



Item No. 10 Town of Atherton

CITY COUNCIL STAFF REPORT – CONSENT AGENDA

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

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: MAY 17, 2017

**SUBJECT: ACCEPTANCE OF TREASURER’S REPORT FOR THE THIRD
QUARTER ENDED MARCH 31, 2017**

RECOMMENDATION

Accept the Treasurer’s Report for the second Quarter Ended March 31, 2017.

BACKGROUND

The Treasurer’s Report provides an update on the cash and investment position of the Town of Atherton.

The Third Quarter Treasurer’s report for FY 2016/17 as of March 31, 2017 is attached. The total cash and investments for the Town is \$36,021,561. Of the total amount, \$16,569,303 is listed as “non-restricted” and although may be listed as such, this amount is not all available for spending. “Non-restricted” is to mean not legally restricted but the Town does have obligations and unfunded liabilities that must or may be met with non-restricted funds. Also attached is the PARS Trust account available balance as of March 31, 2017. The total amount in the PARS account is \$5,716,784. This is a “restricted” investment that is used for the Town’s OPEB liabilities.

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

As the Town ramps up with its capital projects, staff forecasts cash flow needs to ensure cash liquidity of funds are readily available. As investments mature staff reviews if there is an immediate need to shift funds to more liquid instruments. LAIF offers the most liquidity and as of March 31, 2017 holds \$8,371,642.

POLICY FOCUS

The Town’s Statement of Investment Policy requires the City Manager or designee to submit quarterly and annual Treasurer’s Report to the City Council. The California Government Code

Section 53646, Subsection B(1) requires that the quarterly Treasurer's Report be submitted to the legislative body within 30 days of the close of a given quarter or within a reasonable time of scheduled council meetings. Staff strives to make this deadline. The current reporting quarter closed on March 31, 2017.

FISCAL IMPACT

None.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

In addition, the Town keeps its financial information up to date via a transparency webpage.

<https://ca-atherton.civicplus.com/index.aspx?NID=269>

ATTACHMENTS

Treasurer's Report for Third Quarter Ended March 31, 2017

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Summary
March 31, 2017**

| | Par Value | Market Value | Book Value | % of Portfolio |
|-----------------------------------|-------------------|---------------------|-------------------|---------------------------|
| Cash In Bank (Schedule A) | 9,289,471 | 9,289,471 | 9,289,471 | 25.8% |
| LAIF Statement | 8,371,642 | 8,376,620 | 8,371,642 | 23.2% |
| Investments (Schedule B) | 18,072,424 | 18,214,509 | 18,360,448 | 51.0% |
| Total Cash and Investments | 35,733,537 | 35,880,600 | 36,021,561 | 100% |

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



Robert Barron, Finance Director

5/11/2017

Date

**Town of Atherton
Quarterly Treasurer's Report
Portfolio Details - Cash In Bank
March 31, 2017**

Schedule A

| <u>Name of Depository</u> | <u>Investment Type</u> | <u>Reconciled Bank Balance</u> |
|---------------------------|----------------------------|------------------------------------|
| Wells Fargo | General Account | 7,185,541 |
| Wells Fargo | Wells Fargo Trust MMF-Cash | <u>2,103,930</u> |
| Total | | <u><u>9,289,471</u></u> |

**Town of Atherton
Treasurer's Report Schedule B
Portfolio Details - Investments
March 31, 2017**

Schedule B

See next pages Cutwater Report

**Town of Atherton
Quarterly Treasurer's Report
Cash & Investments Balance By Fund
March 31, 2017**

| Fund No. | Fund Name | June Balance |
|-------------------------------------|---|---------------------------------|
| 101 | General Fund | 13,503,203 |
| 105 | Tennis Fund | 130,324 |
| 610 | Equipment Replacement Fund | 346,981 |
| 614 | Worker's Compensation | 569,645 |
| 615 | General Liability | 463,987 |
| 616 | Employee Benefits | 1,555,164 |
| Total Non-Restricted | | <u>16,569,303</u> |
| 201 | Special Tax Fund | 1,337,367 |
| 202 | County Measure A Fund | 761,345 |
| 203 | Gas Tax Fund | 198,224 |
| 204 | Measure M | 270,097 |
| 209 | SLES/COPS Grant | 103,100 |
| 210 | Road Constructions Impact Fee | 124,103 |
| 213 | Library Fund | 5,826,720 |
| 215 | Evans Creative Design (formerly fund 715) | 18,302 |
| 221 | Refuse Rate and Stabilization | 1,179,053 |
| 401 | GF Projects | 7,060,109 |
| 402 | Storm Drainage | 30,371 |
| 403 | Atherton Channel Drainage District | 291,498 |
| 406 | Facilities Construction | 2,220,349 |
| 730 | H-P Park Improvement | 6,160 |
| 740 | Tree Committee | 25,460 |
| Total Restricted | | <u>19,452,258</u> |
| Total Cash & Investments | | <u><u>36,021,561</u></u> |

**Town of Atherton
Quarterly Treasurer's Report
Local Agency Investment Fund Summary (LAIF)
March 31, 2017**

| Date | Begin \$\$\$ | Contribution | Earnings | Expenses | Distribution | Ending \$\$\$ | Date |
|-------------|---------------------|---------------------|-----------------|-----------------|---------------------|----------------------|-------------|
| 12/31/2016 | 8,371,642 | | - | - | | 8,371,642 | 12/31/2016 |

**Town of Atherton
Quarterly Treasurer's Report
PARS Trust Account Summary
March 31, 2017**

| Date | Begin \$\$\$ | Contribution | Earnings | Expenses | Distribution | Ending \$\$\$ | Date |
|-------------|---------------------|---------------------|-----------------|-----------------|---------------------|----------------------|---------------|
| 3/1/2017 | 5,710,865 | 31,925 | 17,377 | (2,720) | (40,663) | 5,716,784 | 3/31/2017 (*) |

* Recent available PARS report