1.36%	

Investment Summary:

As of January 31, 2017, the market value of the City's investment portfolio was approximately \$217.1 million, with a book value of \$218.7 million. The portfolio is invested in only those investments allowable by state regulations and the City's investment policy. Such investments are purchased to meet the portfolio objectives of preservation of principal, maintenance of sufficient operating liquidity, and to attain a market rate of return throughout budgetary and economic cycles, in that order of absolute priority.

Bond and Equity Markets: The 10-year Treasury yield was flat between December and January. The S&P 500 and the DJIA posted modest increases at 1.79% and 0.51% respectively for the same time period.

Earnings: The City had earnings of \$226,719 for the month of January with fiscal year-to-date earnings of \$798,895. This compares favorably to monthly earnings of \$193,782 in January of 2016, and fiscal year-to-date earnings of \$693,355 through 1/30/16.

Market Summary	Federal Funds Rate	10-Year Treasury	S&P 500	DOW
November 30, 2016	0.25 - 0.50 %	2.37%	2,198.81	19,123.58
December 31, 2016	0.50 - 0.75 %	2.45%	2,238.83	19,762.60
January 31, 2017	0.50 - 0.75 %	2.45%	2,278.87	19,864.09
Dec - Jan % Change	0	0%	1.79%	0.51%

Economic Outlook:

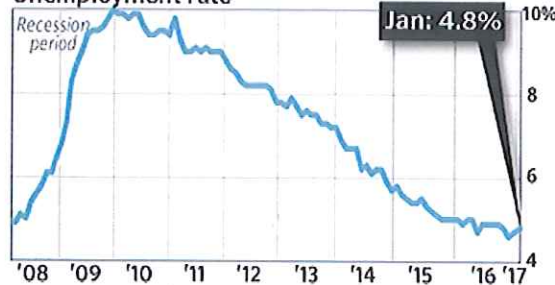
According to the Bureau of Labor Statistics, both the U.S. unemployment rate and the labor participation rate were little changed compared to last month. The United States created 227,000 new jobs in January. Retail and business services led the way by adding 46,000 and 39,000 jobs respectively, followed by leisure and hospitality with 34,000 jobs, with financials closely following with the addition of 32,000 new jobs. Most major industry sectors added jobs with the exception of government, transportation, and utilities. In addition, average hourly wages have risen by 2.5% over the year.

Total employment gains for November and December of last year combined were 39,000 less than previously reported. The change in total nonfarm payroll employment for the past two months was revised from +204,000 to +164,000 in November, and +156,000 to +157,000 in December. Overall, job gains for the past 3 months have averaged 183,000 per month.

The Federal Open Market Committee (FOMC) met at the end of January to discuss the current state of the economy and to examine potential future interest rate hikes this year. The federal funds rate at the end of January remained unchanged at 1/2 to 3/4 percent. The Personal Consumption Expenditures (the Fed's preferred measure of inflation) rose 1.7% from a year earlier in December and is within reach of the Federal Reserve's inflation target of 2.0%. The Committee stated, "The stance of monetary policy remains accommodative, thereby supporting some further strengthening in labor market conditions and a return to 2 percent inflation." The Committee aims to closely monitor inflation indicators, global economic and financial developments and will meet again in March to discuss the case for an increase in the federal funds rate.

At a glance: the January jobs report

Unemployment rate



Monthly jobs growth In thousands



By selected industries In thousands



Source: Bureau of Labor Statistics



City of HB
Portfolio Management
Portfolio Summary
January 31, 2017

City of Huntington Beach
 2000 Main St.
 Huntington Beach,

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues - Coupon	147,405,000.00	146,026,962.45	147,523,754.58	67.44	1,338	1,099	1.414	1.434
Local Agency Investment Funds	21,570,000.19	21,570,000.19	21,570,000.19	9.86	1	1	0.741	0.751
Medium Term Notes - IBRD	5,000,000.00	4,975,050.00	4,983,132.11	2.28	608	533	1.093	1.109
Corporate Bonds	44,500,000.00	44,529,815.00	44,662,091.73	20.42	1,154	537	1.418	1.438
Investments	218,475,000.19	217,101,827.64	218,738,978.61	100.00%	1,152	863	1.341	1.360
Cash and Accrued Interest								
Accrued Interest at Purchase		48,258.34	48,258.34					
Subtotal		48,258.34	48,258.34					
Total Cash and Investments	218,475,000.19	217,150,085.98	218,787,236.95		1,152	863	1.341	1.360

Total Earnings	January 31	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year		226,719.29	798,894.87	
Current Budget		140,000.00	560,000.00	1,680,000.00
Last Year Actual		193,782.34	693,355.14	2,299,957.00
Average Daily Balance		216,148,564.96	201,749,705.88	
Effective Rate of Return		1.24%	1.18%	

I certify that this report accurately reflects all City pooled investments and is in conformity with all State laws and the investment policy statement filed with the City Council on November 7, 2016. A copy of this policy is available at the office of the City Clerk. The investment program herein shown provides sufficient cash flow liquidity to meet the next six month's obligations. Market Values provided by Union Bank via Interactive Data Corporation.

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 Alisa Cutchen, CITY TREASURER

Reporting period 01/01/2017-01/31/2017

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Portfolio CITY
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City of HB
Portfolio Management
Portfolio Details - Investments
January 31, 2017

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
3133EGEV3	4140	Federal Farm Credit Bank		06/15/2016	5,000,000.00	4,906,900.00	5,000,000.00	1.620	AA	1.620	1,594	06/14/2021
3133EG2L8	4160	Federal Farm Credit Bank		12/28/2016	5,000,000.00	5,013,350.00	5,008,744.90	1.920		1.873	1,426	12/28/2020
3130A3TA2	4038	Federal Home Loan Bank		12/30/2014	5,000,000.00	5,008,450.00	4,999,733.12	1.000	AA	1.010	195	08/15/2017
313378A43	4048	Federal Home Loan Bank		02/20/2015	5,000,000.00	5,022,550.00	5,014,902.37	1.375	AA	1.100	401	03/09/2018
3130A7WK7	4136	Federal Home Loan Bank		05/24/2016	5,000,000.00	4,965,450.00	5,000,000.00	1.250	AA	1.250	842	05/24/2019
3130A8DC4	4138	Federal Home Loan Bank		06/30/2016	2,250,000.00	2,194,627.50	2,250,000.00	1.600	AA	1.600	1,428	12/30/2020
3130A8T94	4153	Federal Home Loan Bank		08/10/2016	5,000,000.00	4,941,700.00	5,000,000.00	1.050	AA	1.518	1,286	08/10/2020
313383VN8	4157	Federal Home Loan Bank		11/16/2016	5,000,000.00	5,068,100.00	5,089,985.55	2.000		1.297	954	09/13/2019
3134G7U25	4117	Federal Home Loan Mort Corp		10/27/2015	5,000,000.00	4,998,900.00	5,000,000.00	0.800	AA	0.800	268	10/27/2017
3134G73Q2	4120	Federal Home Loan Mort Corp		10/27/2015	5,000,000.00	4,968,200.00	5,000,000.00	1.000	AAA	0.991	541	07/27/2018
3134G9RN9	4139	Federal Home Loan Mort Corp		06/23/2016	5,000,000.00	4,942,650.00	5,000,000.00	1.250	AA	1.919	1,238	06/23/2020
3134G9UY1	4142	Federal Home Loan Mort Corp		06/29/2016	5,000,000.00	4,996,800.00	5,000,000.00	1.000	AA	1.000	513	06/29/2018
3134G9F93	4148	Federal Home Loan Mort Corp		06/30/2016	5,000,000.00	4,921,550.00	5,000,000.00	1.000	AAA	0.998	877	06/28/2019
3134G9E78	4149	Federal Home Loan Mort Corp		06/30/2016	5,000,000.00	4,846,300.00	5,000,000.00	1.280	AAA	1.280	1,337	09/30/2020
3134G9C54	4150	Federal Home Loan Mort Corp		06/30/2016	4,655,000.00	4,521,354.95	4,655,000.00	1.500	AA	1.500	1,610	06/30/2021
3134G9G35	4151	Federal Home Loan Mort Corp		06/30/2016	5,000,000.00	4,942,950.00	5,000,000.00	1.000	AAA	1.592	1,610	06/30/2021
3134GAUB8	4156	Federal Home Loan Mort Corp		11/22/2016	5,000,000.00	4,849,900.00	5,000,000.00	1.650	AA	1.650	1,755	11/22/2021
3134GAE34	4163	Federal Home Loan Mort Corp		12/30/2016	5,000,000.00	4,997,700.00	5,000,000.00	1.000		2.787	1,793	12/30/2021
3136G2R58	4122	Fed. Nat'l Mort. Assoc.		10/29/2015	5,000,000.00	4,991,950.00	5,000,000.00	1.040	AA	1.040	632	10/26/2018
3135G0ZL0	4132	Fed. Nat'l Mort. Assoc.		03/09/2016	5,000,000.00	5,009,400.00	5,006,492.11	1.000	AA	0.800	238	09/27/2017
3135G0K85	4137	Fed. Nat'l Mort. Assoc.		06/13/2016	5,000,000.00	4,977,200.00	5,000,000.00	1.400	AA	1.400	862	06/13/2019
3136G3SJ5	4141	Fed. Nat'l Mort. Assoc.		06/30/2016	5,000,000.00	4,825,550.00	4,998,896.53	1.500	AA	1.505	1,610	06/30/2021
3136G3SN6	4143	Fed. Nat'l Mort. Assoc.		06/23/2016	3,000,000.00	2,904,780.00	3,000,000.00	1.500	AA	1.500	1,421	12/23/2020
3135G0K93	4144	Fed. Nat'l Mort. Assoc.		06/28/2016	5,000,000.00	4,966,800.00	5,000,000.00	1.250	AA	1.250	877	06/28/2019
3136G3UT0	4146	Fed. Nat'l Mort. Assoc.		06/30/2016	5,000,000.00	4,873,300.00	5,000,000.00	1.500	AA	1.500	1,428	12/30/2020
3136G3VU6	4147	Fed. Nat'l Mort. Assoc.		07/19/2016	5,000,000.00	4,980,200.00	5,000,000.00	1.125	AA	1.819	1,629	07/19/2021
3136G3YG4	4152	Fed. Nat'l Mort. Assoc.		07/25/2016	7,500,000.00	7,421,700.00	7,500,000.00	1.000	AA	1.000	813	04/25/2019
3136G4HM8	4159	Fed. Nat'l Mort. Assoc.		12/02/2016	5,000,000.00	4,965,850.00	5,000,000.00	1.950		1.950	1,765	12/02/2021
3136G4KN2	4161	Fed. Nat'l Mort. Assoc.		12/30/2016	5,000,000.00	5,000,500.00	5,000,000.00	2.050	AA	2.050	1,428	12/30/2020
3136G4KM4	4162	Fed. Nat'l Mort. Assoc.		01/17/2017	5,000,000.00	5,002,300.00	5,000,000.00	1.750		1.750	1,080	01/17/2020
Subtotal and Average			144,945,419.42		147,405,000.00	146,026,962.45	147,523,754.58			1.434	1,099	
Local Agency Investment Funds												
SYS982	982	Laif City			21,570,000.19	21,570,000.19	21,570,000.19	0.751		0.751	1	
Subtotal and Average			21,553,681.54		21,570,000.19	21,570,000.19	21,570,000.19			0.751	1	

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City of HB
Portfolio Management
Portfolio Details - Investments
January 31, 2017

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Medium Term Notes - IBRD												
459058FE8	4158	Intl Bk Recon & Development		11/18/2016	5,000,000.00	4,975,050.00	4,983,132.11	0.876	AAA	1.109	533	07/19/2018
Subtotal and Average			4,982,683.83		5,000,000.00	4,975,050.00	4,983,132.11			1.109	533	
Corporate Bonds												
06406HCZ0	4155	Bank of New York		10/24/2016	5,000,000.00	4,995,000.00	5,079,140.25	2.150	A	1.617	1,118	02/24/2020
14912L5P2	4024	Caterpillar Financial Corp.		12/10/2014	3,000,000.00	2,991,480.00	2,991,937.98	1.300	A	1.555	393	03/01/2018
17275RBG6	4154	Cisco Systems Inc		09/27/2016	3,000,000.00	2,970,000.00	3,007,482.33	1.400	AA	1.303	961	09/20/2019
166764AA8	4044	Chevron Corp		02/09/2015	3,000,000.00	2,995,500.00	3,002,513.39	1.104	AA	1.003	307	12/05/2017
268648AP7	4077	EMC Corp		07/14/2015	2,500,000.00	2,487,250.00	2,507,938.28	1.875	AA	1.630	485	06/01/2018
36962G5W0	3994	General Electric Capital Corp		12/26/2013	5,000,000.00	5,012,350.00	5,011,757.87	2.300	AAA	1.291	85	04/27/2017
36962G6K5	4007	General Electric Capital Corp		05/12/2014	2,500,000.00	2,507,550.00	2,505,076.87	1.600	AA	1.340	292	11/20/2017
36962G6W9	4036	General Electric Capital Corp		12/19/2014	2,000,000.00	2,005,360.00	2,004,168.72	1.625	AA	1.442	425	04/02/2018
24422ESR1	4126	John Deere Capital		12/08/2015	1,000,000.00	1,002,700.00	1,001,714.69	1.550	A	1.350	317	12/15/2017
24422ESR1	4127	John Deere Capital		12/08/2015	2,000,000.00	2,005,400.00	2,003,645.34	1.550	A	1.337	317	12/15/2017
494368BP7	4164	Kimberly Clark Corp		12/28/2016	2,000,000.00	1,998,780.00	1,990,599.48	1.850		2.008	1,124	03/01/2020
191216BA7	4049	Coca Cola Co		02/24/2015	2,500,000.00	2,496,075.00	2,496,926.14	1.150	AA	1.258	424	04/01/2018
58933YAC9	4045	Merck & Co Inc		02/09/2015	2,000,000.00	1,997,180.00	2,000,777.67	1.100	AA	1.089	364	01/31/2018
68389XAQ8	4071	Oracle Corp		05/26/2015	3,000,000.00	3,044,730.00	3,036,496.13	2.375	AA	1.731	713	01/15/2019
89233P7E0	4023	Toyota Motor Credit		12/10/2014	3,000,000.00	3,001,500.00	2,996,793.24	1.375	AA	1.491	343	01/10/2018
89236TAY1	4039	Toyota Motor Credit		01/26/2015	3,000,000.00	3,018,960.00	3,025,123.35	2.000	AA	1.500	630	10/24/2018
Subtotal and Average			44,666,780.17		44,500,000.00	44,529,815.00	44,662,091.73			1.438	537	
Total and Average			216,148,564.96		218,475,000.19	217,101,827.64	218,738,978.61			1.360	863	

**City of HB
Portfolio Management
Portfolio Details - Cash
January 31, 2017**

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
Average Balance			0.00	Accrued Interest at Purchase		48,258.34	48,258.34				
				Subtotal		48,258.34	48,258.34				0
Total Cash and Investments			216,148,564.96			218,475,000.19	217,150,085.98	218,787,236.95	1.360		863

City of HB
Portfolio Management
Activity By Type
January 1, 2017 through January 31, 2017

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CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Federal Agency Issues - Coupon							
3136G4KM4	4162	Fed. Nat'l Mort. Assoc.	1.750	01/17/2017	5,000,000.00	0.00	
		Subtotal			5,000,000.00	0.00	147,523,754.58
Local Agency Investment Funds (Monthly Summary)							
SYS982	982	Laif City	0.751		45,988.92	0.00	
		Subtotal			45,988.92	0.00	21,570,000.19
Medium Term Notes - IBRD							
		Subtotal					4,983,132.11
Corporate Bonds							
		Subtotal					44,662,091.73
		Total			5,045,988.92	0.00	218,738,978.61

**City of HB
Portfolio Management
Activity Summary
January 2016 through January 2017**

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Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
January	2016	46	207,140,111.69	1.243	1.261	0.446	0	0	1,147	898
February	2016	43	204,413,571.12	1.217	1.234	0.467	0	3	1,102	832
March	2016	47	201,877,568.13	1.232	1.249	0.506	4	0	1,140	869
April	2016	45	204,141,812.62	1.280	1.298	0.525	0	2	1,181	893
May	2016	44	208,914,656.20	1.168	1.184	0.552	2	3	976	736
June	2016	46	228,822,479.77	1.156	1.172	0.576	14	12	1,006	806
July	2016	45	230,059,053.62	1.167	1.183	0.588	2	3	1,044	830
August	2016	45	220,520,888.69	1.186	1.203	0.614	1	1	1,074	831
September	2016	43	208,478,917.26	1.205	1.222	0.634	1	3	1,114	835
October	2016	41	196,572,478.10	1.207	1.224	0.654	1	3	1,090	807
November	2016	42	195,690,704.56	1.208	1.225	0.678	3	2	1,053	795
December	2016	47	198,391,624.24	1.329	1.348	0.719	5	0	1,154	886
January	2017	48	216,148,564.96	1.341	1.360	0.751	1	0	1,152	863
Average		45	209,346,056.18	1.226%	1.243%	0.593	3	2	1,095	837



Fair Value Including Accrued Interest	\$	73,854,108,265.75
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Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).



Statement of Cash Receipts and Disbursements and Summary of Cash by Fund

Finance Department
January 2017

<u>Cash Receipts and Disbursements</u>	<u>December 2016</u>	<u>January 2017</u>
Receipts		
General Fund		
Property Tax	23,834,299	13,542,922
Local Sales Tax	3,651,567	2,568,700
Public Safety Sales Tax	212,581	169,968
Transient Occupancy Tax Receipts (TOT)	633,544	629,495
Utility Users Tax (UUT)	1,472,432	1,635,007
Other Revenue	4,198,252	4,418,700
Total General Fund Revenue	34,002,674	22,964,792
Capital Projects Funds	43,042	16,997
Debt Service Funds	-	-
Enterprise Funds	4,878,349	4,825,200
General Fund Other	806,028	124,635
Internal Service Funds	507,544	501,284
Special Revenue Funds	471,232	3,362,737
Grant Funds	1,679,992	118,360
Trust and Agency Funds	2,367,853	2,188,915
Total Receipts	\$44,756,713	\$34,102,920
Disbursements		
General Fund		
Personal Services	(18,120,033)	(11,631,063)
Operating Expenses	(2,988,067)	(3,406,795)
Capital Expenditures	(226,493)	(3,217,117)
Non-Operating Expenses	(4,208)	(4,208)
Total General Fund Disbursements	(21,338,802)	(18,259,184)

Capital Projects Funds	(410,813)	(120,804)
Debt Service Funds	(1,440)	(673,200)
Enterprise Funds	(5,602,208)	(3,650,174)
General Fund Other	(832,295)	(68,526)
Internal Service Funds	(934,128)	(772,022)
Special Revenue Funds	(1,645,585)	(858,720)
Grant Funds	(1,086,546)	(244,054)
Trust and Agency Funds	(1,391,372)	(1,459,151)
Total Disbursements	(33,243,188)	(26,105,835)

Net Change in Cash Flow	\$11,513,525	\$7,997,085
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Summary of Cash by Fund	December 2016	January 2017
General Fund	\$80,226,032	\$84,180,758
General Fund Other	5,665,094	5,724,206
Capital Projects Funds	20,534,527	21,259,511
Debt Service Funds	59,520	59,520
Enterprise Funds	71,835,225	70,017,412
Trust and Agency Funds	11,692,410	12,973,434
Internal Service Funds	10,938,669	11,072,786
Special Revenue Funds	24,955,976	27,482,915
General Ledger Cash Balances	* \$225,907,452	\$232,770,543

* Total cash will differ from investment portfolio total due to outstanding checks and/or other timing differences.

Note: Above information was obtained from the City's accounting system records. The above information includes receipts from maturing investments and payments for purchased investments in the city investment portfolio. This statement is prepared in compliance with the City's Charter.