

Finance Department

3300 Capitol Avenue, P.O. Box 5006, Fremont, CA 94537-5006

510 494-4610 *ph* | 510 494-4611 *fax* | www.fremont.gov

April 14, 2020

Treasurer's Cash and Investment Report as of September 30, 2019

This report has been prepared in accordance with the City's Statement of Investment Policy, effective July 1, 2019.

Introduction

The City of Fremont provides services to the community funded through taxes, fees and charges, grants, and loans. To the extent that cash generated from those revenue sources is not immediately needed to pay for services, Section 53601 of the California Government Code (the "Government Code") gives the City Council the authority to purchase a variety of investment instruments. The City Council, in turn, may delegate that authority to the City's Treasurer for one-year periods, with the requirement that the Treasurer report monthly on investment transactions.

To guide the Treasurer's investment activities, the City Council annually adopts a Statement of Investment Policy (the "Investment Policy") which establishes that:

It is the policy of the City of Fremont to invest public funds in a prudent manner which will provide the highest yield consistent with the maximum security and preservation of invested principal, while meeting the daily cash flow demands of the City, and conforming to all applicable federal, state and local statutes governing the investment of public funds.

The Investment Policy applies to all financial assets of the City. However, in accordance with the Government Code, investment of bond proceeds is governed by the provisions of the related bond indentures or resolutions.

As established by the Government Code and re-affirmed in the City's Investment Policy, the objectives for investing and managing public funds and their order of priority are:

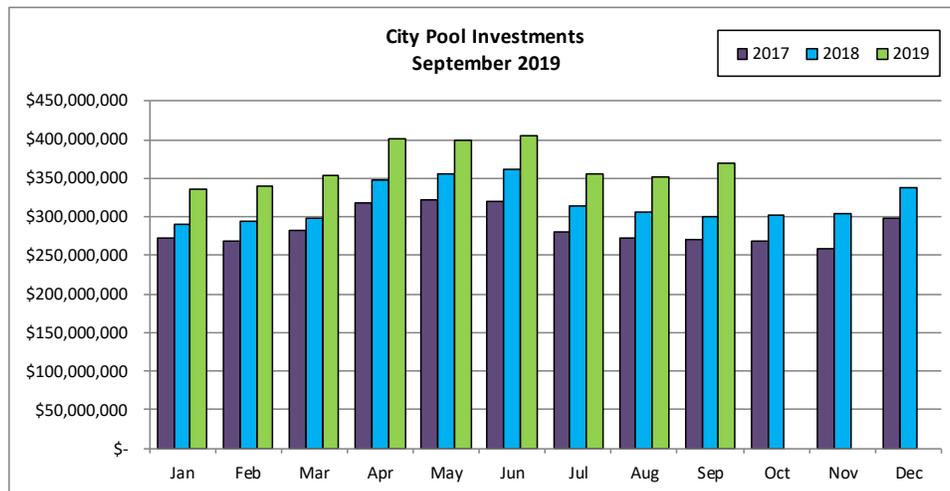
- **Safety** of principal;
- **Liquidity** sufficient to meet the City's payment obligations; and
- **Yield** consistent with a market rate of return.

The following sections of this Treasurer's Cash and Investment Report provide an overview of the City's cash and investment portfolio and describe how the City's investment program is designed to meet the policy objectives by managing the composition of the investment portfolio, conducting periodic cash flow analyses, and benchmarking portfolio performance. A detailed listing of the portfolio is included as an attachment.

Portfolio Overview

The following table and bar graph summarize the City’s current cash and investment holdings by investment category and show how those holdings have changed over the last month and last year.

	<u>Current Month 9/30/2019</u>	<u>Prior Month 8/31/2019</u>	<u>Prior Year 09/30/2018</u>	<u>Change from Prior Month 8/19 to 9/19</u>	<u>Change from Prior Year 9/18 to 9/19</u>
City Pool Investments					
Investment in Securities at Cost	\$ 178,143,333	\$ 179,778,796	\$ 177,027,843	\$ (1,635,464)	\$ 1,115,490
Money Market - Morgan Stanley	2,470,011	322,328	1,107,402	2,147,683	1,362,609
Money Market - BlackRock	16,319,157	-	4,304,065	16,319,157	12,015,092
LAIF	65,000,000	65,000,000	65,000,000	-	-
CAMP	103,861,300	103,672,081	56,442,942	189,219	47,418,358
Fair Value Adjustment	2,764,732	3,667,784	(3,774,783)	(903,052)	6,539,515
Total City Pool Investments	368,558,533	352,440,990	300,107,469	16,117,543	68,451,064
City Checking Accounts	16,273,570	14,907,166	16,082,624	1,366,404	190,946
Petty Cash	32,300	32,300	32,304	-	(4)
Total Cash and Pool Investments	384,864,403	367,380,456	316,222,397	17,483,947	68,642,006
Cash with Fiscal Agents	26,449,959	27,960,177	8,351,252	(1,510,218)	18,098,706
Total City Cash and Investments	<u>\$ 411,314,362</u>	<u>\$ 395,340,633</u>	<u>\$ 324,573,649</u>	<u>\$ 15,973,729</u>	<u>\$ 86,740,712</u>

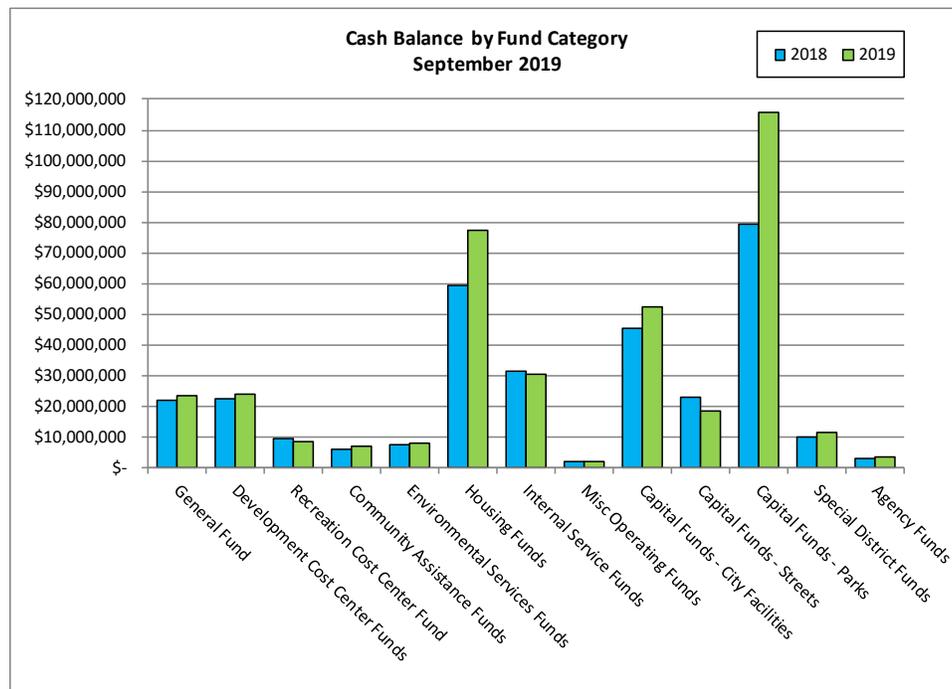


The change in value of the City’s cash and pool investments from the previous month is composed of: cash receipts from taxes, fees, grants, and loans; disbursements for payroll and benefits, vendor and contractor payments, debt service payments, and community grants and loans; and the change in the fair value adjustment. The following table summarizes these changes in value.

August 2019 Cash and Pool Investments	\$367,380,456
Cash Receipts	42,176,446
Cash Disbursements	(23,789,447)
Change in Fair Value Adjustment	(903,052)
September 2019 Cash and Pool Investments	<u>\$384,864,403</u>

The City’s cash and investment holdings represent the aggregation of the cash balances in the City’s various funds, petty cash, and cash held by the City’s fiscal agent banks related to special districts, bond proceeds, and escrows. The following table and graph show how the City’s cash and investment holdings are allocated among the City’s various fund categories and fiscal agent accounts.

	<u>Current Month</u> <u>9/30/2019</u>	<u>Prior Month</u> <u>8/31/2019</u>	<u>Prior Year</u> <u>09/30/2018</u>	<u>Change from</u> <u>Prior Month</u> <u>8/19 to 9/19</u>	<u>Change from</u> <u>Prior Year</u> <u>9/18 to 9/19</u>
Cash and Pool Investments by Fund Category					
General Fund	\$ 23,400,560	\$ 26,985,445	\$ 22,077,085	\$ (3,584,885)	\$ 1,323,475
Development Cost Center Funds	24,077,597	23,417,904	22,226,570	659,692	1,851,027
Recreation Cost Center Fund	8,594,813	9,594,918	9,258,688	(1,000,105)	(663,874)
Community Assistance Funds	7,039,595	7,150,546	5,770,235	(110,951)	1,269,360
Environmental Services Funds	8,148,514	8,355,781	7,406,774	(207,267)	741,740
Housing Funds	77,407,633	66,478,967	59,199,456	10,928,666	18,208,178
Internal Service Funds	30,607,094	30,008,689	31,307,181	598,406	(700,086)
Misc Operating Funds	2,024,692	1,890,272	1,922,616	134,420	102,076
Capital Funds - City Facilities	52,298,440	51,976,094	45,294,032	322,346	7,004,408
Capital Funds - Streets	18,292,695	19,446,435	22,840,598	(1,153,740)	(4,547,904)
Capital Funds - Parks	115,651,388	103,844,531	79,447,544	11,806,857	36,203,844
Special District Funds	11,265,918	11,274,970	10,071,040	(9,052)	1,194,878
Agency Funds	3,290,730	3,288,118	3,175,361	2,612	115,369
Subtotal	382,099,671	363,712,672	319,997,180	18,386,999	62,102,491
Fair Value Adjustment	2,764,732	3,667,784	(3,774,783)	(903,052)	6,539,515
Total Cash and Pool Investments	<u>384,864,403</u>	<u>367,380,456</u>	<u>316,222,397</u>	<u>17,483,947</u>	<u>68,642,006</u>
Cash with Fiscal Agents					
Agency Fund Checking Accounts	83,271	83,257	34,139	14	49,132
Lease Financing Trust Accounts	984,651	38,930	1,177,995	945,721	(193,344)
Community Facilities District Accounts	23,931,880	26,387,894	5,136,212	(2,456,013)	18,795,669
Pollution Remediation Escrow	1,450,156	1,450,096	2,002,906	60	(552,751)
Total Cash with Fiscal Agents	<u>26,449,959</u>	<u>27,960,177</u>	<u>8,351,252</u>	<u>(1,510,218)</u>	<u>18,098,706</u>
Total City Cash and Investments	<u>\$ 411,314,362</u>	<u>\$ 395,340,633</u>	<u>\$ 324,573,649</u>	<u>\$ 15,973,729</u>	<u>\$ 86,740,712</u>



The amounts shown in the preceding tables by investment category or fund category represent the value of the City's cash and investment holdings on the basis of their cost. The market value of these holdings, also referred to as the "fair value," represents the amount the City would receive if it were to sell its investments at the current market price. At any point in time, the difference between the market value and the cost basis, referred to as the "fair value adjustment," represents the unrecognized gain or loss on the portfolio. Although unrecognized gains or losses have no impact on investment earnings, governmental accounting standards require that the fair value adjustment be incorporated into the City's financial reporting. To the extent that the City actually sells investments prior to maturity, it recognizes the gains or losses and allocates them by fund as part of its investment earnings.

Investment Activity

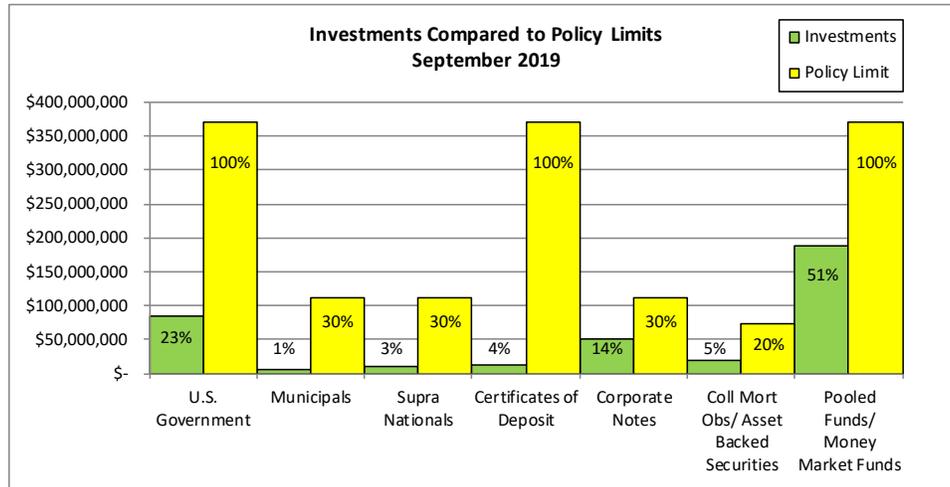
A summary of current month investment activity is provided in the table below. Investment activity is reported on a trade-date basis, but investment holdings are reported on a settlement-date basis for the purpose of reconciling with the cash balances reported in the City's financial management system.

Date	Redemption			Purchases			Average Rate	Average Maturity (days)
	Securities	Pools/ Money Market Funds	Total	Securities	Pools/ Money Market Funds	Total		
09/01/19	\$ (2,998,860)	\$ -	\$ (2,998,860)	\$ 3,504,117	\$ -	\$ 3,504,117	1.72%	1,806
09/02/19	-	-	-	1,865,000	-	1,865,000	1.86%	1,088
09/03/19	(2,575,047)	-	(2,575,047)	1,712,982	-	1,712,982	1.75%	1,820
09/04/19	(1,465,555)	-	(1,465,555)	877,772	-	877,772	2.31%	1,081
09/05/19	(1,017,630)	-	(1,017,630)	-	-	-	-	-
09/06/19	(956,229)	-	(956,229)	925,015	-	925,015	1.75%	1,823
09/11/19	(1,486,172)	-	(1,486,172)	500,527	-	500,527	1.75%	688
09/12/19	(1,798,908)	-	(1,798,908)	1,552,286	-	1,552,286	2.28%	1,196
09/13/19	-	-	-	908,289	-	908,289	3.88%	1,500
09/14/19	-	-	-	925,012	-	925,012	3.50%	1,613
09/15/19	(211,743)	-	(211,743)	-	-	-	-	-
09/23/19	(1,978,089)	-	(1,978,089)	-	-	-	-	-
09/27/19	(1,629,786)	-	(1,629,786)	1,711,554	-	1,711,554	2.88%	777
09/28/19	-	-	-	-	16,319,157	16,319,157	1.25%	38
09/29/19	-	-	-	-	2,147,683	2,147,683	1.97%	28
09/30/19	-	-	-	-	189,219	189,219	2.22%	45
Total 09/19	\$ (16,118,020)	\$ -	\$ (16,118,020)	\$ 14,482,556	\$ 18,656,059	\$ 33,138,615	1.73%	639

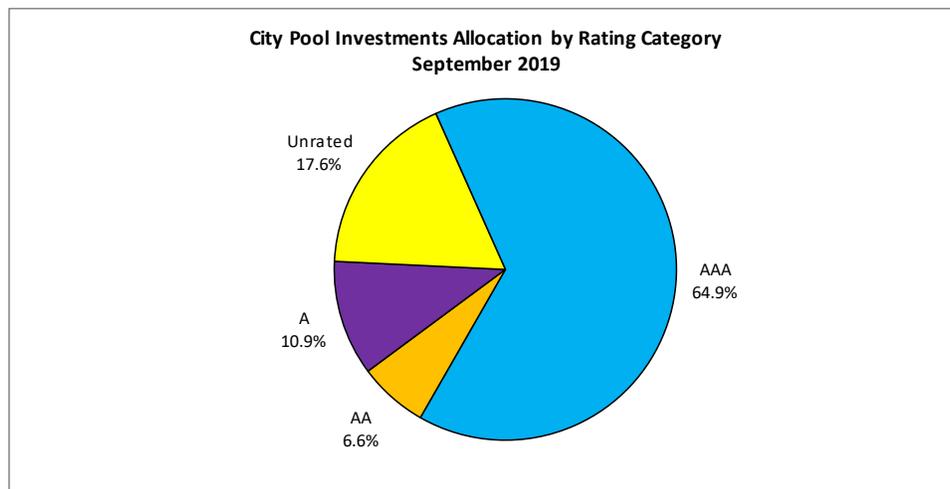
Safety: Allowable Investments and Portfolio Composition

The Government Code specifically identifies investment instruments that may be used by California local agencies, and the City's Investment Policy incorporates these into its section on authorized and suitable investments. Because these authorized investments are restricted to instruments issued or guaranteed by the federal government, other public agencies, banks, or highly-rated corporations, the risk that the issuer will fail to pay scheduled interest or repay principal when due ("credit risk") is limited. The Government Code and Investment Policy do not allow the City to purchase ownership shares in private or public corporations, real estate, or other physical assets for investment purposes. Additionally, the City Council has imposed a ban on investments in securities issued by firms whose general business activities are classified as "Energy - Oil, Gas & Coal" according to the Bloomberg Industry Classification System.

To further reduce credit risk, the Government Code and Investment Policy impose 20%, 25%, or 30% maximum portfolio holding limits on specific instrument types, and a 5% maximum on instruments issued by any individual non-federal public agency, bank, or corporation.



The creditworthiness of corporate and public-agency investment instruments is measured on ratings scales developed by nationally recognized securities rating organizations (NRSROs) such as Standard & Poor’s and Moody’s Investors Service. The City’s Investment Policy requires that certain types of investments be rated in at least the third-highest rating category (“A” category), or in one of the two highest short-term rating categories (“A-1” or “A-1+”) in the case of certain short-term investments.



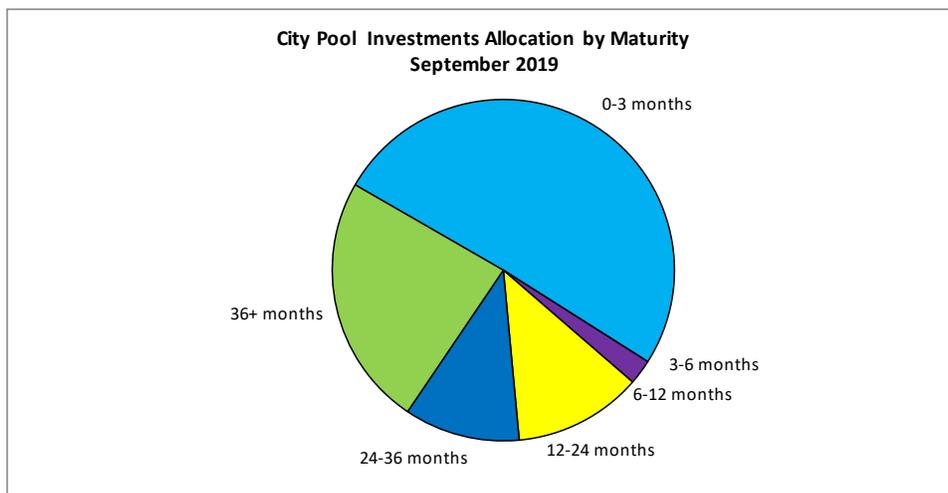
To assist the City in purchasing appropriate investment instruments, monitoring the credit quality of City investments, and achieving a market rate of return, the City has engaged PFM Asset Management LLC (“PFM”) to manage a portion of the investment portfolio. As discussed in more detail elsewhere, PFM actively manages the portion of the investment portfolio that exceeds the City’s near-term liquidity needs (the “Core Portfolio”). The City holds the remaining balance of the portfolio in highly liquid investments such as the State of California Local Agency Investment Fund (“LAIF”), the California Asset Management Program (“CAMP”), and government agency money market funds.

Liquidity: Investment Maturities and Cash Flow Analysis

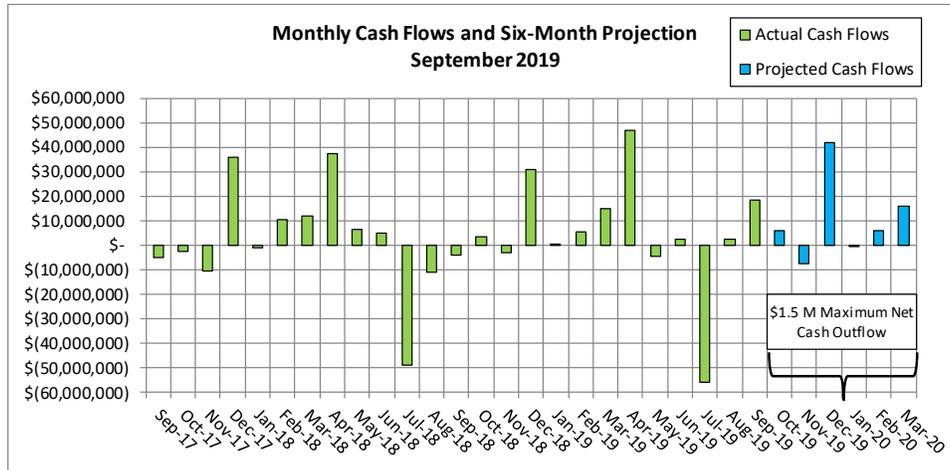
The Investment Policy specifies that “the City’s investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.” Accordingly, the City has divided its investment portfolio into a portfolio of highly-liquid and short-term investments managed by City staff (the “Liquidity Portfolio”) and the Core Portfolio of longer-term investments managed by PFM.

City Pool Investments	Current Month 9/30/2019
Core Portfolio	\$ 182,608,344
Unsettled Trades	(1,995,000)
Liquidity Portfolio	185,180,457
Fair Value Adjustment	2,764,732
Total City Pool Investments	\$ 368,558,533

Appropriate sizing of the Liquidity Portfolio is a key risk management tool, as a lack of liquid assets could necessitate the sale of securities in the Core Portfolio under unfavorable market conditions and lead to a loss of principal. However, allocating too much of the investment portfolio to highly liquid short-term instruments could deprive the City of the higher interest earnings typically generated from the Core Portfolio’s longer-term investments.

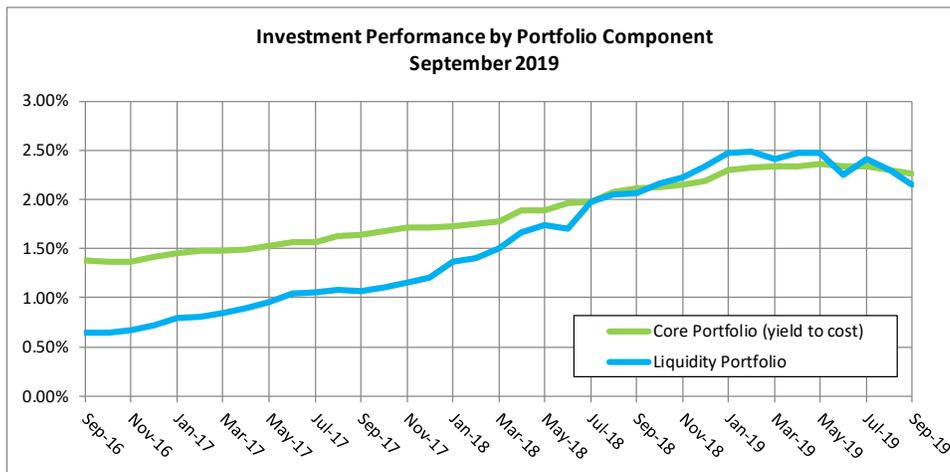


Annually, City staff and PFM review and analyze historical monthly cash flow data. In months when revenue (primarily property tax) exceeds expenditures, cash balances increase, and in months when expenditures exceed revenue, cash balances decrease. In a typical fiscal year, the maximum cumulative net cash outflow occurs in November, the month before the first installment of property tax, and the maximum cumulative net cash inflow occurs after the second installment of property tax in April. The City’s Liquidity Portfolio is sized to cover at least the maximum projected cumulative net monthly cash outflow over the following year (approximately \$60 million) plus an additional balance equivalent to the contingency reserve requirements of the various operating funds (another \$60 million). The remaining portion of the investment portfolio constitutes the Core Portfolio.

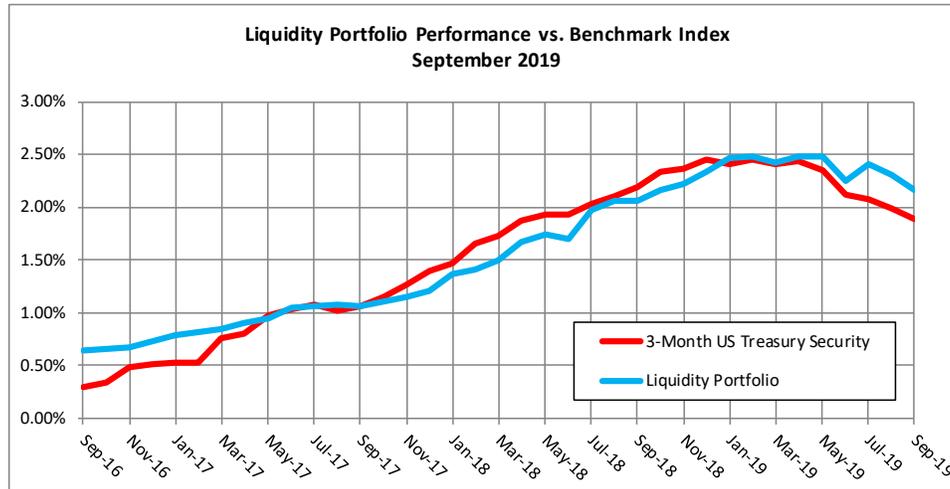


Yield: Portfolio Performance

The performance objective specified in the City’s Investment Policy is to obtain a market rate of return, considering the allowable investments and the liquidity needs of the portfolio. As noted in the previous section, the City’s portfolio has been divided into two components (Liquidity and Core), each with significantly different cash flow characteristics and investment horizon. In general, the Liquidity Portfolio, composed of short-term investments held in LAIF and CAMP, will reflect market changes much more rapidly than the Core Portfolio.

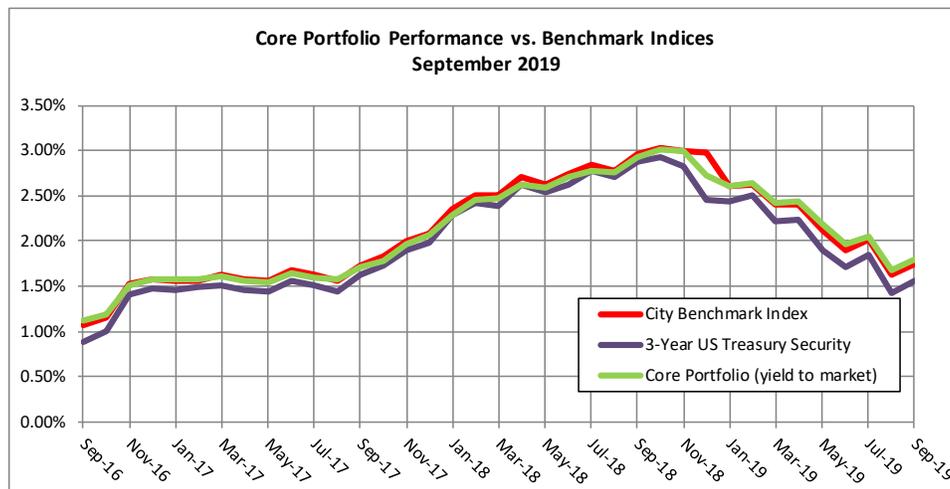


The Liquidity Portfolio is invested in LAIF, CAMP, and a money market account, with an additional amount held in the City’s checking account. LAIF, CAMP, and the money market account are pooled funds, meaning that many investors have combined their cash holdings for investment purposes. Because pool participants have at least somewhat dissimilar cash flow requirements, the pooled portfolio can be invested in relatively longer-term securities with higher yields, while maintaining next-day funds availability for each participant. Although the funds held in this portfolio component generally have next-day or same-day availability, the average maturity of the pooled investments constituting the City’s Liquidity Portfolio is approximately 90 days. Accordingly, the Liquidity Portfolio is benchmarked against the yield on the 3-month U.S. Treasury security, with the expectation that its yield will generally track the benchmark.



The Core Portfolio, actively managed by PFM, is designed to take advantage of the full range of allowable investments with maturities generally ranging from one to five years. Active management results in the periodic reallocation of the portfolio among asset classes and maturities in response to changes in the capital markets and opportunities to increase total return (the combination of gains in market value and interest earnings).

The Core Portfolio is benchmarked against the Bank of America Merrill Lynch 1-5 Year U.S. Corporate & Government A-AAA Index (the “BAML Index”). As the Core Portfolio and the BAML Index both have an average maturity of approximately three years but take advantage of the full range of allowable investments, we expect them to out-perform the 3-year U.S. Treasury security.



The following table summarizes the investment yields and average maturities of the City’s investment portfolio components, along with the comparable-maturity U.S. Treasury securities. Also shown are the monthly investment earnings (including realized gains and losses) and aggregate year-to-date earnings.

	<u>Current Month</u> <u>9/30/2019</u>	<u>Prior Month</u> <u>8/31/2019</u>	<u>Prior Year</u> <u>09/30/2018</u>	<u>Change from</u> <u>Prior Month</u> <u>8/19 to 9/19</u>	<u>Change from</u> <u>Prior Year</u> <u>9/18 to 9/19</u>
Investment Yield					
Liquidity Portfolio	2.16%	2.30%	2.07%	-0.15%	0.09%
U.S. Treasury - 3 Month	1.88%	1.99%	2.19%	-0.11%	-0.31%
Core Portfolio (yield at market)	1.79%	1.68%	2.92%	0.11%	-1.13%
U.S. Treasury - 3 Year	1.56%	1.42%	2.88%	0.14%	-1.32%
Core Portfolio (yield at cost)	2.26%	2.30%	2.11%	-0.04%	0.15%
Average Maturity of Investments (in days)					
Liquidity Portfolio	94	98	115	(4)	(21)
Core Portfolio	1,016	1,043	994	(27)	22
Current Month Earnings					
Governmental Funds	\$ 777,056	\$ 482,691	\$ 294,875	\$ 294,365	\$ 482,181
Agency Funds	25,252	19,959	10,192	5,293	15,059
Total Current Month Earnings	<u>\$ 802,307</u>	<u>\$ 502,650</u>	<u>\$ 305,067</u>	<u>\$ 299,658</u>	<u>\$ 497,241</u>
Fiscal Year to Date Earnings					
Governmental Funds	\$ 1,876,483	\$ 1,099,427	\$ 729,280	\$ 777,056	\$ 1,147,203
Agency Funds	70,560	45,309	27,332	25,252	43,229
Total Year to Date Earnings	<u>\$ 1,947,043</u>	<u>\$ 1,144,736</u>	<u>\$ 756,612</u>	<u>\$ 802,307</u>	<u>\$ 1,190,432</u>

Certifications and Attachments

In accordance with the requirements of the Investment Policy, as Finance Director/Treasurer I certify to the following:

- All investment activities since the last report have been made in full compliance with the Investment Policy.
- The City will meet its expenditure requirements for the next six months.

The tables and charts included in the body of this report provide an overview of the City's cash and investment holdings. The attachment contains a complete description of the portfolio, including the types of investments, issuers, maturity dates, par values and current market values, as well as the Quarterly Debt Report.

This report is available at the City's website on the Financial Reports page:
<https://www.fremont.gov/1593/Financial-Reports>.

If you have any questions, please contact me at (510) 494-4610.



David Persselin
 Finance Director/Treasurer

City of Fremont Treasurer's Report

Cash and Investment Portfolio - September 30, 2019

Portfolio	CUSIP/ Account	Issuer/Institution	Par Amount	Coupon	Maturity	Original Cost/ Balance	Yield	Market Value	Accrued Interest	S&P Rating	Moody's Rating
U.S. Treasury Securities											
Core	912828B90	United States Treasury	575,000.00	2.00%	02/28/21	603,121.09	0.92%	577,021.70	979.40	AA+	Aaa
Core	912828WN6	United States Treasury	370,000.00	2.00%	05/31/21	371,994.53	1.87%	371,199.76	2,486.89	AA+	Aaa
Core	9128287F1	United States Treasury	500,000.00	1.75%	07/31/21	500,527.34	1.69%	500,703.00	1,474.18	AA+	Aaa
Core	912828D72	United States Treasury	1,400,000.00	2.00%	08/31/21	1,452,554.69	1.21%	1,408,640.80	2,384.62	AA+	Aaa
Core	912828D72	United States Treasury	5,450,000.00	2.00%	08/31/21	5,466,179.69	1.93%	5,483,637.40	9,282.97	AA+	Aaa
Core	912828T67	United States Treasury	655,000.00	1.25%	10/31/21	630,181.64	2.11%	649,678.13	3,426.29	AA+	Aaa
Core	912828F96	United States Treasury	3,400,000.00	2.00%	10/31/21	3,448,476.56	1.64%	3,423,772.80	28,456.52	AA+	Aaa
Core	9128285L0	United States Treasury	1,670,000.00	2.88%	11/15/21	1,711,554.30	1.68%	1,712,402.97	18,135.16	AA+	Aaa
Core	912828U65	United States Treasury	755,000.00	1.75%	11/30/21	752,758.59	1.82%	756,681.39	4,440.27	AA+	Aaa
Core	912828G87	United States Treasury	5,395,000.00	2.13%	12/31/21	5,489,833.99	1.72%	5,453,794.71	28,972.47	AA+	Aaa
Core	912828V72	United States Treasury	700,000.00	1.88%	01/31/22	699,699.22	1.88%	703,882.90	2,211.28	AA+	Aaa
Core	9128287C8	United States Treasury	4,000,000.00	1.75%	07/15/22	3,992,812.50	1.81%	4,015,780.00	14,836.96	AA+	Aaa
Core	912828L24	United States Treasury	1,500,000.00	1.88%	08/31/22	1,486,171.87	2.08%	1,512,597.00	2,395.26	AA+	Aaa
Core	9128282W9	United States Treasury	2,000,000.00	1.88%	09/30/22	1,967,656.25	2.24%	2,017,734.00	102.46	AA+	Aaa
Core	9128283C2	United States Treasury	4,250,000.00	2.00%	10/31/22	4,148,730.47	2.56%	4,302,296.25	35,570.65	AA+	Aaa
Core	912828TY6	United States Treasury	4,400,000.00	1.63%	11/15/22	4,380,234.38	1.76%	4,406,014.80	27,006.79	AA+	Aaa
Core	912828M80	United States Treasury	4,100,000.00	2.00%	11/30/22	3,960,824.22	2.84%	4,151,569.80	27,557.38	AA+	Aaa
Core	912828N30	United States Treasury	3,710,000.00	2.13%	12/31/22	3,611,887.89	2.78%	3,773,329.70	19,923.61	AA+	Aaa
Core	912828P38	United States Treasury	3,000,000.00	1.75%	01/31/23	2,868,867.19	2.76%	3,015,819.00	8,845.11	AA+	Aaa
Core	912828P79	United States Treasury	815,000.00	1.50%	02/28/23	770,907.22	2.75%	812,867.15	1,041.14	AA+	Aaa
Core	9128284D9	United States Treasury	1,450,000.00	2.50%	03/31/23	1,418,167.97	3.04%	1,495,595.25	99.04	AA+	Aaa
Core	9128284L1	United States Treasury	3,500,000.00	2.75%	04/30/23	3,534,179.69	2.51%	3,642,051.00	40,278.53	AA+	Aaa
Core	912828VB3	United States Treasury	925,000.00	1.75%	05/15/23	883,736.33	2.83%	930,383.50	6,114.30	AA+	Aaa
Core	912828VB3	United States Treasury	2,300,000.00	1.75%	05/15/23	2,264,871.09	2.15%	2,313,386.00	15,203.13	AA+	Aaa
Core	912828T91	United States Treasury	710,000.00	1.63%	10/31/23	681,461.33	2.52%	711,525.08	4,828.19	AA+	Aaa
Core	912828T91	United States Treasury	2,250,000.00	1.63%	10/31/23	2,156,572.27	2.56%	2,254,833.00	15,300.61	AA+	Aaa
Core	912828V23	United States Treasury	500,000.00	2.25%	12/31/23	492,851.56	2.56%	513,847.50	2,843.07	AA+	Aaa
Core	912828G60	United States Treasury	680,000.00	2.38%	02/29/24	674,235.94	2.56%	703,507.60	1,375.41	AA+	Aaa
Core	912828W48	United States Treasury	2,000,000.00	2.13%	02/29/24	1,981,406.25	2.33%	2,047,500.00	3,619.51	AA+	Aaa
Core	912828X70	United States Treasury	2,590,000.00	2.00%	04/30/24	2,557,220.32	2.27%	2,639,269.57	21,677.17	AA+	Aaa
Core	912828WJ5	United States Treasury	2,470,000.00	2.50%	05/15/24	2,539,661.72	1.90%	2,571,694.84	23,324.05	AA+	Aaa
		Subtotal	68,020,000.00			67,499,338.10		68,873,536.60	374,192.42		
Federal Agency Securities											
Core	3130A8QS5	FHLB	1,450,000.00	1.13%	07/14/21	1,446,926.00	1.17%	1,435,945.15	3,489.06	AA+	Aaa
Core	3130A8QS5	FHLB	4,225,000.00	1.13%	07/14/21	4,199,307.78	1.25%	4,184,047.08	10,166.41	AA+	Aaa
Core	3135G0N82	FNMA	415,000.00	1.25%	08/17/21	413,580.29	1.32%	411,892.90	634.03	AA+	Aaa
Core	3135G0N82	FNMA	1,335,000.00	1.25%	08/17/21	1,329,593.25	1.33%	1,325,004.86	2,039.58	AA+	Aaa
Core	3135G0V34	FNMA	2,405,000.00	2.50%	02/05/24	2,396,053.40	2.58%	2,495,673.31	9,352.78	AA+	Aaa
Core	3135G0V34	FNMA	3,400,000.00	2.50%	02/05/24	3,379,090.00	2.63%	3,528,186.80	13,222.22	AA+	Aaa
Core	3130AFW94	FHLB	2,650,000.00	2.50%	02/13/24	2,640,619.00	2.58%	2,750,405.85	8,833.33	AA+	Aaa
		Subtotal	15,880,000.00			15,805,169.72		16,131,155.95	47,737.41		
Municipal Bonds											
Core	13063DGA0	California St	880,000.00	2.80%	04/01/21	880,035.20	2.80%	892,804.00	12,320.00	AA-	Aa3
Core	797272QN4	San Diego Community College District	355,000.00	2.00%	08/01/23	355,000.00	2.00%	357,261.35	-	AAA	Aaa
Core	874857KJ3	Tamalpais Union High School District	800,000.00	1.97%	08/01/23	800,000.00	1.97%	802,912.00	-	NR	Aaa
Core	798135H51	San Jose, CA	1,670,000.00	2.30%	09/01/23	1,681,072.10	2.13%	1,691,877.00	3,200.83	AA+	Aa1
Core	797272QP9	San Diego Community College District	175,000.00	2.05%	08/01/24	175,000.00	2.05%	176,594.25	-	AAA	Aaa
Core	874857KK0	Tamalpais Union High School District	665,000.00	2.02%	08/01/24	665,000.00	2.02%	667,879.45	-	NR	Aaa
		Subtotal	4,545,000.00			4,556,107.30		4,589,328.05	15,520.83		
Supranational Obligations											
Core	459058GA5	Intl Bank Of Reconstruction And Dev	2,000,000.00	1.63%	09/04/20	1,999,580.00	1.63%	1,996,622.00	2,437.50	AAA	Aaa
Core	45905UP32	Intl Bank Of Reconstruction And Dev	3,000,000.00	1.56%	09/12/20	2,992,800.00	1.64%	2,993,394.00	2,471.58	AAA	Aaa
Core	4581X0CD8	Inter-American Development Bank	3,500,000.00	2.13%	11/09/20	3,532,441.86	1.81%	3,510,822.00	29,336.81	AAA	Aaa
Core	4581X0DB1	Inter-American Development Bank	1,425,000.00	2.63%	04/19/21	1,421,865.00	2.70%	1,443,439.50	16,832.81	AAA	Aaa
		Subtotal	9,925,000.00			9,946,686.86		9,944,277.50	51,078.70		
Corporate Notes											
Core	14913Q2A6	Caterpillar Inc	1,120,000.00	1.85%	09/04/20	1,119,059.20	1.88%	1,118,503.68	1,554.00	A	A3
Core	713448DC9	Pepsico Inc	1,250,000.00	2.15%	10/14/20	1,253,400.00	2.09%	1,252,291.25	12,467.01	A+	A1
Core	594918BG8	Microsoft Corp	2,000,000.00	2.00%	11/03/20	1,965,500.00	2.69%	2,003,320.00	16,444.44	AAA	Aaa
Core	037833DJ6	Apple Inc	1,700,000.00	2.00%	11/13/20	1,698,572.00	2.03%	1,703,566.60	13,033.33	AA+	Aa1
Core	931142EA7	Wal-Mart Stores Inc	3,210,000.00	1.90%	12/15/20	3,205,345.50	1.95%	3,217,129.41	17,958.17	AA	Aa2
Core	24422ETZ2	Deere & Company	640,000.00	2.35%	01/08/21	639,667.20	2.37%	643,721.60	3,467.56	A	A2
Core	44932HAB9	IBM Corp	1,500,000.00	1.80%	01/20/21	1,496,895.00	1.86%	1,497,103.50	5,325.00	A	A2
Core	882508AY0	Texas Instruments Inc	320,000.00	2.75%	03/12/21	327,292.80	2.13%	323,807.36	464.44	A+	A1
Core	61746BEA0	Morgan Stanley	850,000.00	2.50%	04/21/21	855,440.00	2.36%	855,699.25	9,444.44	BBB+	A3
Core	06406FAB9	The Bank Of New York Mellon Corporatio	1,000,000.00	2.05%	05/03/21	1,002,130.00	2.00%	1,000,750.00	8,427.78	A	A1
Core	0258M0EB1	American Express Co	850,000.00	2.25%	05/05/21	854,649.50	2.13%	853,014.95	7,756.25	A-	A2
Core	05531FAV5	BB&T Corporation	850,000.00	2.05%	05/10/21	849,439.00	2.06%	849,462.80	6,824.79	A-	A2
Core	857477AV5	State Street Corporation	460,000.00	1.95%	05/19/21	458,045.00	2.04%	460,051.06	3,289.00	A	A1
Core	68389XBK0	Oracle Corp	1,045,000.00	1.90%	09/15/21	1,020,432.05	2.44%	1,043,767.95	882.44	A+	A1
Core	713448DL9	Pepsico Inc	925,000.00	1.70%	10/06/21	899,044.50	2.34%	922,965.00	7,644.10	A+	A1
Core	24422EUQ0	Deere & Company	575,000.00	3.20%	01/10/22	574,448.00	3.23%	590,549.73	4,140.00	A	A2
Core	20030NBV2	Comcast Corp	850,000.00	1.63%	01/15/22	809,939.50	2.65%	846,050.05	2,915.97	A-	A3
Core	91159HHP8	US Bancorp	1,000,000.00	2.63%	01/24/22	1,003,430.00	2.55%	1,012,265.00	4,885.42	A+	A1
Core	037833AY6	Apple Inc	1,000,000.00	2.15%	02/09/22	998,660.00	2.18%	1,007,556.00	3,105.56	AA+	Aa1
Core	594918BA1	Microsoft Corp	850,000.00	2.38%	02/12/22	853,927.00	2.27%	861,666.25	2,747.74	AAA	Aaa
Core	0258M0EG0	American Express Co	675,000.00	2.70%	03/03/22	680,805.00	2.50%	686,761.20	1,417.50	A-	A2
Core	05531FAX1	BB&T Corporation	850,000.00	2.75%	04/01/22	866,124.50	2.30%	862,604.65	11,687.50	A-	A2
Core	458140BB5	Intel Corporation	1,000,000.00	2.35%	05/11/22	1,005,870.00	2.22%	1,011,450.00	9,138.89	A+	A1
Core	68389XB00	Oracle Corp	1,000,000.00	2.50%	05/15/22	1,013,490.00	2.20%	1,012,187.00	9,444.44	A+	A1

City of Fremont Treasurer's Report

Cash and Investment Portfolio - September 30, 2019

Portfolio	CUSIP/ Account	Issuer/Institution	Par Amount	Coupon	Maturity	Original Cost/ Balance	Yield	Market Value	Accrued Interest	S&P Rating	Moody's Rating
Core	911312BC9	United Parcel Service Inc	1,000,000.00	2.35%	05/16/22	1,010,920.00	2.12%	1,008,078.00	8,812.50	A	A2
Core	09247XAJ0	Blackrock Inc.	855,000.00	3.38%	06/01/22	853,879.95	3.41%	889,870.32	9,618.75	AA-	Aa3
Core	02665WCY5	American Honda Finance	900,000.00	2.20%	06/27/22	899,172.00	2.23%	903,321.00	5,170.00	A	A2
Core	459200HG9	IBM Corp	1,750,000.00	1.88%	08/01/22	1,719,550.00	2.25%	1,742,452.25	5,468.75	A	A2
Core	06406RAK3	The Bank Of New York Mellon Corporatio	310,000.00	1.95%	08/23/22	309,900.80	1.96%	310,168.02	638.08	A	A1
Core	89236TEC5	Toyota Motor Corp	1,000,000.00	2.15%	09/08/22	998,820.00	2.18%	1,006,015.00	1,373.61	AA-	Aa3
Core	92826CAC6	Visa Inc	920,000.00	2.80%	12/14/22	898,665.20	3.42%	945,937.56	7,656.44	AA-	Aa3
Core	06051GGE3	Bank Of America Co	1,500,000.00	3.12%	01/20/23	1,486,785.00	3.32%	1,529,962.50	9,241.83	A-	A2
Core	023135AW6	Amazon.Com Inc	1,855,000.00	2.40%	02/22/23	1,836,041.90	2.69%	1,885,427.57	4,823.00	AA-	A3
Core	084670BR8	Berkshire Hathaway Inc	805,000.00	2.75%	03/15/23	787,451.00	3.31%	825,229.65	983.89	AA	Aa2
Core	88579YAX9	3M Company	1,170,000.00	2.25%	03/15/23	1,129,588.20	3.14%	1,181,753.82	1,170.00	AA-	A1
Core	38141GWM2	Goldman Sachs Group Inc	1,700,000.00	2.91%	07/24/23	1,644,087.00	3.63%	1,722,834.40	9,191.10	BBB+	A3
Core	02665WCQ2	American Honda Finance	860,000.00	3.63%	10/10/23	874,620.00	3.23%	910,723.66	14,808.13	A	A2
Core	172967HD6	Citigroup Inc	860,000.00	3.88%	10/25/23	908,289.00	2.43%	910,626.48	14,440.83	BBB+	A3
Core	91324PDM1	Unitedhealth Group Inc	880,000.00	3.50%	02/15/24	925,012.00	2.28%	926,743.84	3,935.56	A+	A3
Core	24422EUX5	Deere & Company	290,000.00	2.60%	03/07/24	289,504.10	2.64%	295,911.94	502.67	A	A2
Core	58933YAU9	Merck & Co Inc	885,000.00	2.90%	03/07/24	885,203.55	2.90%	919,636.25	1,711.00	AA	A1
Core	717081ES8	Pfizer Inc	1,005,000.00	2.95%	03/15/24	1,010,256.15	2.84%	1,044,185.96	1,317.67	AA-	A1
Core	57636QAB0	Mastercard Inc	870,000.00	3.38%	04/01/24	897,335.40	2.70%	924,004.38	14,681.25	A+	A1
Core	46625HJ9J	JPMorgan Chase & Co	2,000,000.00	3.63%	05/13/24	2,091,620.00	2.61%	2,118,154.00	27,791.67	A-	A2
Core	91159HHX1	US Bancorp	910,000.00	2.40%	07/30/24	909,272.00	2.42%	921,170.78	3,761.33	A+	A1
Core	254687FK7	The Walt Disney Corporation	1,720,000.00	1.75%	08/30/24	1,712,982.40	1.84%	1,703,051.12	2,090.28	A	A2
Core	191216CL2	Coca-Cola Company	930,000.00	1.75%	09/06/24	925,015.20	1.86%	921,279.39	1,130.21	A+	A1
		Subtotal	50,495,000.00			50,455,576.60		51,183,312.18	314,784.32		
Negotiable Certificates of Deposit											
Core	96121T4A3	Westpac Banking Corp	2,660,000.00	2.05%	08/03/20	2,660,000.00	2.05%	2,665,567.38	8,179.50	A-1+	P-1
Core	86565BPC9	Sumitomo Mitsui Financial Group Inc	1,745,000.00	3.39%	10/16/20	1,742,626.80	3.46%	1,773,569.14	27,605.90	A	A1
Core	87019UD66	Swedbank AB	3,400,000.00	2.27%	11/16/20	3,400,000.00	2.30%	3,406,381.80	29,585.67	AA-	Aa2
Core	22535CDU2	Credit Agricole SA	1,805,000.00	2.83%	04/02/21	1,805,000.00	2.85%	1,823,649.26	25,540.75	A+	Aa3
Core	83050PDR7	Skandinaviska Enskilda Banken Ab	1,865,000.00	1.86%	08/26/22	1,865,000.00	1.88%	1,867,586.76	2,698.03	A+	Aa2
Core	65558TLL7	Nordea Bank Ab	1,885,000.00	1.85%	08/26/22	1,885,000.00	1.87%	1,887,075.39	3,196.65	AA-	Aa3
		Subtotal	13,360,000.00			13,357,626.80		13,423,829.73	96,806.50		
Collateralized Mortgage Obligations											
Core	3136B1XP4	FNMA	825,707.28	3.56%	09/25/21	842,131.44	2.27%	841,000.62	2,449.60	AA+	Aaa
Core	3137AWQH1	FHLMC	865,000.00	2.31%	08/25/22	877,772.27	1.25%	872,446.18	1,662.96	AA+	Aaa
Core	3137BM6P6	FHLMC	875,000.00	3.09%	08/25/22	882,451.17	2.61%	894,871.51	2,253.13	AA+	Aaa
Core	3136AEGQ4	FNMA	1,542,673.84	2.28%	12/25/22	1,552,286.24	1.82%	1,557,211.23	2,931.08	AA+	Aaa
Core	3137FKK39	FHLMC	707,949.00	3.20%	07/01/23	707,946.86	3.11%	720,157.86	1,889.63	AA+	Aaa
		Subtotal	4,816,330.12			4,862,587.98		4,885,687.40	11,186.40		
Asset-Backed Securities											
Core	65478WAD7	Nissan Auto Receivables	56,368.45	1.18%	01/15/21	56,363.06	1.18%	56,275.41	29.56	NR	Aaa
Core	89238MAD0	Toyota Motor Corp	100,914.11	1.73%	02/15/21	100,902.23	1.74%	100,814.43	77.59	AAA	Aaa
Core	44891EAC3	Hyundai Auto Receivables	221,889.94	1.29%	04/15/21	221,860.07	1.30%	221,508.58	127.22	AAA	Aaa
Core	34531EAD8	Ford Credit Auto Owner Trust	176,735.77	1.67%	06/15/21	176,735.12	1.67%	176,467.36	131.18	NR	Aaa
Core	44931PAD8	Hyundai Auto Receivables	212,021.95	1.76%	08/16/21	212,004.80	1.76%	211,745.58	165.85	AAA	NR
Core	47788BAD6	John Deere Owner Trust	392,350.03	1.82%	10/15/21	392,321.30	1.82%	391,741.93	317.37	NR	Aaa
Core	89237RAD0	Toyota Motor Corp	231,326.80	1.78%	11/15/21	231,308.37	2.00%	231,059.83	183.01	AAA	Aaa
Core	89238KAD4	Toyota Motor Corp	635,000.00	1.93%	01/15/22	634,941.45	2.26%	634,682.63	544.69	AAA	Aaa
Core	89231AAD3	Toyota Motor Corp	1,715,000.00	3.02%	12/15/22	1,714,694.90	3.03%	1,738,565.47	2,301.91	AAA	Aaa
Core	58772RAD6	Mercedes-Benz Auto Receivables	1,045,000.00	3.03%	01/15/23	1,044,959.87	3.03%	1,057,873.88	1,407.27	AAA	Aaa
Core	17305EGK5	Citigroup Inc	3,580,000.00	2.49%	01/20/23	3,540,424.22	2.97%	3,606,337.70	17,580.78	NR	Aaa
Core	36255JAD6	Gm Financial Securitized Term	775,000.00	3.02%	05/16/23	774,819.27	3.03%	785,303.08	975.21	AAA	NR
Core	14042WAC4	Capital One Prime Auto Rec Trust	1,050,000.00	2.51%	11/15/23	1,049,787.27	2.52%	1,061,904.59	1,171.33	AAA	Aaa
Core	14041NFU0	Capital One Financial Corp	3,505,000.00	1.72%	08/15/24	3,504,117.44	1.73%	3,490,873.80	4,353.99	AAA	NR
		Subtotal	13,696,607.05			13,655,239.37		13,765,154.27	29,366.96		
Money Market Funds											
Core	X9USDMMOR3	Morgan Stanley	2,470,011.07	1.97%	Daily	2,470,011.07	1.97%	2,470,011.07	-	AAAm	Aaa-mf
Liquidity	TFFXX	BlackRock	16,319,156.85	1.25%	Daily	16,319,156.85	1.25%	16,319,156.85	11,744.67	AAAm	Aaa-mf
		Subtotal	18,789,167.92			18,789,167.92		18,789,167.92	11,744.67		
Government Investment Pools											
Liquidity	98-01-318	Local Agency Investment Fund	65,000,000.00	2.28%	Daily	65,000,000.00	2.28%	65,106,783.11	-	NR	NR
Liquidity	6037-001	California Asset Management Program	103,861,300.47	2.22%	Daily	103,861,300.47	2.22%	103,861,300.47	-	AAAm	NR
		Subtotal	168,861,300.47			168,861,300.47		168,968,083.58	-		
Total City Investments			\$ 368,388,405.56			\$ 367,788,801.12		\$ 370,553,533.18	\$ 952,418.21		
									Unrecognized Gain/(Loss): \$ 2,764,732.05		

City of Fremont Treasurer's Report
Cash and Investment Portfolio - September 30, 2019

Portfolio	CUSIP/ Account	Issuer/Institution	Par Amount	Coupon	Maturity	Original Cost/ Balance	Yield	Market Value	Accrued Interest	S&P Rating	Moody's Rating
City Investments by Portfolio											
	Core Portfolio					\$ 182,608,343.80					
	Unsettled Trades					(1,995,000.00)					
	Liquidity Portfolio					185,180,457.32					
	Unrecognized Gain/(Loss)					2,764,732.05					
		Subtotal				368,558,533.17					
Checking Accounts											
	General City	Bank of America				16,273,069.88	0.00%				
	Police Bail	Bank of America				500.00	0.00%				
		Subtotal				16,273,569.88					
Petty Cash											
	001-12001	City Manager's Office				500.00					
	001-14000	Finance Administration				2,750.00					
	001-15000	Human Resources				200.00					
	001-21010	Police Chief's Office				7,000.00					
	001-21110	Police Administration				7,400.00					
	001-21910	Animal Shelter				500.00					
	001-21999	Police Investigative Services - Bail				200.00					
	102-53410	Youth Service Center				270.00					
	108-53990	Family Resource Center				40.00					
	186-53310	Senior Center				250.00					
	189-00000	Recreation Snack Bars				3,500.00					
	189-61002	Recreation Administration				2,000.00					
	189-61003	Recreation Registration				200.00					
	189-61011	Water Park				6,940.00					
	189-61022	Tennis Center				175.00					
	189-61047	Boat Rental				375.00					
		Subtotal				32,300.00					
Total City Cash and Investments						\$ 384,864,403.05					
Cash with Fiscal Agents											
Agency Fund Checking Accounts											
	SACMCTF JPA	Bank of America				33,740.30	0.20%				
	FRC Corp.	Heritage Bank				49,530.83	0.20%				
		Subtotal				83,271.13					
Lease Financing Trust Accounts											
2012A Certificates of Participation - MUFG Union Bank											
	6711981501	Lease Payment Fund				1,282.93	2.10%				
2017A Lease Revenue Bonds - MUFG Union Bank											
	6712196601	Revenue Fund				2,062.26	2.10%				
	6712196605	Project Fund				-	0.00%				
2017B Lease Revenue Bonds - Bank of New York											
	657938	Bond Fund				981,306.25	1.96%				
	657939	Interest Account				-	0.00%				
		Subtotal				984,651.44					
Community Facilities District Accounts											
2015 CFD 1 Special Tax Bonds - Bank of New York											
	515408	Reserve Fund				5,012,468.76	1.84%				
	515409	Bonds Fund				202,239.94	1.84%				
	515437	Special Tax Fund				526.50	1.84%				
	515439	Improvements Fund				34.22	1.84%				
2019 CFD 2 Special Tax Bonds - Wilmington Trust											
	136496-000	Special Tax Fund				275,381.34	1.57%				
	136496-004	Reserve fund				1,080,800.18	1.57%				
	136496-005	Bond Proceeds				17,354,744.87	1.57%				
	136496-006	Costs of Issuance				5,684.54	1.57%				
		Subtotal				23,931,880.35					
Pollution Remediation Escrow											
Centerville USD Pollution Remediation Escrow - Heritage Bank											
	1894716230	Escrow Account				1,450,155.62	0.05%				
		Subtotal				1,450,155.62					
Total Cash with Fiscal Agents						\$ 26,449,958.54					
Grand Total						\$ 411,314,361.59					



Finance Department

3300 Capitol Avenue, P.O. Box 5006, Fremont, CA 94537-5006

510 494-4610 *ph* | 510 494-4611 *fax* | www.fremont.gov

April 14, 2020

Quarterly Debt Report as of September 30, 2019

This quarterly narrative summarizes the various forms of debt issued by the City and the Fremont Public Financing Authority. The report also recaps the financing and debt management activities that occurred between June 30, 2019 and September 30, 2019 pertaining to those entities.

Debt Policy Compliance and Recent Financing Activities

All debts were administered in compliance with the City of Fremont Debt Management Policy. All scheduled principal and interest payments were made when due. The City remained in compliance with all of its bond covenants throughout the quarter.

City of Fremont Community Facilities District No. 2 (Warm Springs Public Facilities) Special Tax Bonds, Series 2019

On June 18, 2019, the City Council adopted a resolution authorizing the issuance of City of Fremont Community Facilities District No. 2 (Warm Springs Public Facilities) Special Tax Bonds, Series 2019 (the "2019 Bonds"). The \$16,575,000 2019 Bonds were sold on a negotiated basis to Stifel, Nicolaus & Company, Incorporated, on June 26, 2019, and the sale closed on July 18, 2019.

The proceeds of the 2019 Bonds will be used to reimburse Lennar Homes for a portion of their cost of constructing public facilities within Community Facilities District (CFD) No. 2 and to fund a debt service reserve.

Debt service payments for the 2019 Bonds, and all related administrative costs including fiscal agent and special tax administration fees, are payable only from special taxes levied on taxable properties in CFD No. 2 and collected by the County of Alameda. The 2019 Bonds bear interest at fixed rates ranging from 3.00% to 5.00% and have a final maturity date of September 1, 2049.

Debt Obligations

The City and the Authority issue the following types of long-term obligations to acquire or improve capital assets:

- ***General Obligation Bonds.*** General obligation (GO) bonds are secured by the City's obligation to annually levy ad valorem taxes on all taxable properties within the City in an amount necessary to pay debt service. Following voter approval in 2002, GO bonds were issued in 2003, 2005, and 2009 to build or improve City public safety facilities. The 2003 GO bonds were refunded with the issuance of the 2012 General Obligation Refunding Bonds, the 2005 GO bonds were refunded with the issuance of the 2013 General Obligation Refunding Bonds, and the 2009 GO bonds were refunded with the issuance of the 2017 General Obligation Refunding Bonds.

- **General Fund Lease Obligations (Lease Revenue Bonds/Certificates of Participation (COPs)/Lease Financing).** Lease obligations entitle investors to receive payments from an underlying financing lease between the City and the Fremont Public Financing Authority or another corporate entity. The Authority uses the lease revenue received from the City to pay principal and interest on the lease obligations.

The City has two outstanding series of lease revenue bonds, the 2017A Lease Revenue Bonds and the 2017B Lease Revenue Bonds, and one outstanding series of COPs issued in 2012. These bonds and COPs were issued to finance or refinance the acquisition or construction of various capital assets including building improvements and fire equipment. The City also used lease financing in 2016 to pay for a package of energy and water efficiency measures, including the installation of energy-saving LED streetlights throughout the City. The 2012 COPs, the 2016 lease financing, and the 2017B Bonds bear interest at fixed rates, while the 2017A Bonds bear interest at a variable rate that is reset on a monthly basis. The lease payments and associated financing costs are payable from the General Fund, although a portion of the lease payments associated with the 2017A Bonds are paid from rental revenue of tenants at the Family Resource Center.

- **General Fund Loans.** The City received a \$1 million interest-free loan from PG&E in October 2017 to offset a portion of the cost of converting the City's streetlights to energy-saving LEDs. Staff anticipated this loan from PG&E when it completed the 2016 Energy Efficiency Financing, and the PG&E loan proceeds were applied to reduce the 2016 Energy Efficiency Financing principal amount.
- **Special Assessment and Special Tax Bonds.** These land-secured debts do not burden the City's general taxing authority; instead, a special assessment or special tax is levied on the county tax roll against each parcel in a local improvement district (LID) or community facilities district (CFD). Payment of the special assessment or special tax is secured by a lien on the property within the LID or CFD.

Special tax bonds to finance the acquisition of public improvements within CFD No. 1 (Pacific Commons) were issued in 2001 and 2005, and subsequently refinanced with the issuance of the City of Fremont CFD No. 1 (Pacific Commons) Special Tax Bonds, Series 2015. The Series 2015 Bonds also financed the reimbursement of additional public improvements. A facilities special tax is levied annually on each parcel within CFD No. 1 to pay debt service on the Series 2015 Bonds.

Special tax bonds to finance the acquisition of public improvements within CFD No. 2 (Warm Springs) were issued in 2019. A special tax is levied annually on each parcel within CFD No. 2 to pay debt service on the Series 2019 Bonds.

The City may also issue short-term financing instruments to meet cash-flow needs or provide interim financing prior to issuance of long-term obligations:

- **Tax and Revenue Anticipation Notes** – Tax and Revenue Anticipation Notes (TRANs) are issued to address the intra-year cash flow mis-match between the receipt of property tax revenues (installments paid in March and April) and monthly cash outflows to meet payroll, vendor, and other payment obligations. TRANs are typically issued near the beginning of a fiscal year and repaid during the same fiscal year as property tax and other revenues become available. The City has not issued TRANs since FY 2009/10.

Summary of Debt Balances, Interest Rates and Activities

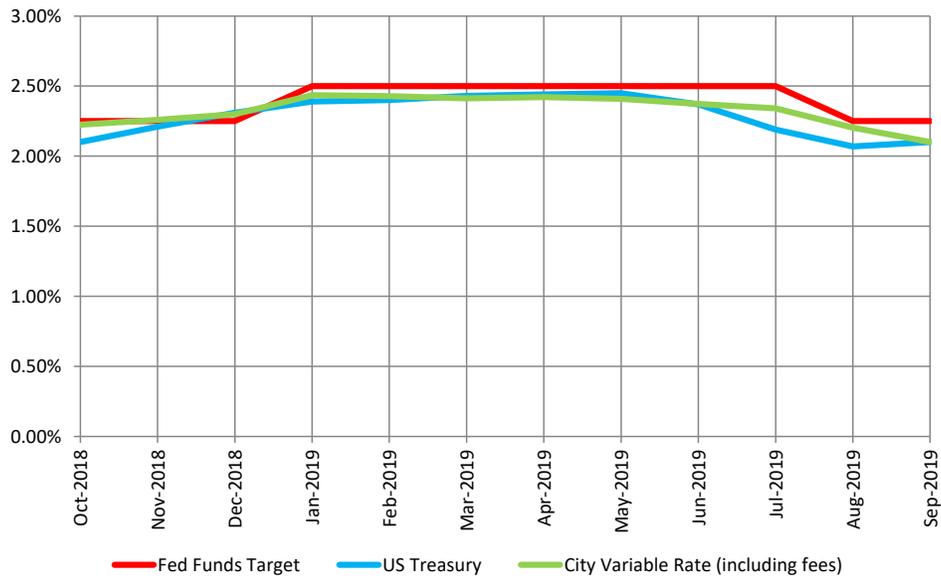
The following schedule of outstanding debt shows for each debt issue the final maturity, range of interest rates, and changes in amounts outstanding during the quarter.

	Interest Rates	Amounts Outstanding 6/30/2019	Incurred or Issued	Satisfied or Matured and Net Decreases	Amounts Outstanding 9/30/2019
General Obligation Bonds					
2012 Fire Safety Bonds Maturity - 08/01/2032	3.00-3.25%	\$ 6,095,000	\$ -	\$ (355,000)	\$ 5,740,000
2013 Fire Safety Bonds Maturity - 08/01/2034	4.00-4.50%	18,210,000	-	(850,000)	17,360,000
2017 Fire Safety Bonds Maturity - 08/01/2038	3.00-5.00%	11,845,000	-	(380,000)	11,465,000
Total General Obligation Bonds		36,150,000	-	(1,585,000)	34,565,000
General Fund Lease Obligations					
2012A Certificates of Participation Maturity - 08/01/2025	3.00-4.00%	7,155,000	-	(920,000)	6,235,000
2016 Energy Efficiency Financing Maturity - 02/01/2027	2.01%	6,525,043	-	(377,947)	6,147,096
2017A Lease Revenue Bonds Maturity - 08/01/2038	Variable	77,815,000	-	(3,850,000)	73,965,000
2017B Lease Revenue Bonds Maturity - 10/01/2038	3.00-5.00%	19,160,000	-	-	19,160,000
Total General Fund Lease Obligations		110,655,043	-	(5,147,947)	105,507,096
General Fund Loans					
2017 PG&E On-Bill Financing Program Maturity - 06/01/2021	0.00%	545,454	-	(68,182)	477,273
Total City Long-term Debt		\$ 147,350,497	\$ -	\$ (6,801,129)	\$ 140,549,369
Special Tax Bonds					
Community Facilities District No. 1 (Pacific Commons)					
2015 Special Tax Bonds Maturity - 09/01/2045	3.50-5.00%	\$ 78,545,000	\$ -	\$ (605,000)	\$ 77,940,000
Community Facilities District No. 2 (Warm Springs)					
2019 Special Tax Bonds Maturity - 09/01/2049	3.00-5.00%	-	16,575,000	-	16,575,000
Total Special Tax Bonds		\$ 78,545,000	\$ 16,575,000	\$ (605,000)	\$ 94,515,000

The City's 2017A Lease Revenue Bonds bear interest at a rate equal to approximately 80% of the one-month London Interbank Offered Rate (LIBOR) plus an "applicable spread", currently 0.42%, reset on a monthly basis. LIBOR is the average interest rate charged on borrowings among each of the leading banks in the City of London. It is the primary global benchmark for short-term interest rates and is published each business day by Thomson Reuters.

The graph below compares the interest rates paid by the City on its 2017A Lease Revenue Bonds over the last twelve months with the average market rate for one-month maturity U.S. Treasury securities and the Federal Reserve Open Market Committee (FOMC) Fed Funds target rate. All rates shown are as of the

first of the month. Short-term interest rates generally follow the Fed Funds target, with the U.S. Treasury rate somewhat below and corporate rates (like LIBOR) somewhat above.



In July, the FOMC decided to reduce the Fed Funds target from a range of 2.25%-2.50% to 2.00%-2.25%, and in September they further reduced the target range to 1.75%-2.00%.