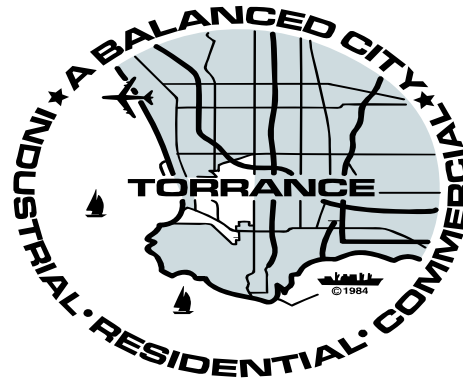


Investment Advisory Committee Regular Meeting



Agenda

❖ Call to Order

- Approval of meeting minutes of March 10, 2016
- Review, accept and file February 2016 Investment Report presented by the City Treasurer

❖ Oral Communication

❖ Adjournment

Meeting: 03/28/2016
2:00 PM

City Manager's
Conference Room

INVESTMENT ADVISORY COMMITTEE

Minutes for Meeting of March, 2016

1. CALL TO ORDER

The meeting was called to order on March 10, 2016, at 02:31 PM in the City Manager's Large Conference Room.

2. ROLL CALL

Committee Members:

Present: Committee Members
City Manager: LeRoy Jackson
City Attorney: John L. Fellows III
City Treasurer: Dana Cortez
Deputy City Treasurer: Vacant
Finance Director: Joyce Reyes for Eric E. Tsao

Staff:

City Treasurer's Office: Jonathan Palfi
Public: None

3. APPROVAL OF MINUTES

- Motion: Dana Cortez, approval of minutes for February 16, 2016
- Moved: LeRoy Jackson
- John Fellows III
- Motion passed unanimously

4. TREASURER'S REPORT

City Treasurer, Dana Cortez, presented the January 2016 Investment Report:

Investment Activity during the Period

The investment activity for January included 0 purchases and 1 redemption.

Purchaser-Issuer	Rating	Par Value	Term	Coupon	Yield	Structure

Redemptions-Issuer	Rating	Par Value	Term	Coupon	Yield	Status
JP Morgan	FDIC	245 ,000	5 YR	0.750%	0.750%	Call

Structure Definition:

Step-Up Bond – A bond that pays an initial coupon rate for the first period, and then a higher coupon rate for the following periods. A step-up bond is one in which subsequent future coupon payments are received at a higher, predetermined amount than previous or current periods. These bonds usually have a callable component.

Bullet Bond – Bullet bonds are non-callable. Bullet bonds cannot be redeemed early by an issuer.

1X Callable Bond – Is a callable bond where the issuer only has one option to call the bond. If the option is not exercised it becomes a Bullet Bond.

6M Callable Bond – Is a bond with an ongoing 6 month call option.

The Local Agency Investment Fund (LAIF) balance was \$37.5 million with an average monthly yield of 0.446%. Activity detailed on page 3 of the Investment Report. The aggregate investment portfolio balance on December 31, 2015 was \$172,239,329. As of January 31, 2016 the ending balance is \$181,742,336 resulting in an increase of \$9.5 million from the previous month. The increase is mainly due to Property Tax Triple Flip Payment in the amount of \$11.4 million.

INVESTMENT ADVISORY COMMITTEE

Minutes for Meeting of March, 2016

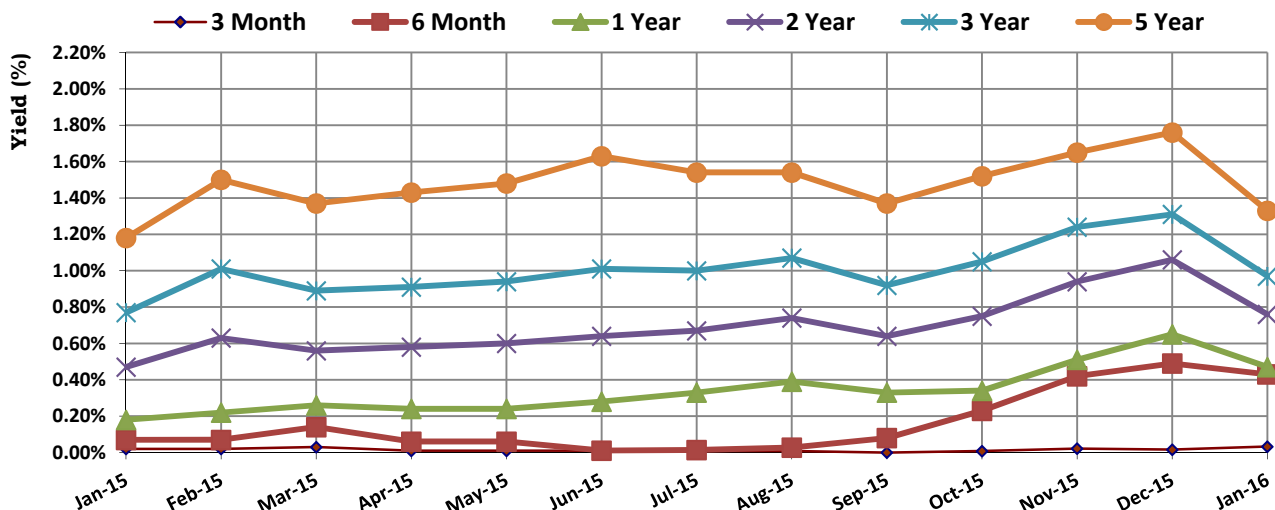
Liquidity of the Portfolio

The current goal is to keep the investment portfolio at an average maturity between 2 to 3 years based on current economic conditions. The goal was set between 2 to 3 years as a gauge to meet liquidity needs and in order to take advantage of rising interest rates. Average maturity is a moving target which is contingent upon the current cash flow needs of the organization and economic conditions. The portfolio's current average maturity is 616 days or 1.69 years. This is a 61 day decrease from the previous month. The decrease is due to excess liquidity targets.

The goal is to keep an average of \$10-\$20 million in liquid assets in order to meet operational needs and for unexpected expenditures that may arise. The current short term liquidity balance is \$58.2 million. The higher balance of liquidity is in preparation for upcoming approved expenditures of about \$12 million for Compressed Natural Gas Transit Buses and the TRAN Payment set aside. The City is in compliance with California Government Code Section 53646 which requires local agency to report its ability to meet pooled expenditure requirements for the next six (6) months.

Investment Comparison to Benchmark

For the month of January, the City's yield to maturity on pooled investments was 1.076%. The yield decreased by 3 basis points or 0.03% from the previous month. The average effective rate of return for fiscal year-to-date is 0.99%. The average yield on the 2 year U.S. Constant Maturing Treasury (CMT) was 0.760% which reflects a decrease of 30 basis points or 0.30% compared to the prior month. This decrease in rates was directly related to the Federal Reserve increasing rates by .25 or 25 basis points on December 16, 2015. The portfolio performed above the CMT benchmark by 32 basis points or 0.32%. As interest rates continue to slowly move upward the spread between the portfolio performance and the benchmark will continue to tighten. Because the portfolio is generally buy and hold it can be expected that that the benchmark will eventually outperform the portfolio until the portfolio has an opportunity to catch up with the market interest momentum. As the short end of the yield curve continues to rise LAIF rates are also expect to trail but will reflect a similar yield curve. The graph below tracks the CMT yields for the past twelve month period for a variety of terms. The City's portfolio will stay the course based on the current economic trends. Covering cash flow needs rank as the top priority.



5. Investment Report

- Motion by member Jackson was to accept and file the Investment Report for February 2016 with the request to modify on Page 2, in reference to the Rate of Return.
- Motion: Treasurer Cortez motioned to accept and file the Investment Reports for February 2016
- Moved: LeRoy Jackson
- 2nd: John Fellows
- Motion passed unanimously

6. ADJOURNMENT

- Motion: Dana Cortez, requested a motion to adjourn
- Moved: LeRoy Jackson
- 2nd: Joyce Reyes
- Motion passed unanimously.



City of Torrance, California
Investment Report Summary Notes
For the Month of: February 2016

Investment Activity during the Period

The investment activity for February included 0 purchases and 0 redemption.

Purchaser-Issuer	Rating	Par Value	Term	Coupon	Yield	Structure

Redemptions-Issuer	Rating	Par Value	Term	Coupon	Yield	Status

Structure Definition:

Step-Up Bond – A bond that pays an initial coupon rate for the first period, and then a higher coupon rate for the following periods. A step-up bond is one in which subsequent future coupon payments are received at a higher, predetermined amount than previous or current periods. These bonds usually have a callable component.

Bullet Bond – Bullet bonds are non-callable. Bullet bonds cannot be redeemed early by an issuer.

1X Callable Bond – Is a callable bond where the issuer only has one option to call the bond. If the option is not exercised it becomes a Bullet Bond.

6M Callable Bond – Is a bond with an ongoing 6 month call option.

The Local Agency Investment Fund (LAIF) balance was \$38.1 million with an average monthly yield of 0.467%. Activity detailed on page 3 of the Investment Report. The aggregate investment portfolio balance on January 31, 2016 was \$181,742,336. As of February 29, 2016 the ending balance is \$182,290,620 resulting in an increase of \$548,284 from the previous month.

Liquidity of the Portfolio

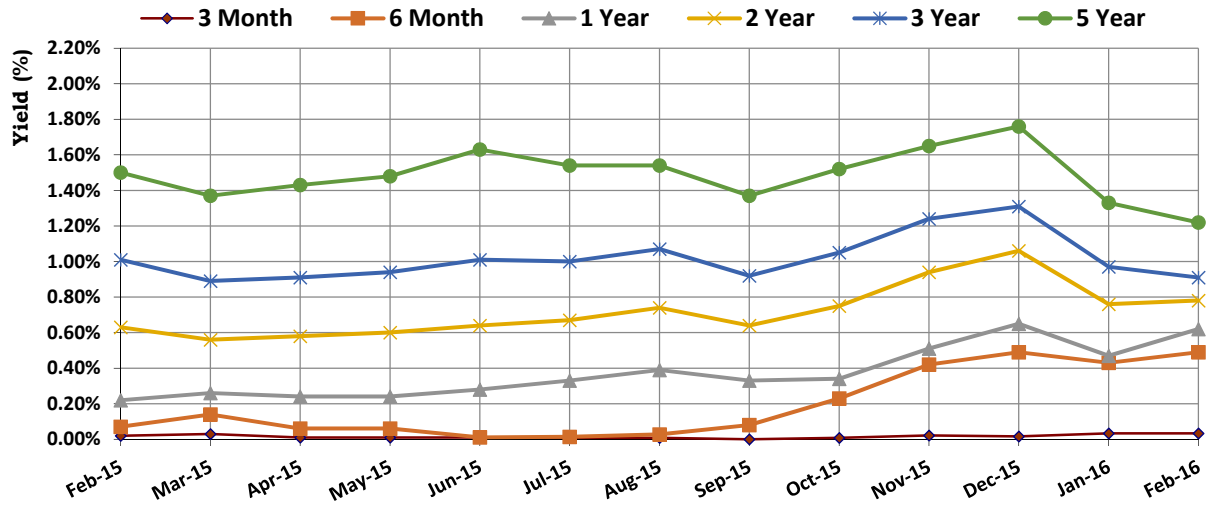
- ❖ The current goal is to keep the investment portfolio at an average maturity between 2 to 3 years based on current economic conditions. The goal was set between 2 to 3 years as a gauge to meet liquidity needs and in order to take advantage of rising interest rates. Average maturity is a moving target which is contingent upon the current cash flow needs of the organization and economic conditions. The portfolio’s current average maturity is 591 days or 1.62 years. This is a 25 day decrease from the previous month. The portfolio experiences excess liquidity during this period, because of TRAN payments set aside as part of the bond requirement.
- ❖ The goal is to keep an average of \$10-\$20 million in liquid assets in order to meet operational needs and for unexpected expenditures that may arise. The current short term liquidity balance is \$60.3 million. The higher balance of liquidity is a result of TRAN Payment set aside. The City is in compliance with California Government Code Section 53646 which requires local agency to report its ability to meet pooled expenditure requirements for the next six (6) months.

Investment Comparison to Benchmark

For the month of February, the City’s yield to maturity on pooled investments was 1.079%. The yield remained constant in relation to the previous month. The average effective rate of return for fiscal year-to-date is 1.00%. The average yield on the 2 year U.S. Constant Maturing Treasury (CMT) was 0.780% which reflects an increase of 2 basis points or 0.02% compared to the prior month. The portfolio performed above the CMT benchmark by 30 basis points or 0.30%. As interest rates continue to slowly move upward the spread between the portfolio performance and the benchmark will continue to tighten, because the portfolio is generally ‘buy and hold’. As the short end of the yield curve continues to rise LAIF rates are also expect to trail but will reflect a similar yield curve. The graph below tracks the CMT yields for the past twelve month period for a variety of terms. The City’s portfolio will stay the course based on the current economic trends. Covering cash flow needs rank as the top priority.



City of Torrance, California Investment Report Summary Notes For the Month of: February 2016





City of Torrance, California
Monthly Investment Portfolio Report
February 29, 2016

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**Investment Report
February 2016**

Portfolio Highlights

RETURN	Current Month	Prior Month
Effective Rate of Return	1.090%	1.060%
City Portfolio YTM	1.079%	1.076%
U.S. Treasury Constant Maturity (2 year)	0.780%	0.760%
LAIF Monthly Return	0.467%	0.446%
City Portfolio YTM (Prior Year)	0.888%	0.901%
Effective Rate of Return	Year to Date	Prior Year to Date
Effective Rate of Return	1.000%	0.940%
INTEREST INCOME	Current Period	Prior Month
Fiscal Year to Date	\$1,135,601	\$979,177
Current Month	\$156,545	\$153,939
MATURITY	Current Month	Prior Month
Days to Maturity	591	616
Days to Maturity (Prior Year)	654	670
Average Maturity (Years)	1.62	1.69
VOLUMES	Total Volume (\$)	# of Transactions
Purchases/Deposits	\$8,451,150	0
Maturities/Redemptions	\$7,851,150	0

Portfolio Activity Summary

Month End	Year	# of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	# of Investments Purchased	# of Investments Redeemed	Average Term	Average Days to Maturity
				360 (%)	365 (%)					
February	2015	100	171,931,521.26	0.875	0.888	0.266	1	2	1,124	654
March	2015	100	169,938,884.08	0.895	0.907	0.278	0	0	1,154	648
April	2015	102	172,571,119.93	0.866	0.878	0.283	5	3	1,086	600
May	2015	107	179,612,929.93	0.878	0.890	0.290	8	3	1,094	596
June	2015	115	183,442,413.43	0.943	0.956	0.299	9	1	1,115	636
July	2015	119	178,091,994.16	1.045	1.059	0.320	7	3	1,262	720
August	2015	116	165,279,461.31	1.088	1.103	0.330	2	5	1,326	752
September	2015	122	165,906,018.35	1.068	1.082	0.337	10	4	1,287	723
October	2015	121	165,878,218.18	1.103	1.119	0.357	4	5	1,311	735
November	2015	121	163,637,277.63	1.124	1.139	0.374	1	2	1,342	743
December	2015	122	165,084,605.49	1.089	1.104	0.400	2	1	1,267	677
January	2016	121	171,098,690.47	1.062	1.076	0.446	0	1	1,198	616
February	2016	121	180,620,118.88	1.064	1.079	0.467	0	0	1,194	591
Average:		114	171,734,261.97	1.008	1.022	0.342	4	2	1,212	669

**Investment Report
February 2016**

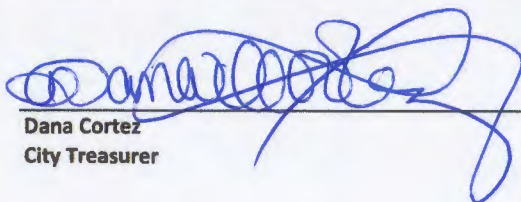
Portfolio Summary

	Book Value (\$)	BV % of Portfolio	Market Value (\$)	MV % of Portfolio	S&P Rating	% per Policy	Modified Duration	Days to Maturity	Maximum Term	YTM
Local Agency Investment Fund (LAIF)	\$38,100,000	20.90%	\$38,100,000	20.90%		\$65Mil	0.000	1	N/A	0.467%
Union Bank Custodial - Money Market Account	\$0	0.00%	\$0	0.00%		100%	0.000	1	N/A	0.001%
U.S. Treasury Securities	\$4,987,312	2.74%	\$5,058,150	2.74%	AA+	100%	2.415	900	5 Year	1.419%
Federal Agency Issues	\$101,202,328	55.52%	\$101,464,270	55.52%	AA+	75%	1.786	667	5 Year	1.049%
Farmer Mac	10,999,992	6.03%	11,026,430	6.03%		30%	1.838	684	5 Year	0.934%
Federal Farm Credit Bank	16,008,206	8.78%	16,075,880	8.80%		30%	1.543	572	5 Year	1.280%
Federal Home Loan Bank	20,019,440	10.98%	20,099,480	11.00%		30%	2.119	794	5 Year	1.125%
Federal Home Loan Mortgage Corporation	39,225,333	21.52%	39,240,360	21.44%		30%	1.702	639	5 Year	0.944%
Federal National Mortgage Association	14,949,358	8.20%	15,022,120	8.22%		30%	1.780	658	5 Year	1.062%
Negotiable Certificates of Deposit	\$10,901,763	5.97%	\$10,971,881	5.98%	FDIC	20%	2.644	996	5 Years	1.362%
Medium-Term Notes	\$27,099,217	14.87%	27,181,961	14.86%		20%	2.410	918	5 Year	1.873%
3M Company	2,082,935	1.14%	2,083,016	1.15%	AA-	5%	1.306	482	5 Year	0.891%
Apple Inc.	4,488,411	2.46%	4,479,145	2.45%	AA+	5%	2.870	1,079	5 Year	1.351%
Barclays Bank	3,000,000	1.65%	3,003,450	1.64%	A	5%	0.649	241	5 Year	3.287%
Bank of Montreal	1,000,397	0.55%	1,002,720	0.56%	A+	5%	1.498	559	5 Year	1.373%
Chevron Corp.	3,047,216	1.67%	3,003,760	1.64%	AA	5%	3.875	1,501	5 Year	1.935%
Colgate Palmolive Co.	1,997,472	1.10%	2,017,040	1.10%	AA-	5%	2.596	975	5 Year	1.549%
General Electric Capital Corporation	2,000,514	1.12%	2,031,320	1.11%	AA+	5%	0.844	314	5 Year	2.868%
IBM	2,971,641	1.63%	2,991,080	1.64%	AA	5%	2.804	1,064	5 Year	1.535%
Microsoft Corporation	2,003,439	1.10%	2,034,080	1.11%	AAA	5%	4.421	1,708	5 Year	1.944%
Royal Bank of Canada	1,000,775	0.55%	999,560	0.55%	AA	5%	1.274	472	5 Year	1.189%
Toronto Dominion Bank	1,000,000	0.55%	1,011,560	0.55%	AA-	5%	4.469	1,749	5 Year	2.473%
Toyota Motor Credit Corporation	2,506,418	1.37%	2,525,230	1.38%	AA	5%	1.874	707	5 Year	1.894%
Earnings Allowance Rate: 0.250%	Total Investments:	\$182,290,620	100.00%	\$182,776,262	100.00%		1.576	591		1.079%
	Cash in Bank (General):	\$43,247								
	Cash in Bank (Housing):	\$2,510,108								
	Total Funds:	\$184,843,975								

I certify that this report accurately reflects all pooled investments and is in conformity with the City of Torrance Investment Policy Statement adopted by Resolution 2015-89 on December 8, 2015, per California Government Code §53601. A copy of this policy is available at the office of the City Clerk.

Effective Rate of Return

	Month Ending	Fiscal YTD
365 Day Basis	1.090%	1.000%


Dana Cortez
City Treasurer

3/18/16
Date

**Investment Report
February 2016**

Portfolio Monthly Activity Detail

Purchases	Broker	Purchase Date	Description	Quality Rating	Maturity Date	Days Held/Days to Maturity	Coupon (%)	Yield (%)	Par Value (\$)	Book Value (\$)	Market Value (\$)
Investment Number											
								0.000%	0	0	0

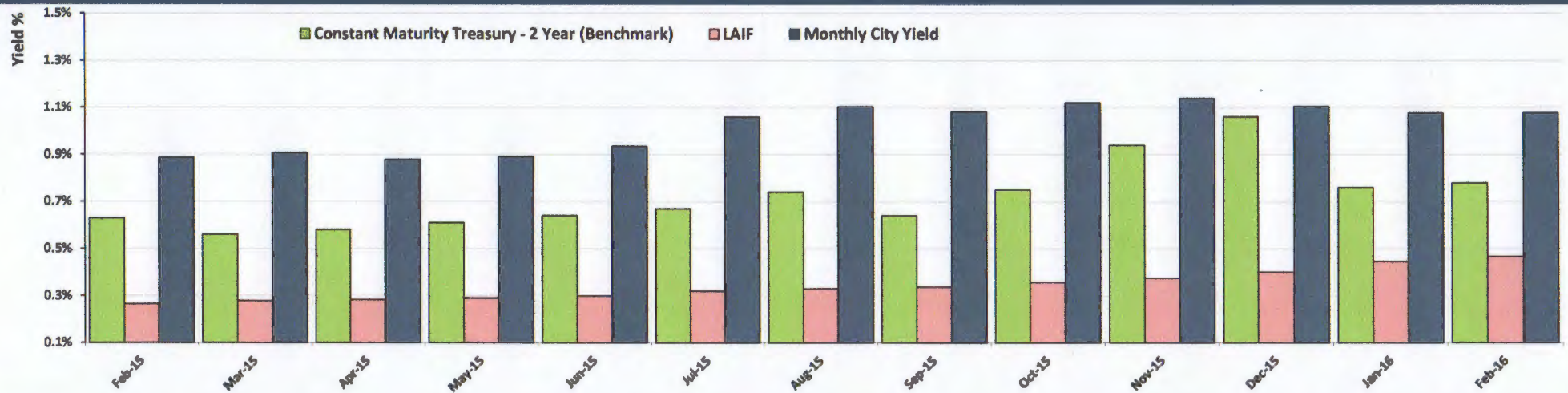
Maturities/Calls/Sales	Broker	Purchase Date	Description	Quality Rating	Maturity Date	Days Held/Days to Maturity	Coupon (%)	Yield (%)	Par Value (\$)	Book Value (\$)	Market Value (\$)
Investment Number											
									\$0	\$0	\$0

UBOC	Remaining Balance	Coupon (%)	Yield	Deposits	Withdrawals	Ending Balance
Money Market	0	0.467		51,150	51,150	0

LAIF	Beginning Balance	Coupon (%)	Yield (%)	Deposits (\$)	Withdrawals (\$)	Interest Earned (\$)	Ending Balance (\$)
City	21,500,000	0.467%	0.467%	8,400,000	7,800,000	-	22,100,000
TRAN Repayment	0	0.467%	0.467%	16,000,000	-	-	16,000,000
	\$21,500,000			\$24,400,000	\$7,800,000	\$0	\$38,100,000

Investment Report February 2016

Portfolio Performance



Portfolio Earnings Summary

CD/Coupon/Discount Investments:

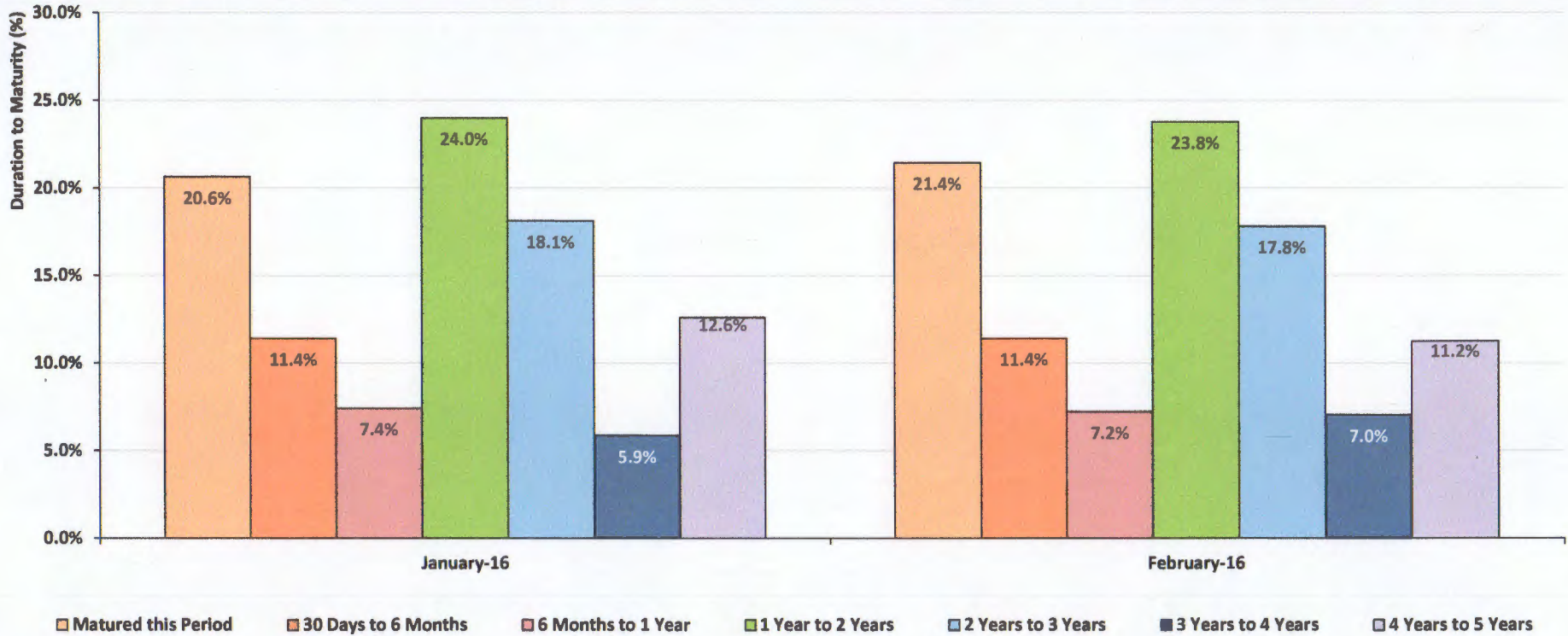
	February 29, 2016	Fiscal YTD
Interest Collected	43,299.12	1,462,297.14
Plus Interest at End of Period	498,392.69	498,392.69
Less Accrued Interest at Beginning of Period	(346,336.34)	(476,251.62)
Interest Earned during this Period	\$195,355.47	\$1,484,438.21
Adjusted By Premium	(51,715.72)	(410,704.06)
Adjusted by Capital	0.00	0.00
Earnings during Periods	\$143,639.75	\$1,073,734.15
Cash/Checking Accounts:		
Interest Collected	19.57	73,756.12
Plus Accrued Interest at End of Period	69,491.94	69,491.94
Less Interest at Beginning of Period	(56,606.24)	(81,381.15)
Interest Earned this Period	\$12,905.27	\$61,866.91
Total Interest Earned	\$208,260.74	\$1,546,305.12
Total Adjustments from Premium and Discounts	(51,715.72)	(410,704.06)
Total Capital Gains or Loss	0.00	0.00
Total Earnings this Period	\$156,545.02	\$1,135,601.06

Adjusted by Premium represents the premium cost involved to secure higher yield securities. The cost of the premium is amortized down to par over the life of the bond until reaching maturity. By amortizing, the amount of taxable interest is reduced for each year the city owns the bond. This is because the amortized premium offsets the ordinary income of the coupon payment. As long as the bond is held to maturity, there will be no capital loss to report.

The City of Torrance adheres to a strict investing standard of "Buy and Hold" which translates to holding securities long-term. Though rising and falling interest rates may demonstrate short-term effects on unrealized gains and losses, the City will continue to maintain an investment portfolio that illustrates consistent increasing yields on its securities and a consistent increase of the portfolio's market value long-term. The City of Torrance does not pay for management fees.

**Investment Report
February 2016**

Maturity Distribution

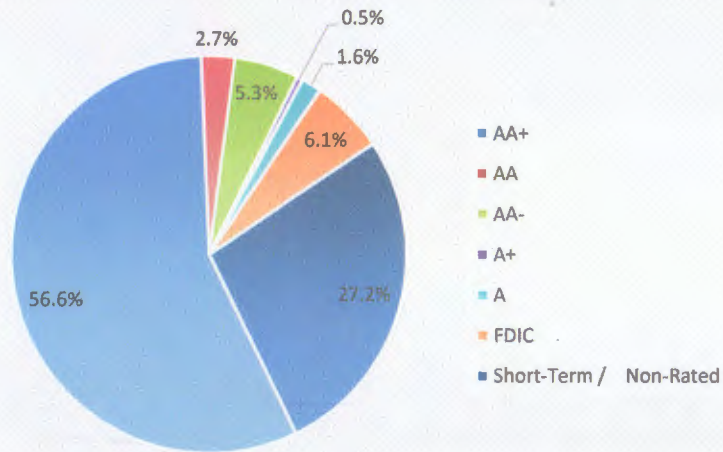


NOTE:*SB 564 passed in 1995, effective February 1, 1996, requires that local agencies submit a quarterly report to the legislative body containing detailed information on all securities, investments, and monies of the local agency. It also requires a statement of compliance of the portfolio with the statement of investment policy and a statement of the local agency's ability to meet the expenditure requirements of the pool for the next six months.

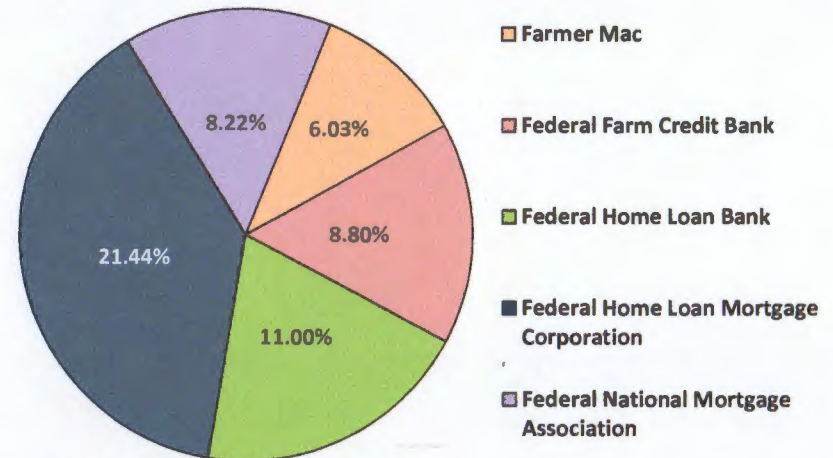
**Investment Report
February 2016**

Portfolio Distribution

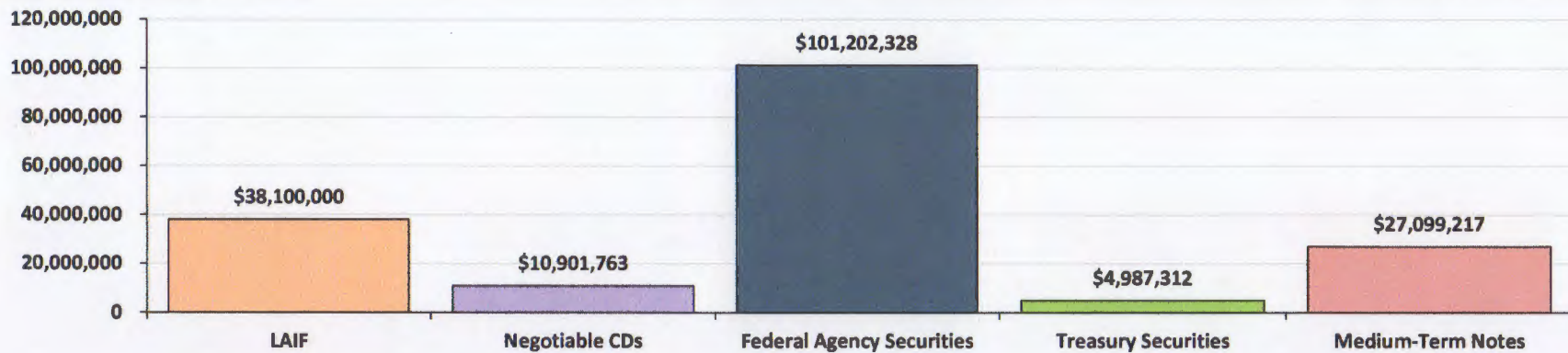
Assigned Credit Ratings of Investments (Total Portfolio)



Federal Agencies Distribution (55.52% of Total Portfolio) MV



Portfolio Sectors (Book Value)



**Investment Report
February 2016**

Value of Portfolio per GASB 31

	Beginning Investment Value As of July 1, 2015	Purchase / Redemption of Principal	Change in Market Value	Ending Investment Value As of February 29, 2016
U.S. Treasury Securities	5,039,460	-	18,690	5,058,150
Federal Agency (Coupon)	106,168,850	(4,471,420)	(233,160)	101,464,270
Negotiable Certificate of Deposits	9,066,537	1,836,731	68,613	10,971,881
Medium-Term Notes	19,723,207	7,483,292	(24,538)	27,181,961
Municipal Bonds	-	-	-	-
Sub-total per GASB 31:	\$139,998,054	4,848,603	(\$170,395)	\$144,676,262
Non-GASB				
Local Agency Investment Funds	50,000,000	(11,900,000)	-	38,100,000
Money Market	-	-	-	-
Federal Agency – Disc.	-	-	-	-
Treasury Security – Disc.	-	-	-	-
Certificate of Deposits -Disc.	-	-	-	-
Commercial paper	-	-	-	-
Sub-total Non-GASB:	\$50,000,000	(\$11,900,000)	\$0	\$38,100,000
Total Portfolio:	\$189,998,054	(\$7,051,397)	(\$170,395)	\$182,776,262

The Governmental Accounting Standards Board (GASB) has established Statement No. 31 for setting investment valuation standards. We report the unrealized gain/(loss) monthly and book realized gain/(loss) at year end as a GASB 31 requirement.

GASB 31 is a reporting requirement that reports the "Fair Value" of investments held in our portfolio. Fair value is the amount at which a financial instrument (investment) could be exchanged in a current transaction between willing parties at current market prices. It is important to understand the relationship between prevailing interest rates and fixed coupon investments. As market interest rates fall, the "Fair Value" of held securities will rise (unrealized Gains). The opposite occurs as market interest rates rise (market prices of held investments will fall). It should be noted that investments held in the city pool are to be held until maturity so both gains and losses (unrealized) will not be taken.

Investment Report for February 2016 reviewed by the Investment Advisory Committee

Dana Cortez
City Treasurer

LeRoy Jackson
City Manager

John Fellows, III
City Attorney

Eric Tsao
Finance Director

**City of Torrance
Portfolio Management
Portfolio Details - Investments
February 29, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Local Agency Investment Funds												
SYS10000	10000	Local Agency Invest Fund GEN'L			22,100,000.00	22,100,000.00	22,100,000.00	0.467	LAIF	0.467	1	
SYS1000a	1000A	LAIF - TRANS FUNDS			16,000,000.00	16,000,000.00	16,000,000.00	0.467	LAIF	0.467	1	
Subtotal and Average			36,365,517.24		38,100,000.00	38,100,000.00	38,100,000.00			0.467	1	
Money Market Sweep Account												
316175108S	1000	Union Bank of California			0.00	0.00	0.00		A-1	0.000	1	
Subtotal and Average			38,177.03		0.00	0.00	0.00			0.000	0	
Federal Agency Issues - Coupon												
31315PWE5	11083	FARMER MAC		01/08/2013	3,000,000.00	3,007,020.00	3,000,000.00	0.930	IMP	0.935	678	01/08/2018
31315PNZ8	11086	FARMER MAC		01/30/2013	2,000,000.00	2,009,620.00	2,000,459.33	1.050	IMP	1.038	700	01/30/2018
31315PXM6	11097	FARMER MAC		05/02/2013	2,000,000.00	1,996,800.00	1,999,566.11	0.850	IMP	0.860	792	05/02/2018
31315PXF1	11099	FARMER MAC		05/02/2013	2,000,000.00	2,000,580.00	1,999,966.11	0.400	IMP	0.410	62	05/02/2016
3132X0AL5	11170	FARMER MAC		06/01/2015	1,000,000.00	1,001,870.00	1,000,000.00	1.100	IMP	1.100	822	06/01/2018
3132X0BG5	11181	FARMER MAC		07/15/2015	1,000,000.00	1,010,540.00	1,000,000.00	1.750	IMP	1.750	1,567	06/15/2020
31331VPV2	10954	FEDERAL FARM CREDIT BANK		04/01/2011	2,000,000.00	2,008,140.00	2,004,183.33	4.950	AA+	2.280	31	04/01/2016
3133EC5A8	11075	FEDERAL FARM CREDIT BANK		11/28/2012	2,000,000.00	1,996,420.00	2,000,000.00	0.870	AA+	0.870	636	11/27/2017
3133ECE26	11087	FEDERAL FARM CREDIT BANK		01/30/2013	1,000,000.00	1,000,080.00	1,000,000.00	0.940	AA+	1.022	700	01/30/2018
3133ED3Z3	11109	FEDERAL FARM CREDIT BANK		10/04/2013	3,000,000.00	3,017,760.00	3,000,000.00	1.230	AA+	1.230	582	10/04/2017
3133ED4Q2	11114	FEDERAL FARM CREDIT BANK		10/11/2013	1,000,000.00	1,010,990.00	1,000,000.00	1.480	AA+	1.480	832	06/11/2018
3133EDDV1	11119	FEDERAL FARM CREDIT BANK		01/23/2014	1,000,000.00	1,005,860.00	999,386.07	1.160	AA+	1.198	601	10/23/2017
3133EDEB4	11121	FEDERAL FARM CREDIT BANK		02/07/2014	3,000,000.00	3,010,650.00	3,006,598.30	1.100	AA+	0.931	484	06/28/2017
3133EDGW6	11128	FEDERAL FARM CREDIT BANK		03/11/2014	3,000,000.00	3,025,980.00	2,998,038.43	1.300	AA+	1.330	832	06/11/2018
313370TW8	11040	FEDERAL HOME LOAN BANK		07/25/2012	1,000,000.00	1,007,070.00	1,007,103.21	2.000	AA+	0.620	192	09/09/2016
313383AA9	11105	FEDERAL HOME LOAN BANK		06/12/2013	4,000,000.00	3,983,160.00	4,000,000.00	1.000	AA+	1.000	833	06/12/2018
3133834R9	11108	FEDERAL HOME LOAN BANK		05/24/2013	1,000,000.00	999,640.00	999,720.05	0.375	AA+	0.465	115	06/24/2016
313379VE6	11118	FEDERAL HOME LOAN BANK		01/14/2014	1,000,000.00	1,004,270.00	999,234.53	1.010	AA+	1.070	475	06/19/2017
313381GD1	11122	FEDERAL HOME LOAN BANK		02/20/2014	2,000,000.00	2,013,880.00	1,995,270.45	1.250	AA+	1.356	841	06/20/2018
313373S26	11123	FEDERAL HOME LOAN BANK		02/26/2014	2,000,000.00	2,009,160.00	2,009,275.24	2.125	AA+	0.428	101	06/10/2016
313375RN9	11124	FEDERAL HOME LOAN BANK		02/27/2014	2,000,000.00	2,000,360.00	2,000,352.04	1.000	AA+	0.363	10	03/11/2016
313380CP0	11161	FEDERAL HOME LOAN BANK		05/22/2015	1,000,000.00	1,002,120.00	994,309.94	1.240	AA+	1.420	1,193	06/07/2019
313383HU8	11172	FEDERAL HOME LOAN BANK		06/12/2015	2,000,000.00	2,038,080.00	1,997,945.33	1.750	AA+	1.775	1,564	06/12/2020
3130A5JY6	11174	FEDERAL HOME LOAN BANK		06/30/2015	2,000,000.00	2,009,340.00	2,000,000.00	1.000	AA+	2.174	1,582	06/30/2020
313379EE5	11189	FEDERAL HOME LOAN BANK		09/14/2015	2,000,000.00	2,032,400.00	2,016,229.01	1.625	AA+	1.371	1,200	06/14/2019
3137EADC0	11017	FEDERAL HOME LOAN MORTGAGE CO		01/30/2012	1,000,000.00	1,002,580.00	999,301.14	1.000	AA+	1.071	372	03/08/2017
3137EACT4	11034	FEDERAL HOME LOAN MORTGAGE CO		04/26/2012	1,000,000.00	1,004,940.00	1,003,962.66	2.500	AA+	0.810	87	05/27/2016

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City of Torrance
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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
3134G32L3	11079	FEDERAL HOME LOAN MORTGAGE CO		12/26/2012	2,000,000.00	1,997,920.00	2,000,000.00	0.850	AA+	0.850	665	12/26/2017
3137EADJ5	11095	FEDERAL HOME LOAN MORTGAGE CO		04/23/2013	3,000,000.00	3,008,160.00	3,014,139.85	1.000	AA+	0.660	514	07/28/2017
3137EAAG4	11096	FEDERAL HOME LOAN MORTGAGE CO		04/26/2013	5,000,000.00	5,095,300.00	5,095,905.90	5.500	AA+	0.420	139	07/18/2016
3137EADH9	11101	FEDERAL HOME LOAN MORTGAGE CO		05/13/2013	5,000,000.00	5,013,400.00	5,018,142.13	1.000	AA+	0.722	485	06/29/2017
3134G44N5	11102	FEDERAL HOME LOAN MORTGAGE CO		05/28/2013	2,000,000.00	1,996,240.00	2,000,000.00	0.750	AA+	0.750	637	11/28/2017
3137EAAG4	11107	FEDERAL HOME LOAN MORTGAGE CO		05/22/2013	4,000,000.00	4,076,240.00	4,076,208.66	5.500	AA+	0.452	139	07/18/2016
3137EADL0	11132	FEDERAL HOME LOAN MORTGAGE CO		04/23/2014	1,000,000.00	1,002,490.00	997,762.01	1.000	AA+	1.145	577	09/29/2017
3137EADS5	11135	FEDERAL HOME LOAN MORTGAGE CO		04/29/2014	2,000,000.00	2,002,420.00	2,002,993.49	0.875	AA+	0.631	227	10/14/2016
3137EADJ5	11139	FEDERAL HOME LOAN MORTGAGE CO		04/30/2014	2,000,000.00	2,005,440.00	1,999,756.92	1.000	AA+	1.009	514	07/28/2017
3137EADS5	11142	FEDERAL HOME LOAN MORTGAGE CO		04/30/2014	1,000,000.00	1,001,210.00	1,001,463.12	0.875	AA+	0.637	227	10/14/2016
3134G3XJ4	11155	FEDERAL HOME LOAN MORTGAGE CO		04/29/2015	1,000,000.00	1,014,590.00	1,006,762.43	1.500	AA+	1.290	1,213	06/27/2019
3134G6Z89	11166	FEDERAL HOME LOAN MORTGAGE CO		06/10/2015	1,000,000.00	1,001,720.00	1,000,000.00	1.000	AA+	2.124	1,562	06/10/2020
3134G6V42	11167	FEDERAL HOME LOAN MORTGAGE CO		06/29/2015	3,000,000.00	3,001,050.00	3,000,000.00	2.000	AA+	2.000	1,581	06/29/2020
3134G6N41	11169	FEDERAL HOME LOAN MORTGAGE CO		05/28/2015	1,000,000.00	1,000,630.00	1,000,000.00	1.250	AA+	2.032	1,548	05/27/2020
3134G3XJ4	11190	FEDERAL HOME LOAN MORTGAGE CO		09/25/2015	1,000,000.00	1,014,590.00	1,007,661.03	1.500	AA+	1.263	1,213	06/27/2019
3134G7J44	11195	FEDERAL HOME LOAN MORTGAGE CO		09/30/2015	1,000,000.00	1,000,140.00	1,000,000.00	1.800	AA+	1.800	1,674	09/30/2020
3134G7X89	11197	FEDERAL HOME LOAN MORTGAGE CO		10/29/2015	2,000,000.00	2,001,300.00	2,001,273.48	1.400	AA+	1.381	1,245	07/29/2019
3135G0PQ0	11100	FEDERAL NATIONAL MORT ASSOC		04/26/2013	3,000,000.00	3,002,070.00	3,007,547.69	0.875	AA+	0.720	604	10/26/2017
3136G1LZ0	11103	FEDERAL NATIONAL MORT ASSOC		05/28/2013	2,000,000.00	1,996,780.00	2,000,000.00	0.750	AA+	0.750	637	11/28/2017
3135G0WJ8	11117	FEDERAL NATIONAL MORT ASSOC		01/14/2014	1,000,000.00	999,120.00	984,888.32	0.875	AA+	1.581	811	05/21/2018
3135G0WJ8	11120	FEDERAL NATIONAL MORT ASSOC		01/31/2014	2,000,000.00	1,998,240.00	1,976,557.42	0.875	AA+	1.421	811	05/21/2018
3135G0WJ8	11125	FEDERAL NATIONAL MORT ASSOC		03/03/2014	2,000,000.00	1,998,240.00	1,980,816.86	0.875	AA+	1.320	811	05/21/2018
3135G0YT4	11133	FEDERAL NATIONAL MORT ASSOC		04/23/2014	1,000,000.00	1,017,270.00	998,157.96	1.625	AA+	1.695	1,001	11/27/2018
3135G0CM3	11136	FEDERAL NATIONAL MORT ASSOC		04/29/2014	1,000,000.00	1,003,660.00	1,003,644.53	1.250	AA+	0.610	211	09/28/2016
3135G0PQ0	11140	FEDERAL NATIONAL MORT ASSOC		04/30/2014	1,000,000.00	1,000,690.00	996,096.50	0.875	AA+	1.116	604	10/26/2017
3135G0GY3	11141	FEDERAL NATIONAL MORT ASSOC		04/30/2014	1,000,000.00	1,005,360.00	1,004,323.53	1.250	AA+	0.771	335	01/30/2017
3135G0PQ0	11150	FEDERAL NATIONAL MORT ASSOC		06/30/2014	1,000,000.00	1,000,690.00	997,325.02	0.875	AA+	1.040	604	10/26/2017
Subtotal and Average			101,227,277.68		101,000,000.00	101,464,270.00	101,202,328.13			1.049	667	
Treasury Securities - Coupon												
912828WD8	11137	U.S.TREASURY NOTE		04/29/2014	2,000,000.00	2,019,840.00	1,983,357.38	1.250	AA+	1.575	974	10/31/2018
912828VK3	11143	U.S.TREASURY NOTE		05/09/2014	3,000,000.00	3,038,310.00	3,003,954.79	1.375	AA+	1.317	851	06/30/2018
Subtotal and Average			4,987,138.01		5,000,000.00	5,058,150.00	4,987,312.17			1.419	900	

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Medium Term Notes												
88579YAE1	11104	3M Company		05/23/2013	1,080,000.00	1,081,566.00	1,081,898.07	1.000	AA-	0.864	482	06/26/2017
88579YAE1	11145	3M Company		05/14/2014	1,000,000.00	1,001,450.00	1,001,037.35	1.000	AA-	0.920	482	06/26/2017
037833AJ9	11193	Apple Inc		09/30/2015	2,500,000.00	2,493,425.00	2,491,450.80	1.000	AA+	1.160	793	05/03/2018
037833AX8	11198	Apple Inc		10/30/2015	2,000,000.00	1,985,720.00	1,996,959.79	1.550	AA+	1.590	1,438	02/07/2020
06738KXV8	10989	Barclays Bank		10/28/2011	3,000,000.00	3,003,450.00	3,000,000.00	2.500	A	3.287	241	10/28/2016
06366RHA6	11056	Bank of Montreal		09/11/2012	1,000,000.00	1,002,720.00	1,000,397.22	1.400	A+	1.373	559	09/11/2017
166764AN0	11156	Chevron Corp		04/28/2015	1,000,000.00	1,004,800.00	1,022,246.92	2.193	AA	1.569	1,354	11/15/2019
166764AG5	11182	Chevron Corp		07/31/2015	2,000,000.00	1,998,960.00	2,024,969.11	2.427	AA	2.120	1,576	06/24/2020
19416QED8	11116	Colgate Palmolive Co		11/01/2013	2,000,000.00	2,017,040.00	1,997,472.00	1.500	AA-	1.549	975	11/01/2018
36962G5N0	11011	General Electric Capital Corp		01/10/2012	2,000,000.00	2,031,320.00	2,000,513.62	2.900	AA+	2.868	314	01/09/2017
459200GX3	11144	IBM		05/13/2014	1,000,000.00	1,004,760.00	1,005,522.05	1.950	AA	0.530	143	07/22/2016
459200HM6	11183	IBM		08/18/2015	2,000,000.00	1,986,320.00	1,966,119.04	1.625	AA-	2.050	1,536	05/15/2020
594918BG8	11199	MicroSoft Corp		11/05/2015	2,000,000.00	2,034,080.00	2,003,438.54	2.000	AAA	1.944	1,708	11/03/2020
78010UD20	11147	Royal Bank of Canada		06/16/2014	1,000,000.00	999,560.00	1,000,775.00	1.250	AA	1.189	472	06/16/2017
89114QBC1	11201	Toronto Dominion Bank		12/14/2015	1,000,000.00	1,011,560.00	1,000,000.00	2.500	AA-	2.473	1,749	12/14/2020
89233P5S1	11015	Toyota Motor Credit Corp		01/13/2012	1,000,000.00	1,009,420.00	1,000,736.44	2.050	AA-	1.960	317	01/12/2017
89236TAY1	11131	Toyota Motor Credit Corp		04/11/2014	1,500,000.00	1,515,810.00	1,505,681.23	2.000	AA-	1.850	967	10/24/2018
Subtotal and Average			27,100,248.74		27,080,000.00	27,181,961.00	27,099,217.18			1.873	918	
Negotiable CD												
31938QP24	11186	First Business Bank		09/16/2015	161,000.00	163,086.56	161,000.00	1.700	FDIC	1.701	1,294	09/16/2019
33764JHM0	11052	First Bank of P R #30387		08/01/2012	245,000.00	245,666.40	245,000.00	1.250	FDIC	1.251	153	08/01/2016
330459AE8	11110	1st Nat'l Bank Kentucky #2759		10/03/2013	245,000.00	245,352.80	245,000.00	0.900	FDIC	0.901	216	10/03/2016
32110YFW0	11163	First National Bank of America		05/29/2015	245,000.00	246,112.30	245,000.00	1.600	FDIC	0.000	1,550	05/29/2020
32112UBX8	11192	First National Bank of Texas		09/30/2015	247,000.00	249,724.41	247,000.00	1.400	FDIC	1.400	1,126	04/01/2019
33648FJN6	11127	First State Bank West Virginia		03/11/2014	245,000.00	245,002.45	245,000.00	0.450	FDIC	0.451	10	03/11/2016
88413QBG2	11168	Third Federal Savings and Loan		05/28/2015	245,000.00	245,171.50	245,000.00	1.300	FDIC	1.303	1,002	11/28/2018
02587CAW0	11152	American Express		08/21/2014	245,000.00	249,015.55	245,000.00	2.100	FDIC	2.101	1,268	08/21/2019
02006LUH4	11194	Ally Bank		09/30/2015	245,000.00	246,937.95	245,000.00	1.700	FDIC	1.465	944	10/01/2018
02587DXP8	11158	American Express Cent #27471		04/30/2015	245,000.00	246,626.80	245,000.00	1.950	FDIC	1.952	1,521	04/30/2020
06740AYC7	11090	Barclays Bank		03/12/2013	245,000.00	246,616.27	245,000.00	1.250	FDIC	1.200	741	03/12/2018
06251AK58	11196	Bank Hapoalim BM NY		10/29/2015	245,000.00	247,445.10	245,000.00	1.650	FDIC	1.651	1,337	10/29/2019
05580ACP7	11184	BMW Bank of No America #35141		08/14/2015	245,000.00	249,255.65	245,000.00	2.250	FDIC	2.253	1,627	08/14/2020
060624XH1	11091	Bank of Baroda #33681		03/08/2013	245,000.00	245,943.25	245,000.00	1.250	FDIC	1.251	737	03/08/2018
14042E4P2	11178	Capital One#4297		07/15/2015	245,000.00	248,312.40	245,000.00	2.300	FDIC	2.303	1,597	07/15/2020
140420TE0	11176	Capital One Bank USA #33954		07/08/2015	247,000.00	251,912.83	247,000.00	2.350	FDIC	2.353	1,590	07/08/2020

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Negotiable CD												
149159HR9	11094	Cathay Bank #18503		04/12/2013	245,000.00	243,801.95	245,000.00	1.000	FDIC	1.001	772	04/12/2018
17284CBZ6	11093	CIT Bank		04/17/2013	245,000.00	245,825.65	245,000.00	1.150	FDIC	1.151	777	04/17/2018
20033AAU0	11084	Comenity Capital Bank		01/18/2013	245,000.00	244,973.05	245,000.00	0.750	FDIC	0.750	323	01/18/2017
20451PLA2	11164	COMPASS BANK		05/29/2015	245,000.00	244,818.70	245,000.00	1.300	FDIC	1.301	819	05/29/2018
20786ABD6	11165	CONNECTONE BANK		06/05/2015	245,000.00	245,475.30	245,000.00	1.500	FDIC	1.501	1,191	06/05/2019
225645CZ1	11126	Crescent Bank & Trust		03/05/2014	245,000.00	247,533.30	245,000.00	1.500	FDIC	1.500	910	08/28/2018
23204HBD9	11146	Customer Bank #34444		05/28/2014	245,000.00	245,396.90	245,000.00	0.800	FDIC	0.802	272	11/28/2016
254672NC8	11160	Discover Bank #5649		05/06/2015	245,000.00	246,602.30	245,000.00	1.900	FDIC	1.902	1,527	05/06/2020
29976DZD5	11177	EverBank #34775		07/14/2015	245,000.00	248,341.80	245,000.00	2.000	FDIC	2.002	1,596	07/14/2020
307660HE3	11113	Farm Bureau Bank #35157		10/15/2013	245,000.00	245,352.80	245,000.00	0.900	FDIC	0.000	227	10/14/2016
308862DD0	11134	Farmers & Merchants Bk #16810		04/25/2014	245,000.00	245,159.25	245,000.00	1.450	FDIC	1.452	938	09/25/2018
38148JSU6	11159	Goldman Sachs Bank #33124		05/06/2015	245,000.00	245,617.40	245,000.00	1.900	FDIC	1.902	1,527	05/06/2020
383052DH7	11191	Gorham Bank		10/14/2015	247,000.00	249,672.54	247,000.00	1.350	FDIC	1.350	1,140	04/15/2019
45083AEJ7	11154	Iberia Bank		04/16/2015	245,000.00	244,291.95	245,000.00	1.100	FDIC	1.101	776	04/16/2018
485836FB1	11129	Katahdin Trust Co CD		03/28/2014	245,000.00	245,000.00	245,000.00	1.250	FDIC	1.054	1,122	03/28/2019
564759QS0	11162	Manufacturers & Traders Trust		05/27/2015	245,000.00	244,818.70	245,000.00	1.050	FDIC	1.051	819	05/29/2018
58403BY42	11179	Medallion Bank Salt Lake City		07/21/2015	245,000.00	247,195.20	245,000.00	1.900	FDIC	1.901	1,238	07/22/2019
59013JJE0	11187	Merrick Bank		09/21/2015	245,000.00	248,087.00	245,000.00	1.600	FDIC	1.601	1,298	09/20/2019
55406JAK8	11185	M Y SAFRA Bank		09/11/2015	245,000.00	248,650.50	244,762.80	1.600	FDIC	1.630	1,263	08/16/2019
628825JK8	11151	NCB FSB #32612		07/16/2014	245,000.00	245,267.05	245,000.00	1.000	FDIC	0.861	503	07/17/2017
63970QFD3	11188	Nebraskaland National Bank		09/25/2015	245,000.00	248,153.15	245,000.00	1.500	FDIC	1.501	1,303	09/25/2019
70153RHF8	11130	Parkway Bank #19008		04/10/2014	245,000.00	245,019.60	245,000.00	0.500	FDIC	0.502	41	04/11/2016
71270QLZ7	11153	Peoples United Bank		02/04/2015	245,000.00	248,736.25	245,000.00	1.750	FDIC	1.751	1,435	02/04/2020
74267GTZ0	11112	Private Bank & Trust Co #33306		10/04/2013	245,000.00	245,769.30	245,000.00	1.000	FDIC	1.001	217	10/04/2016
795450XG5	11200	Sallie Mae Bank		12/09/2015	245,000.00	247,712.15	245,000.00	2.200	FDIC	2.202	1,744	12/09/2020
856283UK0	11098	STATE BANK of INDIA		05/14/2013	245,000.00	245,788.90	245,000.00	1.150	FDIC	0.000	804	05/14/2018
87164YGD0	11157	Synchrony Bank Retail		04/28/2015	245,000.00	246,702.75	245,000.00	1.900	FDIC	1.902	1,504	04/13/2020
94768NJD7	11081	Webster Bank #18221		12/12/2012	245,000.00	247,227.05	245,000.00	1.000	FDIC	1.001	651	12/12/2017
981571BP6	11180	WORLD FOREMOST BANK		07/16/2015	200,000.00	202,708.00	200,000.00	2.400	FDIC	2.403	1,598	07/16/2020
Subtotal and Average			10,901,760.17		10,902,000.00	10,971,880.71	10,901,762.80			1.362	996	
Total and Average			180,620,118.88		182,082,000.00	182,776,261.71	182,290,620.28			1.079	591	

**City of Torrance
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February 29, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase		222.22	222.22				0
				Subtotal		222.22	222.22				
		Total Cash and Investments	180,620,118.88		182,082,000.00	182,776,483.93	182,290,842.50			1.079	591



CITY OF TORRANCE
FISCAL AGENT FOR SUCCESSOR RDA
RESTRICTED
CASH BALANCE REPORT
February, 2016

	Book Value
Bank of America City of Torrance Successor RDA Agency Account # xx-046	3,017.70
Bank of America City of Torrance Successor RDA Agency - Low Mod Account # xx-140	0.00
Local Agency Investment Fund (L.A.I.F.) City of Torrance Successor RDA Agency Account# -xx-072	-
TOTAL	<u><u>\$ 3,017.70</u></u>

CITY OF TORRANCE

INTEROFFICE COMMUNICATION

DATE: 3/16/16

TO: Dana Cortez, City Treasurer
FROM: Eric E. Tsao, Finance Director *ETS*
SUBJECT: Cash & Investments Report for February 2016

CASH AND INVESTMENTS RECONCILIATION AS OF FEBRUARY 29, 2016 (PRE-CLOSE)

INVESTMENTS PER PORTFOLIO SUMMARY		\$ 182,290,620.28
Cash in Bank of America General Account	\$ 43,247.10	
Cash in Bank of America Housing Account	2,510,107.58	
		2,553,354.68
TOTAL FUNDS PER INVESTMENT REPORT		\$ 184,843,974.96
OUTSTANDING WARRANTS:		
General Account	\$ (555,889.17)	
Payroll Account	(93,880.82)	
Workers' Compensation Account	(126,308.06)	
Housing Account	(5,590.00)	
		(781,448.05)
DEPOSITS IN TRANSIT:		
February 2016 Deposits in transit	\$ 34,482.71	
February 2016 Global Water cash collection	102,677.79	
		137,160.50
MISCELLANEOUS OUTSTANDING ADJUSTMENTS:		
IVR & Parking Web credit card receipts will be interfaced in March 2016	\$ (3,135.76)	
10/22/15 Union Bank interface error Investment No. 11189 - pending correction from Treasurer's Office	(26,645.00)	
01/28/16 Union Bank Investment No. 11085 - pending interface from Treasurer's Office	(926.30)	
02/01/16 Deposit correction - pending interface from Treasurer's Office	89.00	
02/01/16 Union Bank MMA interest - pending interface from Treasurer's Office	(18.57)	
02/11/16 LAIF - pending interface from Treasurer's Office	(22,430.09)	
02/23/16 Verizon - transaction interfaced on 03/01/16	(215.00)	
02/26/16 Direct deposit reversal - transaction will be interfaced in March 2016	(1,175.51)	
02/28/16 Union Bank Investment No. 11126 - transaction interfaced on 03/01/16	(312.12)	
02/28/16 Union Bank Investment No. 11163 - transaction interfaced on 03/01/16	(332.93)	
02/29/16 TX banking center deposit - transaction interfaced on 03/01/16	(607.00)	
02/29/16 TX banking center deposit - transaction interfaced on 03/01/16	(983.00)	
02/29/16 Union Bank Investment No. 11192 - transaction interfaced on 03/01/16	(283.69)	
		(56,966.97)
TOTAL CASH AND INVESTMENTS PER BOOKS		\$ 184,142,720.44