



**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT**  
Citizens' Bond Oversight Committee

Monday, June 13, 2016  
3:00 PM – Regular Meeting  
Sam Karas Room, Library and Technology Center  
Monterey Peninsula College  
980 Fremont Street, Monterey, California

*MEETING AGENDA*

1. **Call to Order**
2. **Public Comment**  
Members of the audience wishing to address the Citizens' Bond Oversight Committee may do so during the public comment period. Under provisions of the Brown Act, the Committee is prohibited from discussing or taking action on oral requests that are not part of the agenda. Comments are limited to three minutes per person or as determined by the Committee.
3. **Approval of February 29, 2016 Minutes** ACTION
4. **Accept Bills and Warrants Report** ACTION  
The list of payments from bond funds expended through March 31, 2016 will be reviewed for acceptance by the committee.
5. **Bond Expenditure Status Report** INFORMATION  
The March 31, 2016 bond expenditure status report will be reviewed with the committee.
6. **Bond Refinancing** INFORMATION  
A presentation on the recent refinancing of the District's bonds will be provided.
7. **Monterey County Treasurer's Investment Reports** INFORMATION  
The bonds issued by the district have been invested with the Monterey County Treasurer's office. The Treasurer's Report of Investments, for the quarters ending December 31, 2015 and March 31, 2016, provides a review of asset allocation and investment performance.

- |                                                                                                                                                                                                                                 |             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>8. Facilities Planning Update</b>                                                                                                                                                                                            | INFORMATION |
| <b>9. Superintendent/President's Update</b>                                                                                                                                                                                     | INFORMATION |
| <b>10. Meeting Schedule</b><br>Future meetings of the Committee are scheduled for: <ul style="list-style-type: none"><li>• Monday, August 29, 2016</li><li>• Monday, November 7, 2016 (Annual Organizational Meeting)</li></ul> | INFORMATION |
| <b>11. Suggestions for Future Agenda Topics and Announcements</b>                                                                                                                                                               | INFORMATION |
| <b>12. Adjournment</b>                                                                                                                                                                                                          |             |

Public records provided to the Committee for the items listed on this agenda may be viewed online at the College's website <http://www.mpc.edu/about-mpc/campus-information/mpc-bond-measure/citizen-s-bond-oversight-committee/meeting-agenda-minutes>, at the Superintendent/President's office, Monterey Peninsula College, 980 Fremont Street, Monterey, California during normal business hours, or at the Committee meeting.

Posted: June 8, 2016



**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT**  
Citizens' Bond Oversight Committee

Monday, February 29, 2016  
3:00 PM – Regular Meeting  
Sam Karas Room, Library and Technology Center  
Monterey Peninsula College  
980 Fremont Street  
Monterey, California

Meeting Minutes

- MEMBERS PRESENT: Mr. Wayne Cruzan, Vice Chair  
Mr. Thomas Gaspich  
Mr. Birt Johnson, Jr.  
Mr. Stephen Lambert (arrived at 3:12 PM)  
Ms. Sharon Larson
- ABSENT: Mr. Hunter Harvath  
Mr. Rick Heuer  
Mr. Rob Lee (arrived at conclusion of meeting)  
Mr. James Panetta, Chair
- STAFF PRESENT: Ms. Rosemary Barrios, Controller  
Dr. Steve Crow, Vice President for Administrative Services  
Ms. Vicki Nakamura, Assistant to the President  
Dr. Walter Tribley, Superintendent/President
- OTHERS PRESENT: Mr. Michael Carson, Kitchell

**1. Call to Order**

The regular meeting of the Citizens' Bond Oversight Committee of Monterey Peninsula College was called to order at 3:04 PM by Vice Chair Cruzan. Due to the lack of a quorum, Vice Chair Cruzan advised proceeding with the information items first to allow time for other members to arrive.

**2. Public Comment**

There were no public comments.

**3. Introductions**

Dr. Tribley noted a title change for Dr. Crow to indicate his hiring in December as the District's new Vice President for Administrative Services.

**6. Bond Expenditure Status Report** (Note: Agenda Item 6 taken out of order due to the lack of a quorum)

Dr. Crow reported there was an expense not yet reflected in the report that will be assessed to the Student Center renovation project. He explained he had noticed a need for automatic door openers in the restroom. Mr. Gaspich asked for the cost. Dr. Crow estimated the expense at \$10,000.

**7. Bond Auditors' Reports for 2014-15** (Note: Agenda Item 7 taken out of order due to the lack of a quorum)

Dr. Crow reported there were no findings by the auditors in their review of bond funds and the performance audit. Vice Chair Cruzan commented the lack of findings speaks well of the District's financial management of the bond program. Mr. Johnson concurred.

**4. Approval of November 2, 2015 Minutes**

Noting Mr. Lambert's arrival and attainment of a quorum, Vice Chair Cruzan returned to Agenda Item 4, approval of the minutes of the November 2, 2015 meeting. He asked if members had any questions or comments. Seeing there were none, he asked if the CBOC Annual Report had been presented to the Governing Board. Dr. Tribley responded Chair Panetta made an excellent presentation of the report at the February 24, 2016 Board meeting.

Motion made by Mr. Johnson, seconded by Ms. Larson, to approve the minutes of the November 2, 2015 meeting. Motion carried unanimously.

AYES:	5 MEMBERS:	Cruzan, Gaspich, Johnson, Lambert, Larson
NOES:	0 MEMBERS:	None
ABSENT:	1 MEMBERS:	Harvath, Heuer, Lee, Panetta
ABSTAIN:	0 MEMBERS:	None

**5. Accept Bills and Warrants Report**

Vice Chair Cruzan advised the report would be reviewed by page and invited questions. There were no questions on page 1.

Regarding page 2, Mr. Johnson asked for a definition of the miscellaneous category. Ms. Barrios said the category was set up for expenditures after a project had been closed out. Ms. Nakamura added the miscellaneous category has recently been used as a holding place for expenditures while another infrastructure project was being developed. These expenses will then be moved under that project. Mr. Johnson followed with a question about the fiber installation at the Art Gallery and whether the addition was made to an existing fiber system. Mr. Carson explained the Art Gallery was disconnected after the Arts Complex renovation as the fiber cable needed upgrading. It was recommended that the expense be moved from the miscellaneous category to the Arts Complex project as the fiber installation was a related item.

There were no further questions regarding the report.

It was moved by Mr. Johnson and seconded by Ms. Larson to accept the December 31, 2015 bills and warrants report. Motion carried unanimously.

AYES:	5 MEMBERS:	Cruzan, Gaspich, Johnson, Lambert, Larson
NOES:	0 MEMBERS:	None

ABSENT: 1 MEMBERS: Harvath, Heuer, Lee, Panetta  
 ABSTAIN: 0 MEMBERS: None

**8. Tax Rate for Measure I Bond**

Ms. Nakamura reviewed the document displaying the history of bond issuances and tax rates for Measure I. This document was prepared by the District’s bond underwriter, Ms. Ivory Li, Piper Jaffray. Ms. Nakamura noted Proposition 39 bonds have an annual projected limit of \$25 per \$100,000 of assessed valuation for community college districts. When the CBOC Annual Report was reviewed at the previous meeting, it was reported the tax rate had been increased in 2015 to \$32.47 from \$15.77 in 2014. The 2015 increase was necessary as Monterey County had under-levied in 2014 and needed to make up the shortfall in tax collections. She indicated the document shows the tax rate in 2016 had returned to a lower rate, \$23.04. Over the life of the bond program, the average tax rate has been \$22.09, compared to the projection of \$23.89, made when the bond was approved by the voters in 2002.

Ms. Larson asked how long the taxpayers would be paying for the bonds. Staff will research and report back.

**9. Monterey County Treasurer’s Investment Report**

The Treasurer’s Report of Investments for the quarter ending September 30, 2015 was shared with the committee for information. Dr. Crow noted the low yields on the County’s investments.

**10. Meeting Schedule**

Vice Chair Cruzan reviewed the upcoming meeting dates:

- Monday, June 15, 2015
- Monday, August 10, 2015
- Monday, November 2, 2015 (Annual Organizational Meeting)

**11. Suggestions for Future Agenda Topics and Announcements**

Dr. Tribley referenced the upcoming Holman Highway 68 Roundabout project and City of Monterey concerns about traffic impacts during the construction period. He announced that MPC was assisting with traffic mitigation by allowing its parking lots to be used during the summer as park and ride lots for commuters. The Transportation Agency of Monterey County and the City of Monterey will also be presenting a public forum on the roundabout project later this spring at MPC and the committee is welcome to attend.

**12. Adjournment**

Motion was made by Mr. Johnson and seconded by Mr. Larson to adjourn the meeting at 3:29 PM. Motion carried unanimously. Mr. Lee arrived at this time.

AYES: 5 MEMBERS: Cruzan, Gaspich, Johnson, Lambert, Larson  
 NOES: 0 MEMBERS: None  
 ABSENT: 1 MEMBERS: Harvath, Heuer, Lee, Panetta  
 ABSTAIN: 0 MEMBERS: None

<b>Monterey Peninsula College</b>		
<b>Bills &amp; Warrants Report</b>		
<b>Through March 31, 2016</b>		
Vendor Name	Description of service or purchase	Amount Paid
<b><u>Student Center</u></b>	<i>Total Expense at December 31, 2015</i>	\$6,157,616.59
	No new expense this period.	\$0.00
	<b>To Date Expense through March 31, 2016</b>	<b><u>\$6,157,616.59</u></b>
<b><u>Arts Complex</u></b>	<i>Total Expense at December 31, 2015</i>	\$3,540,290.20
	No new expense this period.	\$0.00
	<b>To Date Expense through March 31, 2016</b>	<b><u>\$3,540,290.20</u></b>
<b><u>Music Building</u></b>	<i>Total Expense at December 31, 2015</i>	\$23,770.35
	No new expense this period.	\$0.00
	<b>To Date Expense through March 31, 2016</b>	<b><u>\$23,770.35</u></b>
<b><u>Furniture/Equipment</u></b>	<i>Total Expense at December 31, 2015</i>	\$5,337,175.28
	No new expense this period.	\$0.00
	<b>To Date Expense through March 31, 2016</b>	<b><u>\$5,337,175.28</u></b>
<b><u>Swing Space</u></b>	<i>Total Expense at December 31, 2015</i>	\$5,777,350.31
	No new expense this period.	\$0.00
	<b>To Date Expense through March 31, 2016</b>	<b><u>\$5,777,350.31</u></b>
<b><u>General Institutional Bond Mgmt.</u></b>	<i>Total Expense at December 31, 2015</i>	\$5,692,510.21
	No new expense this period.	\$0.00
	<b>To Date Expense through March 31, 2016</b>	<b><u>\$5,692,510.21</u></b>
<b><u>Theater Building</u></b>	<i>Total Expense at December 31, 2015</i>	\$10,382,736.18
	No new expense this period.	\$0.00
	<b>To Date Expense through March 31, 2016</b>	<b><u>\$10,382,736.18</u></b>

<b>Monterey Peninsula College</b>		
<b>Bills &amp; Warrants Report</b>		
<b>Through March 31, 2016</b>		
Vendor Name	Description of service or purchase	Amount Paid
<b><u>Infrastructure Phase III</u></b>	<i>Total Expense at December 31, 2015</i>	\$6,458,266.36
	No new expense this period.	\$0.00
	<b>To Date Expense through March 31, 2016</b>	<b>\$6,458,266.36</b>
<b><u>PSTC Parker Flats</u></b>	<i>Total Expense at December 31, 2015</i>	\$70,498.52
	No new expense this period.	\$0.00
	<b>To Date Expense through March 31, 2016</b>	<b>\$70,498.52</b>
<b><u>Humanities, Bus-Humanities, Student Services</u></b>	<i>Total Expense at December 31, 2015</i>	\$3,543,043.20
	No new expense this period.	\$0.00
	<b>To Date Expense through March 31, 2016</b>	<b>\$3,543,043.20</b>
<b><u>Life Science &amp; Physical Science</u></b>	<i>Total Expense at December 31, 2015</i>	\$10,832,201.07
	No new expense this period.	\$0.00
	<b>To Date Expense through March 31, 2016</b>	<b>\$10,832,201.07</b>
<b><u>Miscellaneous</u></b>	<i>Total Expense at December 31, 2015</i>	\$63,657.00
Bruce Kiddle	Purchase of an awning for the Student Center Cafeteria, the awning is needed for coverage from outside elements when deliveries are being made.	\$3,000.00
	<b>To Date Expense through March 31, 2016</b>	<b>\$66,657.00</b>

<b>Monterey Peninsula College</b>		
<b>Bills &amp; Warrants Report</b>		
<b>Through March 31, 2016</b>		
		Amount
Vendor Name	Description of service or purchase	Paid
<b>Closed Projects</b>		
Old Library		\$21,279.52
Early Start - Walkway/Safety Improvements		\$225,630.18
Early Start - Telephone System Upgrades		\$599,414.48
Early Start - As Built Drawings		\$209,792.00
Early Start - Roof Repairs		\$480,255.64
Early Start - HVAC Repairs	Social Science/Computer Science buildings.	\$618,538.68
Early Start - Landscaping	Library technology area.	\$438,292.96
Early Start - Vehicles		\$187,070.27
Early Start - Master Signage Plan		\$53,890.42
Early Start - Auto Technology Bldg	HVAC replacement.	\$16,443.00
Drafting Bldg	Furnace replacement.	\$13,974.00
Early Start - New Plant Services Bldg	Costs over state funding for new building.	\$487,574.35
Early Start - Demolition of Old Plant Services Bldg		\$63,521.68
Environmental Impact Report - Campus		\$154,162.67
Business & Computer Science Bldg	Seismic design.	\$7,981.84
Humanities Bldg	Seismic design.	\$16,375.04
International Center Bldg	Blue Prints.	\$14.71
Physical Science Bldg	Architectural Services, for potential elevator replacement.	\$6,986.44
Life Science Bldg	Architectural Services, for potential elevator replacement.	\$7,793.83
Pool/Tennis Courts	Preliminary architectural services.	\$206.00
Physical Education Facility		\$1,488,294.29
PE Field/Track		\$14,848,446.67
Fitness Phase IB		\$899,827.93
College Center Renovation		\$23,608.41
Social Science Renovation		\$863,696.74



<b>Monterey Peninsula College</b>		
<b>Bills &amp; Warrants Report</b>		
<b>Through March 31, 2016</b>		
Vendor Name	Description of service or purchase	Amount Paid
<b>Closed Projects (continued)</b>		
Music/Theater Building		\$22,732.50
Family and Consumer Sci		\$67,671.12
Gymnasium Building	Floor/Seismic/Bleachers.	\$877,847.00
Lecture Forum Renovation		\$2,117,203.20
Child Development Center		\$1,029,198.71
Infrastructure/Parking		\$20,886,001.04
Infrastructure 2		\$2,481,606.93
New Administration/Old Library Building		\$4,712,191.10
Public Safety Training Center Renovation		\$7,478,201.30
Auto Technology Building Renovation		\$958,602.22
Business & Computer Science (includes Math)		\$2,215,417.93
New Student Services Building		\$9,681,388.03
New Education Center at Marina		\$8,159,654.52
PE Phase II (Gym/Locker Room Renovation)		\$3,810,035.95
Pool Renovation (includes Pool Building)		\$2,047,493.00
	<b>To Date Expense through March 31, 2016</b>	<b><u>\$88,278,316.30</u></b>
	<b>Total Payments (closed projects, under construction, and planned projects)</b>	<b><u>\$146,160,431.57</u></b>

**BOND EXPENDITURE REPORT 3/31/16**

Total Budget With Other Funds	Projects	A	B	C	A-B-C	(B+C)/A	
		Total Bond Budget	Total Bond Prior Year Expenses	2015-2016 Year to Date Bond Payments	Bond Budget Balance	% Bond Cost	% Construction Schedule
	<b>In Process</b>						
\$4,724,000	Arts Complex	\$4,724,000	\$3,539,621	\$669	\$1,183,710	75%	70%
\$5,952,000	College Center Renovation	\$5,952,000	\$6,157,617	\$0	(\$205,617)	103%	100%
\$5,685,000	Furniture & Equipment	\$5,685,000	\$5,337,175	\$0	\$347,825	94%	99%
\$6,614,000	Humanities, Bus-Hum, Student Services	\$3,296,000	\$3,543,043	\$0	(\$247,043)	107%	100%
\$6,466,000	Infrastructure - Phase III	\$6,466,000	\$6,458,266	\$0	\$7,734	100%	100%
\$10,750,000	Life Science/Physical Science	\$10,750,000	\$10,832,201	\$0	(\$82,201)	101%	100%
\$5,800,000	Swing Space / Interim Housing	\$5,800,000	\$5,777,350	\$0	\$22,650	100%	99%
\$10,400,000	Theater	\$10,400,000	\$10,382,736	\$0	\$17,264	100%	100%
\$0	Miscellaneous	\$0	\$61,738	\$4,919	(\$66,657)	0%	100%
\$0	General Contingency	\$612,990	\$0	\$0	\$612,990	0%	0%
<b>\$56,391,000</b>	<b>Total in Process</b>	<b>\$53,685,990</b>	<b>\$52,089,747</b>	<b>\$5,588</b>	<b>\$1,590,655</b>		
	<b>Future</b>						
\$1,200,000	Music	\$1,200,000	\$23,770	\$0	\$1,176,230	2%	0%
\$12,000,000	PSTC Parker Flats	\$6,000,000	\$70,500	\$0	\$5,929,500	1%	0%
<b>\$13,200,000</b>	<b>Total Future</b>	<b>\$7,200,000</b>	<b>\$94,270</b>	<b>\$0</b>	<b>\$7,105,730</b>		
	<b>Completed</b>						
\$1,057,576	Early Start/Completed-HVAC Repairs	\$618,539	\$618,539	\$0	\$0	100%	100%
\$2,965,574	Early Start/Completed-New Plant Serv Bldg	\$487,574	\$487,574	\$0	\$0	100%	100%
\$599,414	Early Start/Completed-Telephone System	\$599,414	\$599,414	\$0	(\$0)	100%	100%
\$67,671	Family Consumer Science	\$67,671	\$67,671	\$0	\$0	100%	100%
\$1,517,774	Gym - floor/seismic/bleachers	\$877,847	\$877,847	\$0	\$0	100%	100%
\$2,481,607	Infrastructure - Phase II	\$2,481,607	\$2,481,607	\$0	\$0	100%	100%
\$20,886,001	Infrastructure - Phase I	\$20,886,001	\$20,886,001	\$0	\$0	100%	100%
\$2,117,203	Lecture Forum Renovation	\$2,117,203	\$2,117,203	\$0	\$0	100%	100%
\$7,427,191	New Admin / Old Library Renovation	\$4,712,191	\$4,712,191	\$0	(\$0)	100%	100%
\$5,413,198	New Child Development Center Bldg	\$1,029,198	\$1,029,198	\$0	\$0	100%	100%
\$21,420,211	Other Early start / completed	\$1,950,012	\$1,950,012	\$0	\$0	100%	100%
\$17,336,569	PE Field Track, Fitness Building	\$17,236,569	\$17,236,569	\$0	\$0	100%	100%
\$863,697	Social Science Renovation (inc. Seismic)	\$863,697	\$863,697	\$0	\$0	100%	100%
\$7,478,201	Public Safety Training Center Renov.	\$7,478,201	\$7,478,201	\$0	\$0	100%	100%
\$1,000,000	Auto Technology Building	\$958,602	\$958,602	\$0	(\$0)	100%	100%
\$2,300,000	Business Computer Science	\$2,215,418	\$2,215,418	\$0	\$0	100%	100%
\$8,300,000	New Ed Center Building at Marina	\$8,300,000	\$8,159,654	\$0	\$0	98%	100%
\$9,700,000	New Student Services Building	\$9,700,000	\$9,681,388	\$0	\$0	100%	100%
\$3,830,000	PE Phase II - Gym/Locker Room Renov.	\$3,830,000	\$3,810,036	\$0	\$0	99%	100%
\$2,640,519	Pool Renovation	\$2,640,519	\$2,047,493	\$0	\$0	78%	100%
<b>\$112,931,887</b>	<b>Total Completed</b>	<b>\$89,050,263</b>	<b>\$88,278,316</b>	<b>\$0</b>	<b>(\$1)</b>		
<b>\$182,522,887</b>	<b>Total All Projects</b>	<b>\$149,936,253</b>	<b>\$140,462,333</b>	<b>\$5,588</b>	<b>\$8,696,384</b>		
	<b>General Institutional-Bond Management</b>		\$5,692,510	\$0			
			<b>\$146,154,843</b>	<b>\$5,588</b>			
	<b>Total Bond Funds Spent to Date</b>		<b>\$146,160,431</b>				



**Presentation to Citizens' Bond Oversight Committee**

June 13, 2016

PiperJaffray

# Overview of Measure I General Obligation Bond Program

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- **Approved by Voters on November 5, 2002**
- **Passage Rate: 64.6%**
- **Estimated Tax Rate: \$23.89 per \$100,000**
- **\$145,000,000 Program Size**
  - Series 2003A: \$40,000,000 Issued in June 2003
  - Series 2008B: \$9,004,530 Issued in January 2008
  - Series 2008C: \$95,994,770 Issued in January 2008

# Overview of Measure I General Obligation Bond Program (Continued)

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- **\$33,304,385 Bond Refinancing in December 2005**

- Refinanced a Portion of Series 2003A Bonds
- \$4,240,051 Additional Funds Generated for Measure I Bond Projects
- \$478,111 Total Savings Delivered to Taxpayers

- **\$33,820,000 Bond Refinancing in May 2013**

- Refinanced Portions of 2005 Refunding (Refinancing) Bonds and Series 2008C Bonds
- \$1,379,582 Total Savings Delivered to Taxpayers

- **\$105,348,522 Bond Refinancing in June 2016**

- Refinanced a Portion of Series 2008C Bonds
- \$28,243,666 Total Savings Delivered to Taxpayers

# Tax Rate Performance for Measure I

1	2	3	4	5	6	7	8	9
Tax Year Ending	Actual Total Assessed Value	Actual Annual Change	Series 2003A \$40,000,000 Actual Debt Service	Series 2008B \$9,004,530 Actual Debt Service	Series 2008C \$95,994,770 Actual Debt Service	2005 Refinancing \$33,304,385 Actual Debt Service	2013 Refinancing \$33,820,000 Actual Debt Service	Total Measure I Bond Tax Rate <sup>(1)</sup>
1993	\$9,516,736,649	-						
1994	\$9,638,271,285	1.28%						
1995	\$9,952,161,292	3.26%						
1996	\$10,228,446,549	2.78%						
1997	\$10,537,857,435	3.03%						
1998	\$11,040,207,927	4.77%						
1999	\$11,756,318,037	6.49%						
2000	\$12,738,352,555	8.35%						
2001	\$13,935,175,523	9.40%						
2002	\$15,667,361,678	12.43%						
2003	\$16,868,915,466	7.67%						
2004	\$18,125,154,225	7.45%	\$4,947,860					\$23.19
2005	\$19,460,145,401	7.37%	\$4,188,463					\$23.19
2006	\$21,509,251,504	10.53%	\$2,901,600			\$1,369,472		\$18.00
2007	\$23,781,766,865	10.57%				\$5,340,105		\$20.66
2008	\$25,612,928,017	7.70%		\$2,231,161	\$1,688,780	\$3,364,780		\$19.94
2009	\$27,053,324,926	5.62%		\$600,675	\$2,104,450	\$3,360,155		\$19.78
2010	\$27,159,682,114	0.39%		\$837,875	\$2,104,450	\$3,362,030		\$22.41
2011	\$26,055,273,348	-4.07%		\$1,090,075	\$2,104,450	\$3,364,430		\$21.46
2012	\$26,122,824,908	0.26%		\$1,355,514	\$2,104,450	\$3,362,830		\$23.57
2013	\$26,388,484,575	1.02%		\$1,661,966	\$1,695,500	\$3,008,915	\$762,471	\$23.67
2014	\$27,415,771,252	3.89%		\$1,909,916	\$1,286,550	\$2,655,000	\$1,351,892	\$15.77
2015	\$28,859,580,349	5.27%		\$1,010,700	\$2,506,550	\$2,655,000	\$1,353,659	\$32.47
2016	\$30,651,273,824	6.21%		\$10,700	\$3,812,750		\$4,008,824	\$23.04

<sup>(1)</sup> Average tax rate has been \$22.09 as compared to Tax Rate Statement projection of \$23.89.

## Overview of 2016 Refinancing

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- **Similar to Refinancing a Home Mortgage (High Interest Rates → Low Interest Rates)**
- **The Refinancing did NOT Increase the Length of Old Bonds (No Extension of Bond Term)**
- **Total Savings to Local Taxpayers (Net of Transaction Costs): \$28,243,666.25**
- **All Transaction Fees were Paid from Refunding Bond Proceeds**

# Historical Municipal Bond Interest Rates





# Refinancing Summary

Refinance Series C CIBs & CABs	
<b>Old/Refunded Bonds</b>	
Bond Series	Election of 2002, Series C
Bond Structure	CIBs and CABs
Final Maturity	2034
Principal	\$71,859,770
Average Interest Rate	5.03%
<b>New/Refunding Bonds</b>	
Bond Structure	CIBs and CABs
Final Maturity	2034
Principal	\$105,348,522
Average Interest Rate	2.87%
<b>Savings</b>	
Debt Service Savings	\$28,243,666
Present Value Debt Service Savings	\$20,455,151
Present Value Savings Percentage	20.81%
<b>Escrow Account</b>	
Escrow Cost (Negative Carry)	\$3,451,523.90
Escrow Efficiency	96.74%

“CIBs”: Current Interest Bonds

“CABs”: Capital Appreciation Bonds

## Distribution of Debt Payment Savings

Tax Year	Old Bonds Debt Service	New Bonds Debt Service	Savings To Taxpayers
2015-2016	\$507,375	\$505,509	\$0
2016-2017	\$1,014,750	\$910,650	\$105,966
2017-2018	\$4,464,750	\$4,360,050	\$104,700
2018-2019	\$842,250	\$740,850	\$101,400
2019-2020	\$842,250	\$740,850	\$101,400
2020-2021	\$842,250	\$740,850	\$101,400
2021-2022	\$10,127,250	\$7,995,850	\$2,131,400
2022-2023	\$10,532,250	\$8,400,850	\$2,131,400
2023-2024	\$10,957,250	\$8,820,850	\$2,136,400
2024-2025	\$11,392,250	\$9,260,850	\$2,131,400
2025-2026	\$11,847,250	\$9,715,850	\$2,131,400
2026-2027	\$12,322,250	\$10,190,850	\$2,131,400
2027-2028	\$12,817,250	\$10,685,850	\$2,131,400
2028-2029	\$13,327,250	\$11,190,850	\$2,136,400
2029-2030	\$13,862,250	\$11,725,850	\$2,136,400
2030-2031	\$14,417,250	\$12,280,850	\$2,136,400
2031-2032	\$14,992,250	\$12,860,850	\$2,131,400
2032-2033	\$15,592,250	\$13,460,850	\$2,131,400
2033-2034	\$16,217,250	\$14,085,250	\$2,132,000
<b>Total Savings to District Taxpayers (Net of All Transaction Costs):</b>			<b>\$28,243,666</b>

# 2016 Bond Refinancing Press Release

## **MPC District Saves Millions for Local Taxpayers!**

**Post Date:05/17/2016 4:54 PM**

The Monterey Peninsula Community College District is proud to announce its most recent initiative to benefit its students and community members. Under the leadership of its Governing Board, the District chose to take advantage of historically low interest rates to refinance a portion of its Measure I General Obligation Bonds without extending the term of those Bonds. The District selected the right time to refinance the Bonds and was able to reduce the average interest rate on the prior Bonds from 5.03% to 2.87%, reducing the community's tax bill by about \$28.2 million from 2017 to 2034.

Since the passage and issuance of Measure I Bonds, the District has consistently sought to benefit its local taxpayers by seizing opportunities to refinance old bonds with higher interest rates. Since 2005, the District's actions will have saved taxpayers a total of \$30,101,359.

"The Measure I Bonds have literally transformed our Monterey campus and allowed The District to serve our communities better by adding centers in Marina and Seaside. This refinancing of the Measure I Bonds is a tangible way for our Board and the college to say thank you to the taxpayers for their support of the college," says Dr. Walter Tribley, Superintendent and President of Monterey Peninsula College.

While the District itself will not receive any part of the savings, the District Board, the Superintendent/President and District staff pursued this opportunity strictly on behalf of local taxpayers as part of their continued support for the education of the students of the Monterey Peninsula community.

Some of the highlights of the 2016 refinancing are:

1. \$28,243,666 of Debt Repayment Savings from 2017 to 2034
2. Average Old Interest Rate: 5.03%
3. Average New Interest Rate: 2.87%
4. No Extension of Maturities
5. 1.41 to 1 Repayment Ratio

# Disclaimer

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As part of our services, Piper Jaffray & Co. may provide advice concerning the structure, timing, terms and other similar matters concerning an issue of municipal securities that Piper Jaffray is underwriting or placing. However, Piper Jaffray intends to serve as an underwriter respecting the Bonds and not as a financial advisor to you; and the primary role of Piper Jaffray is to purchase the Bonds for resale to investors in an arm's-length commercial transaction between you and Piper Jaffray. Piper Jaffray has financial and other interests that differ from your interests.

IRS Circular 230 Disclosure: Piper Jaffray & Co. does not provide tax advice and nothing contained herein should be construed as tax advice. Any discussion of U.S. tax matters contained herein (including any attachments) (i) was not intended or written to be used, and cannot be used, by you for the purpose of avoiding tax penalties; and (ii) was written in connection with the promotion or marketing of the matters addressed herein. Accordingly, you should seek advice based upon your particular circumstances from an independent tax advisor.

Interest rates contained herein are estimates based on current market levels. Interest rates will fluctuate with the market. Financing subject to legal documentation, credit review and underwriting.



# Monterey County

## Board Order

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

Upon motion of Supervisor Salinas, seconded by Supervisor Armenta and carried by those members present, the Board of Supervisors hereby:

Received and accepted the Treasurer's Report of Investments for the Quarter Ending December 31, 2015.

PASSED AND ADOPTED on this 26th day of January 2016, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 78 for the meeting on January 26, 2016.

Dated: January 26, 2016

File ID: 16-089

Gail T. Borkowski, Clerk of the Board of Supervisors  
County of Monterey, State of California

By *Denise Hancock*  
Deputy





# Monterey County

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

## Board Report

Legistar File Number: 16-089

January 26, 2016

**Introduced:** 1/19/2016

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** General Agenda Item

Receive and Accept the Treasurer's Report of Investments for the Quarter Ending December 31, 2015.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

Receive and Accept the Treasurer's Report of Investments for the Quarter Ending December 31, 2015.

### SUMMARY:

Government Code Section 53646 (b) (1) states the Treasurer may submit a quarterly report of investments. The attached exhibits provide a narrative portfolio review of economic and market conditions that support the investment activity during the October - December period, the investment portfolio position by investment type, a listing of historical Monterey County Treasury Pool yields versus benchmarks, and the investment portfolio by maturity range.

### DISCUSSION:

During the October - December quarter, yields on 2-year Treasuries began to increase based on the markets' expectation of a FOMC (Federal Open Market Committee) increase in the Fed Funds Rate. After being stuck at 0.00 - 0.25% for seven years, on December 16, 2015, the Fed decided to raise the target range for the federal funds rate to 0.25 - 0.50%. Their decision came after a period of recovery where the U.S. gross domestic product (GDP) grew by an average of 2.2%. Growth was broad-based, driven by inventories, fixed investment, imports, consumer spending and state and local government spending. However, the Committee also expressed that "economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate".

On December 31, 2015, the Monterey County investment portfolio contained an amortized book value of \$1,308,756,427 spread among 87 separate securities and funds. The par value of those funds was \$1,305,914,105, with a market value of \$1,307,853,256 or 99.96% of amortized book value. The portfolio's net earned income yield for the period was 0.71%. The portfolio produced an estimated income of \$1,961,614 for the quarter which will be distributed proportionally to all agencies participating in the investment pool. The investment portfolio had a weighted average maturity of 518 days.

The investment portfolio was in compliance with all applicable provisions of state law and the adopted Investment Policy, and contained sufficient liquidity to meet all projected outflows over the next six months. Market value pricings were obtained through resources such as Bloomberg LLP, Union Bank of California and live-bid pricing of corporate securities.

OTHER AGENCY INVOLVEMENT:

A copy of this report will be distributed to all agencies participating in the County investment pool and the Treasury Oversight Committee. In addition, the report will be published on the County Treasurer's web site. A monthly report of investment transactions is provided to the Board of Supervisors as required by Government Code 53607.

FINANCING:

The investment portfolio contains sufficient liquidity to meet all projected expenditures over the next six months. We estimate that the investment earnings in the General Fund will be consistent with budgeted revenue.

Prepared by: Susanne King, Treasury Manager, x5490

Approved by: Mary A. Zeeb, Treasurer-Tax Collector, x5015

Attachments:

- Exhibit A - Investment Portfolio Review 12-31-15
- Exhibit B - Portfolio Management Report 12-31-15
- Exhibit C - Monterey County Historical Yields vs. Benchmarks
- Exhibit D - Aging Report 01-01-16

cc:

County Administrative Office  
County Counsel  
Auditor-Controller - Internal Audit Section  
All Depositors  
Treasury Oversight Committee



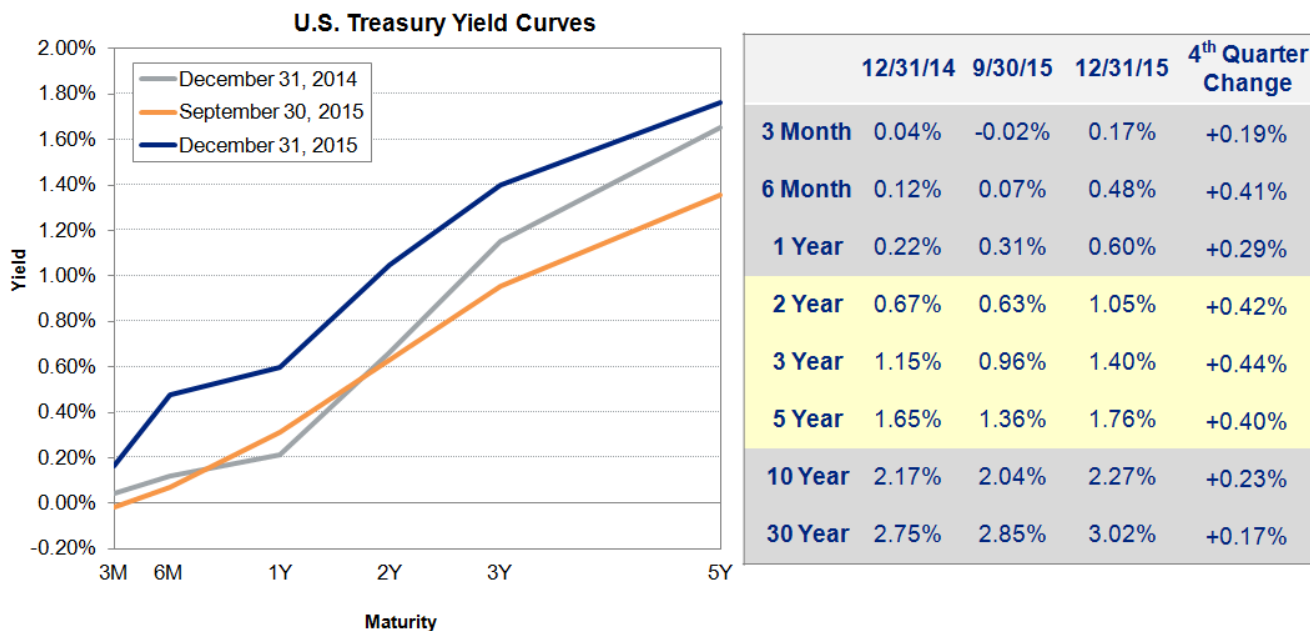
## Exhibit A Investment Portfolio Review Quarter Ending December 31, 2015

### Overview October 1, 2015 – December 31, 2015

During the October - December quarter, yields on 2-year Treasuries began to increase based on the markets' expectation of a FOMC increase in the Fed Funds Rate. After being stuck at 0.00 – 0.25% for seven years, on December 16<sup>th</sup>, the Fed decided to raise the target range for the federal funds rate to 0.25 – 0.50%. The Committee also expressed that “economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate”.

### Yields Climb Higher!

- Yields across the curve increased leading up the Fed rate hike
- Yields in the 2-5 year range had the largest changes.



Source: Bloomberg

The County Treasury outperformed most portfolio benchmarks this quarter. Our investment strategy positions short term debt to provide liquidity and continues to take advantage of available higher yields on commercial paper and negotiable CDs as well as buying longer term treasury notes with attractive rates. The following indicators reflect key aspects of the County's investment portfolio in light of the above noted conditions:

1. Market Access – Access to U.S. Treasuries and Agency debt continues to be available. Yields on 2-year Treasuries increased dramatically during the fourth quarter as the market priced in an increase in the Fed Funds Target Rate. During the quarter, the majority of County investment purchases continue to be in U.S. Treasuries, with a continued small position in shorter term, highly rated Corporate Bonds, Commercial Paper and Negotiable

CDs. The Treasurer continues to keep a high level of liquid assets, reflecting the need to maintain levels of available cash to ensure the ability to meet all cash flow needs.

2. Diversification - The Monterey County Treasurer’s portfolio consists of fixed income investments, all of which are authorized by the State of California Government Code 53601.

The portfolio asset spread is detailed in the table below:

Portfolio Asset Composition				
Corporate Assets	Liquid Assets	US Treasuries	Federal Agencies	Commercial Paper
10%	26%	25%	34%	5%

3. Credit Risk – Approximately 85% of the investment portfolio is comprised of U.S. Treasuries, Federal Agency securities and other liquid funds. All assets have an investment grade rating. U.S. Treasuries are not specifically rated, but are considered the safest of all investments. The corporate debt (10%) is rated in the higher levels of investment grade. All federal agency securities have AA ratings, or are guaranteed by the U.S. Treasury. The credit quality of the County’s portfolio continues to be high.

The portfolio credit composition is detailed in the table below:

Portfolio Credit Composition									
AAA	AAAm	AA+	AA	AA-	A	A-1+	A-1 (Short-term)	Aaf/S1+ (CalTrust)	Not Rated (LAIF/MMF)
<1%	9%	61%	2%	2%	2%	2%	6%	11%	5%

4. Liquidity Risk – Liquidity risk, as measured by the ability of the County’s Treasury to meet withdrawal demands on invested assets, was adequately managed during the October to December quarter. The portfolio’s average weighted maturity was 518 days, and the County maintained \$333.3 million (26%) in overnight investments to provide immediate liquidity.

**PORTFOLIO CHARACTERISTICS**

	<b><u>September 30, 2015</u></b>	<b><u>December 31, 2015</u></b>
Total Assets	\$983,156,386	\$1,308,756,427
Market Value	\$983,495,594	\$1,307,853,256
Days to Maturity	407	518
Yield	0.69%	0.71%
Estimated Earnings	\$1,755,644	\$1,961,614

**FUTURE STRATEGY**

Ongoing improvement in employment data and housing starts are positive economic news. The Fed tightening at a slow pace along with moderate economic growth should provide a supportive environment for investment-grade credit. The acquisition of new corporate bonds, bank certificates of deposit (CDs) and commercial paper will continue to contribute positively to portfolio performance. The Treasurer has begun to ladder additional investments in the 2-3 year maturity range to take advantage of the higher yields offered in that part of the yield curve.

As long as the Federal Treasury continues to propose gradual increases in the fed funds rate the returns on the investments in the County's pool will remain at low levels. The portfolio is adequately positioned and has begun to take advantage of the changing market conditions.

# Exhibit B

## Monterey County Portfolio Management Portfolio Details - Investments December 31, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	Days to Maturity	Maturity Date
<b>Money Market Accts-GC 53601(k)(2)</b>												
SYS11672	11672	BlackRock			19,983,291.93	19,983,291.93	19,983,291.93	0.166			1	
SYS11801	11801	CalTrust			140,000,000.00	140,000,000.00	140,000,000.00	0.550	Aaa	AAA	1	
SYS11830	11830	Federated		07/01/2015	0.00	0.00	0.00	0.101	Aaa	AAA	1	
SYS11578	11578	Fidelity Investments			95,832,312.88	95,832,312.88	95,832,312.88	0.259	Aaa	AAA	1	
<b>Subtotal and Average</b>			<b>258,091,788.00</b>		<b>255,815,604.81</b>	<b>255,815,604.81</b>	<b>255,815,604.81</b>				<b>1</b>	
<b>State Pool-GC 53601(p)</b>												
SYS11361	11361	LAIF			50,000,000.00	50,000,000.00	50,000,000.00	0.319			1	
<b>Subtotal and Average</b>			<b>50,000,000.00</b>		<b>50,000,000.00</b>	<b>50,000,000.00</b>	<b>50,000,000.00</b>				<b>1</b>	
<b>CAMP-GC 56301(p)</b>												
SYS10379	10379	Calif. Asset Mgmt			26,500,000.00	26,500,000.00	26,500,000.00	0.209		AAA	1	
SYS11961	11961	Calif. Asset Mgmt			378,627.29	378,627.29	378,627.29	0.233		AAA	1	
<b>Subtotal and Average</b>			<b>60,916,670.77</b>		<b>26,878,627.29</b>	<b>26,878,627.29</b>	<b>26,878,627.29</b>				<b>1</b>	
<b>SWEEP ACCOUNT-MORG STNLY</b>												
SYS12041	12041	Morgan Stanley		11/10/2015	629,872.52	629,872.52	629,872.52	0.092			1	
<b>Subtotal and Average</b>			<b>9,849,963.62</b>		<b>629,872.52</b>	<b>629,872.52</b>	<b>629,872.52</b>				<b>1</b>	
<b>Negotiable CDs - GC 53601 (i)</b>												
40428AR58	12047	HSBC Securites		11/18/2015	14,000,000.00	14,000,000.00	14,000,000.00	1.540	Aa2	AA-	686	11/17/2017
83050FBG5	12046	Skandinaviska Enskilada Banken		11/17/2015	14,000,000.00	14,000,000.00	14,000,000.00	1.480	Aa3	A+	685	11/16/2017
86958DH54	12048	Svenska Handelsbanken NY		11/24/2015	14,000,000.00	13,995,380.00	14,000,000.00	0.828	Aa2	AA-	601	08/24/2017
<b>Subtotal and Average</b>			<b>19,326,086.96</b>		<b>42,000,000.00</b>	<b>41,995,380.00</b>	<b>42,000,000.00</b>				<b>657</b>	
<b>Medium Term Notes - GC 53601(k)</b>												
084664BS9	12031	Berkshire Hathaway Finance		04/24/2015	10,000,000.00	10,080,700.00	10,119,066.67	1.600	Aa2	AA	500	05/15/2017
084670BD9	12036	Berkshire Hathaway Finance		09/16/2015	10,000,000.00	10,109,200.00	10,107,093.12	1.900	Aa2	AA	396	01/31/2017
166764AE0	12049	Chevron Corp. Global		11/25/2015	8,175,000.00	8,210,806.50	8,214,448.20	1.718	Aa1	AA	905	06/24/2018
36962G5W0	11855	General Electric		04/27/2012	5,000,000.00	5,080,000.00	4,998,267.89	2.300	A	AA	482	04/27/2017
36962G5W0	11856	General Electric		04/27/2012	5,000,000.00	5,080,000.00	5,001,983.33	2.300	A	AA	482	04/27/2017
369604BC6	12010	General Electric		01/23/2015	10,000,000.00	10,784,700.00	10,776,273.96	5.250	Aa	AA	705	12/06/2017
478160BF0	12000	Johnson & Johnson		12/23/2014	2,000,000.00	2,000,700.00	2,000,000.00	0.700	Aaa	AAA	332	11/28/2016
89233P5S1	11839	Toyota Motor Corporation		02/29/2012	5,000,000.00	5,056,950.00	5,023,206.02	2.050	Aa	AA	377	01/12/2017

Portfolio INVT  
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PM (PRF\_PM2) 7.3.0

# Exhibit B

## Monterey County Portfolio Management Portfolio Details - Investments December 31, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	Days to Maturity	Maturity Date
<b>Medium Term Notes - GC 53601(k)</b>												
89236TCA1	12009	Toyota Motor Corporation		01/16/2015	10,000,000.00	9,999,000.00	10,033,696.65	1.450	Aa	AA	742	01/12/2018
89233P6S0	12018	Toyota Motor Corporation		03/30/2015	10,000,000.00	9,996,000.00	10,024,799.56	1.250	Aaa	AA	643	10/05/2017
94974BFG0	12021	Wells Fargo & Company		04/07/2015	10,000,000.00	10,018,900.00	10,067,246.25	1.500	Aaa	AA	746	01/16/2018
94974BFL9	12025	Wells Fargo & Company		04/13/2015	10,000,000.00	10,031,400.00	10,030,002.41	1.250	A2	A+	201	07/20/2016
<b>Subtotal and Average</b>			<b>96,485,908.92</b>		<b>95,175,000.00</b>	<b>96,448,356.50</b>	<b>96,396,084.06</b>				<b>569</b>	
<b>Commercial Paper Disc.- GC 53601(h)</b>												
06538BDN0	12058	Bank of Tokyo-MITS		12/22/2015	20,000,000.00	19,960,800.00	19,960,800.00	0.630	P-1	A-1	112	04/22/2016
09659BEP1	12057	BNP Paribas NY		12/22/2015	20,000,000.00	19,942,800.00	19,942,800.00	0.720	P-1	A-1	143	05/23/2016
21687AFP3	12059	Rabobank Nederland		12/22/2015	20,000,000.00	19,922,666.66	19,922,666.66	0.800	P-1	A-1	174	06/23/2016
<b>Subtotal and Average</b>			<b>6,502,270.83</b>		<b>60,000,000.00</b>	<b>59,826,266.66</b>	<b>59,826,266.66</b>				<b>143</b>	
<b>Fed Agcy Coupon Sec - GC 53601(f)</b>												
3133EDSU7	11985	Federal Farm Credit Bank		08/15/2014	10,000,000.00	10,004,100.00	10,000,000.00	1.000	Aaa	AA	592	08/15/2017
3133EEBU3	11996	Federal Farm Credit Bank		11/26/2014	10,000,000.00	9,994,300.00	10,002,564.12	0.600	Aaa	AA	318	11/14/2016
3133EEFE5	12008	Federal Farm Credit Bank		01/12/2015	10,000,000.00	10,018,200.00	10,028,922.73	1.125	Aaa	AA	717	12/18/2017
3133EEMA5	12011	Federal Farm Credit Bank		01/30/2015	10,000,000.00	9,940,700.00	10,007,642.15	1.500	Aaa	AA	1,459	12/30/2019
3133EELZ1	12012	Federal Farm Credit Bank		02/02/2015	10,000,000.00	9,966,500.00	10,024,303.96	1.000	Aaa	AA	818	03/29/2018
3133EESZ4	12016	Federal Farm Credit Bank		03/25/2015	10,000,000.00	9,998,600.00	10,003,680.94	0.460	Aaa	AA	193	07/12/2016
3133EDMB5	12017	Federal Farm Credit Bank		03/26/2015	10,000,000.00	9,997,200.00	10,000,956.37	0.500	Aaa	AA	235	08/23/2016
3133EETE0	12020	Federal Farm Credit Bank		04/01/2015	10,000,000.00	10,003,600.00	10,041,674.74	1.125	Aaa	AA	801	03/12/2018
3133EE7M6	12038	Federal Farm Credit Bank		09/30/2015	10,000,000.00	9,965,100.00	10,005,800.32	0.650	Aaa	AA+	535	06/19/2017
313380EC7	11878	Federal Home Loan Bank		09/17/2012	10,000,000.00	9,962,000.00	9,983,511.70	0.750	Aaa	AA	616	09/08/2017
313370TW8	11888	Federal Home Loan Bank		12/05/2012	10,000,000.00	10,104,800.00	10,100,738.55	2.000	Aaa	AA	252	09/09/2016
313373SZ6	11913	Federal Home Loan Bank		04/02/2013	10,000,000.00	10,084,500.00	10,072,851.92	2.125	Aaa	AA	161	06/10/2016
313378A43	11925	Federal Home Loan Bank		05/02/2013	10,000,000.00	10,058,800.00	10,132,340.70	1.375	Aaa	AA	798	03/09/2018
313383A68	11928	Federal Home Loan Bank		06/13/2013	10,000,000.00	9,925,600.00	10,000,000.00	1.080	Aaa	AA	894	06/13/2018
313378QK0	11966	Federal Home Loan Bank		04/04/2014	10,000,000.00	10,154,700.00	10,017,262.22	1.875	Aaa	AA	1,162	03/08/2019
3130A3J70	11997	Federal Home Loan Bank		12/12/2014	10,000,000.00	9,988,400.00	10,001,327.50	0.625	Aaa	AA	327	11/23/2016
313371PV2	11998	Federal Home Loan Bank		12/12/2014	10,000,000.00	10,090,600.00	10,086,079.22	1.625	Aaa	AA	343	12/09/2016
313371PV2	11999	Federal Home Loan Bank		12/12/2014	10,000,000.00	10,090,600.00	10,086,079.22	1.625	Aaa	AA	343	12/09/2016
3130A3UU6	12005	Federal Home Loan Bank		01/27/2015	10,000,000.00	10,003,100.00	10,000,000.00	0.875	Aaa	AA	392	01/27/2017
3130A4U42	12019	Federal Home Loan Bank		03/31/2015	10,000,000.00	9,988,900.00	10,008,118.27	0.800	Aaa	AA	546	06/30/2017
3130A4Q70	12032	Federal Home Loan Bank		04/23/2015	10,000,000.00	10,008,500.00	10,035,043.72	1.000	Aaa	AA+	686	11/17/2017
3133834R9	12034	Federal Home Loan Bank		04/23/2015	10,000,000.00	9,994,100.00	10,000,715.01	0.375	Aaa	AA+	175	06/24/2016

Portfolio INVT  
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# Exhibit B

## Monterey County Portfolio Management Portfolio Details - Investments December 31, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	Days to Maturity	Maturity Date
<b>Fed Agcy Coupon Sec - GC 53601(f)</b>												
3130A6JW8	12037	Federal Home Loan Bank		09/30/2015	10,000,000.00	9,994,300.00	10,000,816.78	0.318			166	06/15/2016
3134G3S50	11887	Federal Home Loan Mtg Corp		11/30/2012	10,000,000.00	9,990,100.00	10,005,347.87	0.625	Aaa	AA	305	11/01/2016
3134G42M9	11916	Federal Home Loan Mtg Corp		04/25/2013	10,000,000.00	10,001,600.00	10,000,000.00	0.700	Aaa	AA	480	04/25/2017
3134G42G2	11917	Federal Home Loan Mtg Corp		04/30/2013	10,000,000.00	9,959,600.00	10,000,000.00	1.050	Aaa	AA	850	04/30/2018
3134G43F3	11920	Federal Home Loan Mtg Corp		04/30/2013	10,000,000.00	10,006,700.00	10,000,000.00	1.020	Aaa	AA	850	04/30/2018
3134G43V8	11923	Federal Home Loan Mtg Corp		05/15/2013	10,000,000.00	9,967,300.00	9,999,525.56	1.050	Aaa	AA	865	05/15/2018
3137EADJ5	11970	Federal Home Loan Mtg Corp		04/09/2014	10,000,000.00	10,017,600.00	9,995,374.35	1.000	Aaa	AA	574	07/28/2017
3137EADL0	11987	Federal Home Loan Mtg Corp		08/25/2014	10,000,000.00	10,007,000.00	9,982,715.91	1.000	Aaa	AA	637	09/29/2017
3134G5RF4	12024	Federal Home Loan Mtg Corp		04/06/2015	10,000,000.00	9,998,300.00	10,001,829.44	0.400		AA	147	05/27/2016
3136G0B26	11874	Federal National Mtg Assn		09/27/2012	10,000,000.00	10,003,400.00	10,000,000.00	1.000	Aaa	AA	635	09/27/2017
3135G0NH2	11876	Federal National Mtg Assn		09/13/2012	10,000,000.00	9,947,900.00	9,998,004.49	0.950	Aaa	AA	600	08/23/2017
3136G14N6	11890	Federal National Mtg Assn		01/02/2013	10,000,000.00	9,957,700.00	9,997,507.74	0.750	Aaa	AA	544	06/28/2017
3135G0PP2	11903	Federal National Mtg Assn		01/18/2013	10,000,000.00	10,008,300.00	10,012,144.47	1.000	Aaa	AA	628	09/20/2017
3135G0UH4	11906	Federal National Mtg Assn		02/22/2013	10,000,000.00	9,919,000.00	10,000,000.00	1.200	Aaa	AA	783	02/22/2018
3135G0XA6	11924	Federal National Mtg Assn		05/21/2013	10,000,000.00	9,940,800.00	10,000,000.00	1.030	Aaa	AA	871	05/21/2018
3135G0XK4	11927	Federal National Mtg Assn		05/30/2013	10,000,000.00	9,951,300.00	10,000,000.00	1.050	Aaa	AA	875	05/25/2018
3135G0WJ8	11929	Federal National Mtg Assn		05/28/2013	10,000,000.00	9,921,400.00	9,960,525.38	0.875	Aaa	AA	871	05/21/2018
3135G0PQ0	11948	Federal National Mtg Assn		12/04/2013	10,000,000.00	9,979,000.00	9,967,105.17	0.875	Aaa	AA	664	10/26/2017
3135G0PQ0	12007	Federal National Mtg Assn		01/12/2015	10,000,000.00	9,979,000.00	9,995,498.51	0.875	Aaa	AA	664	10/26/2017
3136FTS67	12013	Federal National Mtg Assn		02/03/2015	10,000,000.00	10,065,100.00	10,166,830.60	1.700	Aaa	AA	1,153	02/27/2019
3135G0YM9	12033	Federal National Mtg Assn		04/23/2015	10,000,000.00	10,166,900.00	10,216,638.78	1.875	Aaa	AA+	991	09/18/2018
3135G0RT2	12039	Federal National Mtg Assn		10/22/2015	10,000,000.00	9,966,800.00	10,030,164.40	0.875	Aaa	AA+	719	12/20/2017
3135G0TG8	12040	Federal National Mtg Assn		10/22/2015	10,000,000.00	9,954,900.00	10,025,935.96	0.875	Aaa	AA+	769	02/08/2018
<b>Subtotal and Average</b>			<b>486,795,105.42</b>		<b>450,000,000.00</b>	<b>450,046,900.00</b>	<b>450,995,578.77</b>				<b>623</b>	
<b>Federal Agency Disc.-GC 53601(f)</b>												
<b>Subtotal and Average</b>			<b>108,695.65</b>									
<b>US Treasury Note-GC 53601(b)</b>												
912828VR8	11940	U.S. Treasury		08/29/2013	10,000,000.00	10,001,900.00	9,990,493.59	0.625	Aaa	AA	227	08/15/2016
912828UJ7	11988	U.S. Treasury		08/25/2014	10,000,000.00	9,969,500.00	9,933,914.66	0.875	Aaa	AA	761	01/31/2018
912828A34	12042	U.S. Treasury		11/10/2015	9,940,000.00	9,944,671.80	9,940,000.00	1.250	Aaa	AA	1,064	11/30/2018
912828PT1	12043	U.S. Treasury		11/16/2015	17,075,000.00	17,660,672.50	17,659,315.73	2.625	Aaa	AA	761	01/31/2018
912828A34	12044	U.S. Treasury		11/16/2015	17,000,000.00	17,007,990.00	17,020,369.37	1.250	Aaa	AA	1,064	11/30/2018
912828VE7	12045	U.S. Treasury		11/16/2015	17,000,000.00	16,950,870.00	16,973,493.38	1.000	Aaa	AA+	881	05/31/2018

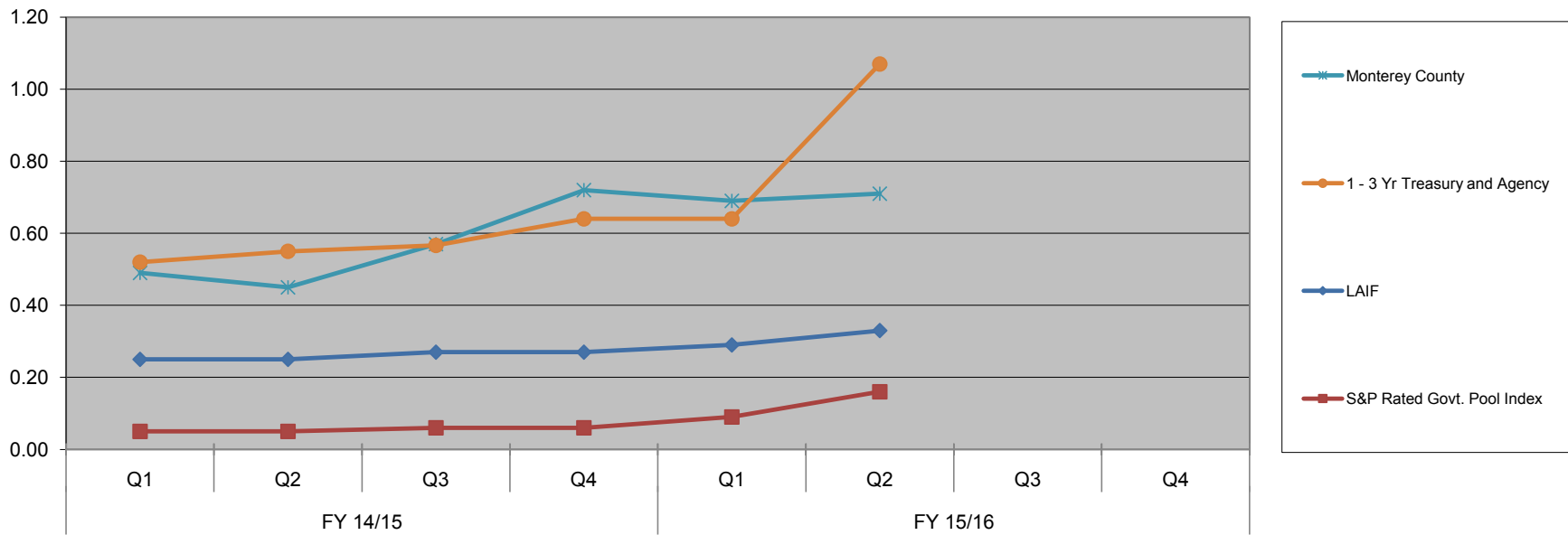
Portfolio INVT  
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# Exhibit B

## Monterey County Portfolio Management Portfolio Details - Investments December 31, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	Days to Maturity	Maturity Date
<b>US Treasury Note-GC 53601(b)</b>												
912828SJ0	12050	U.S. Treasury		11/25/2015	23,200,000.00	23,225,288.00	23,236,674.62	0.875	Aaa	AA+	424	02/28/2017
912828K82	12051	U.S. Treasury		11/25/2015	35,000,000.00	34,834,450.00	34,843,360.75	1.000	Aaa	AA+	957	08/15/2018
912828A34	12052	U.S. Treasury		11/25/2015	10,000,000.00	10,004,700.00	10,002,264.99	1.250	Aaa	AA	1,064	11/30/2018
912828VE7	12053	U.S. Treasury		11/25/2015	15,000,000.00	14,956,650.00	14,958,950.54	1.000	Aaa	AA+	881	05/31/2018
912828A75	12054	U.S. Treasury		12/04/2015	39,450,000.00	39,743,005.67	39,743,005.67	1.500	Aaa	AA+	1,095	12/31/2018
912828B33	12055	U.S. Treasury		12/18/2015	31,750,000.00	31,887,200.38	31,887,200.38	1.500	Aaa	AA+	1,126	01/31/2019
912828WD8	12056	U.S. Treasury		12/22/2015	40,000,000.00	40,015,475.34	40,015,475.34	1.250	Aaa	AA+	1,034	10/31/2018
912828WD8	12060	U.S. Treasury		12/22/2015	10,000,000.00	9,998,065.59	9,998,065.59	1.250	Aaa	AA+	1,034	10/31/2018
912828B33	12061	U.S. Treasury		12/22/2015	20,000,000.00	20,090,601.62	20,090,601.62	1.500	Aaa	AA+	1,126	01/31/2019
912828VE7	12062	U.S. Treasury		12/22/2015	20,000,000.00	19,921,206.86	19,921,206.86	1.000	Aaa	AA+	881	05/31/2018
<b>Subtotal and Average</b>			<b>111,502,744.27</b>		<b>325,415,000.00</b>	<b>326,212,247.76</b>	<b>326,214,393.09</b>				<b>936</b>	
<b>Federal Agency Step Up-GC 53601(f)</b>												
<b>Subtotal and Average</b>			<b>2,282,608.70</b>									
<b>Total and Average</b>			<b>1,101,861,843.14</b>		<b>1,305,914,104.62</b>	<b>1,307,853,255.54</b>	<b>1,308,756,427.20</b>				<b>518</b>	

## Exhibit C Monterey County Historical Yields vs. Benchmarks



Quarterly Yield	FY 14/15				FY 15/16			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Monterey County	0.49	0.45	0.57	0.72	0.69	0.71		
1 - 3 Yr Treasury and Agency	0.52	0.55	0.57	0.64	0.64	1.07		
LAIF	0.25	0.25	0.27	0.27	0.29	0.33		
S&P Rated Govt. Pool Index	0.05	0.05	0.06	0.06	0.09	0.16		

The S&P Index yields are obtained from Bloomberg

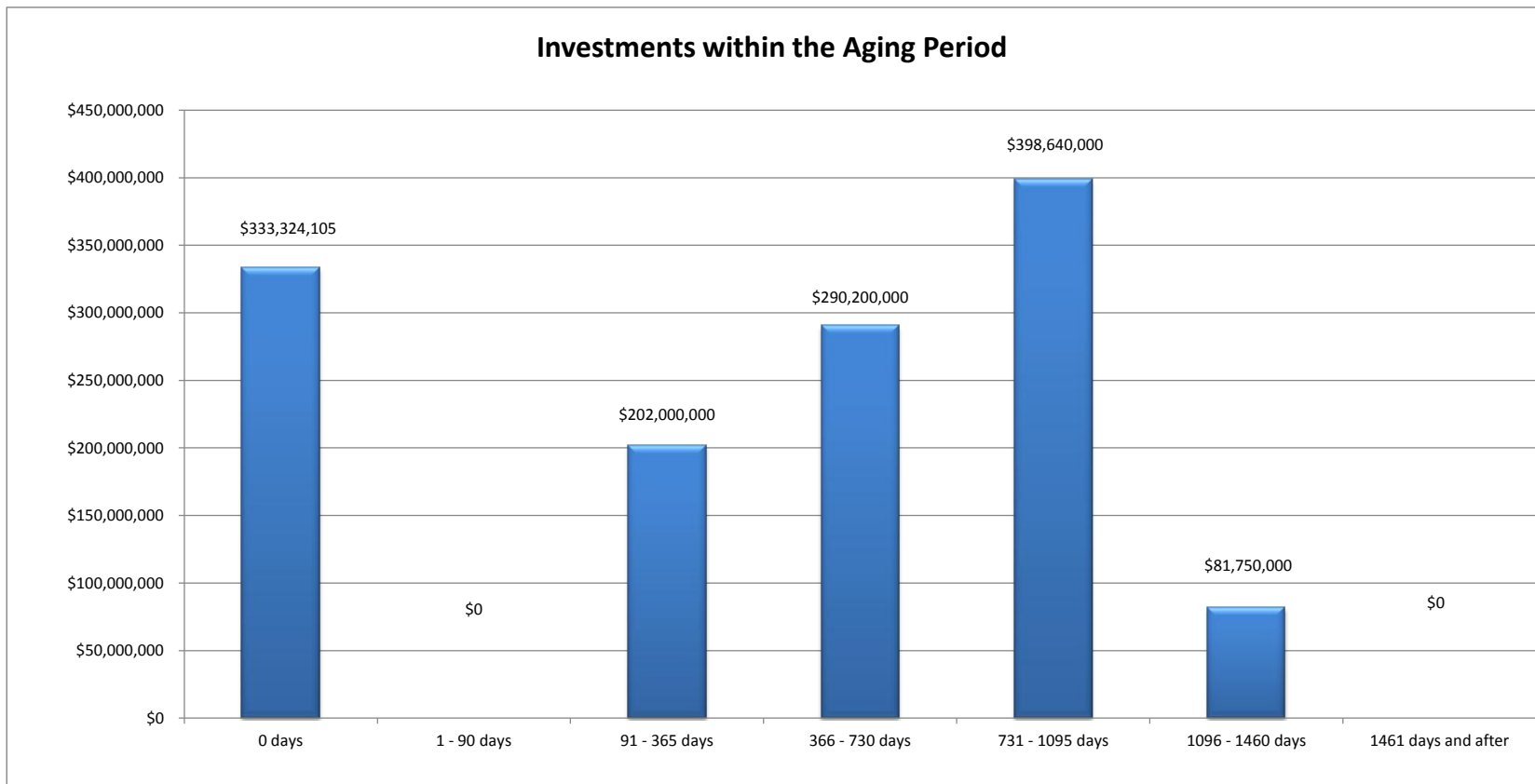
The 1-3 Yr Treas and Agy yields are obtained from the B of A Merrill Lynch Global Bond Indices/Bloomberg





**Exhibit D  
Monterey County  
Aging Report  
By Maturity Date  
As of January 1, 2016**

				Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	( 01/01/2016 - 01/01/2016 )	8 Maturities	333,324,104.62	25.52%	333,324,104.62	333,324,104.62
Aging Interval:	1 - 90 days	( 01/02/2016 - 03/31/2016 )	0 Maturities	0.00	0.00%	0.00	0.00
Aging Interval:	91 - 365 days	( 04/01/2016 - 12/31/2016 )	18 Maturities	202,000,000.00	15.47%	202,209,749.60	202,186,066.66
Aging Interval:	366 - 730 days	( 01/01/2017 - 12/31/2017 )	28 Maturities	290,200,000.00	22.22%	291,327,276.95	291,226,418.00
Aging Interval:	731 - 1095 days	( 01/01/2018 - 12/31/2018 )	28 Maturities	398,640,000.00	30.53%	399,725,759.06	398,978,364.26
Aging Interval:	1096 - 1460 days	( 01/01/2019 - 12/31/2019 )	5 Maturities	81,750,000.00	6.26%	82,169,536.97	82,138,302.00
Aging Interval:	1461 days and after	( 01/01/2020 - )	0 Maturities	0.00	0.00%	0.00	0.00
<b>Total for</b>			<b>87 Investments</b>	<b>1,305,914,104.62</b>	<b>100.00</b>	<b>1,308,756,427.20</b>	<b>1,307,853,255.54</b>





## Monterey County Board of Supervisors

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

### Board Order

Upon motion of Supervisor Phillips, seconded by Supervisor Salinas and carried by those members present, the Board of Supervisors hereby:

Received and accepted the Treasurer's Report of Investments for the Quarter Ending March 31, 2016.

PASSED AND ADOPTED on this 19th day of April 2016, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 79 for the meeting on April 19, 2016.

Dated: April 21, 2016  
File ID: 16-457

Gail T. Borkowski, Clerk of the Board of Supervisors  
County of Monterey, State of California

By

Deputy





# Monterey County

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

## Board Report

Legistar File Number: 16-457

April 19, 2016

**Introduced:** 4/11/2016

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** General Agenda Item

Receive and Accept the Treasurer's Report of Investments for the Quarter Ending March 31, 2016.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors:  
Receive and Accept the Treasurer's Report of Investments for the Quarter Ending March 31, 2016.

**SUMMARY:**

Government Code Section 53646 (b) (1) states the Treasurer may submit a quarterly report of investments. The attached exhibits provide a narrative portfolio review of economic and market conditions that support the investment activity during the January - March period, the investment portfolio position by investment type, a listing of historical Monterey County Treasury Pool yields versus benchmarks, and the investment portfolio by maturity range.

**DISCUSSION:**

During the January - March quarter, yields on Treasuries fell at the beginning of the quarter due to a rise in the purchase of Treasuries after the announcement by the Fed about concerns over global economic growth. The rates recovered modestly at the end of February, but ended the quarter significantly lower than December 2015. The Federal Reserve committee indicated it would continue to contemplate raising rates this year but at a slower pace than originally expected.

On March 31, 2016, the Monterey County investment portfolio contained an amortized book value of \$1,279,023,414.54 spread among 91 separate securities and funds. The par value of those funds was \$1,277,333,666.26, with a market value of \$1,278,591,988.68 or 99.97% of amortized book value. The portfolio's net earned income yield for the period was 1.08%. The portfolio produced an estimated income of \$3,432,128.12 for the quarter which will be distributed proportionally to all agencies participating in the investment pool. The investment portfolio had a weighted average maturity of 477 days. The County Treasury outperformed all of the portfolio benchmarks due to a consistent investment strategy that uses short term debt to provide liquidity, while also investing in the 1-3 year range to take advantage of higher rates.

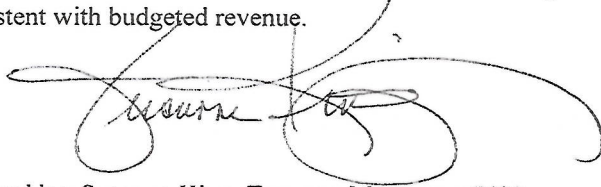
The investment portfolio was in compliance with all applicable provisions of state law and the adopted Investment Policy, and contained sufficient liquidity to meet all projected outflows over the next six months. Market value pricings were obtained through resources such as Bloomberg LLP, Union Bank of California and live-bid pricing of corporate securities.

OTHER AGENCY INVOLVEMENT:

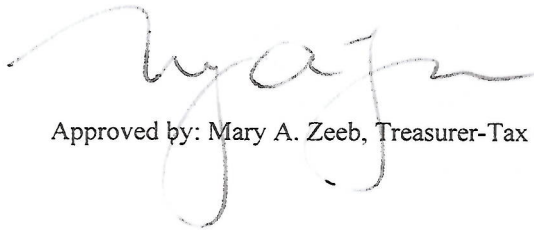
A copy of this report will be distributed to all agencies participating in the County investment pool and the Treasury Oversight Committee. In addition, the report will be published on the County Treasurer's web site. A monthly report of investment transactions is provided to the Board of Supervisors as required by Government Code 53607.

FINANCING:

The investment portfolio contains sufficient liquidity to meet all projected expenditures over the next six months. We estimate that the investment earnings in the General Fund will be consistent with budgeted revenue.



Prepared by: Susanne King, Treasury Manager, x5490



Approved by: Mary A. Zeeb, Treasurer-Tax Collector, x5015

All attachments are on file with the Clerk of the Board:  
Exhibit A - Investment Portfolio Review 03.31.16  
Exhibit B - Portfolio Management Report 03.31.16  
Exhibit C - Monterey County Historical Yields vs. Benchmarks  
Exhibit D - Aging Report 04.01.16

cc:  
County Administrative Office  
County Counsel  
Auditor-Controller - Internal Audit Section  
All depositors  
Treasury Oversight Committee

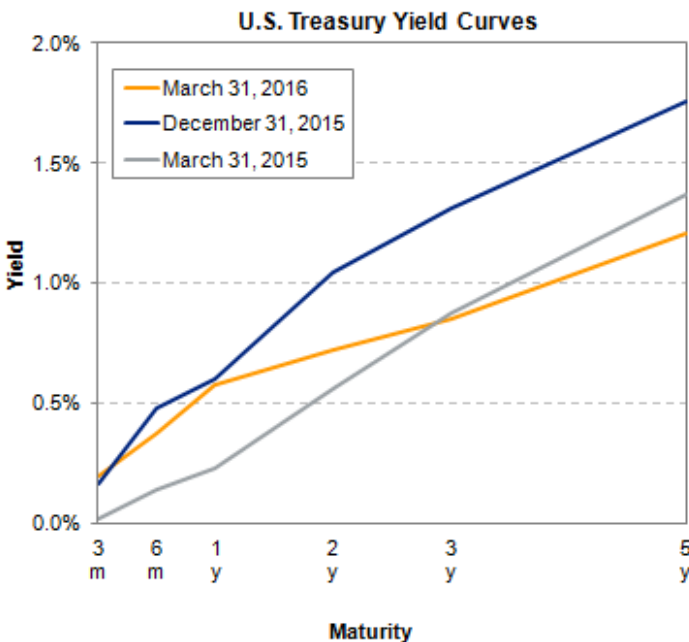
## Exhibit A Investment Portfolio Review Quarter Ending March 31, 2016

### OVERVIEW January 1, 2016 – March 31, 2016

At the beginning of the January- March quarter yields on U.S. Treasuries fell due to concern over slowing global economic growth which encouraged investors to purchase U.S. Treasuries, pushing yields down in all but the shortest maturities. Rates recovered modestly at the end of February and beginning of March, but still ended the quarter significantly lower than December 2015. As a result of the uncertainty around the outlook of the US economy, the Fed also indicated it would continue to contemplate raising rates this year but at a slower pace than originally expected.

### U.S. TREASURY YIELDS PLUNGE

- Interest rates dropped in January
- Rates ended the quarter significantly lower than December 2015



	3/31/15	12/31/15	3/31/16	1 <sup>st</sup> Quarter Change
<b>3 Month</b>	0.02%	0.17%	0.20%	+0.03%
<b>6 Month</b>	0.14%	0.48%	0.38%	-0.10%
<b>1 Year</b>	0.23%	0.60%	0.58%	-0.02%
<b>2 Year</b>	0.56%	1.05%	0.72%	-0.33%
<b>3 Year</b>	0.88%	1.31%	0.85%	-0.46%
<b>5 Year</b>	1.37%	1.76%	1.21%	-0.55%
<b>10 Year</b>	1.92%	2.27%	1.77%	-0.50%
<b>30 Year</b>	2.54%	3.02%	2.61%	-0.41%

Source: Bloomberg

The County Treasury significantly outperformed all of its portfolio benchmarks this quarter. Our investment strategy positions short term debt to provide liquidity and continues to take advantage of available higher yields on commercial paper, negotiable CDs and medium term notes with attractive rates. The following indicators reflect key aspects of the County’s investment portfolio in light of the above noted conditions:

1. Market Access – During the quarter, the majority of County investment purchases were in the area of U.S. highly rated Corporate Bonds, Commercial Paper and Negotiable CDs. The Treasurer continues to keep a high level of liquid assets reflecting the need to maintain levels of available cash to ensure the ability to meet all cash flow needs.
  
2. Diversification - The Monterey County Treasurer’s portfolio consists of fixed income investments, all of which are authorized by the State of California Government Code 53601.

The portfolio asset spread is detailed in the table below:

Portfolio Asset Composition					
Corporate Notes	Negotiable CDs	Overnight Investments	US Treasuries	Federal Agencies	Commercial Paper
11%	6%	24%	20%	33%	6%

3. Credit Risk – Approximately 83% of the investment portfolio is comprised of U.S. Treasuries, Federal Agency securities, Negotiable CDs and other liquid funds. All assets have an investment grade rating. U.S. Treasuries are not specifically rated, but are considered the safest of all investments. The corporate debt (11%) is rated in the higher levels of investment grade. All federal agency securities have AA ratings, or are guaranteed by the U.S. Treasury. The credit quality of the County’s portfolio continues to be high.

The portfolio credit composition is detailed in the table below:

Portfolio Credit Composition									
AAA	AAAm	AA+	AA	AA-	A	A-1+ (Short-Term)	A-1 (Short-term)	Aaf/S1+ (CalTrust)	Not Rated (LAIF/MMF)
<1%	9%	55%	2%	7%	3%	2%	7%	11%	4%

4. Liquidity Risk – Liquidity risk, as measured by the ability of the County’s Treasury to meet withdrawal demands on invested assets, was adequately managed during the January to March quarter. The portfolio’s average weighted maturity was 477 days, and the County maintained \$302.0M (24%) in overnight investments to provide immediate liquidity. In addition, the County maintained \$240.3M (19%) in securities with maturities under a year to provide further liquidity.

**PORTFOLIO CHARACTERISTICS**

	<u>December 31, 2015</u>	<u>March 31, 2016</u>
Total Assets	\$1,308,756,427	\$1,279,023,415
Market Value	\$1,307,853,256	\$1,278,591,989
Days to Maturity	518	477
Yield	0.71%	1.08%
Estimated Earnings	\$1,961,614	\$3,432,128

**FUTURE STRATEGY**

The County portfolio has 30% invested in the 2-3 year maturity range to take advantage of the higher yields offered in that part of the yield curve and will continue to manage the ladder to maximize the rate of return.

With the unemployment rate reaching 4.9% (its lowest level in eight years) and a steady rise in consumer spending, the economy is expected to rebound. The Fed tightening at a slow pace along with a moderate economic growth should provide a supportive environment for investment-grade credit. The acquisition of new corporate bonds, bank certificates of deposit (CDs) and commercial paper will continue to contribute positively to the County's portfolio performance.



# Exhibit B

## Monterey County Portfolio Management Portfolio Details - Investments March 31, 2016

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	YTM	Maturity Date
<b>Money Market Accts - GC 53601(k)(2)</b>												
SYS11672	11672	BlackRock			1,000.00	1,000.00	1,000.00	0.138			0.138	
SYS11830	11830	Federated		07/01/2015	0.00	0.00	0.00	0.101	Aaa	AAA	0.101	
SYS11578	11578	Fidelity Investments			15,632,312.88	15,632,312.88	15,632,312.88	0.506	Aaa	AAA	0.506	
<b>Subtotal and Average</b>			<b>38,173,911.14</b>		<b>15,633,312.88</b>	<b>15,633,312.88</b>	<b>15,633,312.88</b>				<b>0.506</b>	
<b>State Pool - GC 16429.1</b>												
SYS11361	11361	LAIF			50,000,000.00	50,000,000.00	50,000,000.00	0.367			0.367	
<b>Subtotal and Average</b>			<b>50,659,340.66</b>		<b>50,000,000.00</b>	<b>50,000,000.00</b>	<b>50,000,000.00</b>				<b>0.367</b>	
<b>CALTRUST/CAMP - GC 53601(p)</b>												
SYS11801	11801	CalTrust			140,000,000.00	140,000,000.00	140,000,000.00	0.681	Aaa	AAA	0.681	
SYS10379	10379	Calif. Asset Mgmt			95,500,000.00	95,500,000.00	95,500,000.00	0.378		AAA	0.378	
SYS11961	11961	Calif. Asset Mgmt			465,959.07	465,959.07	465,959.07	0.551		AAA	0.551	
<b>Subtotal and Average</b>			<b>205,142,612.40</b>		<b>235,965,959.07</b>	<b>235,965,959.07</b>	<b>235,965,959.07</b>				<b>0.558</b>	
<b>SWEEP ACCOUNT-MORG STNLY</b>												
SYS12041	12041	Morgan Stanley		11/10/2015	394,394.31	394,394.31	394,394.31	0.251			0.251	
<b>Subtotal and Average</b>			<b>437,915.36</b>		<b>394,394.31</b>	<b>394,394.31</b>	<b>394,394.31</b>				<b>0.251</b>	
<b>Negotiable CDs - GC 53601 (i)</b>												
40428AR58	12047	HSBC Securites		11/18/2015	14,000,000.00	14,000,000.00	14,000,000.00	1.540	Aa2	AA-	1.540	11/17/2017
78009NZZ2	12072	Royal Bank of Canada		03/15/2016	18,000,000.00	18,000,000.00	18,000,000.00	1.700	Aa3	AA-	1.700	03/09/2018
83050FBG5	12046	Skandinaviska Enskilada Banken		11/17/2015	14,000,000.00	14,000,000.00	14,000,000.00	1.480	Aa3	A+	1.501	11/16/2017
86958DH54	12048	Svenska Handelsbanken NY		11/24/2015	14,000,000.00	14,000,000.00	14,000,000.00	1.075			1.040	08/24/2017
89113E5E2	12073	Toronto Dominion Bank		03/16/2016	18,000,000.00	18,000,000.00	18,000,000.00	1.720	Aa1	AA-	1.744	03/14/2018
<b>Subtotal and Average</b>			<b>48,527,472.53</b>		<b>78,000,000.00</b>	<b>78,000,000.00</b>	<b>78,000,000.00</b>				<b>1.527</b>	
<b>Medium Term Notes - GC 53601(k)</b>												
037833BQ2	12066	Apple Inc Corp Notes		02/23/2016	6,000,000.00	5,999,015.92	5,999,015.92	1.700	Aa1	AA+	1.706	02/22/2019
084664BS9	12031	Berkshire Hathaway Finance		04/24/2015	10,000,000.00	10,080,700.00	10,097,374.36	1.600	Aa2	AA	0.724	05/15/2017
084670BD9	12036	Berkshire Hathaway Finance		09/16/2015	10,000,000.00	10,109,200.00	10,082,315.79	1.900	Aa2	AA	0.900	01/31/2017
166764AE0	12049	Chevron Corp. Global		11/25/2015	8,175,000.00	8,210,806.50	8,210,472.46	1.718	Aa1	AA	1.519	06/24/2018
17275RBA9	12071	Cisco Systems Inc Corp		02/29/2016	4,265,000.00	4,265,000.00	4,265,000.00	1.400	A1	AA-	1.400	02/28/2018
25468PDH6	12064	The Walt Disney Copr		01/08/2016	2,710,000.00	2,706,647.68	2,706,647.68	1.650	A2	A	1.696	01/08/2019

Portfolio INVT  
AP

**Monterey County  
Portfolio Management  
Portfolio Details - Investments  
March 31, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	YTM	Maturity Date
<b>Medium Term Notes - GC 53601(k)</b>												
36962G5W0	11855	General Electric		04/27/2012	5,000,000.00	5,080,000.00	4,998,595.39	2.300	A	AA	2.328	04/27/2017
36962G5W0	11856	General Electric		04/27/2012	5,000,000.00	5,080,000.00	5,001,608.33	2.300	A	AA	2.268	04/27/2017
369604BC6	12010	General Electric		01/23/2015	10,000,000.00	10,784,700.00	10,675,749.27	5.250	Aa	AA	1.150	12/06/2017
02665WBA8	12068	American Honda Finance		02/23/2016	3,780,000.00	3,779,270.62	3,779,270.62	1.700	A1	A+	1.707	02/22/2019
459200JE2	12067	IBM Corp Notes		02/19/2016	20,000,000.00	19,992,094.86	19,992,094.86	1.800			1.812	05/17/2019
24422ETE9	12063	John Deere Captital Corp		01/08/2016	8,300,000.00	8,299,540.27	8,299,540.27	1.950	A2	A	1.952	01/08/2019
478160BF0	12000	Johnson & Johnson		12/23/2014	2,000,000.00	2,000,700.00	2,000,000.00	0.700	Aaa	AAA	0.700	11/28/2016
713448DE5	12070	Pepsico Inc Corp Note		02/24/2016	3,850,000.00	3,848,921.82	3,848,921.82	1.500			1.510	02/22/2019
89233P5S1	11839	Toyota Motor Corporation		02/29/2012	5,000,000.00	5,056,950.00	5,017,576.53	2.050	Aa	AA	1.580	01/12/2017
89236TCA1	12009	Toyota Motor Corporation		01/16/2015	10,000,000.00	9,999,000.00	10,029,547.96	1.450	Aa	AA	1.280	01/12/2018
89233P6S0	12018	Toyota Motor Corporation		03/30/2015	10,000,000.00	9,996,000.00	10,021,279.12	1.250	Aaa	AA	1.107	10/05/2017
94974BFG0	12021	Wells Fargo & Company		04/07/2015	10,000,000.00	10,018,900.00	10,059,012.01	1.500	Aaa	AA	1.164	01/16/2018
94974BFL9	12025	Wells Fargo & Company		04/13/2015	10,000,000.00	10,031,400.00	10,016,433.48	1.250	A2	A+	0.704	07/20/2016
<b>Subtotal and Average</b>			<b>122,836,062.37</b>		<b>144,080,000.00</b>	<b>145,338,847.67</b>	<b>145,100,455.87</b>				<b>1.390</b>	
<b>Commercial Paper Disc.- GC 53601(h)</b>												
06538BDN0	12058	Bank of Tokyo-MITS		12/22/2015	20,000,000.00	19,992,650.00	19,992,650.00	0.630	P-1	A-1	0.631	04/22/2016
09659BEP1	12057	BNP Paribas NY		12/22/2015	20,000,000.00	19,979,200.00	19,979,200.00	0.720	P-1	A-1	0.722	05/23/2016
21687AFP3	12059	Rabobank Nederland		12/22/2015	20,000,000.00	19,963,111.11	19,963,111.11	0.800	P-1	A-1	0.817	06/23/2016
90262CHX8	12065	UBS		01/28/2016	19,715,000.00	19,649,239.52	19,649,239.52	0.790	P-1	A-1	0.804	08/31/2016
<b>Subtotal and Average</b>			<b>73,690,871.96</b>		<b>79,715,000.00</b>	<b>79,584,200.63</b>	<b>79,584,200.63</b>				<b>0.743</b>	
<b>Fed Agcy Coupon Sec - GC 53601(f)</b>												
3133EDSU7	11985	Federal Farm Credit Bank		08/15/2014	10,000,000.00	10,004,100.00	10,000,000.00	1.000	Aaa	AA	1.000	08/15/2017
3133EEBU3	11996	Federal Farm Credit Bank		11/26/2014	10,000,000.00	9,994,300.00	10,001,826.84	0.600	Aaa	AA	0.570	11/14/2016
3133EEFE5	12008	Federal Farm Credit Bank		01/12/2015	10,000,000.00	10,018,200.00	10,025,240.91	1.125	Aaa	AA	0.975	12/18/2017
3133EEMA5	12011	Federal Farm Credit Bank		01/30/2015	10,000,000.00	9,940,700.00	10,007,164.18	1.500	Aaa	AA	1.480	12/30/2019
3133EELZ1	12012	Federal Farm Credit Bank		02/02/2015	10,000,000.00	9,966,500.00	10,021,596.83	1.000	Aaa	AA	0.890	03/29/2018
3133EESZ4	12016	Federal Farm Credit Bank		03/25/2015	10,000,000.00	9,998,600.00	10,001,946.47	0.460	Aaa	AA	0.390	07/12/2016
3133EDMB5	12017	Federal Farm Credit Bank		03/26/2015	10,000,000.00	9,997,200.00	10,000,585.36	0.500	Aaa	AA	0.485	08/23/2016
3133EETE0	12020	Federal Farm Credit Bank		04/01/2015	10,000,000.00	10,003,600.00	10,036,932.99	1.125	Aaa	AA	0.932	03/12/2018
313380EC7	11878	Federal Home Loan Bank		09/17/2012	10,000,000.00	9,962,000.00	9,985,956.42	0.750	Aaa	AA	0.850	09/08/2017
313370TW8	11888	Federal Home Loan Bank		12/05/2012	10,000,000.00	10,104,800.00	10,064,180.21	2.000	Aaa	AA	0.521	09/09/2016
313373SZ6	11913	Federal Home Loan Bank		04/02/2013	10,000,000.00	10,084,500.00	10,031,614.98	2.125	Aaa	AA	0.461	06/10/2016
313378A43	11925	Federal Home Loan Bank		05/02/2013	10,000,000.00	10,058,800.00	10,117,225.64	1.375	Aaa	AA	0.758	03/09/2018

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# Exhibit B

## Monterey County Portfolio Management Portfolio Details - Investments March 31, 2016

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	YTM	Maturity Date
<b>Fed Agcy Coupon Sec - GC 53601(f)</b>												
313383A68	11928	Federal Home Loan Bank		06/13/2013	10,000,000.00	9,925,600.00	10,000,000.00	1.080	Aaa	AA	1.080	06/13/2018
313378QK0	11966	Federal Home Loan Bank		04/04/2014	10,000,000.00	10,154,700.00	10,015,907.73	1.875	Aaa	AA	1.818	03/08/2019
3130A3J70	11997	Federal Home Loan Bank		12/12/2014	10,000,000.00	9,988,400.00	10,000,956.46	0.625	Aaa	AA	0.610	11/23/2016
313371PV2	11998	Federal Home Loan Bank		12/12/2014	10,000,000.00	10,090,600.00	10,063,158.72	1.625	Aaa	AA	0.700	12/09/2016
313371PV2	11999	Federal Home Loan Bank		12/12/2014	10,000,000.00	10,090,600.00	10,063,158.72	1.625	Aaa	AA	0.700	12/09/2016
3130A4U42	12019	Federal Home Loan Bank		03/31/2015	2,250,000.00	2,247,502.50	2,251,521.61	0.800	Aaa	AA	0.745	06/30/2017
3130A4Q70	12032	Federal Home Loan Bank		04/23/2015	10,000,000.00	10,008,500.00	10,030,378.14	1.000	Aaa	AA+	0.811	11/17/2017
3133834R9	12034	Federal Home Loan Bank		04/23/2015	10,000,000.00	9,994,100.00	10,000,343.04	0.375	Aaa	AA+	0.360	06/24/2016
3130A6JW8	12037	Federal Home Loan Bank		09/30/2015	10,000,000.00	9,994,300.00	10,000,368.55	0.318			0.300	06/15/2016
3134G3S50	11887	Federal Home Loan Mtg Corp		11/30/2012	10,000,000.00	9,990,100.00	10,003,743.51	0.625	Aaa	AA	0.560	11/01/2016
3134G42M9	11916	Federal Home Loan Mtg Corp		04/25/2013	10,000,000.00	10,001,600.00	10,000,000.00	0.700	Aaa	AA	0.700	04/25/2017
3134G42G2	11917	Federal Home Loan Mtg Corp		04/30/2013	10,000,000.00	9,959,600.00	10,000,000.00	1.050	Aaa	AA	1.050	04/30/2018
3134G43F3	11920	Federal Home Loan Mtg Corp		04/30/2013	10,000,000.00	10,006,700.00	10,000,000.00	1.020	Aaa	AA	1.020	04/30/2018
3134G43V8	11923	Federal Home Loan Mtg Corp		05/15/2013	10,000,000.00	9,967,300.00	9,999,575.56	1.050	Aaa	AA	1.052	05/15/2018
3137EADJ5	11970	Federal Home Loan Mtg Corp		04/09/2014	10,000,000.00	10,017,600.00	9,996,108.58	1.000	Aaa	AA	1.030	07/28/2017
3137EADL0	11987	Federal Home Loan Mtg Corp		08/25/2014	10,000,000.00	10,007,000.00	9,985,192.93	1.000	Aaa	AA	1.101	09/29/2017
3136G0B26	11874	Federal National Mtg Assn		09/27/2012	10,000,000.00	10,003,400.00	10,000,000.00	1.000	Aaa	AA	1.000	09/27/2017
3135G0NH2	11876	Federal National Mtg Assn		09/13/2012	10,000,000.00	9,947,900.00	9,998,307.87	0.950	Aaa	AA	0.962	08/23/2017
3136G14N6	11890	Federal National Mtg Assn		01/02/2013	10,000,000.00	9,957,700.00	9,997,925.43	0.750	Aaa	AA	0.767	06/28/2017
3135G0PP2	11903	Federal National Mtg Assn		01/18/2013	10,000,000.00	10,008,300.00	10,010,378.72	1.000	Aaa	AA	0.928	09/20/2017
3135G0XA6	11924	Federal National Mtg Assn		05/21/2013	10,000,000.00	9,940,800.00	10,000,000.00	1.030	Aaa	AA	1.030	05/21/2018
3135G0XK4	11927	Federal National Mtg Assn		05/30/2013	10,000,000.00	9,951,300.00	10,000,000.00	1.050	Aaa	AA	1.050	05/25/2018
3135G0WJ8	11929	Federal National Mtg Assn		05/28/2013	10,000,000.00	9,921,400.00	9,964,656.44	0.875	Aaa	AA	1.045	05/21/2018
3135G0PQ0	11948	Federal National Mtg Assn		12/04/2013	10,000,000.00	9,979,000.00	9,971,625.07	0.875	Aaa	AA	1.060	10/26/2017
3135G0PQ0	12007	Federal National Mtg Assn		01/12/2015	10,000,000.00	9,979,000.00	9,996,117.03	0.875	Aaa	AA	0.900	10/26/2017
3136F7S67	12013	Federal National Mtg Assn		02/03/2015	10,000,000.00	10,065,100.00	10,153,613.39	1.700	Aaa	AA	1.157	02/27/2019
3135G0YM9	12033	Federal National Mtg Assn		04/23/2015	10,000,000.00	10,166,900.00	10,196,682.29	1.875	Aaa	AA+	1.060	09/18/2018
3135G0RT2	12039	Federal National Mtg Assn		10/22/2015	10,000,000.00	9,966,800.00	10,026,335.35	0.875	Aaa	AA+	0.720	12/20/2017
3135G0TG8	12040	Federal National Mtg Assn		10/22/2015	10,000,000.00	9,954,900.00	10,022,852.42	0.875	Aaa	AA+	0.750	02/08/2018
3135G0J53	12069	Federal National Mtg Assn		02/23/2016	21,150,000.00	21,101,837.37	21,101,837.37	1.000			1.080	02/26/2019
<b>Subtotal and Average</b>			<b>435,926,610.99</b>		<b>423,400,000.00</b>	<b>423,521,839.87</b>	<b>424,145,015.76</b>				<b>0.876</b>	
<b>US Treasury Note-GC 53601(b)</b>												
912828UJ7	11988	U.S. Treasury		08/25/2014	5,750,000.00	5,732,462.50	5,716,544.84	0.875	Aaa	AA	1.200	01/31/2018
912828A34	12042	U.S. Treasury		11/10/2015	9,940,000.00	9,944,671.80	9,940,000.00	1.250	Aaa	AA	1.250	11/30/2018

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**Monterey County  
Portfolio Management  
Portfolio Details - Investments  
March 31, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	S&P	YTM	Maturity Date
<b>US Treasury Note-GC 53601(b)</b>												
912828A34	12044	U.S. Treasury		11/16/2015	17,000,000.00	17,007,990.00	17,018,627.25	1.250	Aaa	AA	1.208	11/30/2018
912828VE7	12045	U.S. Treasury		11/16/2015	17,000,000.00	16,950,870.00	16,976,231.29	1.000	Aaa	AA+	1.066	05/31/2018
912828SJ0	12050	U.S. Treasury		11/25/2015	23,200,000.00	23,225,288.00	23,228,803.42	0.875	Aaa	AA+	0.738	02/28/2017
912828K82	12051	U.S. Treasury		11/25/2015	35,000,000.00	34,834,450.00	34,858,255.39	1.000	Aaa	AA+	1.174	08/15/2018
912828A34	12052	U.S. Treasury		11/25/2015	10,000,000.00	10,004,700.00	10,002,071.27	1.250	Aaa	AA	1.242	11/30/2018
912828VE7	12053	U.S. Treasury		11/25/2015	15,000,000.00	14,956,650.00	14,963,190.61	1.000	Aaa	AA+	1.115	05/31/2018
912828A75	12054	U.S. Treasury		12/04/2015	39,450,000.00	39,718,655.42	39,718,655.42	1.500	Aaa	AA+	1.247	12/31/2018
912828B33	12055E	U.S. Treasury		12/18/2015	7,805,000.00	7,836,001.77	7,836,001.77	1.500	Aaa	AA+	1.356	01/31/2019
912828WD8	12056	U.S. Treasury		12/22/2015	40,000,000.00	40,014,113.39	40,014,113.39	1.250	Aaa	AA+	1.236	10/31/2018
912828WD8	12060	U.S. Treasury		12/22/2015	10,000,000.00	9,998,235.83	9,998,235.83	1.250	Aaa	AA+	1.257	10/31/2018
912828VE7	12062	U.S. Treasury		12/22/2015	20,000,000.00	19,929,345.54	19,929,345.54	1.000	Aaa	AA+	1.166	05/31/2018
<b>Subtotal and Average</b>			<b>295,009,994.58</b>		<b>250,145,000.00</b>	<b>250,153,434.25</b>	<b>250,200,076.02</b>				<b>1.161</b>	
<b>Total and Average</b>			<b>1,270,404,792.00</b>		<b>1,277,333,666.26</b>	<b>1,278,591,988.68</b>	<b>1,279,023,414.54</b>				<b>0.938</b>	

# Exhibit B

Monterey County  
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## Monterey County Portfolio Management Portfolio Summary March 31, 2016

Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	YTM
Money Market Accts - GC 53601(k)(2)	15,633,312.88	15,633,312.88	15,633,312.88	1.22	1	0.506
State Pool - GC 16429.1	50,000,000.00	50,000,000.00	50,000,000.00	3.91	1	0.367
CALTRUST/CAMP - GC 53601(p)	235,965,959.07	235,965,959.07	235,965,959.07	18.45	1	0.558
SWEEP ACCOUNT-MORG STNLY	394,394.31	394,394.31	394,394.31	0.03	1	0.251
Negotiable CDs - GC 53601 (i)	78,000,000.00	78,000,000.00	78,000,000.00	6.10	632	1.527
Medium Term Notes - GC 53601(k)	144,080,000.00	145,338,847.67	145,100,455.87	11.34	671	1.390
Commercial Paper Disc.- GC 53601(h)	79,715,000.00	79,584,200.63	79,584,200.63	6.22	77	0.743
Fed Agcy Coupon Sec - GC 53601(f)	423,400,000.00	423,521,839.87	424,145,015.76	33.16	574	0.876
US Treasury Note-GC 53601(b)	250,145,000.00	250,153,434.25	250,200,076.02	19.56	855	1.161
<b>Investments</b>	<b>1,277,333,666.26</b>	<b>1,278,591,988.68</b>	<b>1,279,023,414.54</b>	<b>100.00%</b>	<b>477</b>	<b>0.938</b>

Total Earnings	March 31 Period Ending
Current Year	3,432,128.12
<b>Average Daily Balance</b>	<b>1,270,404,792.00</b>
<b>Effective Rate of Return</b>	<b>1.08%</b>

Treasurer, \_\_\_\_\_

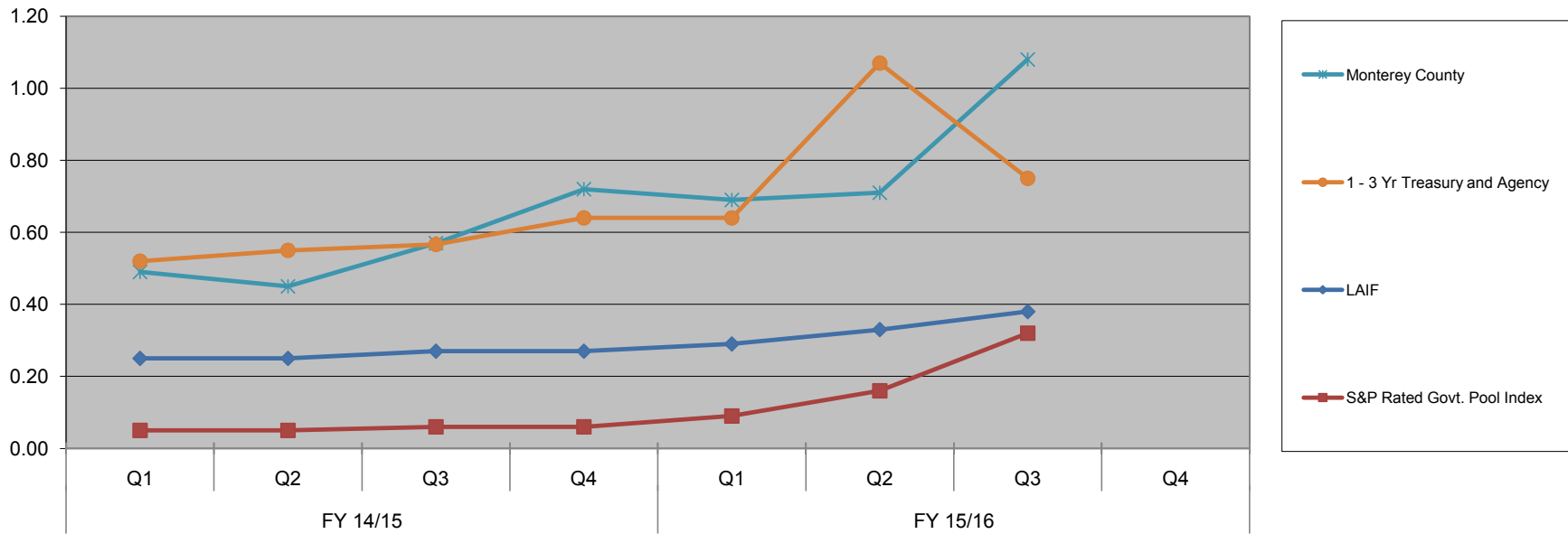
Reporting period 01/01/2016-03/31/2016

Run Date: 04/05/2016 - 09:12

No fiscal year history available

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PM (PRF\_PM1) 7.3.0  
Report Ver. 7.3.6.1  
Treasurer's Investment Report Quarter Ending 03.31.16

## Exhibit C Monterey County Historical Yields vs. Benchmarks



Quarterly Yield	FY 14/15				FY 15/16			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Monterey County	0.49	0.45	0.57	0.72	0.69	0.71	1.08	
1 - 3 Yr Treasury and Agency	0.52	0.55	0.57	0.64	0.64	1.07	0.75	
LAIF	0.25	0.25	0.27	0.27	0.29	0.33	0.38	
S&P Rated Govt. Pool Index	0.05	0.05	0.06	0.06	0.09	0.16	0.32	

The S&P Index yields are obtained from Bloomberg

The 1-3 Yr Treas and Agy yields are obtained from the B of A Merrill Lynch Global Bond Indices/Bloomberg



### Exhibit D Monterey County Aging Report By Maturity Date As of April 1, 2016

Aging Interval:	Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
<b>0 days</b> ( 04/01/2016 - 04/01/2016 )	<b>8 Maturities</b>	<b>23.64%</b>	<b>301,993,666.26</b>	<b>301,993,666.26</b>
<b>1 - 90 days</b> ( 04/02/2016 - 06/30/2016 )	<b>6 Maturities</b>	<b>7.05%</b>	<b>90,000,000.00</b>	<b>90,007,861.11</b>
<b>91 - 365 days</b> ( 07/01/2016 - 04/01/2017 )	<b>14 Maturities</b>	<b>11.74%</b>	<b>149,915,000.00</b>	<b>150,327,377.52</b>
<b>366 - 730 days</b> ( 04/02/2017 - 04/01/2018 )	<b>33 Maturities</b>	<b>25.85%</b>	<b>330,265,000.00</b>	<b>331,129,165.00</b>
<b>731 - 1095 days</b> ( 04/02/2018 - 04/01/2019 )	<b>28 Maturities</b>	<b>29.37%</b>	<b>375,160,000.00</b>	<b>375,201,123.93</b>
<b>1096 - 1460 days</b> ( 04/02/2019 - 03/31/2020 )	<b>2 Maturities</b>	<b>2.35%</b>	<b>30,000,000.00</b>	<b>29,932,794.86</b>
<b>1461 days and after</b> ( 04/01/2020 - )	<b>0 Maturities</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00</b>
<b>Total for 91 Investments</b>			<b>1,277,333,666.26</b>	<b>1,278,591,988.68</b>

