



Staff Report

Date: February 9, 2017
To: Mayor Hoertkorn and Councilmembers
From: Joe Chinn, Town Manager
Subject: Investment Report for the Quarter Ended December 31, 2016

Recommendation

The Council accepts the investment report for quarter ended December 31, 2016

Background and discussion

This report is provided as required by the investment policy approved by the Council on December 8, 2016. Current investments are consistent with the investment policy and are allowable under current California law. Investments are selected to meet the priority principals of the policy: safety, liquidity, and yield in respective order. Sufficient liquidity exists to fund operating and capital project requirements for the next six month.

Investment income for the operating fund was \$26,812 for the six months ended December 31, 2016 which was over the year to date budget of \$15,000 by \$11,812 and \$14,653 more than received in the same six months of the previous year. Cash in Wells Fargo and US Bank is for day to day operations and there is no return on these funds. LAIF funds are currently yielding .68%. CalTRUST current yield is .64% for money market, .92% for short term, and 1.11% for medium term funds. The current RBC account consists primarily of taxable fixed income securities.

Fiscal, resource and timeline impacts

No financial impact from accepting this report.

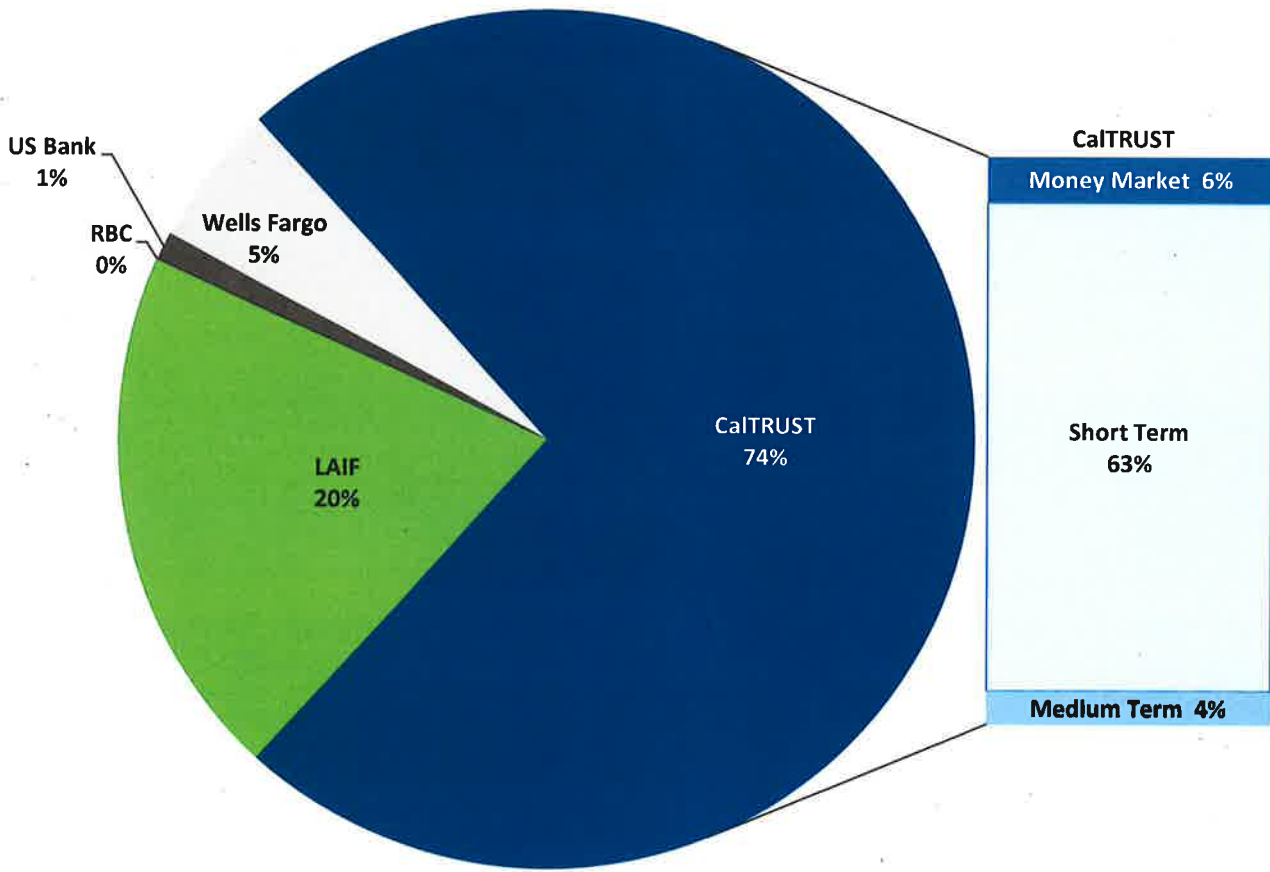
Alternative actions

No alternative actions are suggested.

Attachments

- Summary of investment balances and graph
- CalTRUST statement 12.31.16
- CalTRUST money market fund statistics 12.31.16
- CalTRUST short term fund statistics 12.31.16
- CalTRUST medium term fund statistics 12.31.16
- LAIF statement 12.31.16
- LAIF performance report 12.31.16
- RBC summary statement 12.31.16
- U.S. Bank summary statement 12.31.16
- Wells Fargo summary statement 12.31.16

Investment Balances December 31, 2016		
CalTRUST money market	\$ 703,466.48	6%
CalTRUST short term	7,495,810.24	63%
CalTRUST medium term	508,387.43	4%
Total CalTRUST	8,707,664.15	74%
LAIF	2,382,880.38	20%
RBC	3,286.61	0%
US Bank	122,988.96	1%
Wells Fargo	635,824.98	5%
\$	11,852,645.08	100%





**TOWN OF ROSS
STATEMENT FOR PERIOD
December 01, 2016 - December 31, 2016**

The Heritage Money Market Fund - Select Class - TOWN OF ROSS

Date	Transaction	Shares	Price Per Share	Amount	Average Cost NAV	Average Cost Amount	Realized Gain/Loss*
11/30/2016	BALANCE FORWARD	503,102.439	1.00	503,253.37	1.00	503,253.37	0.00
12/01/2016	INCOME DISTRIBUTION - NOVEMBER	213.046	1.00	213.11	1.00	213.11	0.00
12/23/2016	TRANSFER	199,940.018	1.00	200,000.00	1.00	200,000.00	0.00
12/31/2016	UNREALIZED GAIN (LOSS)	0.000		0.00		0.00	0.00
12/31/2016	ENDING BALANCE	<u>703,255.503</u>	1.00	<u>703,466.48</u>		<u>703,315.61</u>	
	INCOME DISTRIBUTION PAID - NOVEMBER			0.00			
	INCOME ACCRUAL - DECEMBER			309.75			
	CUMULATIVE UNREALIZED GAIN (LOSS)			0.00			

* Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.

CalTrust Short Term Fund - TOWN OF ROSS

Date	Transaction	Shares	Price Per Share	Amount	Average Cost NAV	Average Cost Amount	Realized Gain/Loss*
11/30/2016	BALANCE FORWARD	687,169.593	10.02	6,885,439.32	10.02267194	6,887,275.40	
12/01/2016	INCOME DISTRIBUTION - NOVEMBER	491.829	10.02	4,926.12	10.02267003	4,926.12	0.00
12/22/2016	PURCHASE	79,840.319	10.02	800,000.00	10.02239228	800,000.00	0.00
12/23/2016	TRANSFER	-19,980.080	10.02	-200,000.00	10.02239228	-200,047.75	-47.75
12/31/2016	UNREALIZED GAIN (LOSS)	0.000		5,444.80		0.00	
12/31/2016	ENDING BALANCE	<u>747,541.461</u>	10.02	<u>7,495,810.24</u>		<u>7,492,153.77</u>	
	INCOME DISTRIBUTION PAID - NOVEMBER			0.00			
	INCOME ACCRUAL - DECEMBER			5,444.80			
	CUMULATIVE UNREALIZED GAIN (LOSS)			3,658.47			

* Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.

CalTrust Medium Term Fund - TOWN OF ROSS

Date	Transaction	Shares	Price Per Share	Amount	Average Cost NAV	Average Cost Amount	Realized Gain/Loss*
11/30/2016	BALANCE FORWARD	50,594.808	10.04	507,971.85	10.05047949	508,602.06	
12/01/2016	INCOME DISTRIBUTION - NOVEMBER	44.373	10.04	445.50	10.05047021	445.50	0.00
12/31/2016	UNREALIZED GAIN (LOSS)	0.000		-29.92		0.00	
12/31/2016	ENDING BALANCE	<u>50,639.179</u>	10.03	<u>508,387.43</u>		<u>508,947.56</u>	
	INCOME DISTRIBUTION PAID - NOVEMBER			0.00			
	INCOME ACCRUAL - DECEMBER			476.47			
	CUMULATIVE UNREALIZED GAIN (LOSS)			-560.13			

* Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.

For Inquiries About Your Account, Contact:

Nottingham Investment Administration
116 South Franklin Street
Rocky Mount, NC 27804
Attention: CalTRUST Shareholder Services
Phone: 800.773.3553
Fax: 282-972-1908
Email: caltrustsupport@ncfunds.com

TOWN OF ROSS
TOWN OF ROSS
ATTN: JOE CHINN
PO BOX 320
ROSS, CA 94957

All information is as of 12-31-16 unless otherwise indicated. Information is subject to change.

Heritage Money Market Fund - Select

Key facts

S&P rating	AAAm
Moody's Rating	Aaa-mf
Share Class	Select
Investment Minimum	\$50 million
Ticker	WFJXX
CUSIP	94984B793
Net Expense Ratio	0.13%
Total fund assets	\$3.6 billion
Fund Manager	Jeffrey L. Weaver, CFA, Laurie R. White, Michael C. Bird
Inception Date	6-29-95
Trading deadline	5 p.m. Eastern Time

Performance²

Current yield as of 12-31-16

	7-day SEC yield(%)
	0.72
Month	30-day current yield (%)
December 2015	0.25
January 2016	0.37
February 2016	0.41
March 2016	0.43
April 2016	0.43
May 2016	0.43
June 2016	0.42
July 2016	0.41
August 2016	0.40
September 2016	0.45
October 2016	0.47
November 2016	0.52
December 2016	0.64

Average annual total returns (%) as of 12-31-16

1 year	3 year	5 year	10 year	Since Inception
0.48	0.22	0.18	0.98	2.65

The advisor has contractually committed to certain fee waivers and/or expense reimbursements. Without these reductions, the fund's seven-day current yield would have been 0.59%. These reductions may be discontinued.

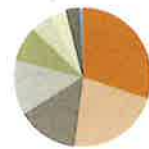
Principal investment strategies

Seeks current income while preserving capital and liquidity by investing in high-quality, short-term, U.S. dollar-denominated money market instruments of domestic and foreign issuers.

Portfolio composition¹

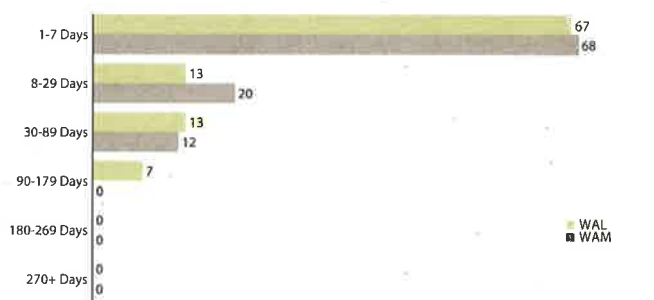
% of portfolio

- Variable Rate Demand Note: (30)
- Asset Backed CP: (22)
- Tender Option Bond: (14)
- Non-Negotiable Time Deposit: (13)
- Financial Company CP: (8)
- Non-U.S. Sovereign, Sub-Sovereign and Supra-National Debt: (5)
- Other Instrument: (4)
- Certificate of Deposit: (3)
- Other Municipal Debt: (1)



Total : 100%

Portfolio maturity schedule (%)



Money market fund statistics

Weighted average maturity: 13 days

Weighted average life: 23 days

Daily liquid assets: 30%

Weekly liquid assets: 68%

Figures quoted represent past performance, which is no guarantee of future results and do not reflect taxes that a shareholder may pay on a fund. Investment returns will fluctuate. The fund's yield figures more closely reflect the current earnings of the fund than the total return figures. Current performance may be lower or higher than the performance data quoted and assumes the reinvestment of dividends and capital gains. Current month-end performance is available at the fund's website, wellsfargofunds.com.

Money market funds are sold without a front-end sales charge or contingent deferred sales charge. Other fees and expenses apply to an investment in the fund and are described in the fund's current prospectus.

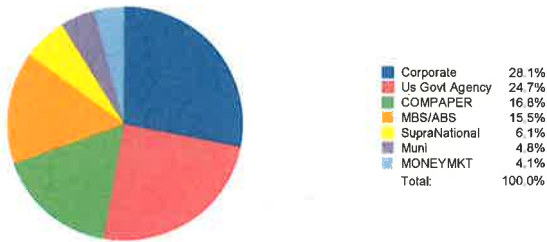
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	CalTrust Short Term	LAIF		CalTrust Short Term Total Return	CalTrust Short Term Yield Return	LAIF Yield Return
Market Value	\$1,420,485,856.29	N/A	One Month	0.08%	0.08%	0.06%
NAV per Share	\$10.02	N/A	Three Month	0.15%	0.22%	0.17%
Yield	0.92%	0.73%	Six Month	0.32%	0.41%	0.33%
Period Total Return	0.08%	N/A	One Year*	0.87%	0.75%	0.58%
Period Yield Return	0.08%	0.06%	Two Year*	0.63%	0.62%	0.45%
Effective Duration	0.50 yrs.	N/A	Three Year*	0.52%	0.54%	0.38%
Average Maturity	0.97 yrs.	0.47 yrs.	Five Year*	0.52%	0.48%	0.35%
			Ten Year*	1.30%	1.26%	1.23%
			Since Inception*	1.76%	1.73%	1.66%

*Annualized

Portfolio Sector Breakdown



Portfolio Quality Breakdown



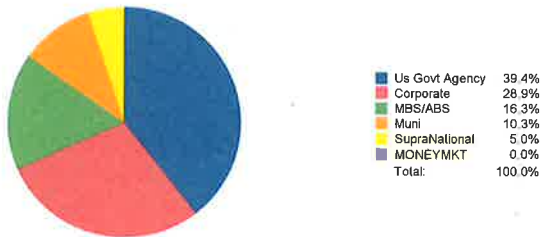
Disclosure to Performance Information

- This performance information is based on an inception date of February 13, 2005, when the CalTrust Short-Term portfolio commenced investment operations according to its investment objective, and does not include any investment returns from temporary investments held before the commencement of those operations.
- First-month index returns, February 13-26, 2005, are intra-period and were calculated by calculating the average daily return during the month and multiplying the average daily return by number of days in the shortened period.
- Performance was calculated net of investment advisory and program administration fees.
- The Local Agency Investment Fund (LAIF) is a diversified portfolio managed by the State of California for local governments and special districts.
- Performance for the CalTRUST Short Term Account is on a trade date basis. LAIF's monthly performance was calculated by taking the average monthly effective yield and dividing it by 365 then multiplying the result by the number of days in the month.
- Yield represents the 7-day net distribution on investments for the period.
- Rating source - Standard & Poor's.
- Past performance is no guarantee of future results.

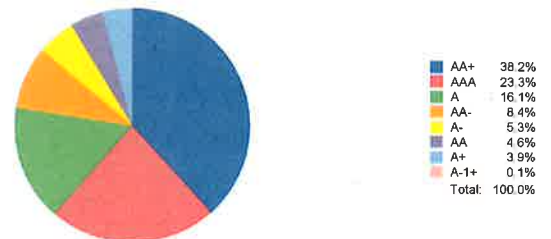


	CalTrust Medium Term	Merrill Lynch 1-3 Corp & Gov't, A Rated & Above	CalTrust Medium Term Total Return	CalTrust Medium Term Yield Return	Merrill Lynch 1-3 Corp & Gov't, A Rated & Above
Market Value	\$859,857,926.95	N/A	One Month	0.06%	0.09%
NAV per Share	\$10.03	N/A	Three Month	-0.34%	0.27%
Distribution Yield	1.11%	N/A	Six Month	-0.39%	0.52%
Period Return	0.06%	0.05%	One Year*	1.09%	1.02%
Effective Duration	1.74 yrs.	1.89 yrs.	Two Year*	0.85%	0.92%
Average Maturity	2.07 yrs.	1.94 yrs.	Three Year*	0.76%	0.85%
			Five Year*	0.74%	0.85%
			Ten Year*	1.93%	1.86%
			Since Inception*	2.15%	2.09%
			<i>*Annualized</i>		

Portfolio Sector Breakdown



Portfolio Quality Breakdown



Disclosure to Performance Information

- This performance information is based on an inception date of February 13, 2005, when the CalTrust Medium-Term portfolio commenced investment operations according to its investment objective, and does not include any investment returns from temporary investments held before the commencement of those operations.
- Performance was calculated net of investment advisor and program administration fees.
- Yield represents the 7-day net distribution on investments for the period.
- Rating source - Standard & Poor's.
- Past performance is no guarantee of future results.

Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001
 TOWN OF ROSS

www.treasurer.ca.gov/pmia-laif/laif.asp
 January 03, 2017

TREASURER
 P.O. BOX 320
 ROSS, CA 94957

PMIA Average Monthly Yields

Account Number:
 [REDACTED]

Tran Type Definitions

December 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
12/22/2016	12/21/2016	RD	1523018	KELLEY REID	1,300,000.00

Account Summary

Total Deposit:	1,300,000.00	Beginning Balance:	1,082,880.38
Total Withdrawal:	0.00	Ending Balance:	2,382,880.38



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
12/13/16	0.71	0.67	182
12/14/16	0.72	0.67	181
12/15/16	0.72	0.68	181
12/16/16	0.72	0.68	184
12/17/16	0.72	0.68	184
12/18/16	0.72	0.68	184
12/19/16	0.72	0.68	179
12/20/16	0.72	0.68	180
12/21/16	0.72	0.68	179
12/22/16	0.73	0.68	179
12/23/16	0.73	0.68	185
12/24/16	0.73	0.68	185
12/25/16	0.73	0.68	185
12/26/16	0.73	0.68	185
12/27/16	0.73	0.68	180
12/28/16	0.73	0.68	173
12/29/16	0.73	0.68	176
12/30/16	0.74	0.68	172
12/31/16	0.74	0.68	171
01/01/17	0.74	0.74	171
01/02/17	0.74	0.74	171
01/03/17	0.74	0.74	181
01/04/17	0.74	0.74	184
01/05/17	0.75	0.74	186
01/06/17	0.75	0.74	186
01/07/17	0.75	0.74	186
01/08/17	0.75	0.74	186
01/09/17	0.75	0.74	185
01/10/17	0.75	0.74	185
01/11/17	0.75	0.74	187
01/12/17	0.75	0.74	186

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

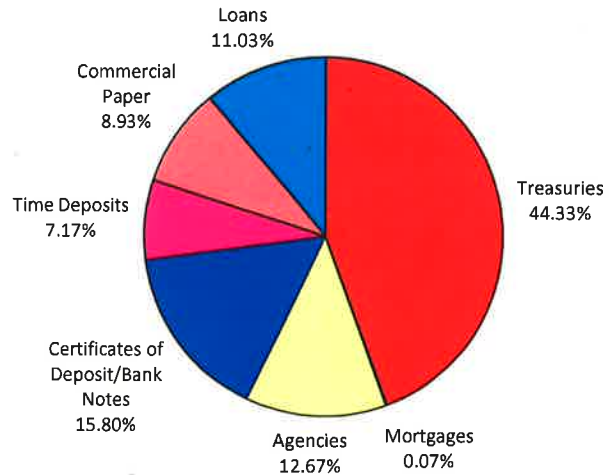
Quarter Ending 12/31/16

Apportionment Rate: 0.68%
 Earnings Ratio: 0.00001851848158529
 Fair Value Factor: 0.999423823
 Daily: 0.74%
 Quarter to Date: 0.68%
 Average Life: 171

PMIA Average Monthly Effective Yields

Dec 2016 0.719%
 Nov 2016 0.678%
 Oct 2016 0.654%

**Pooled Money Investment Account
Portfolio Composition
12/31/16
\$73.7 billion**





Wealth Management

A division of RBC Capital Markets, LLC, Member NYSE/FINRA/SIPC.

TOWN OF ROSS
ATTN: JOE CHINN
PO BOX 320
ROSS CA 94957-0320

YOUR INFORMATION

Government Account

Your Financial Advisor

Edward Schuller
RBC Wealth Management
345 California Street
29th Floor
San Francisco CA 94104
Telephone: (415) 445-8312 or (800) 445-8312
Fax: (415) 391-9586
E-mail: edward.schuller@rbc.com
Web: www.rbcwm-usa.com

Branch Director: Michael Schipper

Telephone: (415) 445-8660

Complex Director

Michael Schipper
345 California Street
29th Floor
San Francisco CA 94104
Telephone: (415) 445-8660

ACCOUNT STATEMENT

DECEMBER 1, 2016 - DECEMBER 31, 2016

Account number: [REDACTED]

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ACCOUNT VALUE SUMMARY

	THIS PERIOD	THIS YEAR
Beginning account value	\$9,977.01	\$23,404.89
Return of principal	383.02	14,606.60
Withdrawals	-6,704.86	-20,596.08
Taxable income	18.43	649.96
Change in asset value	-386.99	-14,778.76
Ending account value	\$3,286.61	\$3,286.61

TOTAL PORTFOLIO VALUE

Ending account value	\$3,286.61
Estimated accrued interest	16.24
Total portfolio value	\$3,302.85

Please see "About Your Statement" on page 2 for further information.

YOUR MESSAGE BOARD

Important cost basis regulations remain effective as part of the overall Form 1099 reporting changes that began in 2011. For more information about these regulation changes, please visit www.rbcwm-usa.com and click the "Legal/Disclosures" link at the bottom of the home page followed by "Cost Basis Updates." Check back regularly for updates.

Whether you want to build, preserve, enjoy, or share your hard-earned wealth, we're here to help. For questions about your account, please contact your financial advisor, who will be happy to assist you.

cc: Liz Kelley Council, FIAC



P.O. Box 1800
Saint Paul, Minnesota 55101-0800

5639 IMG

Y ST01

Business Statement

Account Number: [REDACTED]

Statement Period:

Dec 1, 2016

through

Dec 31, 2016

Page 1 of 3

[REDACTED]

ROSS RECREATION
PO BOX 320
ROSS CA 94957-0320

To Contact U.S. Bank

Commercial Customer

Service: 1-877-295-2509

**Telecommunications Device
for the Deaf:**

1-800-685-5065

Internet:

usbank.com

NEWS FOR YOU

U.S. Bank has teamed up with ADP® to deliver payroll and tax processing plus people management for small businesses and startups. From hiring and handbooks to payroll and compliance, ADP brings unmatched depth and expertise to helping clients build a better workforce.

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- Recruit, hire and manage your team with confidence
- Help protect your company from tax and compliance risk

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Protecting your accounts is our highest priority. As a security precaution, we close Debit Cards and ATM Cards after 18 months of inactivity. Please call us with any questions at 800-673-3555.

INFORMATION YOU SHOULD KNOW

Price changes for U.S. Bank Business Checking, Savings and Treasury Management Services are effective January 1, 2017. Please contact your Banker or Treasury Management Consultant for pricing information specific to your account. If you need assistance in reaching your bank contact, call Customer Service at the number listed in the upper right corner of this statement or send an email to Customer Service at commercialsupport@usbank.com.

Effective January 1st, 2017 when you exceed the 300 transactions that come with your Gold Checking account, the excess transactions fee will be \$0.45 each, which was previously \$0.40 each. For any questions, please visit your local branch or call 800-673-3555.

GOLD BUSINESS CHECKING

U.S. Bank National Association

Member FDIC

Account Number [REDACTED]

Account Summary

	# Items		
Beginning Balance on Dec 1		\$	71,712.75
Customer Deposits	2		2,450.00
Other Deposits	22		49,528.56
Other Withdrawals	4		702.35-
Ending Balance on Dec 31, 2016		\$	122,988.96

Customer Deposits

Number	Date	Ref Number	Amount	Number	Date	Ref Number	Amount	
	Dec 5	8151185347	1,860.00		Dec 13	8359168974	590.00	
Total Customer Deposits							\$	2,450.00

Business Checking - Public Funds

Account number: [REDACTED] ■ December 1, 2016 - December 31, 2016 ■ Page 1 of 8



TOWN OF ROSS
PO BOX 320
ROSS CA 94957-0320

Questions?

Available by phone 24 hours a day, 7 days a week:
Telecommunications Relay Services calls accepted

1-800-CALL-WELLS (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: wellsfargo.com/biz

Write: Wells Fargo Bank, N.A. (114)
P.O. Box 6995
Portland, OR 97228-6995

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Credit decisions subject to credit qualification.

Account options

A check mark in the box indicates you have these convenient services with your account(s). Go to wellsfargo.com/biz or call the number above if you have questions or if you would like to add new services.

Business Online Banking
Online Statements
Business Bill Pay
Business Spending Report
Overdraft Protection

<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>
<input type="checkbox"/>

Activity summary

Beginning balance on 12/1	\$653,781.52
Deposits/Credits	2,711,528.16
Withdrawals/Debits	- 2,729,484.70
Ending balance on 12/31	\$635,824.98
Average ledger balance this period	\$889,218.16

Account number: [REDACTED]

TOWN OF ROSS

California account terms and conditions apply

For Direct Deposit use

Routing Number (RTN): [REDACTED]

For Wire Transfers use

Routing Number (RTN): [REDACTED]