MEMORANDUM

TO: City Council

FROM: Tim McGallian, City Treasurer

DATE: November 24, 2015

SUBJECT: Treasurer's Report: July 1 – September 30, 2015

The attached report presents the City's investment portfolio as of the quarter ending September 30, 2015 and has been prepared in compliance with California Code Section 53646. Market values have been provided by PFM Asset Management on the attached detail.

On April 1, 2013, the City contracted with investment advisor PFM Asset Management to manage the City's portfolio. The City's strategy is to retain sufficient cash flow to manage day-to-day operations and have PFM focus on longer-term investment management. All investments are held by the City in safekeeping accounts through BNY Mellon and US Bank, except for investments held by trustees related to bond financings, which are held by BNY Mellon and Union Bank.

	City Managed Cash/LAIF/CAMP	City Managed Cal Trust	Trustee Account (Non-PFM)	PFM Managed Portfolio	Total Portfolio (Market Value)
Portfolio Balance	$43,558,220.08	$20,061,408.31	$765,088.28	$ 55,023,531.86	$ 119,408,248.53
Effective Yield	0.28%	0.74%	0.04%	1.15%	0.76%
Avg. Weighted Maturity	1-day	398 & 719 days	1-day	2.15 Years	1.47 Years

Treasurer Certification:

I certify that these reports accurately reflect all pooled investments, are in compliance with California Government Code Section 53646 and are in conformity with the investment policy adopted by City Council, May 26, 2015.

As Treasurer of the City of Concord, I hereby certify that sufficient investment liquidity and anticipated revenue are available to meet the next six month's estimated expenditures.

Tim McGallian, CITY TREASURER

Nov. 3 2015
Date

City of Concord
Investment Summary
as of September 30, 2015

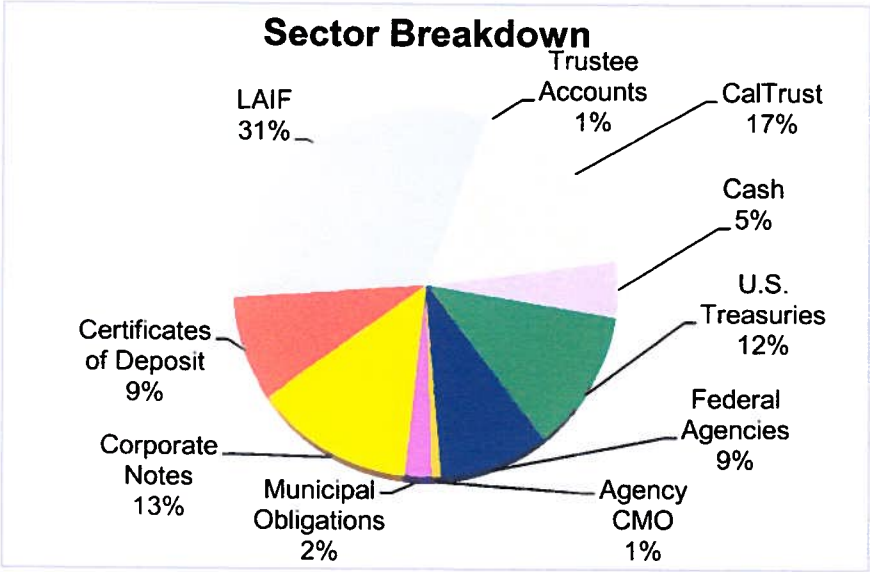
Sector	Average Maturity	Par Amount	Adjusted Cost	Market Value	Coupon	Yield to Maturity
Cash Equivalents						
Cash on Hand*	1 Day	5,876,357.37	5,876,357.37	5,876,357.37	0.01%	0.01%
Portfolio Cash	1 Day	32,345.02	32,345.02	32,345.02	0.01%	0.01%
LAIF*	212 Days**	37,649,517.69	37,649,517.69	37,649,517.69	0.32%	0.32%
Cash Equivalents Subtotal	**183 Days**	**43,558,220.08**	**43,558,220.08**	**43,558,220.08**		**0.28%**
Other Investments						
CalTrust Short Term Fund	398 Days	5,025,332.07	5,025,332.07	5,025,332.07	0.50%	0.50%
CalTrust Medium Term Fund	719 Days	15,036,076.24	15,036,076.24	15,036,076.24	0.82%	0.82%
Other Investments Subtotal	**639 Days**	**20,061,408.31**	**20,061,408.31**	**20,061,408.31**		**0.74%**
Trusteed Accounts						
BNY-Trustee Accounts*	1 Day	236,495.28	236,495.28	236,495.28	0.12%	0.12%
Union Bank-Trustee Accounts*	1 Day	528,593.00	528,593.00	528,593.00	0.00%	0.00%
Trusteed Accounts Subtotal	**1 Day**	**765,088.28**	**765,088.28**	**765,088.28**		**0.04%**
PFM Managed Portfolio						
U.S. Treasuries	2.31 Years	14,290,000.00	14,364,962.59	14,444,318.95	1.42%	0.96%
Federal Agencies	1.79 Years	10,475,000.00	10,466,671.24	10,522,025.91	0.95%	0.99%
Federal Agency CMO	3.74 Years	968,255.41	970,160.89	970,319.56	0.78%	0.59%
Municipal Obligations	1.86 Years	2,575,000.00	2,577,836.62	2,596,623.60	1.54%	1.49%
Corporate Notes	2.86 Years	15,550,000.00	15,701,901.58	15,719,157.56	1.84%	1.58%
Certificates of Deposit	1.20 Years	10,775,000.00	10,773,630.71	10,771,086.28	0.93%	0.90%
PFM Managed Portfolio Subtotal	**2.15 Years**	**54,633,255.41**	**54,855,163.63**	**55,023,531.86**		**1.15%**
Total	**1.47 Years**	**119,017,972.08**	**119,239,880.30**	**119,408,248.53**		**0.76%**

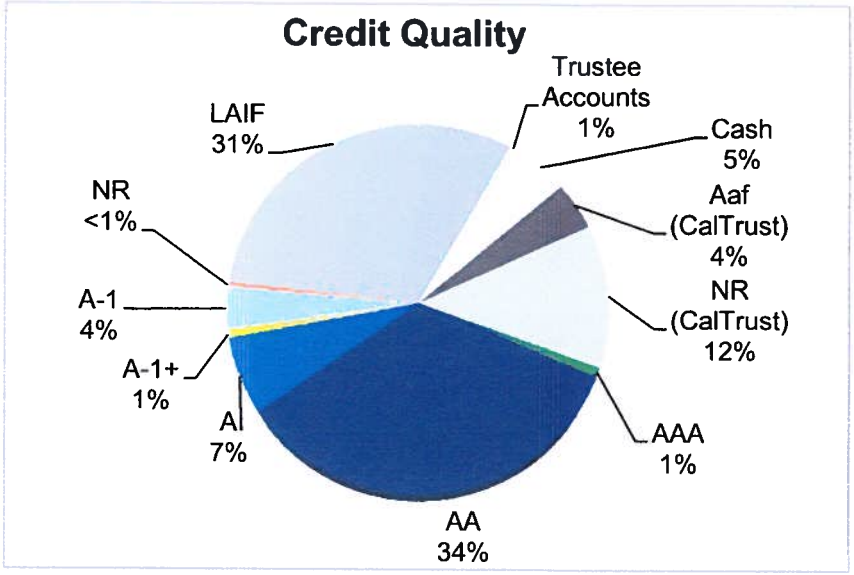
Earnings Summary July 1, 2015 - September 30, 2015 (Accrual Basis)

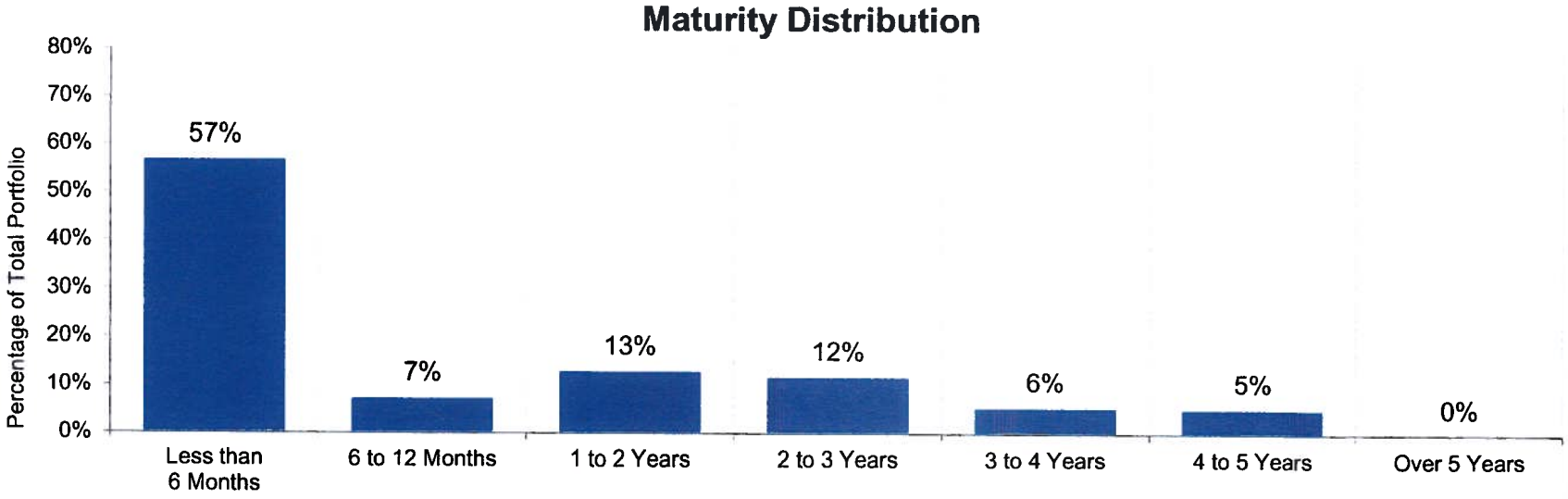
Portfolio Securities	
Ending Amortized Value of Securities	54,855,163.63
Ending Accrued Interest	155,112.66
Plus Proceeds from Sales	2,036,721.27
Plus Proceeds of Maturities/Calls/Principal Payments	468.91
Plus Coupons Received	209,848.94
Less Cost of New Purchases	(2,297,955.29)
Less Beginning Amortized Value of Securities	(54,616,047.73)
Less Beginning Accrued Interest	(185,416.76)
Portfolio Securities Subtotal	**157,895.63**
LAIF	
LAIF Subtotal	**$44,244.89**
Grand Total	**202,140.52**

*Values provided by the City of Concord
**Funds invested in LAIF can be withdrawn at par.

City of Concord
Investment Summary
as of September 30, 2015







City of Concord
Investment Detail
as of September 30, 2015

Issuer	S&P Rating	Coupon	Maturity	Purchased	Days to Maturity	Par Amount	Adjusted Cost	Market Value	Yield to Maturity
				Operating Funds					
Cash Equivalents									
Cash on Hand	NR	0.01%	10/1/2015	9/30/2015	1	5,876,357.37	5,876,357.37	5,876,357.37	0.01%
Portfolio Cash Account	NR	0.01%	10/1/2015	9/30/2015	1	32,345.02	32,345.02	32,345.02	0.01%
LAIF-City of Concord*	NR	0.32%	10/1/2015	9/30/2015	212	29,342,713.47	29,342,713.47	29,342,713.47	0.32%
LAIF-Sewer Enterprise District*	NR	0.32%	10/1/2015	9/30/2015	212	8,306,804.22	8,306,804.22	8,306,804.22	0.32%
			Cash Equivalents Subtotal		**183**	**43,558,220.08**	**43,558,220.08**	**43,558,220.08**	**0.28%**
U.S. Treasuries									
U.S. Treasury	AA+	1.50%	7/31/2016	2/6/2015	305	1,975,000.00	1,993,658.46	1,993,823.73	0.36%
U.S. Treasury	AA+	3.25%	12/31/2016	11/3/2014	458	950,000.00	981,529.67	982,779.75	0.58%
U.S. Treasury	AA+	0.88%	2/28/2017	2/24/2014	517	925,000.00	926,656.61	929,793.35	0.75%
U.S. Treasury	AA+	1.00%	3/31/2017	3/3/2014	548	875,000.00	878,479.98	881,380.50	0.73%
U.S. Treasury	AA+	1.00%	3/31/2017	3/21/2014	548	725,000.00	725,832.39	730,286.70	0.92%
U.S. Treasury	AA+	0.88%	4/30/2017	3/27/2015	578	1,500,000.00	1,505,010.21	1,507,500.00	0.66%
U.S. Treasury	AA+	2.50%	6/30/2017	12/9/2014	639	525,000.00	539,372.28	542,411.10	0.92%
U.S. Treasury	AA+	1.38%	7/31/2018	2/4/2015	1,035	2,300,000.00	2,329,105.33	2,330,815.40	0.92%
U.S. Treasury	AA+	1.25%	11/30/2018	6/3/2014	1,157	520,000.00	517,415.55	524,170.92	1.41%
U.S. Treasury	AA+	1.50%	1/31/2019	7/31/2014	1,219	1,205,000.00	1,200,815.08	1,223,106.33	1.61%
U.S. Treasury	AA+	1.63%	3/31/2019	9/4/2014	1,278	190,000.00	190,160.93	193,483.27	1.60%
U.S. Treasury	AA+	1.63%	3/31/2019	10/6/2014	1,278	800,000.00	800,983.23	814,666.40	1.59%
U.S. Treasury	AA+	1.00%	9/30/2019	2/27/2015	1,461	1,050,000.00	1,032,885.97	1,041,605.25	1.42%
U.S. Treasury	AA+	1.25%	2/29/2020	9/3/2015	1,613	750,000.00	743,056.90	748,496.25	1.47%
			U.S. Treasuries Subtotal		**842**	**14,290,000.00**	**14,364,962.59**	**14,444,318.95**	**0.96%**
Federal Agencies									
Federal Farm Credit Bureau	AA+	0.62%	10/9/2015	10/24/2012	9	1,000,000.00	1,000,000.00	1,000,051.00	0.62%
Federal Home Loan Banks	AA+	1.00%	3/11/2016	2/29/2012	163	575,000.00	575,674.62	576,999.85	0.74%
Federal Farm Credit Bureau	AA+	1.05%	3/28/2016	3/28/2012	180	1,000,000.00	1,000,000.00	1,004,135.00	1.05%
Federal Home Loan Banks	AA+	0.50%	9/28/2016	8/7/2014	364	1,050,000.00	1,048,901.91	1,050,800.10	0.61%
Federal Home Loan Mortgage Corporation	AA+	0.60%	1/3/2017	1/3/2013	461	1,000,000.00	1,000,000.00	1,001,181.00	0.60%
Federal Home Loan Mortgage Corporation	AA+	1.00%	6/29/2017	8/13/2014	638	225,000.00	225,160.72	226,534.95	0.96%
Federal National Mortgage Association	AA+	0.88%	10/26/2017	12/3/2013	757	2,150,000.00	2,141,183.58	2,156,447.85	1.08%
Federal National Mortgage Association	AA+	0.88%	5/21/2018	5/23/2013	964	1,000,000.00	995,620.16	999,399.00	1.04%
Federal National Mortgage Association	AA+	0.88%	5/21/2018	5/31/2013	964	750,000.00	743,887.19	749,549.25	1.19%
Federal National Mortgage Association	AA+	1.63%	11/27/2018	6/19/2014	1,154	200,000.00	200,004.81	203,576.00	1.62%
Federal National Mortgage Association	AA+	1.63%	11/27/2018	10/23/2014	1,154	575,000.00	579,238.48	585,281.00	1.39%
Federal Home Loan Mortgage Corporation	AA+	1.75%	5/30/2019	12/3/2014	1,338	475,000.00	479,428.10	484,649.63	1.49%
Federal National Mortgage Association	AA+	1.75%	11/26/2019	12/3/2014	1,518	475,000.00	477,571.67	483,421.28	1.61%
			Federal Agencies Subtotal		**654**	**10,475,000.00**	**10,466,671.24**	**10,522,025.91**	**0.99%**

City of Concord
Investment Detail
as of September 30, 2015

Issuer	S&P Rating	Coupon	Maturity	Purchased	Days to Maturity	Par Amount	Adjusted Cost	Market Value	Yield to Maturity
Federal Agency CMO									
Federal National Mortgage Association	AA+	1.55%	4/1/2018	4/30/2015	914	255,000.00	257,126.20	257,140.22	0.83%
Federal National Mortgage Association	AA+	0.38%	9/1/2018	3/31/2015	1,067	168,255.41	168,230.89	168,375.54	0.38%
Federal National Mortgage Association	AA+	0.54%	4/25/2020	9/30/2015	1,669	545,000.00	544,803.80	544,803.80	0.54%
		Federal Agency CMO Subtotal			**1364.45812**	**968,255.41**	**970,160.89**	**970,319.56**	**0.59%**
Municipal Obligations									
Orange County, CA	AA-	0.78%	5/2/2016	1/13/2015	215	690,000.00	690,000.00	691,221.30	0.78%
California Earthquake Authority	NR	1.82%	7/1/2017	11/6/2014	640	295,000.00	295,000.00	296,790.65	1.82%
State of California	AA-	1.75%	11/1/2017	11/5/2013	763	1,090,000.00	1,092,063.58	1,102,611.30	1.66%
University of California	AA	1.90%	5/15/2018	4/10/2014	958	185,000.00	185,000.00	188,864.65	1.90%
State of Connecticut	AA	1.97%	3/15/2019	3/25/2015	1,262	315,000.00	315,773.04	317,135.70	1.90%
		Municipal Obligations Subtotal			**678**	**2,575,000.00**	**2,577,836.62**	**2,596,623.60**	**1.49%**
Corporate Notes									
Coca Cola Company	AA	1.80%	9/1/2016	2/9/2012	337	1,000,000.00	1,007,003.82	1,010,870.00	1.03%
JP Morgan Chase	A	1.35%	2/15/2017	2/18/2014	504	700,000.00	699,837.61	700,910.00	1.37%
John Deere Capital	A	1.13%	6/12/2017	6/12/2014	621	830,000.00	829,777.72	829,544.33	1.14%
HSBC USA	A	1.30%	6/23/2017	6/23/2014	632	350,000.00	349,691.06	349,391.00	1.35%
Caterpillar	A	1.25%	8/18/2017	8/20/2014	688	595,000.00	594,811.80	596,172.15	1.27%
American Express	A-	1.55%	9/22/2017	9/23/2014	723	290,000.00	289,741.84	290,803.01	1.60%
IBM Corp	AA-	1.13%	2/6/2018	2/6/2015	860	1,375,000.00	1,371,706.16	1,371,672.50	1.23%
Exxon Mobil	AAA	1.31%	3/6/2018	3/6/2015	888	1,100,000.00	1,100,000.00	1,102,596.00	1.31%
Colgate-Palmolive Company	AA-	0.90%	5/1/2018	5/2/2013	944	790,000.00	788,028.67	784,551.37	1.00%
Apple Inc	AA+	1.00%	5/3/2018	5/3/2013	946	585,000.00	583,867.93	582,268.05	1.08%
Berkshire Hathaway	AA	1.30%	5/15/2018	5/15/2013	958	470,000.00	469,854.83	470,961.15	1.31%
Bank of New York	A+	1.60%	5/22/2018	5/29/2015	965	1,100,000.00	1,099,911.26	1,097,814.30	1.60%
Chevron Corp	AA	1.72%	6/24/2018	6/24/2013	998	840,000.00	840,000.00	846,518.40	1.72%
Cisco Systems	AA-	2.13%	3/1/2019	9/4/2014	1,248	500,000.00	503,473.15	506,270.50	1.91%
Cisco Systems	AA-	2.13%	3/1/2019	9/4/2015	1,248	600,000.00	605,516.36	607,524.60	1.85%
American Honda Finance	A+	2.25%	8/15/2019	9/9/2014	1,415	1,100,000.00	1,098,377.42	1,107,678.00	2.29%
General Electric Capital Corp	AA+	5.50%	1/8/2020	3/25/2015	1,561	950,000.00	1,083,181.70	1,087,165.75	2.05%
Wells Fargo & Co	A+	2.15%	1/30/2020	3/27/2015	1,583	800,000.00	802,438.86	798,037.60	2.08%
Toyota Motor Credit Corp	AA-	2.15%	3/12/2020	3/27/2015	1,625	350,000.00	352,802.47	350,759.50	1.96%
Abbott Laboratories	A+	2.00%	3/15/2020	3/27/2015	1,628	825,000.00	829,918.64	824,226.15	1.86%
JP Morgan Chase	A	2.75%	6/23/2020	9/4/2015	1,728	400,000.00	401,960.28	403,423.20	2.64%
		Corporate Notes Subtotal			**1,042**	**15,550,000.00**	**15,701,901.58**	**15,719,157.56**	**1.58%**

City of Concord
Investment Detail
as of September 30, 2015

Issuer	S&P Rating	Coupon	Maturity	Purchased	Days to Maturity	Par Amount	Adjusted Cost	Market Value	Yield to Maturity
Certificates of Deposit									
BMO Harris Bank	A-1	0.54%	2/10/2016	2/13/2015	133	1,050,000.00	1,050,000.00	1,050,415.70	0.54%
Westpac Banking Corp NY	AA-	0.50%	4/15/2016	4/17/2014	198	1,050,000.00	1,050,000.00	1,050,409.50	0.41%
Bank of Nova Scotia Houston	A+	0.51%	6/10/2016	6/13/2014	254	1,050,000.00	1,049,779.59	1,049,779.50	0.28%
Goldman Sachs Bank	A-1	0.90%	8/12/2016	8/19/2014	317	1,100,000.00	1,100,000.00	1,100,682.00	0.90%
HSBC USA	A-1+	0.88%	8/15/2016	2/13/2015	320	825,000.00	825,000.00	825,933.08	0.88%
Canadian Imperial Bank NY	A-1	1.01%	4/6/2017	4/10/2015	554	1,100,000.00	1,100,000.00	1,098,691.00	1.01%
Rabobank Nederland NV NY	A-1	1.07%	4/21/2017	4/27/2015	569	1,300,000.00	1,300,000.00	1,297,634.00	1.07%
Nordea Bank NY	AA-	1.15%	5/26/2017	5/29/2015	604	1,100,000.00	1,100,000.00	1,097,668.00	1.15%
Toronto Dominion Bank NY	AA-	1.24%	6/16/2017	6/19/2015	625	1,100,000.00	1,100,000.00	1,101,441.00	1.25%
US Bank NA	AA-	1.38%	9/11/2017	9/11/2014	712	1,100,000.00	1,098,851.12	1,098,432.50	1.41%
		Certificates of Deposit Subtotal			**437**	**10,775,000.00**	**10,773,630.71**	**10,771,086.28**	**0.90%**
Other Investments									
CalTrust Short Term Fund	AAf	0.50%	10/1/2015	9/30/2015	398	5,025,332.07	5,025,332.07	5,025,332.07	0.50%
CalTrust Medium Term Fund	NR	0.82%	10/1/2015	9/30/2015	719	15,036,076.24	15,036,076.24	15,036,076.24	0.82%
		Other Investments Subtotal			**639**	**20,061,408.31**	**20,061,408.31**	**20,061,408.31**	**0.74%**
				Operating Total	**540**	**118,252,883.80**	**118,474,792.02**	**118,643,160.25**	**0.76%**

*Funds invested in LAIF can be withdrawn at par.

City of Concord
Investment Detail
as of September 30, 2015

Issuer	S&P Rating	Coupon	Maturity	Days to Maturity	Par Amount	Original Cost	Market Value	Current Yield
			Funds Held in Trust					
Cash Equivalents								
BNY-ABAG 41 (Parking Struc 2001)	AAAm	0.12%	10/1/2015	1	236,494.28	236,494.28	236,494.28	0.12%
BNY-Concord Wastewater 2012	AAAm	0.12%	10/1/2015	1	1.00	1.00	1.00	0.12%
Blackrock Institutional Money Market Fund*	AAAm	0.00%	10/1/2015	1	528,593.00	528,593.00	528,593.00	0.00%
				1	**765,088.28**	**765,088.28**	**765,088.28**	**0.04%**
		Total Funds Held in Trust		**1**	**765,088.28**	**765,088.28**	**765,088.28**	**0.04%**

*Values provided by the City of Concord

City of Concord
Transactions Detail
July 1, 2015 - September 30, 2015

Trade Date	Settle Date	Transaction	CUSIP	Issuer	Coupon	Maturity		Par Value	Yield to Maturity
Purchases									
9/2/2015	9/3/2015	Purchase	912828UQ1	U.S. Treasury	1.25%	2/29/2020	$	750,000.00	1.47%
9/1/2015	9/4/2015	Purchase	17275RAR3	Cisco Systems	2.13%	3/1/2019	$	600,000.00	1.85%
9/1/2015	9/4/2015	Purchase	46625HLW8	JP Morgan Chase	2.75%	6/23/2020	$	400,000.00	2.64%
9/10/2015	9/30/2015	Purchase	3136AP3Z3	FNMA	0.54%	4/25/2020	$	545,000.00	0.54%
Sales									
9/2/2015	9/3/2015	Sell	912828QF0	U.S. Treasury	2.00%	4/30/2016	$	495,000.00	0.32%
9/2/2015	9/3/2015	Sell	912828QX1	U.S. Treasury	1.50%	7/31/2016	$	25,000.00	0.40%
9/1/2015	9/4/2015	Sell	46623EJV2	JP Morgan Chase	0.95%	2/26/2016	$	513,000.00	0.79%
9/1/2015	9/4/2015	Sell	89236TAL9	Toyota Motor CC	0.80%	5/17/2016	$	565,000.00	0.51%
9/28/2015	9/30/2015	Sell	313375RN9	FHLB	1.00%	3/11/2016	$	425,000.00	0.30%
Paydowns									
7/1/2015	7/1/2015	Paydown	3136AMTM1	FNMA	0.41%	9/1/2018	$	168.18	
8/1/2015	8/1/2015	Paydown	3136AMTM1	FNMA	0.41%	9/1/2018	$	149.97	
9/1/2015	9/1/2015	Paydown	3136AMTM1	FNMA	0.41%	9/1/2018	$	150.76	

City of Concord
Operating Funds Compliance Report
as of September 30, 2015

Credit Quality

	Minimum Permitted Rating	Lowest Rated Security (S&P)	In Compliance?
U.S. Treasuries	N/A	AA+	Yes
Federal Agencies	N/A	AA+	Yes
Federal Agency CMO	N/A	AA+	Yes
Municipal Obligations	"A" Category by a NRSRO	NR*	Yes
Corporate Notes	"A" Category by a NRSRO	A-	Yes
Negotiable CDs	"A" Category by a NRSRO	A+	Yes

**Rated A3 by Moody's*

Maturity Limits

	Maximum Permitted Maturity	Maximum Maturity	In Compliance?
U.S. Treasuries	5 Years	4.42 Years	Yes
Federal Agencies	5 Years	4.16 Years	Yes
Federal Agency CMO	5 Years	4.45 Years	Yes
Municipal Obligations	5 Years	3.46 Years	Yes
Corporate Notes	5 Years	4.73 Years	Yes
Negotiable CDs	5 Years	1.95 Years	Yes

Sector Allocations

	Maximum Allocation	Current Allocation	In Compliance?
U.S. Treasuries	100%	12.17%	Yes
Federal Agencies	100%	8.87%	Yes
Federal Agency CMO	20%	0.82%	Yes
Municipal Obligations	30%	2.19%	Yes
Corporate Notes	30%	13.25%	Yes
Negotiable CDs	30%	9.08%	Yes