



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, FEBRUARY 02, 2022

4:00 PM - Closed Session (Cancelled)

5:00 PM - Regular Session

Escondido City Council Chambers, 201 North Broadway, Escondido, CA 92025

WELCOME TO YOUR CITY COUNCIL MEETING

We welcome your interest and involvement in the legislative process of Escondido. This agenda includes information about topics coming before the City Council and the action recommended by City staff.

MAYOR

Paul McNamara

DEPUTY MAYOR

Tina Inscoe (District 2)

COUNCILMEMBERS

Consuelo Martinez (District 1)

Joe Garcia (District 3)

Michael Morasco (District 4)

CITY MANAGER

Sean McGlynn

CITY ATTORNEY

Michael McGuinness

CITY CLERK

Zack Beck

HOW TO WATCH

The City of Escondido provides three ways to watch a City Council meeting:

In Person



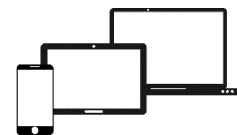
201 N. Broadway

On TV



Cox Cable Channel 19 and U-verse Channel 99

Online



www.escondido.org



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HOW TO PARTICIPATE

The City of Escondido provides two ways to communicate with the City Council during a meeting:

In Person



Fill out Speaker Slip and Submit to City Clerk

In Writing



<https://escondido-ca.municodemeetings.com/>

ASSISTANCE PROVIDED

If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 760-839-4643. Notification 48 hours prior to the meeting will enable the city to make reasonable arrangements to ensure accessibility. Listening devices are available for the hearing impaired – please see the City Clerk.





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WEDNESDAY, FEBRUARY 02, 2022

REGULAR SESSION

5:00 PM Regular Session

MOMENT OF REFLECTION

City Council agendas allow an opportunity for a moment of silence and reflection at the beginning of the evening meeting. The City does not participate in the selection of speakers for this portion of the agenda, and does not endorse or sanction any remarks made by individuals during this time. If you wish to be recognized during this portion of the agenda, please notify the City Clerk in advance.

FLAG SALUTE

The City Council conducts the Pledge of Allegiance at the beginning of every City Council meeting.

CALL TO ORDER

Roll Call: Garcia, Inscoc, Martinez, Morasco, McNamara

PRESENTATION

City of Escondido Independent Redistricting Commission Update

ORAL COMMUNICATIONS

In addition to speaking during particular agenda items, the public may address the Council on any item which is not on the agenda provided the item is within the subject matter jurisdiction of the City Council. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. Speakers are limited to only one opportunity to address the Council under Oral Communications.

CONSENT CALENDAR

Items on the Consent Calendar are not discussed individually and are approved in a single motion. However, Council members always have the option to have an item considered separately, either on their own request or at the request of staff or a member of the public.

1. AFFIDAVITS OF PUBLICATION, MAILING, AND POSTING (COUNCIL/RRB) -



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2. APPROVAL OF WARRANT REGISTER (COUNCIL) -

Request the City Council approve the City Council and Housing Successor Agency warrant numbers:

a. 359907 – 360047 dated January 19, 2022.

Staff Recommendation: Approval (Finance Department: Christina Holmes)

3. APPROVAL OF MINUTES: None Scheduled

4. ANNUAL STATE MANDATED INSPECTION COMPLIANCE REPORT -

Request the City Council approve acknowledging the Fire Department's report of compliance with annual State mandated inspections.

Staff Recommendation: Approval (Fire Department: Rick Vogt)

Presenter: Rick Vogt

a. Resolution No. 2022-01

5. TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED DECEMBER 31, 2021 -

Request the City Council receive and file the Quarterly Investment Report for the quarter ended December 31, 2021.

Staff Recommendation: Receive and File (City Treasurer: Douglas Shultz)

Presenter: Douglas Shultz

6. NOTICE OF COMPLETION FOR GATEWAY GRAND PROJECT (ENG 16-0029; SUB16-0001) LOCATED AT 700 WEST GRAND AVENUE -

Request the City Council approve to accept the Public Improvements and authorize staff to file a Notice of Completion ("NOC") for the Gateway Grand Project.

Staff Recommendation: Approval (Engineering Services Department: Julie Procopio)

Presenter: Julie Procopio

a. Resolution No. 2022-20



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7. NOTICE OF COMPLETION FOR LEXUS OVERFLOW PARKING LOT (ENG 19-0002) LOCATED AT 1528 & 1551 TANGLEWOOD LANE -

Request the City Council approve to accept the Public Improvements and authorize staff to file a Notice of Completion (“NOC”) for the Lexus Overflow Parking Lot (“Project”).

Staff Recommendation: Approval (Engineering Services Department: Julie Procopio)

Presenter: Julie Procopio

a. Resolution No. 2022-21

8. APPROVAL OF A CHANGE ORDER TO COMPLETE ADDITIONAL WORK FOR THE 2021 STREET REHABILITATION AND MAINTENANCE PROJECT –

Request the City Council approve to authorize a change order to the 2021 Street Rehabilitation and Maintenance Project – Phase 2 (“Project”) in the amount of \$320,141.67 to add pavement resurfacing along Country Club Lane to complete resurfacing outside of the Canopy Grove project limits of work and perform pavement repairs for a water main break on Sunset Drive.

Staff Recommendation: Approval (Engineering Services Department: Julie Procopio)

Presenter: Julie Procopio

a. Resolution No. 2022-22

9. DENIAL OF CALPERS INDUSTRIAL DISABILITY RETIREMENT FOR POLICE SERGEANT PAUL F. WOODWARD –

Request the City Council approve denying the California Public Employees’ Retirement System (“CalPERS”) Industrial Disability Retirement for Police Sergeant Paul F. Woodward.

Staff Recommendation: Approval (Human Resources Department: Jessica Perpetua)

Presenter: Jessica Perpetua

a. Resolution No. 2022-23



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10. CITY BUSINESS LICENSE TAX RECIPROCAL AGREEMENT WITH FRANCHISE TAX BOARD -

Request the City Council approve authorizing the Mayor or his designee to execute an agreement with the State of California Franchise Tax Board (FTB) to renew and continue the City's participation in the FTB City Business Tax Program.

Staff Recommendation: Approval (Information Systems Department: Rob Van De Hey)

Presenter: Rob Van De Hey

a. Resolution No. 2022-27

CONSENT RESOLUTIONS AND ORDINANCES (COUNCIL/RRB)

The following Resolutions and Ordinances were heard and acted upon by the City Council/RRB at a previous City Council/Mobilehome Rent Review meeting. (The title of Ordinances listed on the Consent Calendar are deemed to have been read and further reading waived.)

CURRENT BUSINESS

11. FINANCIAL STATUS REPORT FOR THE FISCAL YEAR 2021/22 SECOND QUARTER ENDING DECEMBER 31, 2021 AND BUDGET ADJUSTMENT -

Request the City Council receive and file the second quarter financial report and approve a budget adjustment to amend the fiscal year 2021/22 operating budget.

Staff Recommendation: Approval (Finance Department: Christina Holmes)

Presenter: Christina Holmes

FUTURE AGENDA

12. FUTURE AGENDA

The purpose of this item is to identify issues presently known to staff or which members of the City Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: None (City Clerk's Office: Zack Beck)

COUNCILMEMBERS SUBCOMMITTEE REPORTS AND OTHER REPORTS

CITY MANAGER'S WEEKLY ACTIVITY REPORT



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The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety, and Community Development. This report is also available on the City's website, www.escondido.org.

ORAL COMMUNICATIONS

In addition to speaking during particular agenda items, the public may address the Council on any item which is not on the agenda provided the item is within the subject matter jurisdiction of the City Council. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. Speakers are limited to only one opportunity to address the Council under Oral Communications.

ADJOURNMENT

UPCOMING MEETING SCHEDULE

Wednesday, March 02, 2022 4:00 & 5:00 PM Regular Meeting, *Council Chambers*
Wednesday, March 09, 2022 4:00 & 5:00 PM Special Meeting (Board & Commission Interviews), *Council Chambers*

SUCCESSOR AGENCY

Members of the Escondido City Council also sit as the Successor Agency to the Community Development Commission, Escondido Joint Powers Financing Authority, and the Mobilehome Rent Review Board.



AFFIDAVITS
OF
ITEM
POSTING



STAFF REPORT

February 2, 2022
File Number 0400-40

SUBJECT

APPROVAL OF WARRANTS

DEPARTMENT

Finance

RECOMMENDATION

Request approval for City Council and Housing Successor Agency warrant numbers 359907 – 360047 dated January 19, 2022.

Staff Recommendation: Approval (Finance Department: Christina Holmes)

FISCAL ANALYSIS

The total amount of the warrants for the period of January 13 – January 19, 2022, is \$1,968,289.05

BACKGROUND

The Escondido Municipal Code Section 10-49 states that warrants or checks may be issued and paid prior to audit by the City Council, provided the warrants or checks are certified and approved by the Director of Finance as conforming to the current budget. These warrants or checks must then be ratified and approved by the City Council at the next regular Council meeting.



Consent Item No. 3

February 2, 2022

APPROVAL
OF
MINUTES



STAFF REPORT

February 2, 2022
File Number 0320-10

SUBJECT

ANNUAL STATE MANDATED INSPECTION COMPLIANCE REPORT

DEPARTMENT

Fire

RECOMMENDATION

Request the City Council approve Resolution 2022-01 acknowledging the Fire Department's report of compliance with annual State mandated inspections. The Report indicates the Escondido Fire Department has conducted 100% of Educational Group E occupancies and 100% of Residential Group R occupancies as required by state law.

Staff Recommendation: Approval (Fire: Rick Vogt)

Presenter: Rick Vogt

FISCAL ANALYSIS

None.

PREVIOUS ACTION

None.

BACKGROUND

California law requires that certain structures be inspected on a regular basis. Public or private schools, which are used by more than six persons, (Educational Group E occupancies) and specified structures used for housing, such as hotels, motels, lodging houses, residential care facilities, and apartment houses (Residential Group R occupancies), must be inspected for compliance with building standards pursuant to sections 13146.2 and 13146.3 of the California Health and Safety Code.

On September 27, 2018, Governor Jerry Brown signed Senate Bill (SB) 1205, which requires fire departments to report annually to their administering authorities that these mandatory inspections have been conducted. SB 1205 was introduced in early 2018 in response to the Oakland Ghost Ship warehouse



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STAFF REPORT

fire in 2016, which killed 36 people, and reported that many schools and apartment buildings in the Bay Area had not received their annual required fire inspections for many years.

According to the SB 1205’s author, State Senator Jerry Hill, the annual report required by SB 1205 serves to “remind” cities to inspect their buildings as required by law to prevent the loss of life and property. SB 1205 requires the administering authority to acknowledge receipt of the report in a resolution or a similar formal document. The intent is to bring to the attention of governing bodies, particularly during the budget process, if there is a lack of compliance with specified mandated annual inspections.

The Escondido Fire Department has a business inspection program that meets the Health and Safety Code requirements for the annual inspection of educational Group E and the residential Group R occupancies. Inspections are performed by our Fire Prevention Bureau inspectors and fire engine company personnel. The current staffing level of the Fire Department is currently sufficient to meet the State mandated inspection requirements of SB 1205.

The report of annual State mandated inspections pursuant to sections 13146.2 and 13146.3 of the California Health and Safety Code is contained in Exhibit 1 of Resolution No. 2022-01.

RESOLUTIONS

- a. Resolution No. 2022-01
- b. Resolution No. 2022-01 Exhibit “A”

RESOLUTION NO. 2022-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, ACKNOWLEDGING RECEIPT OF THE ANNUAL STATE MANDATED INSPECTION COMPLIANCE REPORT DEVELOPED BY THE ESCONDIDO FIRE DEPARTMENT REGARDING THE REQUIRED INSPECTIONS PURSUANT TO SECTIONS 13146.2 AND 13146.3 OF THE CALIFORNIA HEALTH AND SAFETY CODE

WHEREAS, California Health and Safety Code Section 13146.4 became effective on September 27, 2018; and

WHEREAS, California Health and Safety Code Sections 13146.2 and 13146.3 require all fire departments, which provide fire protection services, conduct annual inspections in every building used as a public or private school, hotel, motel, lodging house, apartment house, and certain residential care facilities for compliance with building standards, as provided; and

WHEREAS California Health & Safety Code Section 13146.4 requires all fire departments that provide fire protection services to report annually to its administering authority on its compliance with Sections 13146.2 and 13146.3; and

WHEREAS, the City Council intends this Resolution to fulfill the requirements of the California Health and Safety Code regarding acknowledgment of the Escondido Fire Department's compliance with California Health and Safety Code Sections 13146.2 and 13146.3

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. That the City Council expressly acknowledges the measure of compliance of the

Escondido Fire Department with California Health and Safety Code Sections 13146.2 and 13146.3 in the

area encompassed by the City of Escondido, as detailed in Exhibit "A", which is attached to this Resolution and incorporated by this reference.

Escondido Fire Department Annual State Mandated Inspection Compliance Report

A. EDUCATIONAL GROUP E OCCUPANCIES:

Educational Group E occupancies are generally those public and private schools, used by more than six persons at any one time for educational purposes through the 12th grade. Within the City of Escondido, there lie 73 Group E occupancies, buildings, structures and/or facilities.

From January 1, 2021, to December 31, 2021, the Escondido Fire Department completed 73 annual inspections for the Group E occupancies, buildings, structures and/or facilities. This is a compliance rate of 100 percent for this reporting period.

B. RESIDENTIAL GROUP R OCCUPANCIES:

Residential Group R occupancies, for the purposes of this Resolution, are generally those occupancies containing sleeping units, and include hotels, motels, apartments (three units or more), etc., as well as other residential occupancies (including a number of residential care facilities). These residential care facilities have a number of different sub-classifications, and they may contain residents or clients that have a range of needs, including those related to custodial care, mobility impairments, cognitive disabilities, etc. The residents may also be non-ambulatory or bedridden. Within the City of Escondido, there lie 485 Group R (and their associated sub-categories) occupancies of this nature.

From January 1, 2021, to December 31, 2021, the Escondido Fire Department completed 485 annual inspection for the Group R occupancies, buildings, structures and/or facilities. This is a compliance rate of 100 percent for this reporting period.



STAFF REPORT

February 2, 2022
File Number 0490-55

SUBJECT

TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED DECEMBER 31, 2021

DEPARTMENT

City Treasurer

RECOMMENDATION

Request the City Council receive and file the Quarterly Investment Report for the quarter ended December 31, 2021.

Staff Recommendation: Receive and File (City Treasurer: Douglas Shultz)

Presenter: Douglas Schultz

FISCAL ANALYSIS

From October 1, 2021 to December 31, 2021, the City of Escondido's ("City") investment portfolio decreased from \$196.9 million to \$195.8 million. The adjusted average annual yield decreased from 0.874 percent to 0.786 percent with the portfolio duration at 2.54. An excess of cash payment outflows over cash receipt inflows for the quarter resulted in a decrease of \$1.1 million in the book value of the investment portfolio.

PREVIOUS ACTION

The Investment Report for the quarter ended September 30, 2021, was filed with the City Clerk's Office on October 25, 2021 and presented to the City Council on November 3, 2021.

BACKGROUND

The City's Investment Policy requires the City Treasurer to submit a quarterly investment report to the City Council and City Manager. The quarterly investment report should include the type of investment, issuer, date of maturity, par and dollar amount invested and market value for each security held by the City. Details of the City's investment portfolio are included in the attached reports that are listed below:

- Summary of Investment Allocation as of December 31, 2021 (Attachment "1")
- Summary of Investment Portfolio Yield for the last 12 months (Attachment "2")



CITY of ESCONDIDO

STAFF REPORT

- Schedule of Funds Managed by Outside Parties as of December 31, 2021 (Attachment “3”)
- PFM’s Investment Performance Review as of December 31, 2021 (Attachment “4”)

PFM Asset Management Firm was onboarded as the City’s Investment Advisor in May 2019. In their Investment Performance Review (Attachment “4”) you will find a Market Update, the City’s Portfolio Strategy and Performance, Issuer Distributions, Portfolio Distributions and Portfolio Holdings. The Summary of Investment Allocation (Attachment 1”) and the Summary of Investment Portfolio Yield for the last 12 months (Attachment “2”) shows the total investment portfolio including funds in LAIF, CAMP, Stone Castle, and the City’s money market account with BNY.

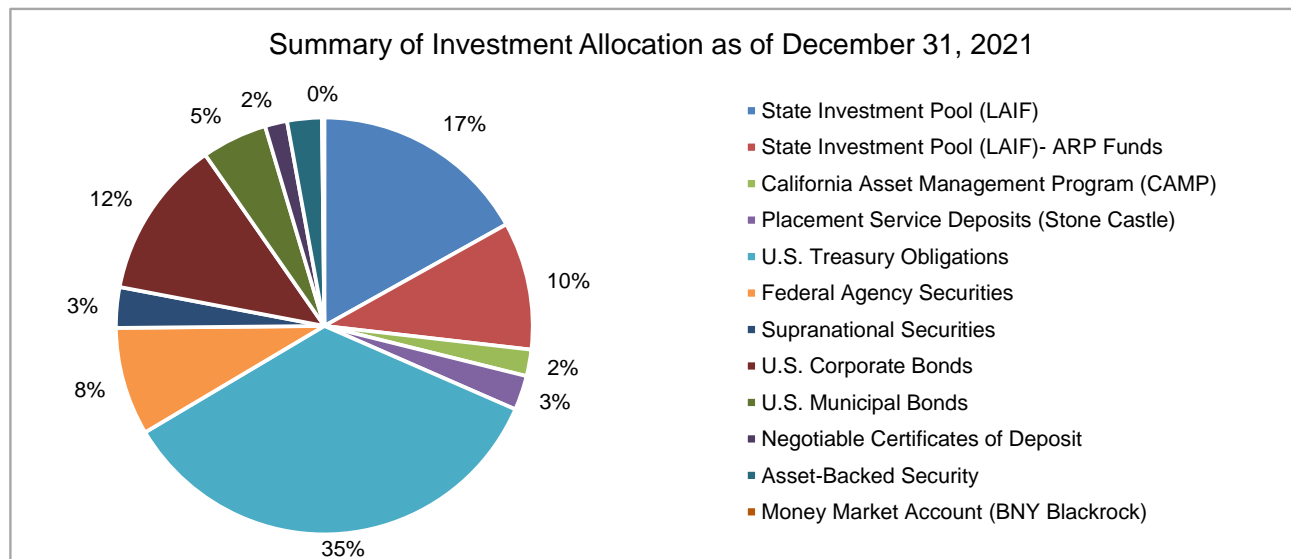
There are adequate funds to meet the next six-month’s expected expenditures. As of December 31, 2021, the City complies with all requirements of the City’s Investment Policy.

ATTACHMENTS

1. Attachment “1” – Summary of Investment Allocation as of December 31, 2021
2. Attachment “2” – Summary of Investment Portfolio Yield for the last 12 months
3. Attachment “3” – Schedule of Funds Managed by Outside Parties as of December 31, 2021
4. Attachment “4” – Investment Performance Review for the Quarter Ended December 31, 2021

**City of Escondido
Summary of Investment Allocation
as of December 31, 2021**

Investment Type	Book Value	Market Value	Percent of Portfolio at Market
State Investment Pool (LAIF)	\$ 33,056,464	\$ 33,056,464	16.90%
State Investment Pool (LAIF)- ARP Funds	19,411,704	19,411,704	9.92%
California Asset Management Program (CAMP)	4,019,093	4,019,093	2.05%
Placement Service Deposits (Stone Castle)	5,245,737	5,245,737	2.68%
U.S. Treasury Obligations	68,648,983	68,326,276	34.92%
Federal Agency Securities	16,536,218	16,387,615	8.38%
Supranational Securities	6,208,508	6,155,411	3.15%
U.S. Corporate Bonds	23,752,881	24,122,475	12.33%
U.S. Municipal Bonds	9,963,221	9,952,053	5.09%
Negotiable Certificates of Deposit	3,330,000	3,360,874	1.72%
Asset-Backed Security	5,294,424	5,261,561	2.69%
Money Market Account (BNY Blackrock)	356,137	356,137	0.18%
Total Investment Portfolio - December 2021	\$ 195,823,371	\$ 195,655,399	100%
Reported Total Investments - September 2021	\$ 196,998,026	\$ 197,029,984	
Change from Prior Quarter	\$ (1,174,655)	\$ (1,374,585)	
Portfolio Duration	2.54		



SUMMARY OF INVESTMENT PORTFOLIO YIELDS FOR THE LAST 12 MONTHS As of December 31, 2021		
<u>Date</u>	<u>Book Value</u>	<u>Yield</u>
Dec-21	\$195,823,370.83	0.755%
Nov-21	\$192,786,704.93	0.762%
Oct-21	\$196,151,361.13	0.683%
Sep-21	\$195,998,026.11	0.696%
Aug-21	\$187,820,654.45	0.727%
Jul-21	\$193,141,091.46	0.707%
Jun-21	\$206,611,764.40	0.804%
May-21	\$186,179,808.93	0.783%
Apr-21	\$181,102,353.76	0.816%
Apr-00	\$173,390,390.46	0.839%
Mar-00	\$161,685,438.66	0.916%
Jan-00	\$161,233,731.14	0.947%
Average Portfolio Interest Yields		0.786%

** Includes Assets managed by PFM, LAIF, and Stone Castle.*

CITY OF ESCONDIDO
FUNDS MANAGED BY OUTSIDE PARTIES
 As of December 31, 2021

<u>Type of Funds / Institution</u>	<u>Market Value</u>	<u>Interest Rate</u>	<u>Type of Investment</u>
<u>BOND FUNDS</u>			
BANK OF NEW YORK:			
1998-1 Rancho San Pasqual Assessment District	\$ 353,579.15	0.010%	Treasury
2012 Water Bond	0.45	0.000%	Treasury
2013 JPFA Reidy Creek Lease Revenue Bonds (2001 Refunding)	0.08	0.000%	Treasury
2013 Community Facility District - Hidden Trails (2001 Refunding)	0.20	0.000%	Treasury
2015 Community Facility District - Eureka Ranch (2006 Refunding)	114.77	0.000%	Cash/Treasury
2015A Wastewater Bond (2004A Refunding)	18.85	0.000%	Dreyfus Cash Management Fund
2015B Wastewater Bond (2004B Refunding)	6.98	0.000%	Dreyfus Cash Management Fund
2019 Water Bond	12.50	0.000%	Dreyfus Cash Management Fund
	<u>\$ 353,732.98</u>		
<u>SECTION 115 TRUST FUNDS</u>			
PUBLIC AGENCY RETIREMENT SERVICES:			
PARS Post-Employment Benefits Trust	\$27,023,050.40		Moderately Conservative HighMark PLUS
TOTAL FUNDS MANAGED BY OUTSIDE PARTIES	<u><u>\$27,376,783.38</u></u>		



City of Escondido

Investment Performance Review For the Quarter Ended December 31, 2021

Client Management Team

Sarah Meacham, Managing Director
Meredith LaBuda Sullivan, Senior Portfolio Manager
Richard Babbe, CCM, Senior Managing Consultant
Jeremy King, Key Account Manager

PFM Asset Management LLC

633 W 5th St., 25th Floor
Los Angeles, CA 90071
213-415-1699

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

Market Summary

Summary

- ▶ In Q4, U.S. economic conditions were characterized by: (1) a surge in COVID cases as the Omicron variant spread widely; (2) a sharply falling unemployment rate, rising wages, and near-record number of job openings; (3) stickier-than-expected inflation as pent-up consumer demand clashed with continued global supply chain disruptions amid a tight labor market and; (4) a pivot by the Fed to remove monetary accommodation more quickly, setting the stage for rate hikes to begin sooner than previously expected.
- ▶ The public health situation remained precarious with the emergence of the Omicron variant to COVID-19. The surge in new cases affected small businesses already challenged by labor shortages and rising prices due to supply chain challenges. The labor market continued to recover, with the unemployment rate falling to a cycle low, plentiful job opportunities and rising wages. Although the economy has largely rebounded from the pandemic-induced recession, the massive monetary and fiscal support from the Fed and Congress has triggered a multi-decade surge in inflation.
- ▶ While growth is forecast to remain above trend, the real challenge for 2022 is getting inflation down. Mounting inflationary pressures prompted accelerated tapering of bond purchases by the Fed and pulled forward expected rate hikes. Tapering is expected to be complete by mid-March followed by three rate hikes in 2022. The Fed may also let some of its \$8.7 trillion balance sheet roll off sometime later in the year.

Economic Snapshot

- ▶ U.S. real GDP growth slowed sharply in Q3 to a modest 2.3%, well below the 6.5% growth rate in the first half of 2021. The lackluster growth reflected a slowdown in consumer spending as the Delta variant dampened confidence and behavior. Personal consumption grew at just 2% compared to the previous quarter's 12%. Nevertheless, economists predict a solid rebound for Q4, with the Atlanta Fed forecasting growth of over 6%.
- ▶ The unemployment rate dropped to 3.9% in December, compared to the record low pre-pandemic level of 3.5%. In the past 50 years, unemployment has only been lower during the 22 months prior to the pandemic and for one month in 2000. Although the U.S. economy added a record 6.4 million jobs in 2021, overall employment remains below its pre-pandemic figure largely due to people dropping out of the labor force. This imbalance created a shortage of workers and kept pressure on wages as employers battle to attract and retain workers.
- ▶ Inflation was shockingly high, with the CPI reaching 7% year-over-year. Sharply higher prices for gasoline, heating oil and other energy products were most pronounced. New and used cars continued to show large price increases, but inflation became more widespread and persistent.
- ▶ Manufacturing and services activity chilled a bit with both the ISM Manufacturing and Non-Manufacturing PMI surveys pulling back at quarter end. Nonetheless, both indices remain well above the 50-point threshold indicating growth.
- ▶ Demand for homes remained exceptionally strong, but inventories are lean, leading to even higher prices. Higher prices amid higher mortgage rates will negatively affect affordability and present a headwind to further price increases. Existing home sales rose

by 1.9% to a 6.46 million-unit annual rate in November, marking the third consecutive month of increases, while unseasonably mild weather helped boost housing starts by 12%. Bolstered by near-record-low inventories and high backlogs, home builder confidence is near an all-time high.

Interest Rates

- ▶ U.S. Treasury yields generally rose in the quarter and the yield curve flattened, as short- to intermediate-term maturities increased between 30 and 40 bps, led higher by expectations for faster Fed rate hikes. Meanwhile, rate changes were more muted to modestly lower on the longer end of the curve, which reflected expectations for longer-term normalization of inflation and GDP growth. At quarter-end, the yield on a 3-month U.S. Treasury Bill stood at 0.03%, the 2-year note rose to 0.73%, the 5-year note climbed to 1.26%, the 10-year note increased to 1.51%, while the 30-year ended the quarter at 1.90%.
- ▶ As a result of yield changes over the quarter, U.S. Treasury returns were largely negative, except for the shortest and longest tenors. For example, the 3-month U.S. Treasury index returned 0.01% for the quarter and the 10-year U.S. Treasury index returned 0.75%. Meanwhile, those indexes representing the "belly" of the curve posted negative returns, with the 2-, 3-, and 5-year Treasury indices returning -0.51%, -0.85%, and -0.90%, respectively.

Sector Performance

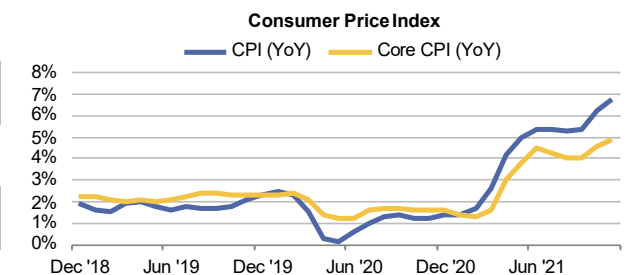
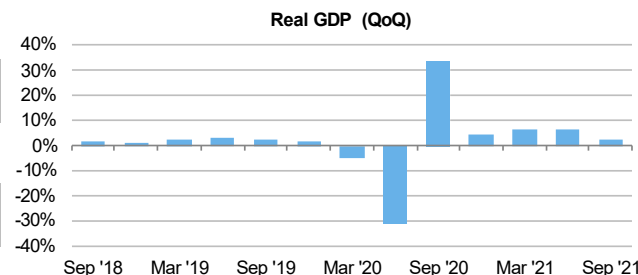
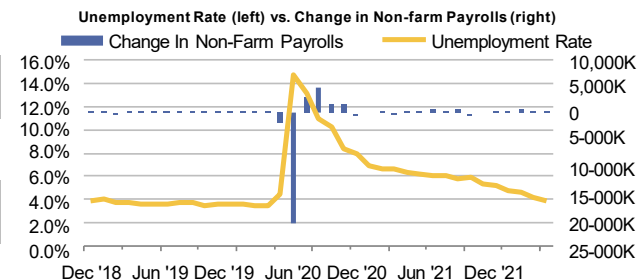
- ▶ Investment in non-government sectors was a modest detractor to portfolio performance in Q4 as yield spreads on most investment-grade (IG) fixed-income sectors widened off recent rock bottom levels. As a result, most IG spread sectors produced negative excess returns for Q4, underperforming similar-maturity Treasuries.
- ▶ Federal agencies were not immune to the broad spread widening experienced in Q4, generating slightly negative excess returns. Although callable yield spreads widened modestly over the quarter due to an uptick in volatility, spreads generally remained low. Non-callable agencies markedly outperformed their optionable counterparts.
- ▶ The taxable municipal sector was one of the best performing IG sectors during Q4, generating positive excess returns. Municipals performed well as lean supply was met with robust demand for new issues, ultimately keeping spreads in check.
- ▶ IG corporates slightly underperformed in Q4 after consistently being one of the top-performing sectors in prior quarters, as incremental spreads widened due to rising rates and the prospects for reduced monetary support from the Fed. As a result, IG corporates posted negative excess returns, with longer duration issues underperforming shorter ones. Underperformance was generally consistent across the quality ratings spectrum.
- ▶ Federal agency-backed mortgage-backed security (MBS) excess returns were generally negative across most collateral and coupon types except 15-year MBS pass-throughs. Conventional 15-year collateral generated modest outperformance, while 30-year collateral MBS and Agency CMBS underperformed. The Fed's announcement of accelerated asset purchase tapering and the looming balance sheet reduction in combination with slowing refinancing activity has weighed on the sector. It is likely to persist for at least the near term.

Economic Snapshot

Labor Market		Latest	Sep '21	Dec '20
Unemployment Rate	Dec'21	3.9%	4.7%	6.7%
Change In Non-Farm Payrolls	Dec'21	199,000	379,000	-306,000
Average Hourly Earnings (YoY)	Dec'21	4.7%	4.5%	5.5%
Personal Income (YoY)	Nov'21	7.4%	5.1%	4.8%
Initial Jobless Claims (week)	1/1/22	207,000	364,000	763,000

Growth				
Real GDP (QoQ SAAR)	2021Q3	2.3%	6.7% ¹	33.8% ²
GDP Personal Consumption (QoQ SAAR)	2021Q3	2.0%	12.0% ¹	41.4% ²
Retail Sales (YoY)	Nov '21	18.2%	14.2%	2.3%
ISM Manufacturing Survey (month)	Dec '21	58.7	61.1	60.5
Existing Home Sales SAAR (month)	Nov '21	6.46 mil.	6.29 mil.	6.65 mil.

Inflation/Prices				
Personal Consumption Expenditures (YoY)	Nov '21	5.7%	4.4%	1.3%
Consumer Price Index (YoY)	Nov '21	6.8%	5.4%	1.4%
Consumer Price Index Core (YoY)	Nov '21	4.9%	4.0%	1.6%
Crude Oil Futures (WTI, per barrel)	Dec 31	\$75.21	\$75.03	\$48.52
Gold Futures (oz.)	Dec 31	\$1,829	\$1,755	\$1,895



1. Data as of Second Quarter 2021.

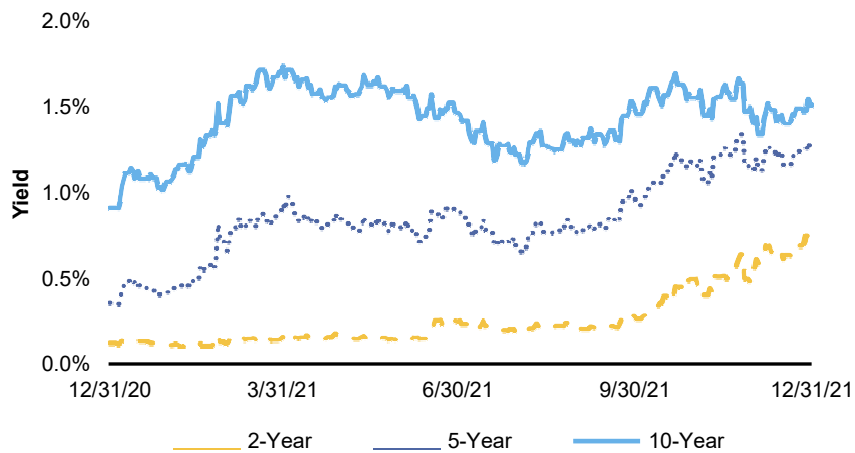
2. Data as of Third Quarter 2020.

Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

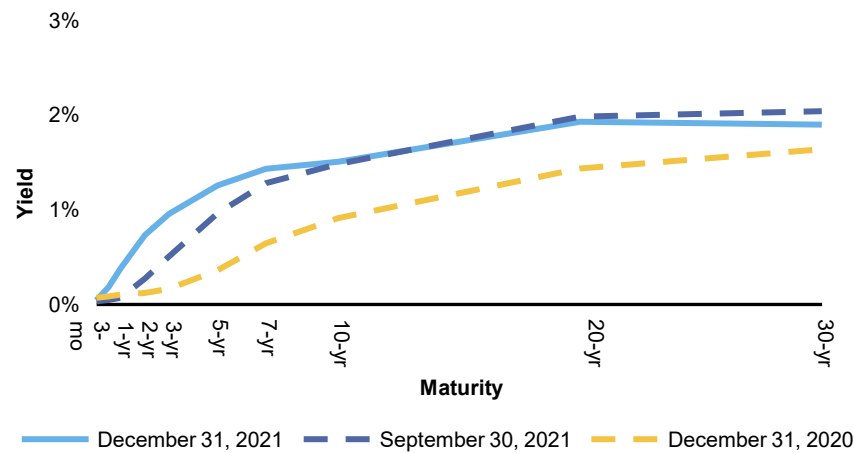
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



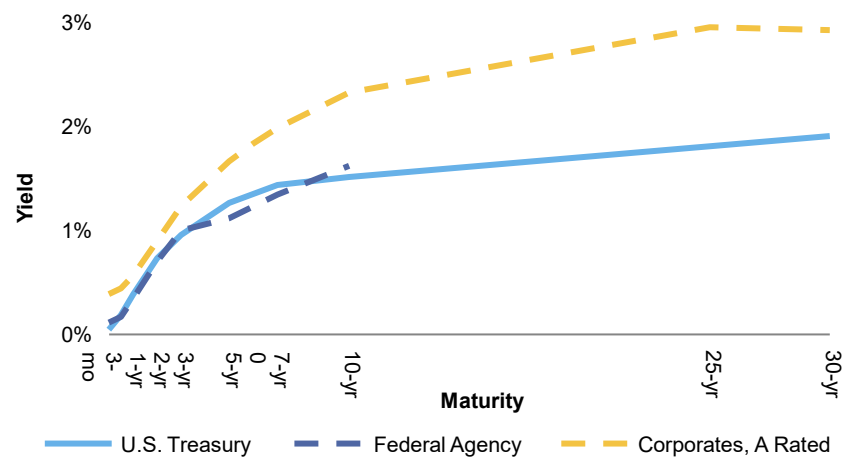
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Dec '21	Sep '21	Change over Quarter	Dec '20	Change over Year
3-Month	0.04%	0.04%	0.00%	0.07%	(0.03%)
1-Year	0.38%	0.07%	0.31%	0.11%	0.27%
2-Year	0.73%	0.28%	0.45%	0.12%	0.61%
5-Year	1.26%	0.97%	0.29%	0.36%	0.90%
10-Year	1.51%	1.49%	0.02%	0.92%	0.59%
30-Year	1.90%	2.05%	(0.15%)	1.65%	0.25%

Yield Curves as of 12/31/2021



Source: Bloomberg.

ICE BofAML Index Returns

December 31, 2021	As of 12/31/2021		Returns for Periods ended 12/31/2021		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.88	0.70%	(0.53%)	(0.55%)	2.01%
Federal Agency	1.78	0.68%	(0.49%)	(0.43%)	1.89%
U.S. Corporates, A-AAA rated	1.83	1.04%	(0.57%)	(0.24%)	2.88%
Agency MBS (0 to 3 years)	1.87	0.78%	(0.63%)	(2.66%)	2.49%
Taxable Municipals	1.51	0.94%	(0.47%)	2.02%	3.58%
1-5 Year Indices					
U.S. Treasury	2.64	0.87%	(0.68%)	(1.10%)	2.42%
Federal Agency	2.39	0.84%	(0.70%)	(0.86%)	2.07%
U.S. Corporates, A-AAA rated	2.75	1.30%	(0.69%)	(0.64%)	3.65%
Agency MBS (0 to 5 years)	2.87	1.64%	(0.75%)	(1.56%)	2.59%
Taxable Municipals	2.52	1.17%	(0.67%)	0.46%	3.34%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	7.37	1.24%	0.35%	(2.38%)	4.16%
Federal Agency	3.99	1.08%	(0.37%)	(1.15%)	3.43%
U.S. Corporates, A-AAA rated	8.47	2.09%	0.20%	(1.73%)	6.71%
Agency MBS (0 to 30 years)	3.82	1.85%	(0.42%)	(1.21%)	3.08%
Taxable Municipals	11.18	2.55%	0.64%	1.41%	8.83%

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

Disclosures

PFM Asset Management LLC ("PFMAM") is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM.

The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability. The information contained in this report is not an offer to purchase or sell any securities.

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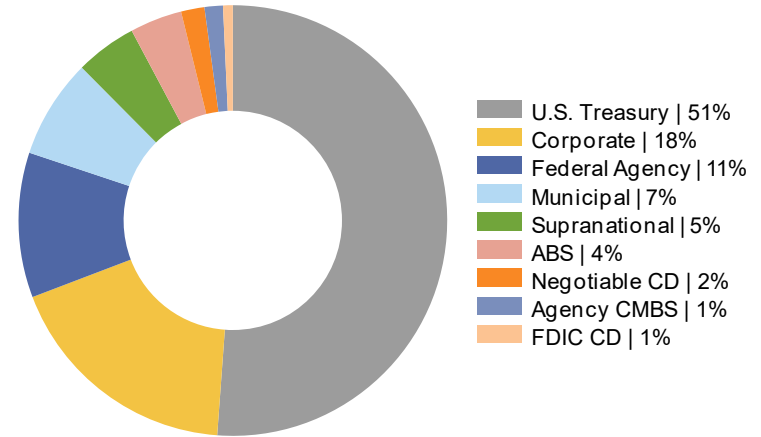
Account Summary

Consolidated Summary

Account Summary¹

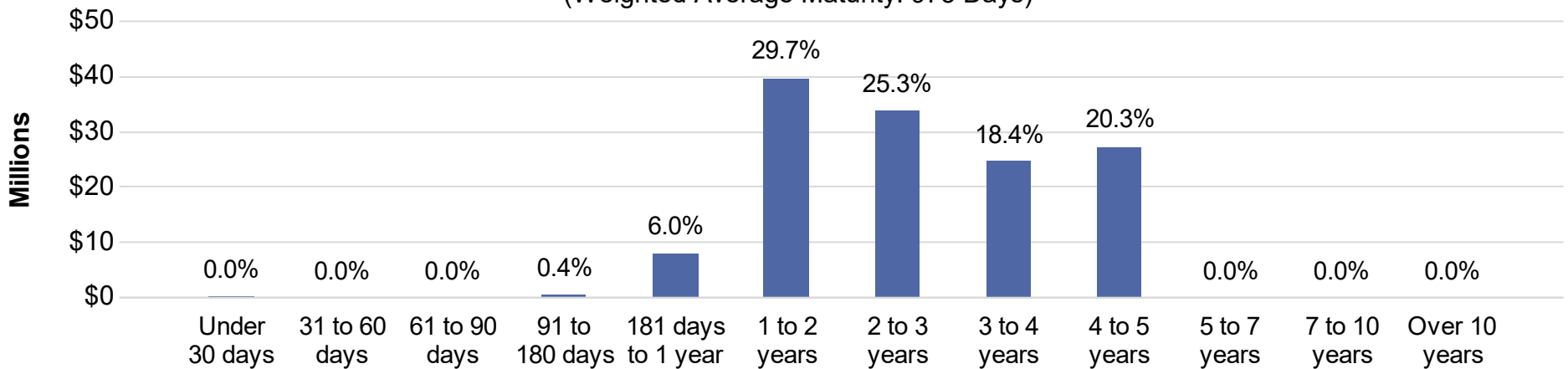
PFM Managed Account	\$133,566,263
<hr/>	
Total Program	\$133,566,263

Sector Allocation



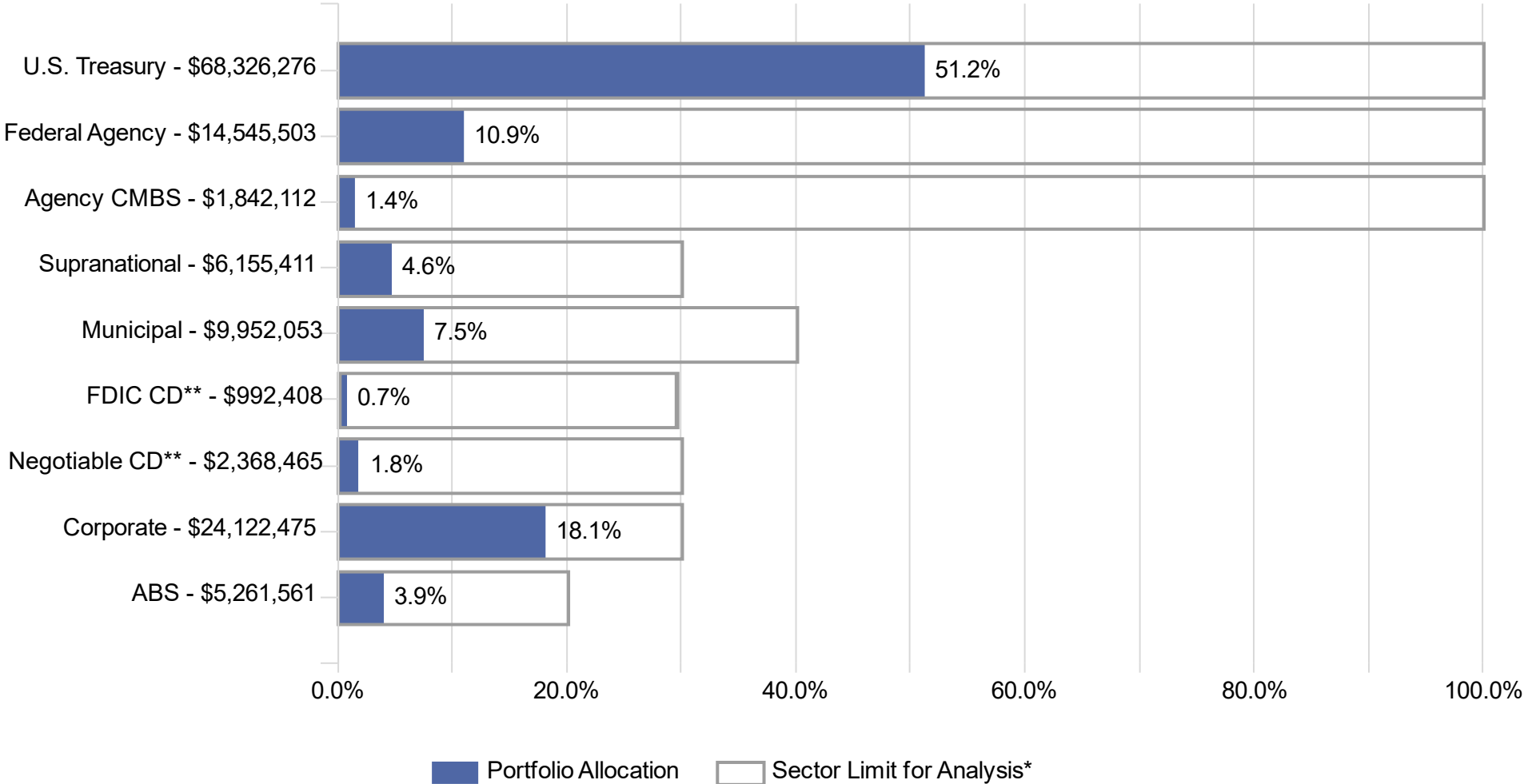
Maturity Distribution

(Weighted Average Maturity: 975 Days)



1. Market values exclude accrued interest, as of December 31, 2021.

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance.
 *Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided
 ** The aggregate limit for certificates of deposits is 30%.

Certificate of Compliance

During the reporting period for the quarter ended December 31, 2021, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

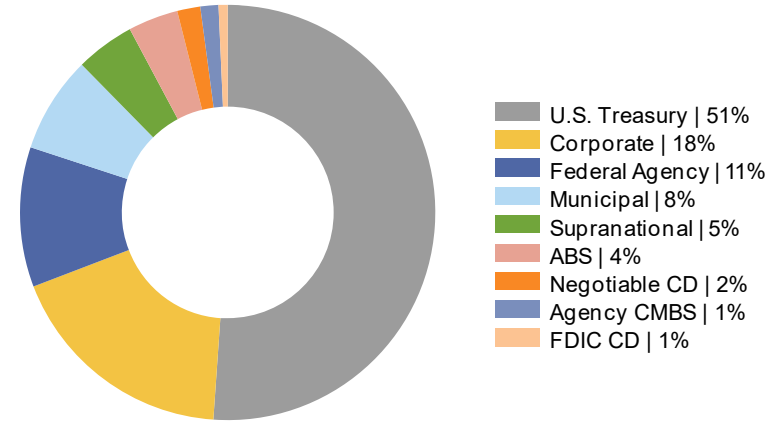
Portfolio Review

Portfolio Snapshot

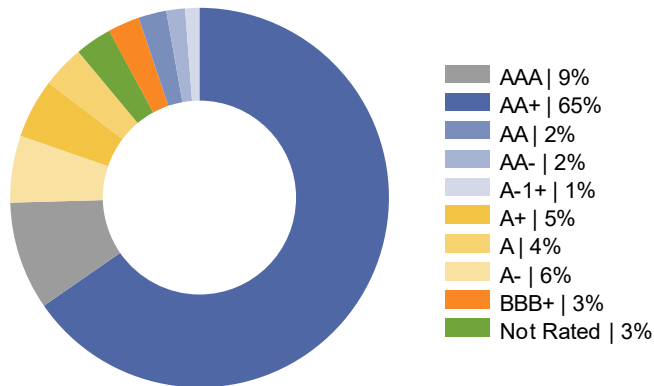
Portfolio Statistics

Total Market Value	\$134,342,362.00
Portfolio Effective Duration	2.54 years
Benchmark Effective Duration	2.58 years
Yield At Cost	1.02%
Yield At Market	0.93%
Portfolio Credit Quality	AA

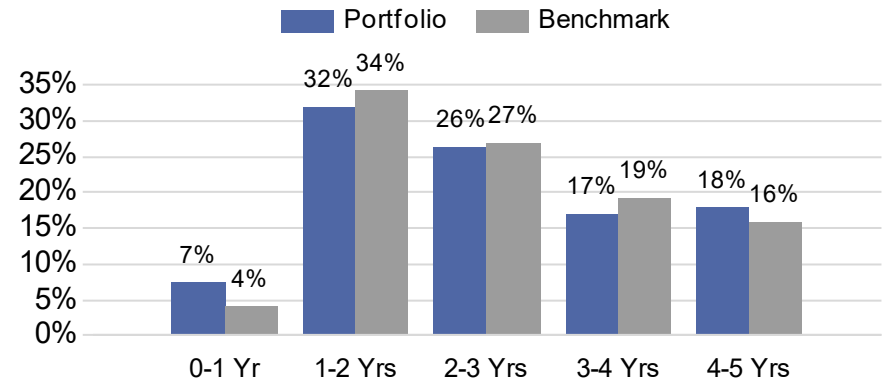
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. The portfolio's benchmark is the ICE BofAML 1-5 Year U.S. Treasury Index. Source: Bloomberg.
 An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	51.2%	
UNITED STATES TREASURY	51.2%	AA / Aaa / AAA
Federal Agency	10.9%	
FANNIE MAE	6.2%	AA / Aaa / AAA
FEDERAL HOME LOAN BANKS	1.7%	AA / Aaa / NR
FREDDIE MAC	2.9%	AA / Aaa / AAA
Agency CMBS	1.4%	
FANNIE MAE	0.5%	AA / Aaa / AAA
FREDDIE MAC	0.9%	AA / Aaa / AAA
Supranational	4.6%	
INTER-AMERICAN DEVELOPMENT BANK	2.1%	AAA / Aaa / AAA
INTL BANK OF RECONSTRUCTION AND DEV	2.5%	AAA / Aaa / AAA
Municipal	7.5%	
CITY & COUNTY OF SAN FRANCISCO	0.6%	NR / NR / AA
FLORIDA STATE BOARD OF ADMIN FIN CORP	0.5%	AA / Aa / AA
LONG BEACH COMMUNITY COLLEGE DISTRICT	0.3%	AA / Aa / NR
LOS ANGELES COMMUNITY COLLEGE DISTRICT	0.3%	AA / Aaa / NR
LOS ANGELES UNIFIED SCHOOL DISTRICT	0.2%	NR / Aa / AA
NEW YORK ST URBAN DEVELOPMENT CORP	0.7%	AA / NR / AA
PALOMAR COMMUNITY COLLEGE DISTRICT	0.3%	AA / Aa / NR
SAN DIEGO COMMUNITY COLLEGE DISTRICT	0.2%	AAA / Aaa / NR
SAN DIEGO COUNTY WATER AUTHORITY	0.4%	AAA / Aa / AA
SAN JUAN UNIFIED SCHOOL DISTRICT	0.3%	NR / Aa / NR
SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT	0.3%	AA / Aa / NR
STATE OF CONNECTICUT	1.0%	A / Aa / AA
STATE OF MARYLAND	0.3%	AAA / Aaa / AAA

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Municipal	7.5%	
STATE OF MINNESOTA	0.2%	AAA / Aa / AAA
STATE OF MISSISSIPPI	0.1%	AA / Aa / AA
STATE OF WISCONSIN	0.5%	AAA / NR / AA
TAMALPAIS UNION HIGH SCHOOL DISTRICT	0.5%	NR / Aaa / NR
UNIVERSITY OF CALIFORNIA	0.3%	AA / Aa / AA
VENTURA COUNTY COMM COLLEGE DISTRICT	0.6%	AA / Aa / NR
FDIC CD	0.7%	
BENEFICIAL BANK	0.2%	NR / NR / NR
CAPITAL ONE FINANCIAL CORP	0.2%	NR / NR / NR
FOCUS BANK	0.2%	NR / NR / NR
GOLDMAN SACHS GROUP INC	0.2%	NR / NR / NR
Negotiable CD	1.8%	
CREDIT SUISSE GROUP RK	0.5%	A / A / A
DNB ASA	0.5%	AA / Aa / NR
NORDEA BANK ABP	0.8%	AA / Aa / AA
Corporate	18.1%	
ABBOTT LABORATORIES	0.6%	A / A / NR
ADOBE INC	0.1%	A / A / NR
AMAZON.COM INC	0.9%	AA / A / AA
AMERICAN EXPRESS CO	0.6%	BBB / A / A
AMERICAN HONDA FINANCE	0.7%	A / A / A
ASTRAZENECA PLC	0.5%	A / A / NR
BANK OF AMERICA CO	1.1%	A / A / AA
BLACKROCK INC	1.1%	AA / Aa / NR
BMW FINANCIAL SERVICES NA LLC	0.6%	A / A / NR
BRISTOL-MYERS SQUIBB CO	0.4%	A / A / NR

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Excludes balances invested in money market funds.

Issuer Diversification

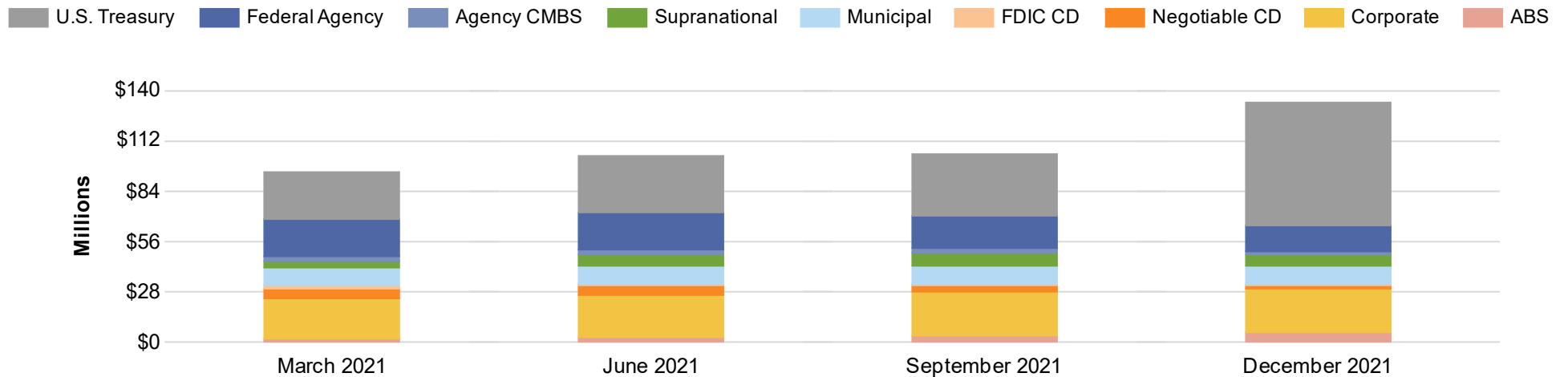
Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	18.1%	
CATERPILLAR INC	0.6%	A / A / A
CHARLES SCHWAB	0.6%	A / A / A
CHEVRON CORPORATION	0.5%	AA / Aa / NR
CITIGROUP INC	0.4%	BBB / A / A
COMCAST CORP	0.5%	A / A / A
DEERE & COMPANY	0.6%	A / A / A
GENERAL DYNAMICS CORP	0.6%	A / A / NR
GOLDMAN SACHS GROUP INC	0.5%	BBB / A / A
JP MORGAN CHASE & CO	1.0%	A / A / AA
LOCKHEED MARTIN CORP	0.2%	A / A / A
MORGAN STANLEY	0.6%	BBB / A / A
PACCAR FINANCIAL CORP	0.3%	A / A / NR
PNC FINANCIAL SERVICES GROUP	0.5%	A / A / A
THE BANK OF NEW YORK MELLON CORPORATION	1.1%	A / A / AA
THE WALT DISNEY CORPORATION	0.6%	BBB / A / A
TOYOTA MOTOR CORP	0.8%	A / A / A
TRUIST FIN CORP	0.6%	A / A / A
UNILEVER PLC	0.1%	A / A / A
UNITEDHEALTH GROUP INC	0.5%	A / A / A
US BANCORP	0.7%	A / A / A
ABS	3.9%	
BMW FINANCIAL SERVICES NA LLC	0.1%	AAA / Aaa / NR
CAPITAL ONE FINANCIAL CORP	0.5%	AAA / NR / AAA
CARMAX AUTO OWNER TRUST	0.9%	AAA / Aaa / AAA
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	0.2%	NR / Aaa / AAA

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
ABS	3.9%	
GM FINANCIAL LEASINGTRUST	0.2%	AAA / NR / AAA
HONDA AUTO RECEIVABLES	0.4%	AAA / Aaa / AAA
HYUNDAI AUTO LEASE SECURITIZATION TRUST	0.1%	AAA / Aaa / NR
HYUNDAI AUTO RECEIVABLES	0.2%	AAA / NR / AAA
KUBOTA CREDIT OWNER TRUST	0.4%	NR / Aaa / AAA
MERCEDES-BENZ AUTO LEASE TRUST	0.1%	AAA / NR / AAA
NISSAN AUTO LEASE TRUST	0.2%	AAA / Aaa / NR
Toyota Lease Owner Trust	0.2%	AAA / Aaa / NR
TOYOTA MOTOR CORP	0.2%	AAA / Aaa / NR
WORLD OMNI AUTO REC TRUST	0.3%	AAA / NR / AAA
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Excludes balances invested in money market funds.

Sector Allocation Review

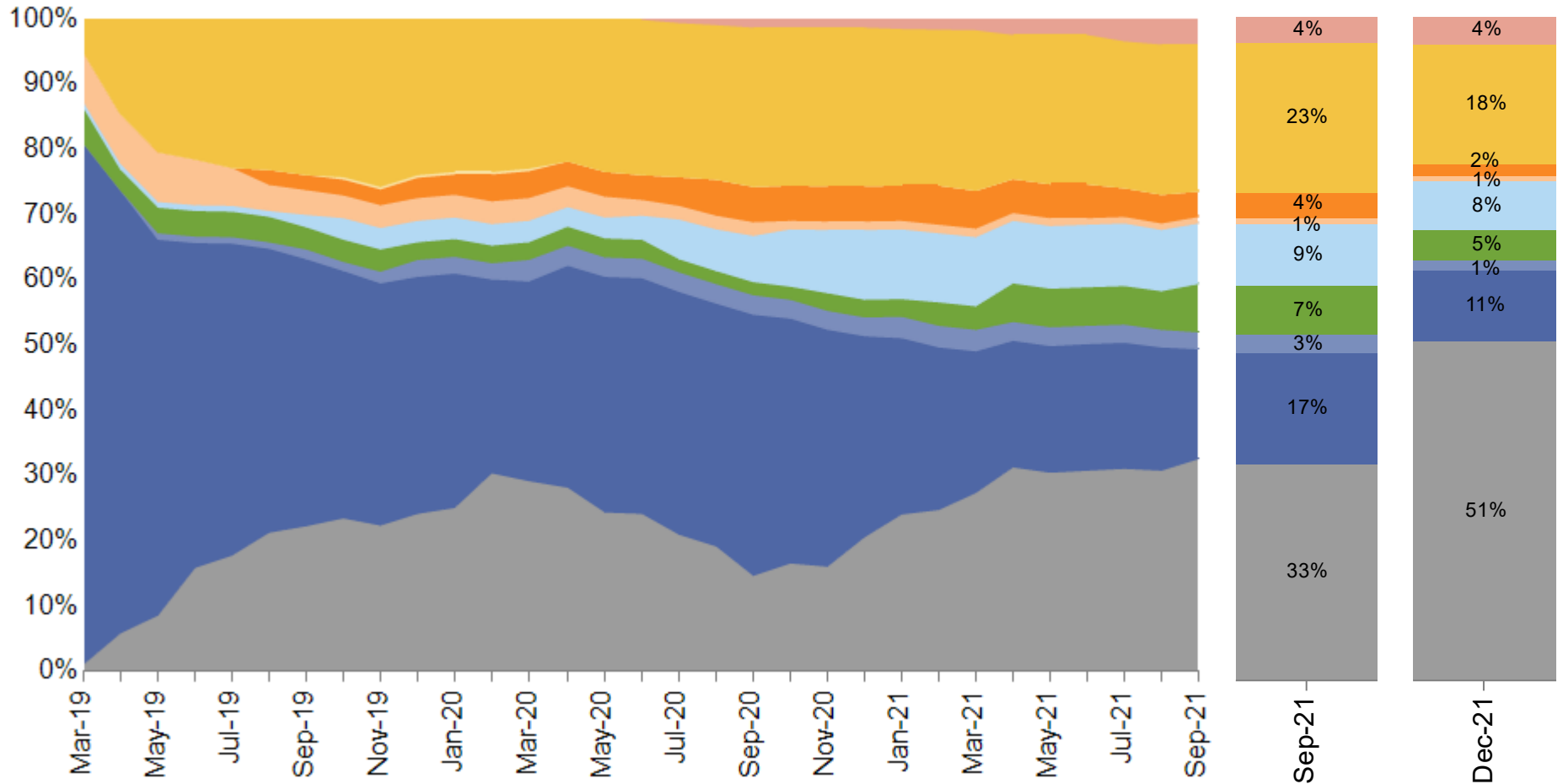
Security Type	Mar-21	% of Total	Jun-21	% of Total	Sep-21	% of Total	Dec-21	% of Total
U.S. Treasury	\$26.0	27.5%	\$32.2	30.9%	\$34.3	32.7%	\$68.3	51.1%
Federal Agency	\$20.5	21.7%	\$20.3	19.4%	\$17.5	16.8%	\$14.5	10.9%
Agency CMBS	\$3.1	3.3%	\$2.9	2.8%	\$2.7	2.6%	\$1.8	1.4%
Supranational	\$3.4	3.6%	\$6.2	5.9%	\$7.7	7.4%	\$6.2	4.6%
Municipal	\$10.0	10.6%	\$10.0	9.6%	\$9.8	9.3%	\$10.0	7.5%
FDIC CD	\$1.3	1.3%	\$1.0	1.0%	\$1.0	1.0%	\$1.0	0.7%
Negotiable CD	\$5.5	5.8%	\$5.4	5.2%	\$4.0	3.9%	\$2.4	1.8%
Corporate	\$23.2	24.6%	\$23.8	22.9%	\$23.6	22.5%	\$24.1	18.1%
ABS	\$1.5	1.6%	\$2.4	2.3%	\$3.9	3.8%	\$5.3	3.9%
Total	\$94.5	100.0%	\$104.3	100.0%	\$104.5	100.0%	\$133.6	100.0%



Market values, excluding accrued interest. Only includes investments held within the separately managed account(s). Detail may not add to total due to rounding.

Historical Sector Allocation

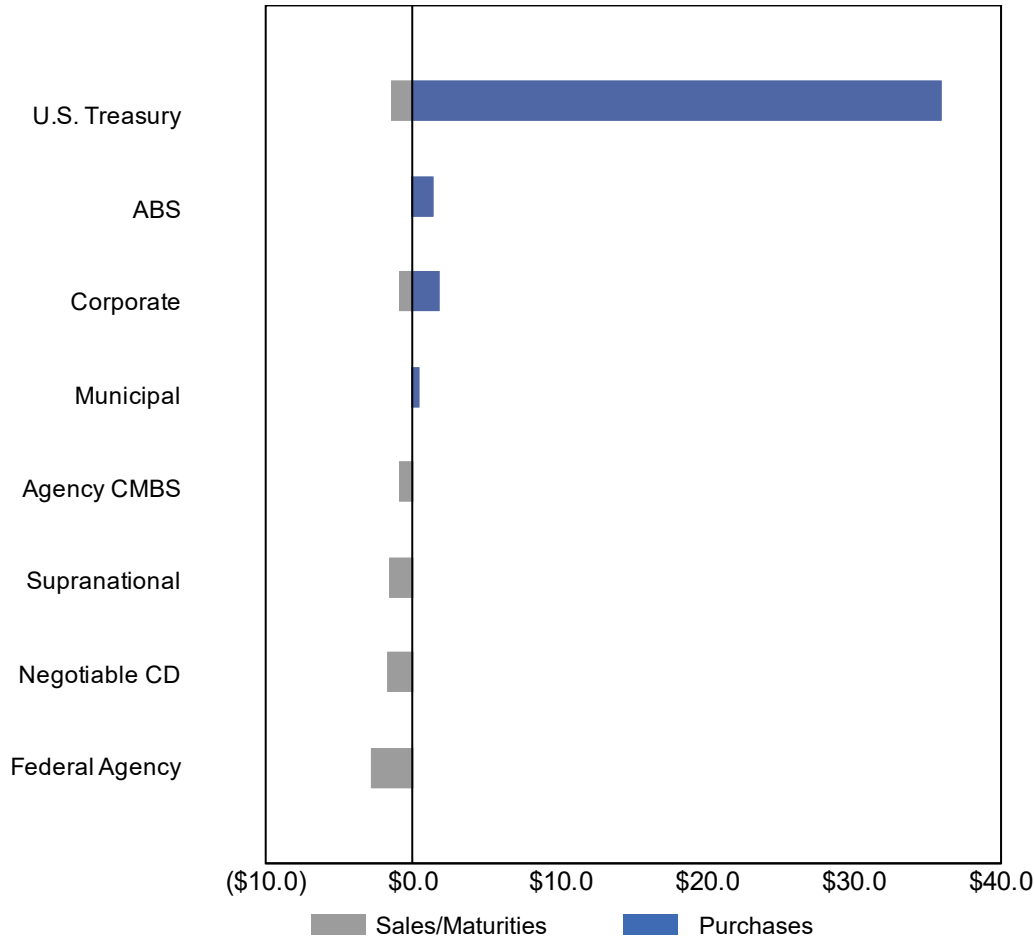
U.S. Treasury
 Agency CMBS
 Municipal
 FDIC CD
 Negotiable CD
 Commercial Paper
 Corporate
 ABS
 Federal Agency
 Supranational



Only includes investments held within the separately managed account(s).

Portfolio Activity

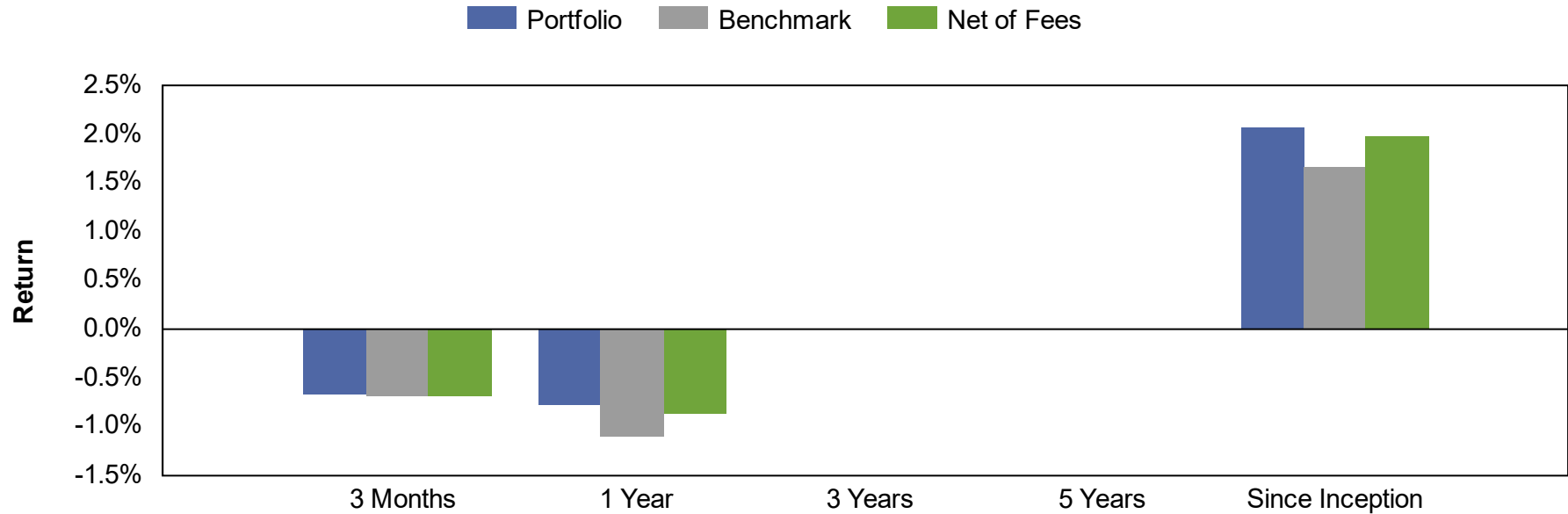
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$34,568,708
ABS	\$1,349,794
Corporate	\$836,314
Municipal	\$310,000
Agency CMBS	(\$822,822)
Supranational	(\$1,478,101)
Negotiable CD	(\$1,654,931)
Federal Agency	(\$2,839,211)
Total Net Activity	\$30,269,750

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Portfolio Performance



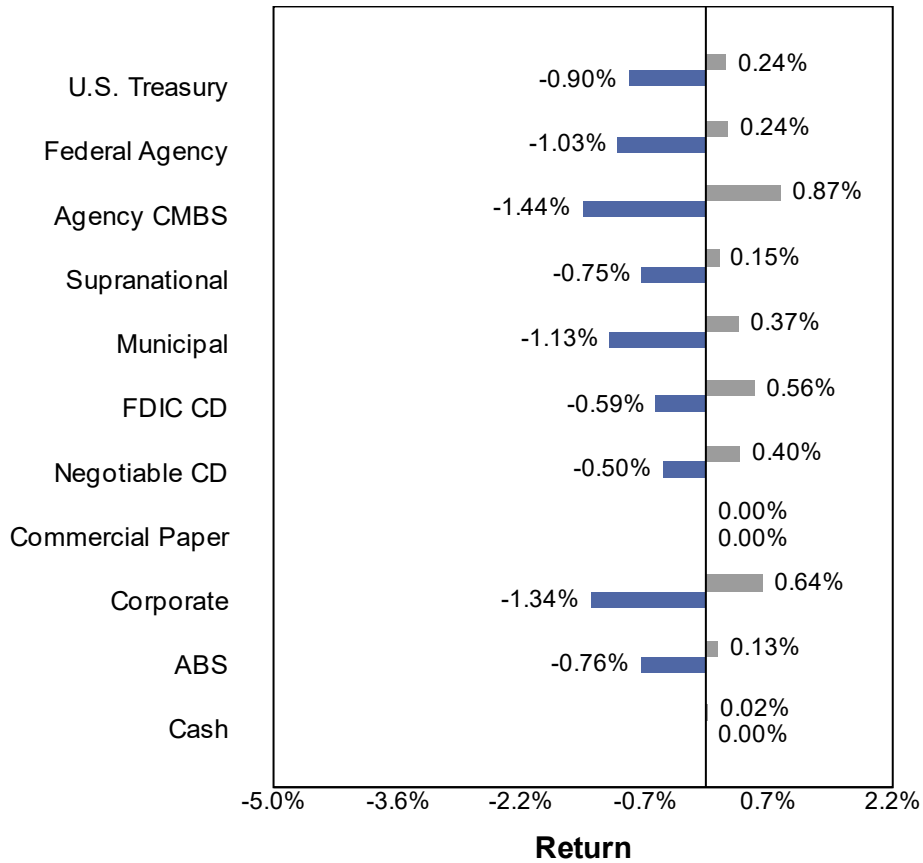
Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$409,686	\$1,575,005	-	-	\$4,284,149
Change in Market Value	(\$1,222,536)	(\$2,492,116)	-	-	\$18,093
Total Dollar Return	(\$812,850)	(\$917,111)	-	-	\$4,302,242
Total Return³					
Portfolio	-0.66%	-0.78%	-	-	2.06%
Benchmark ⁴	-0.68%	-1.10%	-	-	1.67%
Basis Point Fee	0.02%	0.08%	-	-	0.08%
Net of Fee Return	-0.68%	-0.86%	-	-	1.98%

1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is June 30, 2019.
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
 3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.
 4. The portfolio's benchmark is the ICE BofAML 1-5 Year U.S. Treasury Index. Source: Bloomberg.

Quarterly Sector Performance

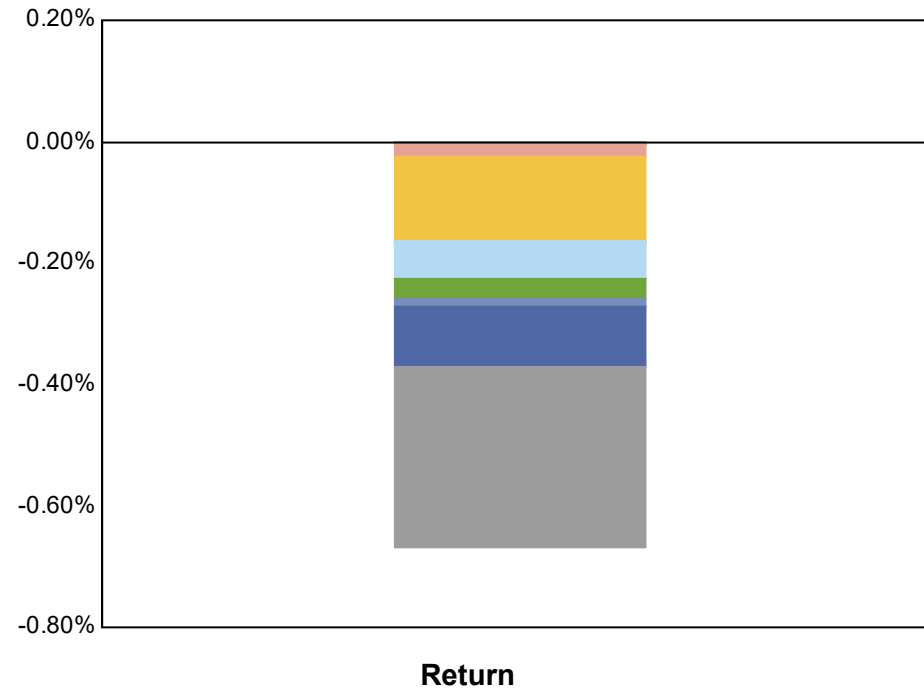
Total Return by Sector

Price Returns Income Returns



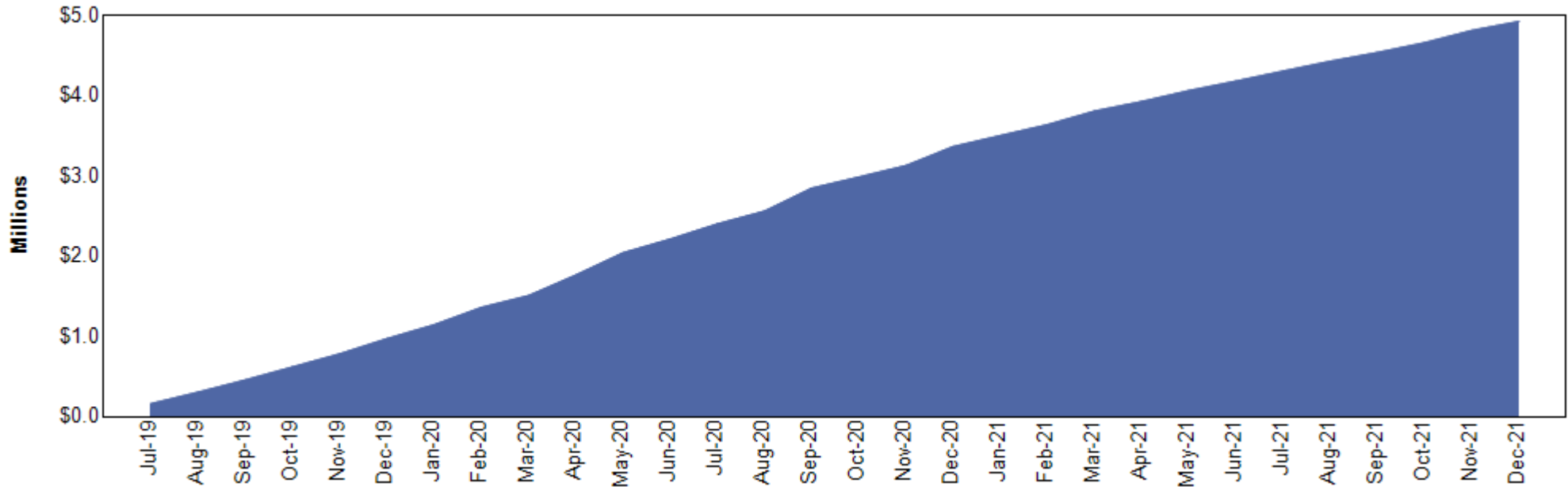
Contribution to Total Return

U.S. Treasury | -0.30% Negotiable CD | <-0.01%
 Federal Agency | -0.10% Commercial Paper | <0.01%
 Agency CMBS | -0.01% Corporate | -0.14%
 Supranational | -0.03% ABS | -0.02%
 Municipal | -0.06% Cash | <0.01%
 FDIC CD | <-0.01%



1. Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Income returns calculated as interest earned on investments during the period.
3. Price returns calculated as the change in market value of each security for the period.
4. Returns are presented on a periodic basis.

Accrual Basis Earnings



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception
Interest Earned	\$409,686	\$1,575,005	-	-	\$4,284,149
Realized Gains / (Losses)	\$71,017	\$333,021	-	-	\$1,333,109
Change in Amortized Cost	(\$93,623)	(\$347,520)	-	-	(\$692,050)
Total Earnings	\$387,079	\$1,560,506	-	-	\$4,925,208

1. The lesser of 10 years or since inception is shown. Performance inception date is June 30, 2019.
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
3. Realized gains / (losses) are shown on an amortized cost basis.

Issuer Distribution

**Issuer Distribution
As of December 31, 2021**

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	68,326,276	51.15%
FANNIE MAE	8,960,259	6.71%
FREDDIE MAC	5,113,755	3.83%
INTL BANK OF RECONSTRUCTION AND DEV	3,393,293	2.54%
INTER-AMERICAN DEVELOPMENT BANK	2,762,117	2.07%
FEDERAL HOME LOAN BANKS	2,313,601	1.73%
BLACKROCK INC	1,498,060	1.12%
BANK OF AMERICA CO	1,481,851	1.11%
THE BANK OF NEW YORK MELLON CORPORATION	1,460,859	1.09%
TOYOTA MOTOR CORP	1,406,535	1.05%
JP MORGAN CHASE & CO	1,337,301	1.00%
STATE OF CONNECTICUT	1,290,663	0.97%
CARMAX AUTO OWNER TRUST	1,226,677	0.92%
AMAZON.COM INC	1,192,342	0.89%
NORDEA BANK ABP	1,009,595	0.76%
BMW FINANCIAL SERVICES NA LLC	989,451	0.74%
AMERICAN HONDA FINANCE	985,974	0.74%
CAPITAL ONE FINANCIAL CORP	959,239	0.72%
NEW YORK ST URBAN DEVELOPMENT CORP	931,959	0.70%
GOLDMAN SACHS GROUP INC	882,916	0.66%
US BANCORP	872,368	0.65%
ABBOTT LABORATORIES	861,364	0.64%
THE WALT DISNEY CORPORATION	858,828	0.64%
CHARLES SCHWAB	856,893	0.64%

CITY OF ESCONDIDO

Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
DEERE & COMPANY	855,951	0.64%
VENTURA COUNTY COMM COLLEGE DISTRICT	853,413	0.64%
TRUIST FIN CORP	840,855	0.63%
AMERICAN EXPRESS CO	833,552	0.62%
CATERPILLAR INC	831,239	0.62%
MORGAN STANLEY	789,278	0.59%
GENERAL DYNAMICS CORP	748,240	0.56%
CITY & COUNTY OF SAN FRANCISCO	739,424	0.55%
CREDIT SUISSE GROUP RK	714,841	0.54%
FLORIDA STATE BOARD OF ADMIN FIN CORP	702,124	0.53%
ASTRAZENECA PLC	691,081	0.52%
COMCAST CORP	674,882	0.51%
UNITEDHEALTH GROUP INC	655,602	0.49%
DNB ASA	644,029	0.48%
STATE OF WISCONSIN	635,315	0.48%
CHEVRON CORPORATION	629,300	0.47%
TAMALPAIS UNION HIGH SCHOOL DISTRICT	628,770	0.47%
PNC FINANCIAL SERVICES GROUP	615,298	0.46%
BRISTOL-MYERS SQUIBB CO	587,043	0.44%
HONDA AUTO RECEIVABLES	585,954	0.44%
CITIGROUP INC	520,256	0.39%
KUBOTA CREDIT OWNER TRUST	518,068	0.39%
SAN DIEGO COUNTY WATER AUTHORITY	473,707	0.35%
PALOMAR COMMUNITY COLLEGE DISTRICT	435,816	0.33%
SAN JUAN UNIFIED SCHOOL DISTRICT	411,572	0.31%
LOS ANGELES COMMUNITY COLLEGE DISTRICT	402,870	0.30%
SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT	397,046	0.30%

CITY OF ESCONDIDO

Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
STATE OF MARYLAND	372,176	0.28%
UNIVERSITY OF CALIFORNIA	371,153	0.28%
PACCAR FINANCIAL CORP	360,382	0.27%
LONG BEACH COMMUNITY COLLEGE DISTRICT	355,548	0.27%
WORLD OMNI AUTO REC TRUST	348,018	0.26%
LOS ANGELES UNIFIED SCHOOL DISTRICT	309,230	0.23%
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	299,296	0.22%
STATE OF MINNESOTA	271,054	0.20%
SAN DIEGO COMMUNITY COLLEGE DISTRICT	251,586	0.19%
FOCUS BANK	249,142	0.19%
BENEFICIAL BANK	248,603	0.19%
LOCKHEED MARTIN CORP	245,862	0.18%
TOYOTA LEASE OWNER TRUST	233,881	0.18%
GM FINANCIAL LEASINGTRUST	222,047	0.17%
NISSAN AUTO LEASE TRUST	220,013	0.16%
HYUNDAI AUTO RECEIVABLES	217,843	0.16%
UNILEVER PLC	158,963	0.12%
HYUNDAI AUTO LEASE SECURITIZATION TRUST	139,266	0.10%
STATE OF MISSISSIPPI	118,628	0.09%
ADOBE INC	96,047	0.07%
MERCEDES-BENZ AUTO LEASE TRUST	89,822	0.07%
Grand Total	133,566,263	100.00%

Portfolio Holdings

CITY OF ESCONDIDO

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
U.S. Treasury										
US TREASURY NOTES DTD 10/31/2017 2.000% 10/31/2022	9128283C2	250,000.00	AA+	Aaa	8/30/2019	9/6/2019	254,238.28	1.45	856.35	253,359.38
US TREASURY NOTES DTD 11/30/2020 0.125% 11/30/2022	91282CAX9	4,000,000.00	AA+	Aaa	12/2/2020	12/4/2020	3,996,875.00	0.16	439.56	3,990,624.80
US TREASURY NOTES DTD 11/30/2020 0.125% 11/30/2022	91282CAX9	250,000.00	AA+	Aaa	12/4/2020	12/4/2020	249,853.52	0.15	27.47	249,414.05
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	195,000.00	AA+	Aaa	1/29/2021	2/2/2021	202,464.84	0.12	11.45	198,260.16
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	235,000.00	AA+	Aaa	10/28/2020	10/30/2020	245,024.22	0.15	13.79	238,928.92
US TREASURY NOTES DTD 04/02/2018 2.500% 03/31/2023	9128284D9	50,000.00	AA+	Aaa	1/16/2020	1/21/2020	51,427.73	1.58	319.37	51,226.56
US TREASURY NOTES DTD 05/02/2016 1.625% 04/30/2023	912828R28	4,800,000.00	AA+	Aaa	11/10/2021	11/12/2021	4,890,187.50	0.34	13,359.12	4,869,000.00
US TREASURY NOTES DTD 04/30/2018 2.750% 04/30/2023	9128284L1	100,000.00	AA+	Aaa	6/3/2019	6/5/2019	103,304.69	1.87	470.99	102,921.88
US TREASURY NOTES DTD 05/15/2020 0.125% 05/15/2023	912828ZP8	2,285,000.00	AA+	Aaa	1/4/2021	1/6/2021	2,284,732.23	0.13	370.84	2,271,789.96
US TREASURY NOTES DTD 06/30/2016 1.375% 06/30/2023	912828S35	775,000.00	AA+	Aaa	5/8/2019	5/9/2019	747,511.72	2.28	29.44	784,082.07
US TREASURY NOTES DTD 07/31/2018 2.750% 07/31/2023	912828Y61	145,000.00	AA+	Aaa	9/3/2019	9/5/2019	152,657.81	1.36	1,668.68	149,848.44
US TREASURY N/B NOTES DTD 07/31/2021 0.125% 07/31/2023	91282CCN9	240,000.00	AA+	Aaa	8/5/2021	8/9/2021	239,634.38	0.20	125.54	238,087.49
US TREASURY N/B NOTES DTD 08/31/2021 0.125% 08/31/2023	91282CCU3	900,000.00	AA+	Aaa	9/1/2021	9/3/2021	898,558.59	0.21	382.25	891,984.42
US TREASURY NOTES DTD 10/01/2018 2.875% 09/30/2023	9128285D8	5,000,000.00	AA+	Aaa	11/10/2021	11/12/2021	5,224,609.38	0.47	36,727.34	5,190,625.00
US TREASURY NOTES DTD 09/30/2021 0.250% 09/30/2023	91282CDA6	800,000.00	AA+	Aaa	10/1/2021	10/6/2021	799,718.75	0.27	510.99	794,375.04

CITY OF ESCONDIDO

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
U.S. Treasury										
US TREASURY N/B NOTES DTD 10/31/2021 0.375% 10/31/2023	91282CDD0	2,350,000.00	AA+	Aaa	11/1/2021	11/3/2021	2,343,390.63	0.52	1,509.32	2,336,781.25
US TREASURY NOTES DTD 01/31/2017 2.250% 01/31/2024	912828V80	600,000.00	AA+	Aaa	5/8/2019	5/9/2019	598,851.56	2.29	5,649.46	618,375.00
US TREASURY NOTES DTD 02/28/2017 2.125% 02/29/2024	912828W48	95,000.00	AA+	Aaa	4/29/2019	5/1/2019	94,157.62	2.32	685.93	97,731.25
US TREASURY NOTES DTD 03/31/2017 2.125% 03/31/2024	912828W71	2,650,000.00	AA+	Aaa	4/15/2021	4/16/2021	2,789,539.06	0.33	14,387.53	2,727,015.63
US TREASURY N/B NOTES DTD 04/15/2021 0.375% 04/15/2024	91282CBV2	5,000,000.00	AA+	Aaa	11/10/2021	11/12/2021	4,964,843.75	0.67	4,017.86	4,949,219.00
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,225,000.00	AA+	Aaa	7/1/2019	7/3/2019	1,238,159.18	1.77	67.68	1,258,878.85
US TREASURY NOTES DTD 07/31/2019 1.750% 07/31/2024	912828Y87	740,000.00	AA+	Aaa	12/2/2019	12/4/2019	742,572.66	1.67	5,419.29	756,534.41
US TREASURY NOTES DTD 08/15/2014 2.375% 08/15/2024	912828D56	575,000.00	AA+	Aaa	10/25/2019	10/28/2019	595,282.23	1.61	5,158.20	596,921.88
US TREASURY NOTES DTD 10/02/2017 2.125% 09/30/2024	912828Y5	795,000.00	AA+	Aaa	12/2/2019	12/4/2019	811,334.77	1.68	4,316.26	820,837.50
US TREASURY NOTES DTD 10/31/2019 1.500% 10/31/2024	912828YM6	635,000.00	AA+	Aaa	2/4/2021	2/5/2021	663,773.44	0.28	1,631.35	644,921.88
US TREASURY N/B NOTES DTD 11/15/2021 0.750% 11/15/2024	91282CDH1	5,000,000.00	AA+	Aaa	11/10/2021	11/15/2021	4,991,406.25	0.81	4,868.78	4,972,656.00
US TREASURY NOTES DTD 11/30/2017 2.125% 11/30/2024	912828J7	1,480,000.00	AA+	Aaa	1/2/2020	1/6/2020	1,512,085.94	1.66	2,764.84	1,529,025.00
US TREASURY NOTES DTD 01/31/2018 2.500% 01/31/2025	9128283V0	280,000.00	AA+	Aaa	2/3/2020	2/5/2020	295,301.56	1.36	2,929.35	292,687.50
US TREASURY NOTES DTD 05/31/2020 0.250% 05/31/2025	912828ZT0	2,000,000.00	AA+	Aaa	11/10/2021	11/12/2021	1,950,078.13	0.97	439.56	1,945,000.00
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	2,500,000.00	AA+	Aaa	4/15/2021	4/16/2021	2,453,613.28	0.69	2,615.49	2,424,609.50
US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	620,000.00	AA+	Aaa	9/1/2021	9/3/2021	610,578.91	0.63	396.02	600,237.50
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	1,200,000.00	AA+	Aaa	1/29/2021	2/2/2021	1,197,421.88	0.42	12.43	1,162,875.00

CITY OF ESCONDIDO

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
U.S. Treasury										
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	800,000.00	AA+	Aaa	10/1/2021	10/6/2021	784,500.00	0.83	1,255.43	774,000.00
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	1,100,000.00	AA+	Aaa	3/1/2021	3/3/2021	1,083,113.28	0.69	1,726.22	1,064,250.00
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	1,000,000.00	AA+	Aaa	9/1/2021	9/3/2021	986,445.31	0.69	1,569.29	967,500.00
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	1,600,000.00	AA+	Aaa	11/1/2021	11/3/2021	1,550,500.00	1.12	2,510.87	1,548,000.00
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	345,000.00	AA+	Aaa	2/25/2021	2/26/2021	338,342.58	0.77	541.41	333,787.50
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	1,280,000.00	AA+	Aaa	7/2/2021	7/7/2021	1,255,400.00	0.80	2,008.70	1,238,400.00
US TREASURY NOTES DTD 02/28/2021 0.500% 02/28/2026	91282CBQ3	3,000,000.00	AA+	Aaa	11/10/2021	11/12/2021	2,923,710.94	1.11	5,096.68	2,914,218.60
US TREASURY NOTES DTD 02/28/2021 0.500% 02/28/2026	91282CBQ3	400,000.00	AA+	Aaa	3/31/2021	4/5/2021	392,359.38	0.90	679.56	388,562.48
US TREASURY N/B NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	2,000,000.00	AA+	Aaa	4/15/2021	4/16/2021	1,991,015.63	0.84	3,832.42	1,961,875.00
US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	1,680,000.00	AA+	Aaa	6/2/2021	6/4/2021	1,676,325.00	0.79	1,107.69	1,645,612.42
US TREASURY N/B NOTES DTD 06/30/2021 0.875% 06/30/2026	91282CCJ8	2,050,000.00	AA+	Aaa	8/2/2021	8/4/2021	2,070,820.31	0.66	49.55	2,017,328.13
US TREASURY N/B NOTES DTD 10/31/2021 1.125% 10/31/2026	91282CDG3	500,000.00	AA+	Aaa	11/1/2021	11/3/2021	497,675.78	1.22	963.40	496,718.75
US TREASURY N/B NOTES DTD 10/31/2021 1.125% 10/31/2026	91282CDG3	5,000,000.00	AA+	Aaa	11/10/2021	11/12/2021	4,984,375.00	1.19	9,633.98	4,967,187.50
Security Type Sub-Total		68,525,000.00					68,727,772.70	0.76	143,157.73	68,326,275.70
Supranational										
INTL BK OF RECON AND DEV NOTE DTD 04/20/2021 0.126% 04/20/2023	459058JV6	2,750,000.00	AAA	Aaa	4/15/2021	4/20/2021	2,744,912.50	0.22	683.38	2,734,446.00
INTER-AMERICAN DEVEL BK NOTES DTD 04/24/2020 0.500% 05/24/2023	4581X0DM7	400,000.00	AAA	Aaa	4/17/2020	4/24/2020	399,864.00	0.51	205.56	399,369.20

CITY OF ESCONDIDO

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Supranational										
INTL BK RECON & DEVELOP NOTES DTD 11/24/2020 0.250% 11/24/2023	459058JM6	665,000.00	AAA	Aaa	11/17/2020	11/24/2020	663,570.25	0.32	170.87	658,847.42
INTER-AMERICAN DEVEL BK NOTES DTD 09/23/2021 0.500% 09/23/2024	4581X0DZ8	1,530,000.00	AAA	Aaa	9/15/2021	9/23/2021	1,528,867.80	0.52	2,082.50	1,510,434.36
INTER-AMERICAN DEVELOPMENT BANK NOTES DTD 01/16/2020 1.750% 03/14/2025	4581X0DK1	835,000.00	AAA	Aaa	2/19/2021	2/23/2021	877,835.50	0.47	4,343.16	852,313.73
Security Type Sub-Total		6,180,000.00					6,215,050.05	0.36	7,485.47	6,155,410.71
Negotiable CD										
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 08/29/2019 1.850% 08/26/2022	65558TLL7	1,000,000.00	A-1+	P-1	8/27/2019	8/29/2019	1,000,000.00	1.84	6,577.78	1,009,595.00
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	635,000.00	A-1+	P-1	12/4/2019	12/6/2019	635,000.00	2.03	1,079.50	644,029.07
CREDIT SUISSE NEW YORK CERT DEPOS DTD 03/23/2021 0.590% 03/17/2023	22552G3C2	715,000.00	A+	A1	3/19/2021	3/23/2021	715,000.00	0.59	3,327.93	714,841.27
Security Type Sub-Total		2,350,000.00					2,350,000.00	1.52	10,985.21	2,368,465.34
Municipal										
SAN FRAN COMM FAC DIST, CA TXBL REV BNDS DTD 11/09/2017 2.500% 09/01/2022	79772EAX7	350,000.00	NR	NR	10/27/2017	11/9/2017	348,355.00	2.61	2,916.67	354,518.50
SAN FRAN COMM FAC DIST, CA TXBL REV BNDS DTD 11/09/2017 2.500% 09/01/2022	79772EAE9	380,000.00	NR	NR	10/27/2017	11/9/2017	377,362.80	2.66	3,166.67	384,905.80
VENTURA CNTY CCD, CA TXBL GO BONDS DTD 10/31/2019 1.750% 08/01/2023	923040GT0	350,000.00	AA+	Aa1	10/3/2019	10/31/2019	350,000.00	1.75	2,552.08	355,054.00
LONG BEACH CCD, CA TXBL GO BONDS DTD 10/23/2019 1.743% 08/01/2023	542411NH2	350,000.00	AA	Aa2	10/9/2019	10/23/2019	350,000.00	1.74	2,541.88	355,547.50

CITY OF ESCONDIDO

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Municipal										
TAMALPAIS UHSD, CA TXBL GO BONDS DTD 10/09/2019 1.971% 08/01/2023	874857KJ3	615,000.00	NR	Aaa	9/20/2019	10/9/2019	615,000.00	1.97	5,050.69	628,769.85
CT ST TXBL GO BONDS DTD 06/11/2020 1.998% 07/01/2024	20772KJW0	150,000.00	A+	Aa3	5/29/2020	6/11/2020	150,000.00	2.00	1,498.50	153,870.00
WI DEPT OF TRANS TXBL REV BONDS DTD 07/30/2020 0.624% 07/01/2024	977123X60	640,000.00	AAA	NR	7/10/2020	7/30/2020	640,000.00	0.62	1,996.80	635,315.20
SAN JUAN USD, CA TXBL GO BONDS DTD 10/29/2020 0.702% 08/01/2024	798306WN2	415,000.00	NR	Aa2	10/16/2020	10/29/2020	415,000.00	0.70	1,213.88	411,572.10
MD ST TXBL GO BONDS DTD 08/05/2020 0.510% 08/01/2024	574193TQ1	375,000.00	AAA	Aaa	7/23/2020	8/5/2020	374,895.00	0.52	796.88	372,176.25
VENTURA CNTY CCD, CA TXBL GO BONDS DTD 10/31/2019 1.800% 08/01/2024	923040GU7	490,000.00	AA+	Aa1	10/3/2019	10/31/2019	490,000.00	1.80	3,675.00	498,359.40
PALOMAR COMM COLL DIST, CA TXBL GO BONDS DTD 11/03/2020 0.794% 08/01/2024	697511FB4	440,000.00	AA	Aa2	10/16/2020	11/3/2020	440,000.00	0.79	1,455.67	435,815.60
SAN DIEGO CCD, CA TXBL GO BONDS DTD 10/16/2019 2.046% 08/01/2024	797272QP9	245,000.00	AAA	Aaa	9/18/2019	10/16/2019	245,000.00	2.05	2,088.63	251,585.60
MS ST TXBL GO BONDS DTD 08/06/2020 0.565% 11/01/2024	605581MZ7	120,000.00	AA	Aa2	7/24/2020	8/6/2020	120,000.00	0.57	113.00	118,628.40
NY ST URBAN DEV CORP TXBL REV BONDS DTD 12/23/2020 0.870% 03/15/2025	650036DT0	945,000.00	AA+	NR	12/16/2020	12/23/2020	945,000.00	0.87	2,420.78	931,959.00
SAN DEIGO CNTY WTR AUTH, CA TXBL REV BON DTD 07/22/2020 0.743% 05/01/2025	797412DM2	480,000.00	AAA	Aa2	7/9/2020	7/22/2020	480,000.00	0.74	594.40	473,707.20
UNIV OF CAL TXBL REV BONDS DTD 07/16/2020 0.883% 05/15/2025	91412HGE7	375,000.00	AA	Aa2	7/10/2020	7/16/2020	375,000.00	0.88	423.10	371,152.50
CT ST T/E GO BONDS DTD 06/25/2020 4.000% 06/01/2025	20772KKL2	400,000.00	A+	Aa3	6/12/2020	6/25/2020	458,868.00	0.94	1,333.33	448,436.00
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	400,000.00	AA	Aa3	9/3/2020	9/16/2020	400,000.00	1.26	2,516.00	398,368.00

CITY OF ESCONDIDO

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Municipal										
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	155,000.00	AA	Aa3	9/3/2020	9/16/2020	156,095.85	1.11	974.95	154,367.60
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	150,000.00	AA	Aa3	9/3/2020	9/16/2020	150,994.50	1.12	943.50	149,388.00
SAN RAMON VALLEY USD, CA TXBL GO BONDS DTD 10/20/2020 0.740% 08/01/2025	799408Z85	405,000.00	AA+	Aa1	10/2/2020	10/20/2020	405,000.00	0.74	1,248.75	397,045.80
MN ST TXBL GO BONDS DTD 08/25/2020 0.630% 08/01/2025	60412AVJ9	275,000.00	AAA	Aa1	8/11/2020	8/25/2020	275,000.00	0.63	721.88	271,053.75
LOS ANGELES CCD, CA TXBL GO BONDS DTD 11/10/2020 0.773% 08/01/2025	54438CYK2	410,000.00	AA+	Aaa	10/30/2020	11/10/2020	410,000.00	0.77	1,320.54	402,870.10
CT ST TXBL GO BONDS DTD 09/13/2018 3.743% 09/15/2025	20772KEW5	630,000.00	A+	Aa3	11/17/2020	11/19/2020	716,706.90	0.83	6,943.27	688,356.90
LOS ANGELES USD, CA TXBL GO BONDS DTD 11/10/2021 1.455% 07/01/2026	544647FC9	310,000.00	NR	Aa3	10/28/2021	11/10/2021	310,000.00	1.46	638.99	309,229.81
Security Type Sub-Total		9,855,000.00					9,998,278.05	1.20	49,145.84	9,952,052.86
Federal Agency										
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	390,000.00	AA+	Aaa	2/20/2020	2/21/2020	389,282.40	1.44	1,996.04	394,019.34
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	1,900,000.00	AA+	Aaa	4/14/2020	4/15/2020	1,951,357.00	0.42	9,724.31	1,919,581.40
FREDDIE MAC NOTES DTD 04/20/2020 0.375% 04/20/2023	3137EAEQ8	660,000.00	AA+	Aaa	4/17/2020	4/20/2020	658,350.00	0.46	488.13	658,813.98
FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	760,000.00	AA+	Aaa	5/5/2020	5/7/2020	759,680.80	0.39	443.33	758,286.96
FANNIE MAE NOTES DTD 07/10/2020 0.250% 07/10/2023	3135G05G4	570,000.00	AA+	Aaa	7/8/2020	7/10/2020	568,774.50	0.32	676.88	566,865.57

CITY OF ESCONDIDO

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Federal Agency										
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	275,000.00	AA+	Aaa	9/1/2020	9/3/2020	274,994.50	0.25	242.53	273,232.58
FANNIE MAE NOTES DTD 09/14/2018 2.875% 09/12/2023	3135G0U43	1,500,000.00	AA+	Aaa	4/1/2020	4/3/2020	1,625,340.00	0.43	13,057.29	1,555,170.00
FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023	3137EAFA2	300,000.00	AA+	Aaa	12/2/2020	12/4/2020	299,703.00	0.28	56.25	297,123.00
FANNIE MAE NOTES DTD 01/10/2020 1.625% 01/07/2025	3135G0X24	700,000.00	AA+	Aaa	1/8/2020	1/10/2020	697,767.00	1.69	5,497.92	712,576.20
FREDDIE MAC NOTES DTD 02/14/2020 1.500% 02/12/2025	3137EAEP0	790,000.00	AA+	Aaa	3/3/2020	3/4/2020	813,020.60	0.90	4,575.42	801,384.69
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	500,000.00	AA+	Aaa	6/2/2020	6/4/2020	502,780.00	0.51	598.96	492,835.50
FANNIE MAE NOTES DTD 06/19/2020 0.500% 06/17/2025	3135G04Z3	1,640,000.00	AA+	Aaa	9/1/2020	9/3/2020	1,644,887.20	0.44	318.89	1,606,853.96
FANNIE MAE NOTES DTD 08/27/2020 0.375% 08/25/2025	3135G05X7	2,000,000.00	AA+	Aaa	9/1/2020	9/3/2020	1,992,920.00	0.45	2,625.00	1,945,344.00
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	1,150,000.00	AA+	Aaa	9/23/2020	9/25/2020	1,146,538.50	0.44	1,173.96	1,117,505.60
FANNIE MAE NOTES DTD 11/12/2020 0.500% 11/07/2025	3135G06G3	1,125,000.00	AA+	Aaa	12/2/2020	12/4/2020	1,122,828.75	0.54	843.75	1,095,386.63
FANNIE MAE NOTES DTD 11/12/2020 0.500% 11/07/2025	3135G06G3	360,000.00	AA+	Aaa	11/9/2020	11/12/2020	358,711.20	0.57	270.00	350,523.72
Security Type Sub-Total		14,620,000.00					14,806,935.45	0.55	42,588.66	14,545,503.13
FDIC CD										
CAPITAL ONE BANK USA NA CD DTD 06/01/2017 2.400% 06/01/2022	1404203C2	245,000.00	NR	NR	5/25/2017	6/1/2017	245,000.00	2.40	499.40	247,218.97
GOLDMAN SACHS GROUP INC CD DTD 06/21/2017 2.350% 06/21/2022	38148PKX4	245,000.00	NR	NR	6/13/2017	6/21/2017	245,000.00	2.35	173.51	247,444.37
BENEFICIAL BANK CD DTD 10/18/2017 2.150% 10/18/2022	08173QBX3	245,000.00	NR	NR	9/27/2017	10/18/2017	245,000.00	2.15	1,082.36	248,603.22

CITY OF ESCONDIDO

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
FDIC CD										
FOCUS BANK CD DTD 11/24/2017 2.200% 11/24/2022	34415LAP6	245,000.00	NR	NR	11/14/2017	11/24/2017	245,000.00	2.20	561.15	249,141.73
Security Type Sub-Total		980,000.00					980,000.00	2.27	2,316.42	992,408.29
Corporate										
ADOBE INC CORP NOTE DTD 02/03/2020 1.700% 02/01/2023	00724PAA7	95,000.00	A+	A2	1/22/2020	2/3/2020	94,869.85	1.75	672.92	96,046.62
AMAZON.COM INC BONDS DTD 06/06/2018 2.400% 02/22/2023	023135AW6	880,000.00	AA	A1	5/14/2019	5/16/2019	873,523.20	2.61	7,568.00	895,465.12
JOHN DEERE CAPITAL CORP DTD 03/04/2016 2.800% 03/06/2023	24422ETG4	835,000.00	A	A2	5/16/2019	5/20/2019	838,724.10	2.68	7,468.61	855,950.99
UNITEDHEALTH GROUP INC CORP NOTES DTD 02/28/2013 2.875% 03/15/2023	91324PCC4	640,000.00	A+	A3	11/20/2019	11/22/2019	656,358.40	2.07	5,417.78	655,601.92
BANK OF NY MELLON CORP NOTES DTD 04/30/2018 3.500% 04/28/2023	06406RAG2	1,410,000.00	A	A1	4/24/2019	4/26/2019	1,445,376.90	2.83	8,636.25	1,460,858.70
CHEVRON CORP CORPORATE NOTES DTD 05/11/2020 1.141% 05/11/2023	166764BV1	200,000.00	AA-	Aa2	5/7/2020	5/11/2020	200,000.00	1.14	316.94	201,227.80
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 06/08/2020 0.800% 06/08/2023	69371RQ82	360,000.00	A+	A1	6/1/2020	6/8/2020	359,499.60	0.85	184.00	360,381.96
AMERICAN EXPRESS CREDIT CORP NOTES (CALL DTD 08/03/2018 3.700% 08/03/2023	025816BW8	800,000.00	BBB+	A3	4/23/2019	4/26/2019	821,480.00	3.02	12,168.89	833,552.00
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 10/18/2016 2.250% 10/18/2023	89236TDK8	1,090,000.00	A+	A1	2/5/2020	2/7/2020	1,107,374.60	1.80	4,973.13	1,116,919.73
CATERPILLAR FINANCIAL SERVICES CORP NOTE DTD 11/26/2013 3.750% 11/24/2023	14912L5X5	790,000.00	A	A2	5/8/2019	5/10/2019	823,243.20	2.76	3,044.79	831,238.79
ABBOTT LABORATORIES CORP NOTES DTD 11/22/2016 3.400% 11/30/2023	002824BE9	825,000.00	A+	A2	5/10/2019	5/14/2019	846,441.75	2.79	2,415.42	861,363.53

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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Corporate										
BB&T CORPORATION NOTES (CALLABLE) DTD 12/06/2018 3.750% 12/06/2023	05531FBF9	800,000.00	A-	A3	4/23/2019	4/25/2019	824,928.00	3.02	2,083.33	840,855.20
BANK OF AMERICA CORP NOTE DTD 01/21/2014 4.125% 01/22/2024	06051GFB0	1,395,000.00	A-	A2	4/23/2019	4/25/2019	1,456,477.65	3.12	25,415.16	1,481,851.31
CHARLES SCHWAB CORP NOTES DTD 10/31/2018 3.550% 02/01/2024	808513AY1	815,000.00	A	A2	4/25/2019	4/29/2019	843,321.25	2.76	12,055.21	856,893.45
BLACKROCK INC CORP NOTES DTD 03/18/2014 3.500% 03/18/2024	09247XAL5	1,420,000.00	AA-	Aa3	4/22/2019	4/24/2019	1,464,588.00	2.81	14,219.72	1,498,060.24
COMCAST CORP (CALLABLE) CORPORATE NOTES DTD 10/05/2018 3.700% 04/15/2024	20030NCR0	635,000.00	A-	A3	5/7/2020	5/11/2020	695,623.45	1.20	4,960.06	674,882.45
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	745,000.00	BBB+	A1	7/19/2019	7/23/2019	788,604.85	2.56	4,971.84	789,278.33
AMAZON.COM INC CORPORATE NOTES DTD 05/12/2021 0.450% 05/12/2024	023135BW5	300,000.00	AA	A1	5/10/2021	5/12/2021	299,562.00	0.50	183.75	296,876.70
US BANCORP NOTES (CALLABLE) DTD 07/29/2019 2.400% 07/30/2024	91159HHX1	845,000.00	A+	A2	7/30/2019	8/1/2019	844,247.95	2.42	8,506.33	872,367.86
BMW US CAPITAL LLC CORPORATE NOTES DTD 08/12/2021 0.750% 08/12/2024	05565EBU8	215,000.00	A	A2	8/9/2021	8/12/2021	214,980.65	0.75	622.60	212,453.33
UNILEVER CAPITAL CORP (CALLABLE) CORPORA DTD 08/12/2021 0.626% 08/12/2024	904764BN6	160,000.00	A+	A1	8/9/2021	8/12/2021	160,000.00	0.63	386.73	158,962.88
WALT DISNEY COMPANY/THE DTD 09/06/2019 1.750% 08/30/2024	254687FK7	845,000.00	BBB+	A2	9/3/2019	9/6/2019	841,552.40	1.84	4,970.24	858,828.43
PNC BANK NA CORP NOTES (CALLABLE) DTD 11/01/2019 2.200% 11/01/2024	693475AY1	600,000.00	A-	A3	11/5/2019	11/8/2019	599,802.00	2.21	2,200.00	615,298.20
LOCKHEED MARTIN CORP NOTES (CALLABLE) DTD 02/20/2015 2.900% 03/01/2025	539830BE8	235,000.00	A-	A3	2/23/2021	2/25/2021	253,767.10	0.87	2,271.67	245,861.94
BMW US CAPITAL LLC CORP NOTES (CALLABLE) DTD 04/09/2020 3.900% 04/09/2025	05565EBK0	575,000.00	A	A2	8/12/2021	8/16/2021	632,005.50	1.12	5,107.92	617,958.25

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Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Corporate										
CITIGROUP INC CORPORATE NOTES DTD 05/04/2021 0.981% 05/01/2025	172967MX6	255,000.00	BBB+	A3	4/27/2021	5/4/2021	255,000.00	0.98	416.93	252,695.82
CITIGROUP INC CORPORATE NOTES DTD 05/04/2021 0.981% 05/01/2025	172967MX6	270,000.00	BBB+	A3	4/28/2021	5/4/2021	270,715.50	0.91	441.45	267,560.28
CHEVRON CORP (CALLABLE) NOTES DTD 05/11/2020 1.554% 05/11/2025	166764BW9	425,000.00	AA-	Aa2	5/13/2020	5/15/2020	427,108.00	1.45	917.29	428,071.90
GENERAL DYNAMICS CORP (CALLABLE) CORP NO DTD 05/11/2018 3.500% 05/15/2025	369550BG2	700,000.00	A-	A3	3/4/2021	3/8/2021	772,884.00	0.96	3,130.56	748,239.80
JPMORGAN CHASE & CO CORPORATE NOTES DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	585,000.00	A-	A2	5/24/2021	6/1/2021	585,000.00	0.82	401.70	578,015.69
BRISTOL-MYERS SQUIBB CO CORPORATE NOTES DTD 11/13/2020 0.750% 11/13/2025	110122DN5	353,000.00	A+	A2	6/17/2021	6/21/2021	349,484.12	0.98	353.00	343,658.91
BRISTOL-MYERS SQUIBB CO CORPORATE NOTES DTD 11/13/2020 0.750% 11/13/2025	110122DN5	250,000.00	A+	A2	6/23/2021	6/25/2021	247,857.50	0.95	250.00	243,384.50
GOLDMAN SACHS GROUP INC CORPORATE NOTES DTD 02/12/2021 0.855% 02/12/2026	38141GXS8	650,000.00	BBB+	A2	2/12/2021	2/17/2021	651,326.00	0.81	2,145.81	635,471.85
JPMORGAN CHASE & CO CORP NOTE DTD 03/13/2020 2.005% 03/13/2026	46647PBH8	750,000.00	A-	A2	10/1/2021	10/6/2021	770,182.50	1.38	4,511.25	759,285.75
ASTRAZENECA FINANCE LLC (CALLABLE) CORP DTD 05/28/2021 1.200% 05/28/2026	04636NAA1	700,000.00	A-	A3	7/15/2021	7/19/2021	700,742.00	1.18	770.00	691,080.60
AMERICAN HONDA FINANCE CORPORATE NOTES DTD 09/09/2021 1.300% 09/09/2026	02665WDZ1	1,000,000.00	A-	A3	11/29/2021	12/1/2021	985,630.00	1.61	4,044.44	985,974.00
Security Type Sub-Total		23,448,000.00					24,002,282.02	2.07	158,203.72	24,122,474.83
Agency CMBS										
FHLMC MULTIFAMILY STRUCTURED P DTD 05/01/2015 2.791% 01/01/2022	3137BHYX8	18,256.99	AA+	Aaa	5/16/2019	5/21/2019	18,371.10	2.54	42.46	18,256.99

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Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Agency CMBS										
FNA 2013-M7 A2 DTD 05/01/2013 2.280% 12/01/2022	3136AEGQ4	169,149.15	AA+	Aaa	9/4/2019	9/9/2019	171,365.17	1.86	321.38	170,130.50
FHMS K724 A2 DTD 01/01/2017 3.062% 11/01/2023	3137BTU25	400,000.00	AA+	Aaa	1/28/2021	2/2/2021	427,015.63	0.58	1,020.67	410,419.28
FANNIEMAE-ACES DTD 04/01/2014 3.346% 03/01/2024	3136AJB54	445,885.79	AA+	Aaa	12/13/2019	12/18/2019	467,553.05	2.14	1,243.28	464,572.78
FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/01/2024	3137FQ3V3	79,350.98	AA+	Aaa	11/20/2019	11/26/2019	79,349.08	2.09	138.34	80,302.06
FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	665,000.00	AA+	Aaa	3/19/2020	3/25/2020	697,938.28	1.95	1,696.86	698,430.25
Security Type Sub-Total		1,777,642.91					1,861,592.31	1.70	4,462.99	1,842,111.86
ABS										
NALT 2020-B A3 DTD 09/29/2020 0.430% 10/16/2023	65480EAD3	220,000.00	AAA	Aaa	9/22/2020	9/29/2020	219,977.36	0.43	42.04	220,012.94
MBALT 2020-B A3 DTD 09/23/2020 0.400% 11/15/2023	58769EAC2	90,000.00	AAA	NR	9/15/2020	9/23/2020	89,995.44	0.40	16.00	89,822.43
TLOT 2021-A A3 DTD 04/21/2021 0.390% 04/22/2024	89238EAC0	235,000.00	AAA	Aaa	4/13/2021	4/21/2021	234,972.58	0.39	28.00	233,881.44
BMWLT 2021-1 A4 DTD 03/10/2021 0.370% 07/25/2024	05591RAD6	160,000.00	AAA	Aaa	3/2/2021	3/10/2021	159,993.65	0.37	9.87	159,039.81
TAOT 2020-C A3 DTD 07/27/2020 0.440% 10/15/2024	89237VAB5	290,000.00	AAA	Aaa	7/21/2020	7/27/2020	289,977.67	0.44	56.71	289,614.85
HALST 2021-A A4 DTD 01/20/2021 0.420% 12/16/2024	44891TAD8	140,000.00	AAA	Aaa	1/12/2021	1/20/2021	139,988.35	0.42	26.13	139,265.97
CARMX 2020-3 A3 DTD 07/22/2020 0.620% 03/17/2025	14315FAD9	205,000.00	AAA	NR	7/14/2020	7/22/2020	204,964.86	0.62	56.49	204,955.88
GMCAR 2020-3 A3 DTD 08/19/2020 0.450% 04/16/2025	362590AC5	300,000.00	NR	Aaa	8/11/2020	8/19/2020	299,931.36	0.46	56.25	299,296.23
GMALT 2021-3 A4 DTD 08/18/2021 0.500% 07/21/2025	36262XAD6	225,000.00	AAA	NR	8/10/2021	8/18/2021	224,991.88	0.50	34.38	222,047.26
KCOT 2021-1A A3 DTD 04/14/2021 0.620% 08/15/2025	50117TAC5	155,000.00	NR	Aaa	4/6/2021	4/14/2021	154,968.29	0.62	42.71	153,543.48

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Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
ABS										
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	220,000.00	AAA	NR	4/20/2021	4/28/2021	219,976.86	0.38	37.16	217,842.77
KCOT 2021-2A A3 DTD 07/28/2021 0.560% 11/17/2025	50117XAE2	370,000.00	NR	Aaa	7/20/2021	7/28/2021	369,986.05	0.56	92.09	364,524.41
HAROT 2021-3 A3 DTD 08/25/2021 0.410% 11/18/2025	43815EAC8	305,000.00	AAA	NR	8/17/2021	8/25/2021	304,995.55	0.41	45.16	301,559.97
CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	120,000.00	AAA	NR	1/20/2021	1/27/2021	119,976.29	0.34	18.13	118,975.82
HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	285,000.00	NR	Aaa	11/16/2021	11/24/2021	284,939.92	0.89	69.67	284,394.18
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	300,000.00	AAA	NR	4/13/2021	4/21/2021	299,935.35	0.52	69.33	297,448.32
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	610,000.00	AAA	Aaa	7/21/2021	7/28/2021	609,899.66	0.55	149.11	605,297.02
WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6	350,000.00	AAA	NR	10/26/2021	11/3/2021	349,952.33	0.81	126.00	348,017.60
COMET 2021-A3 A3 DTD 11/30/2021 1.040% 11/16/2026	14041NFY2	715,000.00	AAA	NR	11/18/2021	11/30/2021	714,901.47	1.04	640.32	712,020.31
Security Type Sub-Total		5,295,000.00					5,294,324.92	0.60	1,615.55	5,261,560.69
Managed Account Sub Total		133,030,642.91					134,236,235.50		419,961.59	133,566,263.41
Securities Sub Total		\$133,030,642.91					\$134,236,235.50		\$419,961.59	\$133,566,263.41
Accrued Interest										\$419,961.59
Total Investments										\$133,986,225.00

Portfolio Transactions

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
10/1/2021	10/6/2021	800,000.00	91282CBH3	US TREASURY NOTES	0.37%	1/31/2026	785,046.20	0.83%	
10/1/2021	10/6/2021	800,000.00	91282CDA6	US TREASURY NOTES	0.25%	9/30/2023	799,751.72	0.27%	
10/1/2021	10/6/2021	750,000.00	46647PBH8	JPMORGAN CHASE & CO CORP NOTE	2.00%	3/13/2026	771,143.23	1.38%	
10/26/2021	11/3/2021	350,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	349,952.33	0.81%	
10/28/2021	11/10/2021	310,000.00	544647FC9	LOS ANGELES USD, CA TXBL GO BONDS	1.45%	7/1/2026	310,000.00	1.46%	
11/1/2021	11/3/2021	500,000.00	91282CDG3	US TREASURY N/B NOTES	1.12%	10/31/2026	497,722.40	1.22%	
11/1/2021	11/3/2021	2,350,000.00	91282CDD0	US TREASURY N/B NOTES	0.37%	10/31/2023	2,343,463.66	0.52%	
11/1/2021	11/3/2021	1,600,000.00	91282CBH3	US TREASURY NOTES	0.37%	1/31/2026	1,552,048.91	1.12%	
11/10/2021	11/12/2021	5,000,000.00	91282CBV2	US TREASURY N/B NOTES	0.37%	4/15/2024	4,966,286.06	0.67%	
11/10/2021	11/12/2021	4,800,000.00	912828R28	US TREASURY NOTES	1.62%	4/30/2023	4,892,773.14	0.34%	
11/10/2021	11/12/2021	3,000,000.00	91282CBQ3	US TREASURY NOTES	0.50%	2/28/2026	2,926,735.80	1.11%	
11/10/2021	11/12/2021	5,000,000.00	9128285D8	US TREASURY NOTES	2.87%	9/30/2023	5,241,590.84	0.47%	
11/10/2021	11/12/2021	2,000,000.00	912828ZT0	US TREASURY NOTES	0.25%	5/31/2025	1,952,332.23	0.97%	
11/10/2021	11/15/2021	5,000,000.00	91282CDH1	US TREASURY N/B NOTES	0.75%	11/15/2024	4,991,406.25	0.81%	
11/10/2021	11/12/2021	5,000,000.00	91282CDG3	US TREASURY N/B NOTES	1.12%	10/31/2026	4,986,239.64	1.19%	
11/16/2021	11/24/2021	285,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	284,939.92	0.89%	
11/18/2021	11/30/2021	715,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/16/2026	714,901.47	1.04%	

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
11/29/2021	12/1/2021	1,000,000.00	02665WDZ1	AMERICAN HONDA FINANCE CORPORATE NOTES	1.30%	9/9/2026	988,591.11	1.61%	
Total BUY		39,260,000.00					39,354,924.91		0.00
INTEREST									
10/1/2021	10/25/2021	486,946.48	3136AJB54	FANNIEMAE-ACES	3.34%	3/1/2024	2,025.14		
10/1/2021	10/25/2021	627,405.01	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/1/2022	1,459.24		
10/1/2021	10/25/2021	665,000.00	3137BGK24	FHMS K043 A2	3.06%	12/1/2024	1,696.86		
10/1/2021	10/25/2021	400,000.00	3137BTU25	FHMS K724 A2	3.06%	11/1/2023	1,020.67		
10/1/2021	10/1/2021		MONEY0002	MONEY MARKET FUND			3.40		
10/1/2021	10/25/2021	176,556.31	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	2,813.90		
10/1/2021	10/25/2021	244,556.99	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	645.23		
10/5/2021	10/5/2021	1,310,000.00	3135G0T78	FANNIE MAE AGENCY NOTES	2.00%	10/5/2022	13,100.00		
10/9/2021	10/9/2021	575,000.00	05565EBK0	BMW US CAPITAL LLC CORP NOTES (CALLABLE)	3.90%	4/9/2025	11,212.50		
10/15/2021	10/15/2021	290,000.00	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	106.33		
10/15/2021	10/15/2021	120,000.00	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	34.00		
10/15/2021	10/15/2021	140,000.00	44891TAD8	HALST 2021-A A4	0.42%	12/16/2024	49.00		
10/15/2021	10/15/2021	610,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	279.58		
10/15/2021	10/15/2021	205,000.00	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/2025	105.92		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/15/2021	10/15/2021	220,000.00	65480EAD3	NALT 2020-B A3	0.43%	10/16/2023	78.83		
10/15/2021	10/15/2021	155,000.00	50117TAC5	KCOT 2021-1A A3	0.62%	8/15/2025	80.08		
10/15/2021	10/15/2021	220,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	69.67		
10/15/2021	10/15/2021	90,000.00	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	30.00		
10/15/2021	10/15/2021	300,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	130.00		
10/15/2021	10/15/2021	370,000.00	50117XAE2	KCOT 2021-2A A3	0.56%	11/17/2025	172.67		
10/15/2021	10/15/2021	635,000.00	20030NCR0	COMCAST CORP (CALLABLE) CORPORATE NOTES	3.70%	4/15/2024	11,747.50		
10/16/2021	10/16/2021	300,000.00	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	112.50		
10/18/2021	10/18/2021	1,090,000.00	89236TDK8	TOYOTA MOTOR CREDIT CORP CORP NOTES	2.25%	10/18/2023	12,262.50		
10/18/2021	10/18/2021	305,000.00	43815EAC8	HAROT 2021-3 A3	0.41%	11/18/2025	104.21		
10/18/2021	10/18/2021	245,000.00	08173QBX3	BENEFICIAL BANK CD	2.15%	10/18/2022	2,640.97		
10/20/2021	10/20/2021	235,000.00	89238EAC0	TLOT 2021-A A3	0.39%	4/22/2024	76.38		
10/20/2021	10/20/2021	2,750,000.00	459058JV6	INTL BK OF RECON AND DEV NOTE	0.12%	4/20/2023	1,718.75		
10/20/2021	10/20/2021	225,000.00	36262XAD6	GMALT 2021-3 A4	0.50%	7/21/2025	93.75		
10/20/2021	10/20/2021	660,000.00	3137EAEQ8	FREDDIE MAC NOTES	0.37%	4/20/2023	1,237.50		
10/22/2021	10/22/2021	500,000.00	3135G03U5	FANNIE MAE NOTES	0.62%	4/22/2025	1,562.50		
10/25/2021	10/25/2021	160,000.00	05591RAD6	BMWLT 2021-1 A4	0.37%	7/25/2024	49.33		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/28/2021	10/28/2021	1,410,000.00	06406RAG2	BANK OF NY MELLON CORP NOTES	3.50%	4/28/2023	24,675.00		
10/29/2021	10/29/2021	745,000.00	61746BDQ6	MORGAN STANLEY CORP NOTES	3.87%	4/29/2024	14,434.38		
10/31/2021	10/31/2021	1,335,000.00	912828YM6	US TREASURY NOTES	1.50%	10/31/2024	10,012.50		
10/31/2021	10/31/2021	250,000.00	9128283C2	US TREASURY NOTES	2.00%	10/31/2022	2,500.00		
10/31/2021	10/31/2021	100,000.00	9128284L1	US TREASURY NOTES	2.75%	4/30/2023	1,375.00		
11/1/2021	11/1/2021	525,000.00	172967MX6	CITIGROUP INC CORPORATE NOTES	0.98%	5/1/2025	2,532.21		
11/1/2021	11/1/2021	480,000.00	797412DM2	SAN DEIGO CNTY WTR AUTH, CA TXBL REV BON	0.74%	5/1/2025	1,783.20		
11/1/2021	11/1/2021	600,000.00	693475AY1	PNC BANK NA CORP NOTES (CALLABLE)	2.20%	11/1/2024	6,600.00		
11/1/2021	11/25/2021	400,000.00	3137BTU25	FHMS K724 A2	3.06%	11/1/2023	1,020.67		
11/1/2021	11/25/2021	374,644.41	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/1/2022	871.36		
11/1/2021	11/1/2021	120,000.00	605581MZ7	MS ST TXBL GO BONDS	0.56%	11/1/2024	339.00		
11/1/2021	11/25/2021	201,116.41	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	467.11		
11/1/2021	11/25/2021	665,000.00	3137BGK24	FHMS K043 A2	3.06%	12/1/2024	1,696.86		
11/1/2021	11/25/2021	449,362.05	3136AJB54	FANNIEMAE-ACES	3.34%	3/1/2024	1,252.97		
11/1/2021	11/25/2021	79,886.74	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	139.27		
11/2/2021	11/2/2021		MONEY0002	MONEY MARKET FUND			3.03		
11/5/2021	11/5/2021	760,000.00	3137EAER6	FREDDIE MAC NOTES	0.37%	5/5/2023	1,425.00		

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Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/7/2021	11/7/2021	1,485,000.00	3135G06G3	FANNIE MAE NOTES	0.50%	11/7/2025	3,712.50		
11/11/2021	11/11/2021	425,000.00	166764BW9	CHEVRON CORP (CALLABLE) NOTES	1.55%	5/11/2025	3,302.25		
11/11/2021	11/11/2021	200,000.00	166764BV1	CHEVRON CORP CORPORATE NOTES	1.14%	5/11/2023	1,141.00		
11/12/2021	11/12/2021	300,000.00	023135BW5	AMAZON.COM INC CORPORATE NOTES	0.45%	5/12/2024	675.00		
11/13/2021	11/13/2021	603,000.00	110122DN5	BRISTOL-MYERS SQUIBB CO CORPORATE NOTES	0.75%	11/13/2025	2,261.25		
11/15/2021	11/15/2021	155,000.00	50117TAC5	KCOT 2021-1A A3	0.62%	8/15/2025	80.08		
11/15/2021	11/15/2021	290,000.00	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	106.33		
11/15/2021	11/15/2021	90,000.00	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	30.00		
11/15/2021	11/15/2021	120,000.00	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	34.00		
11/15/2021	11/15/2021	370,000.00	50117XAE2	KCOT 2021-2A A3	0.56%	11/17/2025	172.67		
11/15/2021	11/15/2021	2,285,000.00	912828ZP8	US TREASURY NOTES	0.12%	5/15/2023	1,428.13		
11/15/2021	11/15/2021	220,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	69.67		
11/15/2021	11/15/2021	205,000.00	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/2025	105.92		
11/15/2021	11/15/2021	610,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	279.58		
11/15/2021	11/15/2021	220,000.00	65480EAD3	NALT 2020-B A3	0.43%	10/16/2023	78.83		
11/15/2021	11/15/2021	700,000.00	369550BG2	GENERAL DYNAMICS CORP (CALLABLE) CORP NO	3.50%	5/15/2025	12,250.00		
11/15/2021	11/15/2021	140,000.00	44891TAD8	HALST 2021-A A4	0.42%	12/16/2024	49.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/15/2021	11/15/2021	375,000.00	91412HGE7	UNIV OF CAL TXBL REV BONDS	0.88%	5/15/2025	1,655.63		
11/15/2021	11/15/2021	300,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	130.00		
11/16/2021	11/16/2021	300,000.00	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	112.50		
11/17/2021	11/17/2021		459058JV6	INTL BK OF RECON AND DEV NOTE	0.12%	4/20/2023	13.75		
11/18/2021	11/18/2021	305,000.00	43815EAC8	HAROT 2021-3 A3	0.41%	11/18/2025	104.21		
11/20/2021	11/20/2021	225,000.00	36262XAD6	GMALT 2021-3 A4	0.50%	7/21/2025	93.75		
11/20/2021	11/20/2021	235,000.00	89238EAC0	TLOT 2021-A A3	0.39%	4/22/2024	76.38		
11/24/2021	11/24/2021	790,000.00	14912L5X5	CATERPILLAR FINANCIAL SERVICES CORP NOTE	3.75%	11/24/2023	14,812.50		
11/24/2021	11/24/2021	245,000.00	34415LAP6	FOCUS BANK CD	2.20%	11/24/2022	2,717.15		
11/24/2021	11/24/2021	400,000.00	4581X0DM7	INTER-AMERICAN DEVEL BK NOTES	0.50%	5/24/2023	1,000.00		
11/24/2021	11/24/2021	665,000.00	459058JM6	INTL BK RECON & DEVELOP NOTES	0.25%	11/24/2023	831.25		
11/25/2021	11/25/2021	160,000.00	05591RAD6	BMWLT 2021-1 A4	0.37%	7/25/2024	49.33		
11/28/2021	11/28/2021	700,000.00	04636NAA1	ASTRAZENECA FINANCE LLC (CALLABLE) CORP	1.20%	5/28/2026	4,200.00		
11/30/2021	11/30/2021	4,250,000.00	91282CAX9	US TREASURY NOTES	0.12%	11/30/2022	2,656.25		
11/30/2021	11/30/2021	1,680,000.00	91282CCF6	US TREASURY N/B NOTES	0.75%	5/31/2026	6,300.00		
11/30/2021	11/30/2021	825,000.00	002824BE9	ABBOTT LABORATORIES CORP NOTES	3.40%	11/30/2023	14,025.00		
11/30/2021	11/30/2021	2,000,000.00	912828ZT0	US TREASURY NOTES	0.25%	5/31/2025	2,500.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/30/2021	11/30/2021	1,480,000.00	9128283J7	US TREASURY NOTES	2.12%	11/30/2024	15,725.00		
12/1/2021	12/1/2021	400,000.00	20772KKL2	CT ST T/E GO BONDS	4.00%	6/1/2025	8,000.00		
12/1/2021	12/1/2021	245,000.00	1404203C2	CAPITAL ONE BANK USA NA CD	2.40%	6/1/2022	2,948.05		
12/1/2021	12/25/2021	219,477.97	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/1/2022	510.47		
12/1/2021	12/25/2021	181,416.42	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	382.12		
12/1/2021	12/25/2021	665,000.00	3137BGK24	FHMS K043 A2	3.06%	12/1/2024	1,696.86		
12/1/2021	12/25/2021	400,000.00	3137BTU25	FHMS K724 A2	3.06%	11/1/2023	1,020.67		
12/1/2021	12/25/2021	448,489.65	3136AJB54	FANNIEMAE-ACES	3.34%	3/1/2024	1,278.55		
12/1/2021	12/1/2021		MONEY0002	MONEY MARKET FUND			60.03		
12/1/2021	12/25/2021	79,634.91	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	138.83		
12/1/2021	12/1/2021	585,000.00	46647PCH7	JPMORGAN CHASE & CO CORPORATE NOTES	0.82%	6/1/2025	2,410.20		
12/2/2021	12/2/2021	635,000.00	23341VZT1	DNB BANK ASA/NY LT CD	2.04%	12/2/2022	6,584.95		
12/4/2021	12/4/2021	300,000.00	3137EAFA2	FREDDIE MAC NOTES	0.25%	12/4/2023	375.00		
12/6/2021	12/6/2021	800,000.00	05531FBF9	BB&T CORPORATION NOTES (CALLABLE)	3.75%	12/6/2023	15,000.00		
12/8/2021	12/8/2021	360,000.00	69371RQ82	PACCAR FINANCIAL CORP CORPORATE NOTES	0.80%	6/8/2023	1,440.00		
12/15/2021	12/15/2021	205,000.00	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/2025	105.92		
12/15/2021	12/15/2021	220,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	69.67		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/15/2021	12/15/2021	220,000.00	65480EAD3	NALT 2020-B A3	0.43%	10/16/2023	78.83		
12/15/2021	12/15/2021	120,000.00	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	34.00		
12/15/2021	12/15/2021	290,000.00	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	106.33		
12/15/2021	12/15/2021	350,000.00	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	330.75		
12/15/2021	12/15/2021	140,000.00	44891TAD8	HALST 2021-A A4	0.42%	12/16/2024	49.00		
12/15/2021	12/15/2021	155,000.00	50117TAC5	KCOT 2021-1A A3	0.62%	8/15/2025	80.08		
12/15/2021	12/15/2021	90,000.00	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	30.00		
12/15/2021	12/15/2021	610,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	279.58		
12/15/2021	12/15/2021	370,000.00	50117XAE2	KCOT 2021-2A A3	0.56%	11/17/2025	172.67		
12/15/2021	12/15/2021	300,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	130.00		
12/16/2021	12/16/2021	300,000.00	362590AC5	GMCAR 2020-3 A3	0.45%	4/16/2025	112.50		
12/17/2021	12/17/2021	1,640,000.00	3135G04Z3	FANNIE MAE NOTES	0.50%	6/17/2025	4,100.00		
12/18/2021	12/18/2021	305,000.00	43815EAC8	HAROT 2021-3 A3	0.41%	11/18/2025	104.21		
12/20/2021	12/20/2021	225,000.00	36262XAD6	GMALT 2021-3 A4	0.50%	7/21/2025	93.75		
12/20/2021	12/20/2021	235,000.00	89238EAC0	TLOT 2021-A A3	0.39%	4/22/2024	76.38		
12/21/2021	12/21/2021	285,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	188.10		
12/21/2021	12/21/2021	245,000.00	38148PKX4	GOLDMAN SACHS GROUP INC CD	2.35%	6/21/2022	2,886.64		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/25/2021	12/25/2021	160,000.00	05591RAD6	BMWLT 2021-1 A4	0.37%	7/25/2024	49.33		
12/31/2021	12/31/2021	430,000.00	912828N30	US TREASURY NOTES	2.12%	12/31/2022	4,568.75		
12/31/2021	12/31/2021	775,000.00	912828S35	US TREASURY NOTES	1.37%	6/30/2023	5,328.13		
12/31/2021	12/31/2021	2,050,000.00	91282CCJ8	US TREASURY N/B NOTES	0.87%	6/30/2026	8,968.75		
12/31/2021	12/31/2021	1,200,000.00	91282CBC4	US TREASURY NOTES	0.37%	12/31/2025	2,250.00		
12/31/2021	12/31/2021	1,225,000.00	912828XX3	US TREASURY NOTES	2.00%	6/30/2024	12,250.00		
Total INTEREST		63,622,493.35					314,914.48		0.00
PAYDOWNS									
10/1/2021	10/25/2021	37,584.43	3136AJB54	FANNIEMAE-ACES	3.34%	3/1/2024	37,584.43		
10/1/2021	10/25/2021	43,440.58	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	43,440.58		
10/1/2021	10/25/2021	96,669.57	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	96,669.57		
10/1/2021	10/25/2021	252,760.60	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/1/2022	252,760.60		
11/1/2021	11/25/2021	872.40	3136AJB54	FANNIEMAE-ACES	3.34%	3/1/2024	872.40		
11/1/2021	11/25/2021	155,166.44	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/1/2022	155,166.44		
11/1/2021	11/25/2021	251.83	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	251.83		
11/1/2021	11/25/2021	19,699.99	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	19,699.99		
12/1/2021	12/25/2021	283.93	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	283.93		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
12/1/2021	12/25/2021	201,220.98	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/1/2022	201,220.98		
12/1/2021	12/25/2021	2,603.86	3136AJB54	FANNIEMAE-ACES	3.34%	3/1/2024	2,603.86		
12/1/2021	12/25/2021	12,267.27	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	12,267.27		
Total PAYDOWNS		822,821.88					822,821.88		0.00
SELL									
10/1/2021	10/6/2021	90,000.00	459058GU1	INTL BK RECON & DEVELOP SN NOTE	2.12%	7/1/2022	91,807.89		1,381.61
10/1/2021	10/6/2021	300,000.00	037833DC1	APPLE INC CORP (CALLABLE) NOTES	2.10%	9/12/2022	305,256.00		5,826.47
10/1/2021	10/6/2021	600,000.00	46625HJE1	JPMORGAN CHASE & CO CORP NOTES	3.25%	9/23/2022	618,164.17		14,499.35
10/1/2021	10/6/2021	400,000.00	912828XR6	US TREASURY NOTES	1.75%	5/31/2022	406,854.34		440.32
10/4/2021	10/6/2021	635,000.00	86565CKU2	SUMITOMO MITSUI BANK NY CERT DEPOS	0.70%	7/8/2022	638,484.25		2,373.00
11/1/2021	11/3/2021	1,000,000.00	83050PDR7	SKANDINAV ENSKILDA BANK LT CD	1.86%	8/26/2022	1,016,447.16		12,882.16
11/1/2021	11/3/2021	315,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/2025	322,221.38		6,317.34
11/1/2021	11/3/2021	245,000.00	91282CAC5	US TREASURY NOTES	0.12%	7/31/2022	245,126.91		102.99
11/1/2021	11/3/2021	510,000.00	3137EAEU9	FREDDIE MAC NOTES	0.37%	7/21/2025	499,066.88		-9,586.86
11/1/2021	11/3/2021	1,310,000.00	3135G0T78	FANNIE MAE AGENCY NOTES	2.00%	10/5/2022	1,334,347.08		22,311.72
11/1/2021	11/3/2021	335,000.00	4581X0CZ9	INTER-AMERICAN DEVEL BANK	1.75%	9/14/2022	340,230.00		5,438.47
11/1/2021	11/3/2021	385,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/2025	393,826.13		90.97

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL									
11/11/2021	11/3/2021	365,000.00	4581X0CZ9	INTER-AMERICAN DEVEL BANK	1.75%	9/14/2022	370,698.36		5,931.36
11/18/2021	11/23/2021	285,000.00	3130AJ7E3	FEDERAL HOME LOAN BANKS NOTES	1.37%	2/17/2023	289,750.00		3,921.58
11/19/2021	11/22/2021	665,000.00	4581X0CZ9	INTER-AMERICAN DEVEL BANK	1.75%	9/14/2022	675,364.39		10,043.51
11/29/2021	12/1/2021	700,000.00	912828YM6	US TREASURY NOTES	1.50%	10/31/2024	714,707.76		-10,957.15
Total SELL		8,140,000.00					8,262,352.70		71,016.84

Important Disclosures

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- **Repurchase Agreements:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **Settle Date:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **Supranational:** A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- **Trade Date:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **Unsettled Trade:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. Treasury:** The department of the U.S. government that issues Treasury securities.
- **Yield:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM at Cost:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM at Market:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.



STAFF REPORT

February 2, 2022
File Number 0910-20

SUBJECT

NOTICE OF COMPLETION FOR GATEWAY GRAND PROJECT (ENG 16-0029; SUB16-0001) LOCATED AT 700 WEST GRAND AVENUE

DEPARTMENT

Engineering Services Department

RECOMMENDATION

Request the City Council approve Resolution No. 2022-20 to accept the Public Improvements and authorize staff to file a Notice of Completion (“NOC”) for The Gateway Grand Project.

Staff Recommendation: Approval (Engineering Services: Julie Procopio)

Presenter: Julie Procopio

FISCAL ANALYSIS

The cost for inspection and plan review is paid for by the developer in accordance with the adopted fee schedule.

PREVIOUS ACTION

On October 12, 2016, the City Council adopted Resolution No. 2016-144 approving a one-lot Tentative Subdivision Map for 126 residential condominium units in three, four and five-story buildings on a 2.59-acre site at the site of the former Police Department headquarters in the Gateway Transit District of the Downtown Specific Plan.

BACKGROUND

The Gateway Grand Project is a 126-unit residential subdivision located at 700 W Grand Ave. The project includes the installation of storm drain improvements, two pedestrian signals, cross walk striping on Valley Parkway and Grand Avenue, sidewalks, curb and gutter. Work was completed on December 22, 2021.

RESOLUTIONS

- a. Resolution No. 2022-20

ATTACHMENTS

- a. Attachment “1”- Vicinity Map – SUB16-0001

The Gateway Grand Project SUB16-0001



NOTICE OF COMPLETION
CITY COUNCIL MEETING 02-02-2022



RESOLUTION NO. 2022-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE CITY ENGINEER, ON BEHALF OF THE CITY, TO FILE A NOTICE OF COMPLETION FOR THE GATEWAY GRAND PROJECT

WHEREAS, on October 12, 2016, the City Council adopted Resolution No. 2016-144 for a one-lot Tentative Subdivision Map for the development of a 126-unit residential condominium project on approximately 2.59-acres of land generally located on the southern side of West Valley Parkway and northern side of West Grand Avenue, between Spruce Street and Quince Street, addressed as 700 W. Grand Avenue (APN 232-100-16-00) (“Project”); and

WHEREAS, the construction for the Project was completed by Lyon Living; and

WHEREAS, the City of Escondido (“City”) staff and the City Engineer deem the filing of the Notice of Completion (“NOC”) to be valid and recommends approval; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the filing of the NOC.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the City Engineer.
3. That the City Council hereby authorizes the filing of a NOC for the Gateway Grand Project.



STAFF REPORT

February 2, 2022
File Number 0910-20

SUBJECT

NOTICE OF COMPLETION FOR LEXUS OVERFLOW PARKING LOT (ENG 19-0002) LOCATED AT 1528 & 1551 TANGLEWOOD LANE

DEPARTMENT

Engineering Services Department

RECOMMENDATION

Request the City Council approve Resolution No. 2022-21 to accept the Public Improvements and authorize staff to file a Notice of Completion (“NOC”) for the Lexus Overflow Parking Lot (“Project”).

Staff Recommendation: Approval (Engineering Services: Julie Procopio)

Presenter: Julie Procopio

FISCAL ANALYSIS

The cost for inspection and plan review is paid for by the developer in accordance with the adopted fee schedule.

PREVIOUS ACTION

In 2006, the City Council approved a Master and Precise Development Plan (“Plan”) for Lexus Escondido at 1205 Auto Park Way (Planning Case No. 2006-10-PD). The Plan was amended on August 21, 2019 to add an inventory parking lot through adoption of Ordinance 2019-11.

BACKGROUND

The Lexus Overflow Parking Lot is located at 1528 and 1551 Tanglewood Lane. The Project installed a new parking lot, water service, fire hydrant, sidewalk, curb, and gutter, and relocated an existing street light. The work was completed on October 28, 2021 and as-built drawings were submitted on December 16, 2021.

RESOLUTIONS

- a. Resolution No. 2022-21

ATTACHMENTS

1. Attachment “1”- Vicinity Map – ENG19-0002

The Lexus Overflow Parking Lot ENG19-0002



NOTICE OF COMPLETION
CITY COUNCIL MEETING 02-02-2022



RESOLUTION NO. 2022-21

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE CITY ENGINEER, ON BEHALF OF THE CITY, TO FILE A NOTICE OF COMPLETION FOR THE LEXUS OVERFLOW PARKING LOT

WHEREAS, on August 21, 2019, the Planning Commission considered and recommended approval of a modification to a previously approved Master Development Plan and new Precise Development Plan for Lexus Escondido to demolish two (2) residences and construct a new inventory parking lot for the adjacent Lexus car dealership (“Project”); and

WHEREAS, the construction for the Project was completed by Luna Properties LLC; and

WHEREAS, the City of Escondido (“City”) staff and the City Engineer deem the filing of the Notice of Completion (“NOC”) to be valid and recommends approval; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the filing of the NOC.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the City Engineer.
3. That the City Council hereby authorizes the filing of a NOC for the Lexus Overflow Parking Lot Project.



STAFF REPORT

February 2, 2022
File Number 0910-20

SUBJECT

APPROVAL OF A CHANGE ORDER TO COMPLETE ADDITIONAL WORK FOR THE 2021 STREET REHABILITATION AND MAINTENANCE PROJECT

DEPARTMENT

Engineering Services Department

RECOMMENDATION

Request the City Council approve Resolution No. 2022-22 to authorize a change order to the 2021 Street Rehabilitation and Maintenance Project – Phase 2 (“Project”) in the amount of \$320,141.67 to add pavement resurfacing along Country Club Lane to complete resurfacing outside of the Canopy Grove project limits of work and perform pavement repairs for a water main break on Sunset Drive.

Staff Recommendation: Approval (Engineering Services: Julie Procopio)

Presenter: Julie Procopio

FISCAL ANALYSIS

There are adequate funds in the Annual Street Maintenance Program Project budget, that includes Gas Tax, General Street Project, TransNet, and Road Maintenance and Rehabilitation Account (“RMRA”) funds, to pay for the additional pavement repairs on Country Club Lane in the amount of \$266,889.39. Funds are available in the Utility Fund to pay the cost of the emergency pavement repairs on Sunset Drive in the amount of \$53,252.28.

PREVIOUS ACTION

On September 15, 2021, The City Council adopted Resolution No. 2021-131, authorizing the award of the 2021 Street Rehabilitation and Maintenance Project – Phase 2 to Eagle Paving Company, Inc. (“Contractor”) in the amount of \$5,582,894.

BACKGROUND

The zone of focus for the ongoing street maintenance project is the North-West (NW) Zone located west of North Broadway and north of State Route 78. The developer for the Canopy Grove project is required to complete public improvements within this zone, including partial street resurfacing associated with traffic calming improvements on Country Club Lane between Gary Lane and Nutmeg Street. Staff



CITY *of* ESCONDIDO

STAFF REPORT

recommends adding work to the contract to complete the remaining street resurfacing within this portion of Country Club Lane.

At the request of the Utilities Department, the Contractor will also perform additional roadway repairs not to exceed \$53,252.28 associated with a water main break on Sunset Avenue south of Escondido Boulevard.

RESOLUTIONS

- a. Resolution 2022-022

RESOLUTION NO. 2022-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING A CHANGE ORDER WITH EAGLE PAVING COMPANY, INC. FOR ADDITIONAL RESURFACING FOR THE 2021 STREET REHABILITATION AND MAINTENANCE PROJECT – PHASE 2

WHEREAS, the City Council has allocated funding in the adopted Capital Improvement Program Budget for the City’s Annual Street Management Program; and

WHEREAS, Eagle Paving Company, Inc. was determined to be the lowest responsive and responsible bidder on September 15, 2021; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to authorize a Change Order to Eagle Paving Company, Inc. not to exceed \$320,141.67.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. That the City Council approves Resolution No. 2022-022 authorizing staff to execute, on behalf of the City, a Change Order with Eagle Paving Company, Inc. to complete additional pavement repairs, including an emergency pavement repair at the request of the Utilities Department.
3. That staff retains the authority to approve change orders up to ten-percent of the original contract amount in accordance with the Municipal Code.



STAFF REPORT

February 2, 2022
File Number 0170-57

SUBJECT

DENIAL OF CALPERS INDUSTRIAL DISABILITY RETIREMENT FOR POLICE SERGEANT PAUL F. WOODWARD –

DEPARTMENT

Human Resources

RECOMMENDATION

Request the City Council adopt Resolution No. 2022-23, denying the California Public Employees' Retirement System ("CalPERS") Industrial Disability Retirement for Police Sergeant Paul F. Woodward.

Staff Recommendation: Approval (Human Resources: Jessica Perpetua)

Presenter: Jessica Perpetua

FISCAL ANALYSIS

None.

PREVIOUS ACTION

None.

BACKGROUND

Mr. Woodward filed for an Industrial Disability Retirement in February 2021, as a 64-year-old Police Sergeant. He was employed by the City of Escondido ("City") for twenty-nine years. Mr. Woodward was hired on November 4, 1991 and separated employment on April 19, 2021. The basis for the denial of Mr. Woodward's Industrial Disability Retirement application is confirmed by a medical report from Dr. Daniel J. Bressler, MD.

Under State Law, the City Council is required to adopt a Resolution determining that competent medical evidence supports the granting or denial of an Industrial Disability Retirement. Based on medical evidence, staff recommends the City Council adopt Resolution No. 2022-23, denying the CalPERS Industrial Disability Retirement for Paul F. Woodward.

RESOLUTIONS

- a. Resolution No. 2022-23

RESOLUTION NO. 2022-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, MAKING THE DISABILITY DETERMINATION OF THE APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT FOR FORMER POLICE SERGEANT PAUL F. WOODWARD

WHEREAS, the City of Escondido (“City”) is a contracting agency of the California Public Employees’ Retirement System (“CalPERS”); and

WHEREAS, the California Public Employees’ Retirement Law (Govt. Code § 20000 et seq.) (“California law”) requires that the City determine whether an employee classified as a local safety member is disabled for purpose of the California law and whether such disability is “industrial” within the meaning of such law; and

WHEREAS, an application for an Industrial Disability Retirement due to cardiovascular injury from Paul F. Woodward (“Employee”) employed by the City in the position of Police Sergeant has been filed with CalPERS; and

WHEREAS, the City Council of the City of Escondido has reviewed the medical and other evidence relevant to this industrial disability.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. That the City Council does hereby find and determine that Employee was not and is not incapacitated within the meaning of the California Public Employees’ Retirement Law for performance of his duties in the position of Police Sergeant for his cardiovascular injury.

3. That the City Council certifies Resolution No. 2022-23 in accordance with Govt. Code § 21156, that this determination was made on the basis of competent medical opinion, and was not used as a substitute for the disciplinary process.

4. That based on information and belief, and on the information provided by City staff, the City Council certifies under penalty of perjury that all statements in this Resolution are true and correct.



STAFF REPORT

February 2, 2022
File Number 0600-10

SUBJECT

CITY BUSINESS LICENSE TAX RECIPROCAL AGREEMENT WITH FRANCHISE TAX BOARD

DEPARTMENT

Information Systems

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 2022-27 authorizing the mayor or his designee, including the Director of Information Systems, to execute an agreement with the State of California Franchise Tax Board (FTB) (“Agreement”) to renew and continue the City’s participation in the FTB City Business Tax Program.

Staff Recommendation: Approval (Information Systems Department: Rob Van De Hey)

Presenter: Rob Van De Hey

FISCAL ANALYSIS

There is no cost to the City to enter into this Agreement. The City may receive additional General Fund revenue through this information exchange by identifying incorrectly allocated sales tax or through increased compliance with business license filing requirements.

PREVIOUS ACTION

This Agreement is brought to City Council for approval every two years. The last agreement was brought forth in 2020 and approved.

BACKGROUND

This Agreement allows the California Franchise Tax Board (FTB) and the City to renew a reciprocal agreement to exchange data, to assist in the administration of the business license program. FTB will provide the City records for taxpayers within the City’s jurisdiction who indicate a business on their personal or corporation income tax return. Information obtained by FTB shall be used for tax administration and nontax programs that FTB administers.

RESOLUTIONS

- a. Resolution No. 2022-27
- b. Exhibit “A” Resolution No. 2022-27 – Contract Agreement

RESOLUTION NO. 2022-27

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR, OR HIS DESIGNEE, TO EXECUTE, ON BEHALF OF THE CITY, AN AGREEMENT WITH THE CALIFORNIA FRANCHISE TAX BOARD TO PARTICIPATE IN THE CITY BUSINESS TAX PROGRAM.

WHEREAS, on February 2, 2022, the City of Escondido considered a proposal from the California Franchise Tax Board to participate in the City Business Tax Program to exchange data pertaining to businesses operating in the City limits; and

WHEREAS, the information developed through this program could provide a useful inventory augmenting the business database that may benefit the City's economic development efforts, insure compliance with local laws and allow the City to cross reference the business license and sales tax data to confirm that the correct revenue is being remitted to the City to prevent sales tax leakage from occurring; and

WHEREAS, the City Council desires at this time and deems it to be in the best public interest to approve said Agreement for a two-year period.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. That the City Council authorizes the Mayor, or his designee including the Deputy City Manager/ Director of Information Systems, to execute, on behalf of the City, an Agreement with the California Franchise Tax Board. A copy of the Agreement is attached as Exhibit "A" and is incorporated by reference.

3. That the City Council approves Resolution No. 2022-27.

EXHIBIT A SCOPE OF WORK

This Agreement is entered into by and between the Franchise Tax Board, herein after referred to as (FTB), and the City of Escondido, herein after referred to as the City.

Purpose:

This Agreement provides for the reciprocal exchange between FTB and the City tax data specific to city business license information for tax administration purposes. By entering into a reciprocal agreement, each party agrees to bear its own costs of providing the data, and the City is precluded from obtaining reimbursement.

Both parties will abide by the legal and confidential provisions of this Agreement. Exhibits A, C, D, E, F, and G, attached hereto and incorporated by reference herein, set forth additional terms to which the parties agree to be bound.

No Federal Tax Information will be exchanged.

Legal Authority:

California Revenue and Taxation Code (R&TC) Section 19551.1 authorizes a reciprocal agreement for the exchange of specified tax information between a City/County and FTB. R&TC Section 19551.5 mandates cities/counties to provide city/county business licensing and tax information to FTB upon request.

City Responsibilities:

1. The City agrees that the information provided by FTB will be used exclusively to administer the City/County Business Tax Program.
2. The City agrees that information obtained under this Agreement will not be reproduced, published, sold, or released in original or in any other form for any purpose; and will only be accessed or used by City employees whose duties are to administer the City/County Business Tax Program.
3. The City agrees to provide FTB with tax information pursuant to Format Specifications, Exhibit E, which shall include, but not be limited to, the following:
 - Business or owner's name
 - Business or residence address
 - Federal Employer Identification Number (FEIN) or Social Security Number (SSN)
 - Ownership type
 - North American Industry Classification Code or Standard Industry Classification Code
 - Business start and cessation dates
 - City Business Tax Number, to be assigned to the City by FTB
4. The City agrees to extract and provide city data to FTB annually in June for each tax year that the Agreement is in place: June 2022, 2023, and 2024. If the Agreement is executed after June 30, 2022, the City will have 30 days after execution to provide FTB with the first year's data.
5. The City agrees to submit the records to FTB electronically using FTB's Secure Web Internet File Transfer (SWIFT) system.

6. The City agrees to submit the records to FTB in ASCII fixed-length format, .txt, per the Format Specifications, Exhibit E.
7. The City agrees to resubmit data in the event data is initially submitted with errors. The resubmission of data must be within 30 days of notification. If data is not submitted accurately and timely, the City will forfeit its rights to FTB data for that year.
8. The City agrees that each City employee having access to FTB data shall sign a City/County Business Tax Program Confidentiality Statement, FTB 712 (Exhibit G). The signed statement is to be retained by the City and produced to FTB upon request.
9. The City agrees to submit to FTB a completed Security Questionnaire prior to receiving any FTB data. The Security Questionnaire is valid for the duration of the Agreement.
10. The City agrees to provide a copy of the current resolution, order, or minutes reflecting passage of a motion, or ordinance of the local governing body authorizing the execution of this specific Agreement.

FTB Responsibilities:

1. FTB agrees that information provided by the City will be used for tax administration and non-tax programs that FTB administers and may be shared with other state or federal agencies as authorized by law.
2. FTB agrees that information obtained under this Agreement will not be reproduced, published, sold, or released in original or in any other form for any purpose, except as provided in paragraph 1 or otherwise authorized by law.
3. FTB agrees to provide the City with data extracted from the Taxpayer Information (TI) system and Business Entities Tax System (BETS). FTB will provide the City with records for taxpayers within the City's jurisdiction who indicate a business on their personal or business entity income tax return. The Record Layout, Exhibit F, FTB 909A shall include:
 - Taxpayer name
 - Taxpayer address
 - Taxpayer SSN or FEIN
 - Principal Business Activity code
4. FTB agrees to match the data provided by the City using the SSN or FEIN against FTB's data with a "Yes" or "No" indicator on the Record Layout, Exhibit F, FTB 909A. The first year's data match is at the discretion of FTB based on when the data is received from the City and processed.
5. FTB agrees to provide the City with an annual data extract in December 2022 for tax year 2021, in December 2023 for tax year 2022, and in December 2024 for tax year 2023 via SWIFT.
6. FTB agrees to register the City for a SWIFT account allowing for the secure electronic transmission of data.
7. FTB agrees to provide the City with a unique City Business Tax Number to be used for reporting purposes only.

State of California
Franchise Tax Board

8. FTB agrees to allow the City to resubmit data within 30 days of notification, in the event data is initially submitted with errors.

Project Coordinators:

The project coordinators during the term of this Agreement will be:

Franchise Tax Board

Felicia Hicks
City/County Business Tax Program Manager
Safeguards and Data Oversight Program
P.O. Box 1468, Mailstop A181
Sacramento, CA 95812-1468
Phone: (916) 845-6304
Email: FTBCCBT@ftb.ca.gov

City of Escondido

Amber Tarrac
Neighborhood/Business Services Manager
201 N. Broadway
Escondido, CA 92025
Phone: (760) 839-4587
Email: atarrac@escondido.org

Return executed agreement to:

Franchise Tax Board

Zarsanga Safi
Business Acquisitions Unit
P.O. Box 2086, Mailstop A-374
Rancho Cordova, CA 95741-2086
Phone: (916) 845-6676
Email: zarsanga.safi@ftb.ca.gov

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

This data exchange is provided at no cost.

EXHIBIT D SPECIAL TERMS AND CONDITIONS

1. **DATA OWNERSHIP:** The confidential tax information or sensitive information being provided under this Agreement remains the exclusive property of the providing party. Confidential tax information and other confidential information are not open to the public and require special precautions to protect from loss and unauthorized access, inspection, acquisition, use, disclosure, modification, or destruction. The City (or County) shall have the right to use and process the disclosed information for the purposes stated in the Scope of Work of Exhibit A of this Agreement, which right shall be revoked and terminated immediately upon termination of this Agreement.
2. **STATEMENT OF CONFIDENTIALITY:** The Franchise Tax Board has taxpayer tax returns and other confidential information and data in its custody. Unauthorized inspection or disclosure of state returns or other confidential information or data is a misdemeanor (Revenue and Taxation Code Sections 19542, 19542.1, Unauthorized inspection or disclosure of federal returns and other confidential federal return information or data is a misdemeanor or a felony (Internal Revenue Code Sections 7213A(a)(2) and (b), and 7213(a)(2), respectively).

Upon the approval of this agreement and prior to any access to the confidential or sensitive data of the FTB, each City (or County) employee who may have access to the confidential data of FTB will be required to sign a City/County Business Tax Program Confidentiality Statement, FTB 712 (Exhibit G), attesting to the fact that he/she is aware of the confidentiality of the data and the penalties for unauthorized disclosure thereof under applicable state and federal law. The signed statement(s) shall be retained by the City (or County) and furnished to FTB upon request.

3. **USE OF INFORMATION:** The City (or County) agrees that the information furnished or secured pursuant to this Agreement shall be used solely for the purposes described in the Scope of Work of Exhibit A. The City (or County) further agrees that information obtained under this Agreement will not be reproduced, published, sold or released in original or in any other form for any purpose other than as identified in the Scope of Work of Exhibit A.
4. **EMPLOYEE ACCESS TO INFORMATION:** Both FTB and the City (or County) receiving data agree that the information obtained will be kept in the strictest confidence and shall make information available to its own employees only on a "need to know" basis. The "need to know" standard is met by authorized employees who need the information to perform their official duties in connection with the uses of the information authorized by this Agreement. Each party receiving data recognize(s) its responsibility to protect the confidentiality of the information in its custody as provided by law and ensure that such information is disclosed only to those individuals and for such purposes as authorized by law and this Agreement.
5. **PROTECTING CONFIDENTIAL INFORMATION/ INCIDENT REPORTING:** Both FTB and the City (or County) receiving data, recognize the confidentiality of the information to be exchanged, pursuant to this agreement from unauthorized access, use, or disclosure. Each party receiving data will conduct oversight of its users with access to the confidential information provided under this agreement and will immediately notify the FTB's Information Security Audit Unit (SecurityAuditMail@ftb.ca.gov)

of any unauthorized or suspected unauthorized accesses, uses and/or disclosures (incidents). For purposes of this section, immediately is defined as within 24 hours of the discovery of the breach. The notification must describe the incident in detail and identify

responsible personnel (name, title, and contact information). The City (or County) with an incident will comply with the incident reporting requirements in accordance with R&TC Section 19542.1, Civil Code Section 1798.29, SAM Chapter 5300, and SAM Sections 8643 and 20080, and State Information Management Manual 54340-A and 5340-C to facilitate the required reporting to the taxpayers or state oversight agencies.

6. **INFORMATION SECURITY:** Information security is defined as the preservation of the confidentiality, integrity, and availability of information. A secure environment is required to protect the confidential information obtained from FTB pursuant to this agreement. The City (or County) receiving data will store information so that it is physically secure from unauthorized access. The records received by the City (or County) will be securely maintained and accessible only by employees of the City (or County) business license or tax programs who are committed to protect the data from unauthorized access, use, or disclosure. All FTB electronic data must be encrypted when in transit using FIPS 140-2 approved encryption technology and be password protected and secure at all times when in storage. Confidential information obtained from the FTB must be secured in accordance with the SAM Chapters 5100 and 5300 (Information Security), and National Institute of Standards and Technology (NIST) Special Publication 800-53 (moderate); and additional security requirements provided by FTB.
7. **CLOUD COMPUTING ENVIRONMENT:** A City (or County) receiving FTB's confidential data must submit a completed FTB Cloud Security Questionnaire before using a Cloud Computing Environment. The questionnaire will be reviewed for approval by FTB's Chief Security Officer, or his/her designee. A Cloud Computing Environment cannot be used to receive, transmit, store or process FTB's confidential data without prior written approval from FTB's Chief Security Officer or his/her designee.
8. **DESTRUCTION OF RECORDS:** All records received by the City (or County) from FTB under this Agreement, and any database(s) created, copies made, or files attributed to the records received, will be returned or destroyed within three years of receipt or upon termination of the agreement due to a breach of its terms, whichever occurs earlier. The records shall be destroyed in a manner to be deemed unusable or unreadable, and to the extent that an individual record can no longer be reasonably ascertained. The City (or County) will notify FTB City/County Business Tax program manager annually in writing at FTB_CCBT@FTB.CA.GOV that proper destruction methods have been applied. FTB will destroy city/county data in accordance with the department's data retention policies.
9. **DISPUTE RESOLUTION:** In the event of a dispute, the City (or County) shall file a "Notice of Dispute" with the Chief Financial Officer of the FTB within ten (10) days of discovery of the problem. Within ten (10) days, the Chief Financial Officer or his/her designee shall meet with the City (or County) for purposes of resolving the dispute. The decision of the Chief Financial Officer shall be final.
10. **SURVIVAL OF OBLIGATION TO PROTECT DATA:** Each party's obligation to protect the data and information received from the other party shall survive the expiration or termination of this Agreement. In the event a party continues to provide any data or information to the other party after the expiration or termination of this Agreement, the receiving party agrees to continue to protect all such data and information received in accordance with the provisions of this Exhibit D, and all applicable state and federal laws.
11. **ONSITE SAFEGUARD REVIEW:** FTB retains the right to conduct on-site safeguard reviews of the City (or County) use of FTB information and security controls established. The safeguard reviews may include, but are not limited to an examination of the adequacy of

information security controls, "need to know," and use justifications established by the City (or County) to ensure compliance with the terms and conditions of this agreement. FTB will provide a minimum of seven (7) days' notice of a safeguard review being conducted by FTB staff. The City (or County) will take appropriate disciplinary actions against any user determined to have violated security or confidentiality requirements.

12. LIMITED WARRANTY: Neither party represents or warrants the accuracy or content of the material available through this Agreement, nor each expressly disclaims any express or implied warranty, including any implied warranty of fitness for a specific purpose.
13. CANCELLATION: Either party may terminate this Agreement, in writing for any reason, upon thirty (30) days' prior written notice. This Agreement may be terminated immediately by either party in the event of any breach of the terms of this Agreement.
14. NO THIRD PARTY LIABILITY: Nothing contained in or related to this agreement shall create any contractual relationship between either of the Parties and any other party, except between FTB and the City (or County); and no other party shall relieve the City (or County) or FTB of its responsibilities and obligations hereunder. Each of the parties agrees to be fully responsible for the acts and omissions of its third party contractors and agents, and of persons either directly or indirectly employed by the party. Neither of the parties shall have any obligation to pay, or to see to the payment of, any monies to any party or persons either directly or indirectly employed by the other.

EXHIBIT E
CITY AND COUNTY RECORD FORMAT SPECIFICATIONS (FTB 909)

Data Element Name	Start Pos.	End Pos.	Field Size	Usage	Description
SOCIAL SECURITY NUMBER (SSN)	1	9	9	AN	Must be present unless FEIN is provided. Fill unused field with zeros.
FEDERAL EMPLOYER ID NUMBER (FEIN)	10	18	9	AN	Must be present unless SSN is provided. Fill unused field with zeros.
OWNERSHIP TYPE	19	19	1	AN	Must be present: S = Sole Proprietorship P = Partnership C = Corporation T = Trust L = Limited Liability Company
OWNER'S LAST NAME	20	34	15	AN	Must be present if Ownership Type in position 19 = S.
OWNER'S FIRST NAME	35	45	11	AN	Must be present if Ownership Type in position 19 = S.
OWNER'S MIDDLE INITIAL	46	46	1	AN	May be left blank.
BUSINESS NAME	47	86	40	AN	Enter if business is operating under a fictitious name (Doing Business As (DBA)).
BUSINESS ADDRESS NUMBER AND STREET	87	126	40	AN	Address of the business location or the residence of the owner if sole proprietorship.
CITY	127	166	40	A	Must be present.
STATE	167	168	2	A	Enter standard state abbreviation.
ZIP CODE	169	177	9	AN	Enter the five- or nine-digit ZIP Code assigned by the U.S. Postal Service. If only the first five-digits are known, left-justify information and fill the unused fields with zeros.
BUSINESS START DATE	178	185	8	N	Enter the eight-digit date (MMDDYYYY). Zero fill if not known.
BUSINESS CEASE DATE	186	193	8	N	Enter the eight-digit date (MMDDYYYY) if out of business. Zero fill if unknown or still in business.

Data Element Name	Start Pos.	End Pos.	Field Size	Usage	Description
CITY BUSINESS TAX NUMBER	194	196	3	N	Enter three-digit number assigned by FTB.
NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS)	197	202	6	N	Enter the two- to six-digit NAICS code. Left justify. (example 99 will be 9900). Fill unused fields with zeros.
STANDARD INDUSTRIAL CLASSIFICATION (SIC)	203	206	4	N	Enter the 2-4 digit SIC code. Left justify (example 99 will be 9900). Fill unused fields with zeros.
TOTAL RECORD LENGTH		206			

EXHIBIT F
FRANCHISE TAX BOARD RECORD LAYOUT SPECIFICATIONS (FTB 909A)

Field Name	Length	Start Pos.	Description
ENTITY TYPE	1	1	"P" – personal income tax record; "B" – business entity tax record.
SSN or FEIN	9	2	For "P" records, primary taxpayer's social security number; For "B" records, federal employer identification number.
LAST NAME	40	11	For "P" records, the primary taxpayer's last name; For "B" records, business name.
FIRST NAME	11	51	For "P" records ONLY.
MIDDLE INITIAL	1	62	For "P" records ONLY.
SPOUSE SSN	9	63	For "P" records filed with a joint return.
SPOUSE LAST NAME	17	72	For "P" records filed with a joint return.
SPOUSE FIRST NAME	11	89	For "P" records filed with a joint return.
SPOUSE MIDDLE INITIAL	1	100	For "P" records filed with a joint return.
PBA CODE	6	101	Principal Business Activity code.
ADDRESS NUMBER	10	107	
PRE-DIRECTIONAL DIRECTOR	2	117	Postal Service term (i.e., N, S, E, W, NE, NW, SE, SW).
STREET NAME	28	119	
STREET SUFFIX	4	147	e.g., ST, WAY, HWY, BLVD, etc.
POST-DIRECTIONAL INDICATOR	2	151	Postal Service term (i.e., N, S, E, W, NE, NW, SE, SW).
STREET SUFFIX 2	4	153	
APARTMENT/SUITE NUMBER	10	157	e.g., APT, UNIT, FL, etc.
CITY	13	167	
STATE	2	180	Standard state abbreviation.
ZIP CODE	5	182	The five-digit ZIP Code assigned by the U.S. Postal Service.
ZIP CODE SUFFIX	4	187	Provided if known.
CBT MATCH	1	191	"N" – No match per CBT data. "Y" – Yes: CBT matched to state tax return filed.

EXHIBIT G
CONFIDENTIALITY STATEMENT (FTB 712)

State of California

Franchise Tax Board

City/County Business Tax Program Confidentiality Statement

Confidential tax data is protected from disclosure by law, regulation, and policy. Information security is strictly enforced; violators may be subject to disciplinary, civil, and/or criminal action. Protecting confidential tax data is in the best interest of the city, county, and state.

As a city/county employee, you are required to protect all information received from the Franchise Tax Board (FTB). To protect confidential tax data, you must:

- **Access or modify tax data solely to perform official duties.**
- **Never access or inspect tax data for curiosity or personal reasons.**
- **Never show or discuss confidential tax data with anyone who does not have a need to know.**
- **Never remove confidential tax data from your worksite without authorization.**
- **Place confidential tax data in approved locations only.**

Unauthorized inspection, access, use, or disclosure of confidential tax data is a crime under state laws including, but not limited to, California Revenue and Taxation Code Sections 19542 and 19552 and Penal Code Section 502. Unauthorized access, inspection, use, or disclosure may result in either or both of the following:

- **State criminal action.**
- **Taxpayer civil action.**

I certify that I have read the confidentiality statement printed above. I further certify and understand that unauthorized access, inspection, use, or disclosure of confidential information may be punishable as a crime and may result in disciplinary and/or civil action against me.

Name (print)

Signature

Date

Each city/county employee accessing FTB data must retain a signed copy of this form and provide it to FTB upon request.

FTB 712 (REV 06-2016)



STAFF REPORT

February 2, 2022
File Number 0430-80

SUBJECT

FINANCIAL STATUS REPORT FOR THE FISCAL YEAR 2021/22 SECOND QUARTER ENDING DECEMBER 31, 2021 AND BUDGET ADJUSTMENT

DEPARTMENT

Finance

RECOMMENDATION

Request the City Council receive and file the second quarter financial report and approve a budget adjustment to amend the fiscal year 2021/22 operating budget.

Staff Recommendation: Approval (Finance: Christina Holmes)

Presenter: Christina Holmes

FISCAL ANALYSIS

See Below.

PREVIOUS ACTION

On October 27, 2021, the City Council received the Fiscal Year 2020/21 Financial Status Report for the fiscal year ending June 30, 2021.

BACKGROUND

The City Council Budget and Financial Policies require that the City of Escondido ("City") present quarterly financial reports each fiscal year. The purpose of this report is to provide City Council and the public a financial update of selected funds of the City. This report provides the City Council with the analysis of unaudited revenues and expenditures for Fiscal Year 2021/22 in comparison to Fiscal Year 2020/21 for the General Fund, the Reidy Creek Municipal Golf Course Fund, and the Water and Wastewater Funds. The financial highlights for each of these funds are summarized below.

In December of 2021, the City conducted a Community Opinion Survey to assess resident satisfaction of City services provided and to identify issues and community priorities to address through this year's budget process. Residents identified the following City service priorities:

- ✓ Addressing homelessness



CITY of ESCONDIDO

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- ✓ Attracting businesses and jobs to the City
- ✓ Improving public safety and police services
- ✓ Maintaining and repairing local streets, roads and sidewalks
- ✓ Keeping public areas clean and free of graffiti

As part of this year's budget process City staff will be building on the Community Opinion Survey by engaging Escondido residents CityWide through The Escondido Discussion, to hear local community priorities and City service needs. Staff will also be working with the City Council to engage in a thorough dialogue and develop strategies to address the challenge and resident-identified community priorities.

General Fund

Prior to the onset of the pandemic, consumer confidence was at all-time highs and the California economy was strong. Even with a stable economy, General Fund revenues have not kept pace with the growing cost of municipal services and operating budget deficits have been projected beginning in FY2017/18. The City has maintained a balanced budget as a result of modest economic growth and stability and a combined strategy of a hardline on expenditures and cost saving measures that included reducing staff, deferring infrastructure maintenance, investing in technology to reduce ongoing costs, and outsourcing services. The conditions and these approaches left the City able to preserve municipal operations without the use of General Fund Reserves, while also setting aside funds in the Section 115 Irrevocable Pension Trust Fund.

Then in March 2020, at the onset of the COVID-19 pandemic, the public health measures and restrictions forced government operations and private businesses to close or drastically alter operations. Many economists predicted that the sudden closures would create a severe economic downturn comparable to the Great Recession, which had a devastating impact on the City's General Fund. However, as the restrictions have been lifted, the reopening of the economy has allowed for additional public activities and the economic environment continues to improve.

In June 2021, the City Council adopted the FY2021/22 operating budget with General Fund revenues of \$107 million and expenditures of \$117.1 million. Total operating revenue is projected to increase by 3% and the adopted expenditure budget increased by approximately \$7.1 million or 6% compared to the revised FY2020/21 operating budget. In addition to providing core City services including Public Safety, Public Works, Community Services, and Community Development, the FY2021/22 budget reflects the resources required to address specific public service needs around traffic flow, traffic safety, and homelessness.

The adopted FY2021/22 budget also projects an \$8 million net operating deficit. The cost reductions needed to balance the budget and close the budget gap would have a significant impact on the community and the services the City provides. To continue to provide essential City services and identified community priorities, respond to infrastructure maintenance and repair needs, and address the net operating deficit



CITY of ESCONDIDO

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with a balanced budget for Fiscal Year 2021/22, City Council approved the use of the final one-time source of funds from the Successor Agency Redevelopment Loan repayment of \$2.2 million and a transfer of \$6.1 million from the Section 115 Pension Trust Fund though this did not address the ongoing deficit the City faces and the need to cut City services including public safety and public works services without an additional source of locally controlled revenue.

Through the end of December, operating revenue exceeded the amount projected by about \$4.0 million. The economy continues to recover from the initial impacts of the COVID-19 pandemic and resulting restrictions. Pent up demand for goods and services has driven the growth of sales tax revenue, actual sales tax receipts have increased by \$2.3 million or 16% compared to December 2020. Property tax, other tax revenue, and rental income also increased from the prior year by about \$1.1 million. Charges for services, intergovernmental revenue, permits and licenses, and all other revenue decreased from the prior year but to a lesser degree. Total operating revenue as of December 2021 increased by \$3.3 million compared to December 2020.

As a result of the receipts received through December 2021 and the amended Sales Tax forecast provided by the City's sales tax consultant, the General Fund operating revenue is projected to exceed the current adopted budget amount by approximately \$4 million. However, one-time funds of over \$8 million were needed to close the General Fund structural budget gap this fiscal year. The amended operating revenue projections will simply reduce the amount of one-time funds that will be utilized to address the budgeted net operating deficit for FY2021/22.

Update on Future Year Budget Deficits

The City's annual budget process begins around December each year with an update of the budgetary forecast and the General Fund Multi-Year Financial Plan. The City works closely with its sales tax consultant, AvenuInsights, in projecting sales tax revenue. Based on the analysis of the trend in year-to-date tax receipts and an examination of the current local economy, the City's sales tax revenue is anticipated to continue to grow in the next fiscal year. This assumes the economy remains stable with no retraction or recession.

Even with the improved economy and projections, operating revenue is not keeping pace with operating expenditures. To maintain core City services, the General Fund is potentially facing an \$8 million budget gap this year. Due to the budget shortfall, the City may have to decide on cuts to City services, including public works and public safety services.

Reidy Creek Municipal Golf Course Fund

Overall operating revenues for the Reidy Creek Golf Course have declined by 2% compared to the prior year. This is due to a decrease in the total rounds of golf played at the course, which decreased by 8% compared to the prior year. Total operating expenditures through December were up slightly by 1.5% from the prior year as a result of the added activity at the course which has led to an increase in expenses,



CITY of ESCONDIDO

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primarily due to the maintenance of the course and repairs of aging equipment. As of December 31, Reidy Creek total net income is \$6,943.

Water Fund

Net operating income for the Water Fund through December 2021 was \$10.5 million, a decrease of \$523,000 from prior year. Operating revenue increased by about \$510,000 million or 1% compared to the prior year, due to approved rate increases effective March 31. Operating expenses increased by about \$1 million or 4% compared to the prior year due to increases in the costs for supplies, maintenance, and utilities.

Wastewater Fund

Net operating income for the Wastewater Fund through December 2021 was \$7.2 million, an increase of \$1.7 million from the prior year. Operating revenue increased by about \$2.4 million or 14% compared to the prior year, due to the timing of reimbursements received from the City of San Diego for treatment charges. Operating expenses increased by about \$703,000 or 6% compared to the prior year due to increases in the costs for supplies, maintenance, and utilities.

Recommended Budget Adjustments:

The recommended budget amendments have no effect on Reserve Balances as all the adjustments have identified funding sources.

- Approve an adjustment to General Fund Sales Tax revenue. As a result of the amended forecast prepared by AvenulInsights and operating results as of December 2021, an increase to sales tax revenue of \$4.2 million is recommended. The improved operating revenue forecast will reduce the projected operating deficit of \$8 million this fiscal year.
- Approve an increase to the Fire Department operating budget of \$1,096,680. The adjustment to the Fire Department overtime budget is necessary primarily due to the overtime incurred as a result of the deployments to wildfires this fiscal year through California and Oregon. EFDs assistance to other jurisdictions under the California Fire Assistance Agreement coordinated through the Office of Emergency Services fully reimbursed the City for the direct and backfill overtime created as a result of the deployments. In addition to deployments, additional overtime has been needed due to a larger than anticipated number of vacancies, workers compensation injuries, and absences due to COVID-19 infection or exposure. The requested adjustment to Fire Department's overtime budget is projected to be sufficient through the end of this fiscal year, however, the current surge in the Omicron variant could necessitate a third quarter adjustment.
- Approve an increase to the Water Fund Lakes Department budget of \$61,650. In October 2021, two temporary part-time Park Ranger positions ("Park Rangers") were filled to assist the California



CITY of ESCONDIDO

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Center for the Arts (“CAAE”) campus with addressing various security concerns including trespassing, homeless encampments, and vandalism. The CCAE agreed to reimburse the City for the costs incurred for the Park Ranger services. A budget adjustment is recommended to increase the employee services budget for the additional staff costs and also increase the revenue to reflect the reimbursement from the CCAE. There is no financial impact to the General Fund.

- Approve an increase to the Library Services Grant budget. The California State Library provides the Escondido Library with annual funding to support adult and family literacy services through the California Library Literacy Services grant program. Additional funds of \$84,280 were awarded for FY2021/22, a budget adjustment is recommended to increase the grant budget. There is no financial impact to the General Fund.

ATTACHMENTS

1. Attachment “1” – Second Quarter Financial Status Report FY 2021/22
2. Budget Adjustment

Attachment "1"

OVERVIEW

This report summarizes the City's financial position for the fiscal year through the second quarter ending December 31, 2021 for the General Fund, the Reidy Creek Municipal Golf Course, and the Water and Wastewater Funds. The purpose of the report is to provide City Council, City Management, and the Escondido community an update on the City's fiscal status based on the most recent financial information available. The revenue projections and budget information include adjustments for encumbrances, carryovers, and any other supplemental appropriations approved by the City Council as of December 31, 2021.

This report is for internal use only. The figures presented here are unaudited and have not been prepared in accordance with Generally Accepted Accounting principles (GAAP).

GENERAL FUND

The General Fund Fiscal Year 2021/22 operating budget was adopted as a balanced budget but relies on over \$8 million of one-time sources of funds including the final loan repayment from the Successor Agency Redevelopment Loan of \$2.2 million and a transfer of \$6.1 million from the Section 115 Pension Trust Fund. Total operating revenue is projected to increase by 3% to reach \$107.2 million and the adopted expenditure budget of \$117.1 million increased by approximately \$7.1 million or 6% compared to the revised FY2020/21 operating budget although this does not address the current \$8 million deficit the City is facing. In addition to providing core City services including Public Safety, Public Works, Community Services, and Community Development, the FY2021/22 budget reflects the resources required to address specific public service needs around traffic flow, traffic safety, and homelessness.

At the end of the second quarter, General Fund revenues are at 35% of the amended budget, while expenditures are at 46%. Actual revenues are higher than projected by about \$4.0 million primarily due to increases in Sales Tax, Property Tax, and Other Taxes received through the second quarter of the fiscal year. Expenditures are in line with budgeted activity and projected amounts. The Projected Results as of December 2021 shown below are based on past history of the timing of revenues collected and expenditure activity.

General Fund
Comparison of Projected FY2021/22 Operating Budget to Actuals

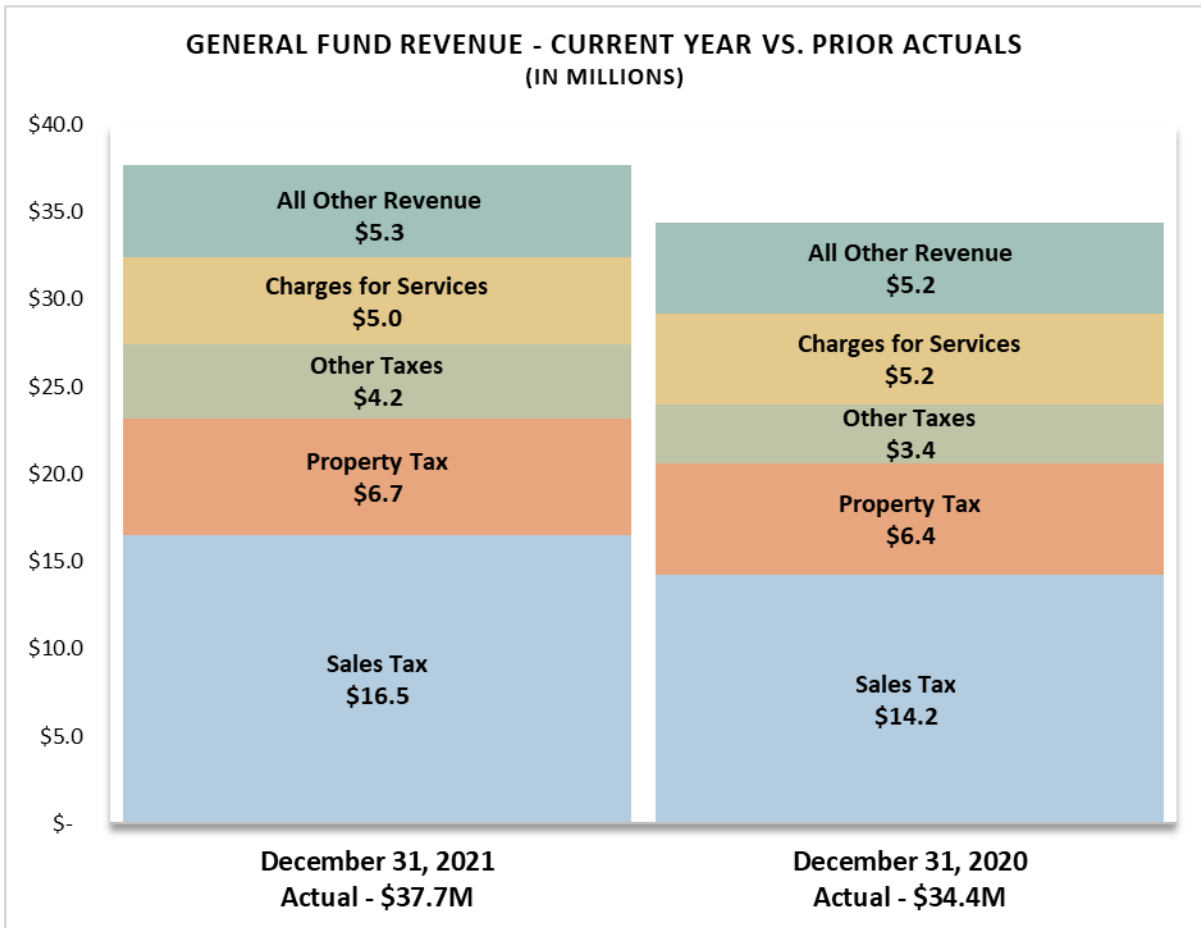
	FY2021/22 AMENDED BUDGET	PROJECTED RESULTS DECEMBER 2021	ACTUAL RESULTS DECEMBER 2021
Total Operating Revenue	\$107,219,510	\$33,672,888	\$37,768,603
Total Operating Expenditures	(118,268,800)	(55,586,336)	(54,652,836)
Other Sources (Uses)	1,563,840	1,563,840	1,563,840
Net Operating Surplus / (Deficit)*	(\$9,485,450)	(\$20,349,608)	(\$15,320,393)

*FY2021/22 projected Operating Budget deficit closed with one-time revenue from the Redevelopment Loan payment of \$2.2 million and funding from the Section 115 Pension Trust Fund of \$6.1 million.

GENERAL FUND REVENUE

	FY2021/22 AMENDED BUDGET	ACTUAL RESULTS DECEMBER 2021	ACTUAL RESULTS DECEMBER 2020	Prior Year vs. Current Year
Sales Tax	\$42,147,300	\$16,517,130	\$14,208,940	\$2,308,190
Property Tax	30,925,000	6,687,530	6,350,110	337,420
Other Taxes	13,680,000	4,214,540	3,432,150	782,390
Charges for Services	10,169,710	5,043,780	5,245,620	(201,840)
Intergovernmental	3,341,000	1,589,880	1,719,830	(129,950)
Permits and Licenses	1,412,500	942,790	986,000	(43,210)
Fines and Forfeitures	908,000	457,120	422,770	64,350
Rental Income	3,738,000	2,120,080	1,822,700	297,380
Other Revenue	898,000	165,760	259,060	(93,300)
TOTAL OPERATING REVENUE	\$107,219,510	\$37,768,610	\$34,447,180	\$3,321,430

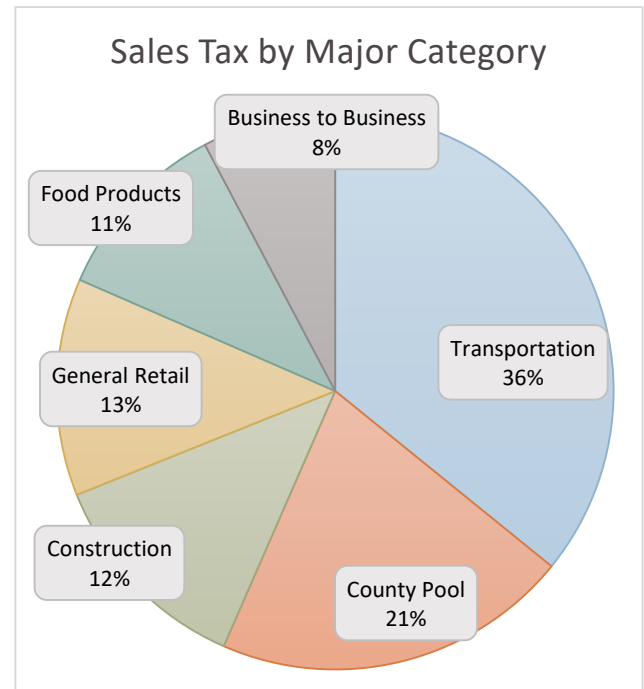
Sales tax is the largest General Fund revenue source at 39% of total revenue in FY2021/22 followed by property tax, other taxes, and charges for services. The chart below shows the major categories of revenue collected through December 31, 2021 compared to the revenue collected in the prior year through December 31, 2020.



Sales Tax (\$16.5 million)

The Sales Tax revenue projected in the Fiscal Year 2021/22 Operating Budget adopted in June 2021 was \$42.1 million, an increase of \$2.7 million or 7% over the FY2020/21 amended sales tax forecast. The restrictions from the COVID-19 pandemic were expected to continue to negatively impact sales tax revenue in FY2020/21; however, actual sales tax receipts received at the close of the previous quarter resulted in strong growth that was not previously anticipated. A combination of California fully reopening its economy, improved vaccination rates, public health measures to reduce the spread of the COVID-19 virus, and additional federal funding fostered an economic environment in which consumers' buying power remained intact and the demand to spend on taxable goods significantly increased during this time period.

Overall, the City's local economy continues to experience a fairly strong recovery and as a result, sales tax revenues distributed to the City through December 2021 increased by \$2.3 million or 16% compared to the prior year. Sales tax revenues distributed to the City as of December 2021 represent sales that occurred between July and October 2021.



The largest sales tax segment, 36% of total sales tax revenue, is Transportation, which includes new and used auto sales, auto repair shops, and service stations. Sales revenues increased by 30% compared to the prior year primarily due to new auto sales. Limited supply has been overwhelmed by strong demand and the smaller inventories increased the taxable price of vehicles. As businesses, commuters, and travelers returned to the road with increased gas prices, fuel and service stations also increased by about 80% compared to the same quarter in the prior year.

Sales tax revenue received through the County Pool is now the second largest sales tax segment accounting for 21% of the sales tax revenue received this fiscal year. Effective in April 2019, new taxable sales are distributed to the City under the AB 147 Wayfair decision which extended the sales and use taxes to online and out-of-state retailers engaged in business in California. However, the increase in activity from the countywide pool experienced during the pandemic have slowed; total receipts declined by 3% compared to the prior year.

The Construction sales tax segment accounts for revenue generated from building materials, including both wholesale and general retail, increased from the prior year by about 12%. This can be attributed to increase in the price of materials, including lumber and steel, and the continued high demand for home improvements and new construction in the City.

General retail and food products combined make up 24% of the total sales tax revenue for the City and increased by 13% compared to the prior fiscal year. The rise in general merchandise and food product sales reflects increased foot traffic and buying activity as people return to in-store shopping and indoor dining.

Property Tax (\$6.7 million)

Property Tax revenue is up \$337,417 or about 5.0% compared to this time in the prior year. The largest portions of property tax revenue are distributed by the County in December and April each year. The FY2021/22 Operating Budget projected property tax growth of 3% due to an increase in overall assessed values of properties in Escondido, favorable lending conditions and the continued increased number of home sales have all lead to significant growth in property tax revenues this fiscal year.

Other Taxes (\$4.2 million)

Other Taxes include franchise fee revenues, transient occupancy tax, and business license revenue and combined have increased by \$782,000 compared to the prior year.

The City collects franchise fee revenues from San Diego Gas and Electric (SDG&E), cable companies conducting business within City limits, and Escondido Disposal Incorporated (EDI). Revenues received from franchise agreements increased by \$308,000 from the prior fiscal year primarily due to an increase in fees collected from EDI and SDG&E.

Transient Occupancy Tax, also known as hotel tax, increased by \$602,500 compared to the prior year. Due to the COVID-19 pandemic, many hotels remained closed or partially closed during the prior fiscal year. The tourism industry was impacted significantly as a result of the closures, and many forecasted its recovery would take much longer than it has. The Transient Occupancy Tax receipts collected through December 2021 have increased by 11% from the pre-pandemic levels in December 2019.

All entities doing business in the City are required to have a valid business license. The business license tax is calculated based on annual gross receipts; business license revenue from the 2021 calendar year is based off of 2020 gross receipts. Business license revenues have decreased by about \$197,500 from the previous fiscal year.

Charges for Services (\$5.0 million)

Due to the public health orders, City recreation facilities and services have been restricted or closed. The inability to hold recreation programs has resulted in refunds of fees collected for classes and programs already scheduled as well as the loss of recreation program revenue of approximately \$253,000 compared to the prior year.

The decrease in recreation program revenues were offset by increases in charges for development related services, which include engineering and planning fees. Development related fees are paid by developers to cover the cost of reviewing and monitoring development activities, such as plan checks and inspections, and have increased by about \$433,000 compared to the prior year.

Intergovernmental (\$1.6 million)

Intergovernmental revenue includes the Rincon fire services agreement, state mandated cost claims, and various grants, and decreased \$129,950 compared to the prior year primarily due to the timing of various grant reimbursements.

Permits and Licenses (\$942,800)

Revenue generated from permits and licenses has decreased by \$43,200 primarily due to a decrease in building permit activity from the prior fiscal year.

Fines & Forfeitures (\$487,120)

Fines & forfeitures represent fees collected for code enforcement citations, vehicle code violations, parking citations, overdue fines, and impound fees. The increase of \$64,350 to date is due to an increase in activity as the restrictions on activity as a result of the pandemic continue to be lifted.

Investment, Rental Income, and Other Revenues (\$2.3 million)

Investments, Rental Income, and Other Revenue includes rental income, interest earned from investing activities, and other miscellaneous receipts and has increased by about \$200,000 compared to the prior year.

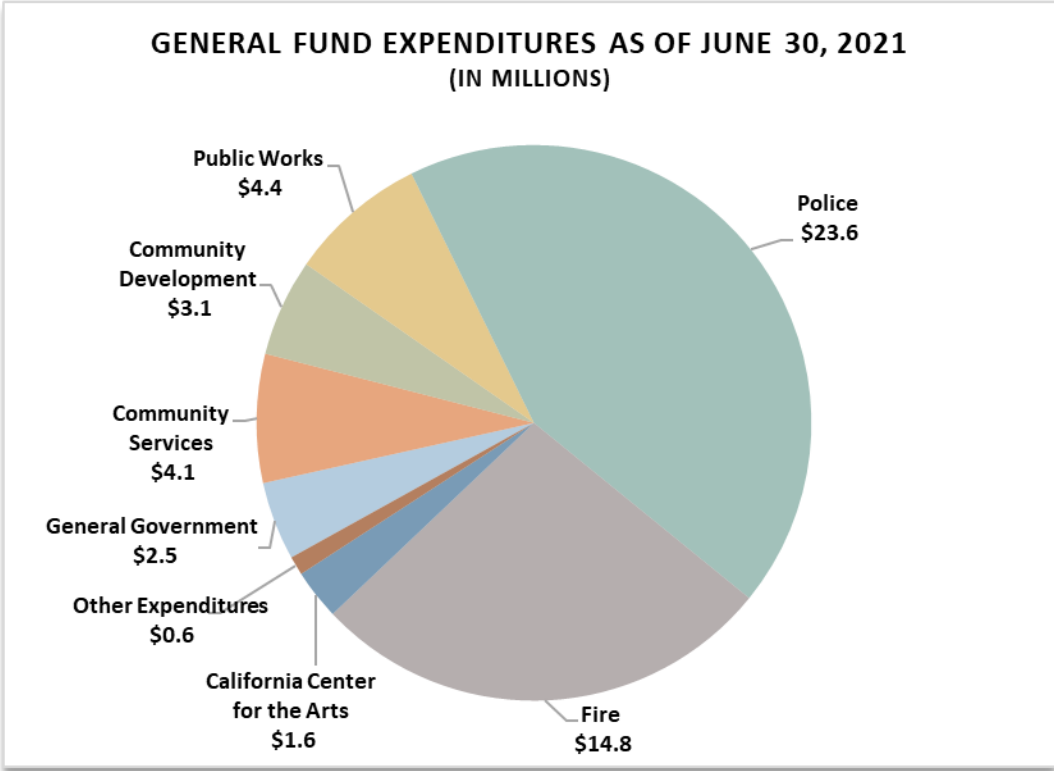
One-Time Funds: Fire Mutual Aid Reimbursements - \$1,023,638

The City's Fire Department staff can be deployed to assist other State agencies with responses to fires and other incidents. The California Office of Emergency Services reimburses the City for the time and resources of the staff deployed. As of December 2021, reimbursements of \$1,023,638 have been recorded.

GENERAL FUND OPERATING EXPENDITURES

The following table includes cumulative second quarter expenditure comparisons for General Fund departments for FY2021/22. General Fund expenditures are tracking as expected at 46% percent of the budget through the first six months of the fiscal year. The General Fund total expenditures are up 6% compared to the prior fiscal year or about \$2.9 million. The FY2021/22 General Fund Operating Budget increased by approximately \$7.1 million or 6% compared to the FY 2020/21 revised Operating Budget and the General Fund departments are on track to meet this target.

	FY2021/22 AMENDED BUDGET	ACTUAL RESULTS DECEMBER 2021	ACTUAL RESULTS DECEMBER 2020
General Government & Support Services	\$6,786,250	\$2,553,690	\$2,596,540
Community Services	9,073,751	4,054,690	3,367,010
Community Development	8,128,370	3,109,050	3,176,970
Public Works	12,485,090	4,389,990	4,328,630
Police	49,248,620	23,563,560	22,421,190
Fire	27,999,290	14,777,350	13,759,360
California Center for the Arts	2,412,680	1,554,270	1,334,430
Other Expenditures	2,134,750	650,250	750,300
TOTAL OPERATING EXPENDITURES	\$118,268,801	\$54,652,850	\$51,734,430



GENERAL FUND RESERVES

In December 2015, City Council adopted a Fund Balance Policy and established a General Fund target Reserve balance of 25 percent of General Fund operating revenues in order to maintain adequate levels of fund balance based on a risk-based analysis, mitigate current and future risks, adequately provide for cash flow requirements, and to fund one-time unanticipated expenditure requirements.

Budgeted General Fund operating revenue in Fiscal Year 2021/22 is \$107,219,510 and 25% of this amount is \$26,804,878. The current General Fund Reserve balance is \$17,392,319, or 16% of budgeted operating revenue, which is below the identified acceptable risk-based analysis adopted by City Council and general government practices.

Section 115 Irrevocable Pension Trust Fund

In February 2018, City Council authorized the establishment of a Section 115 Irrevocable Pension Trust Fund. The Trust Fund is used to set aside and hold money to meet future pension liabilities and can be used to provide economic relief during recessionary cycles and/or rate increases that are significantly above anticipated projected employee rate increases. Funds placed in this Trust can also be used to offset the City’s “normal” CalPERS costs, such that if funds are necessary for other purposes, a certain amount of flexibility is present. Another benefit is that funds held in the Trust can be invested in the same manner as funds in a typical pension fund rather than as part of the City’s General Fund, which means a potentially higher rate of return.

When the Pension Trust Fund was established, a funding policy for contributions to the Fund was recommended and included the four years of annual Successor Agency Redevelopment Loan Repayments of \$14 million that began in Fiscal Year 2018/19, future proceeds from the sale of City Property belonging to the General Fund, and a portion of General Fund surplus at the end of each fiscal year, if one exists. On October 27, 2021, City Council approved the transfer of the FY2020/21 Successor Agency Redevelopment Loan Repayment of \$5,982,930 and the remaining net resources from the FY2020/21 year end operating results of \$5,567,915.

As of December 31, 2021, the Section 115 Pension Trust Fund has a balance of \$27,023,050 which includes City contributions of \$24,406,430 plus investment earnings net of expenses of \$2,616,620. The 3-month rate of return of the investment portfolio is 1.78% and the 1-year rate of return is 5.21%.

The following table provides a summary of the activity since the establishment of the fund.

Section 115 Pension Trust Fund	
Prior Contributions	\$12,855,585
Successor Agency Advance Repayment – FY2020/21	5,982,930
General Fund Operating Results – FY2020/21	5,567,915
Investment Earnings, net of expenses	2,616,620
Balance as of December 31, 2021	\$27,023,050

REIDY CREEK GOLF COURSE FUND

In the prior fiscal year ending June 30, 2021, Reidy Creek Golf Course had the best performance it has had since opening and was able to end the year with positive net income for the first time in 10 years. Due to the increase in activity at the course and continued popularity of Disc Golf, the FY2021/22 budget for the course was adopted with a \$304,280 or 49% increase in operating revenue from the prior year with no transfer from the General Fund. Operating expenses are projected to rise by 19% or \$131,930 due to the increase in maintenance and staff costs needed to support the increase in activity.

	FISCAL YEAR 2021/22 BUDGET	ACTUAL RESULTS DECEMBER 2021	ACTUAL RESULTS DECEMBER 2020	PRIOR YEAR VS CURRENT YEAR
Total Revenues	\$925,060	\$471,159	\$483,980	(\$12,821)
Total Expenditures	(829,120)	(464,216)	(457,350)	(6,866)
Net Operating Income / (Deficit)	\$95,940	\$6,943	\$26,630	(\$19,687)
Budgeted Transfer from the General Fund	-	-	76,410	(76,410)
Total Sources over (Uses)	\$-	\$6,943	\$103,040	(\$254,382)

As of December 2021, overall operating revenues have declined by 2% compared to the prior year. This is due to a decrease in the total rounds of golf played at the course, which decreased by 8% compared to the prior year. In addition, total operating expenditures through December were up slightly by 1.5% from the prior year. The added activity at the course has led to an increase in expenses, primarily due to the maintenance of the course and repairs of aging equipment.

In May 2021, City Council approved the use of \$160,000 of the FY2020/21 projected net surplus for the purchase of new golf carts for the course. The carts were ordered, but due to delays in shipping not received before the end of last fiscal year. In November the new carts arrived at the course and have been very well received by customers. The new fleet is anticipated to alleviate future maintenance costs that were needed to keep the old carts operating.



WATER FUND

Net operating income for the Water Fund through December 2021 was \$10.5 million, a decrease of \$523,000 from prior year. Operating revenue increased by about \$510,000 million or 1% compared to the prior year, due to approved rate increases effective March 31. Operating expenses increased by about \$1 million or 4% compared to the prior year due to increases in the costs for supplies, maintenance, and utilities.

	FISCAL YEAR 2021/22 BUDGET	ACTUAL RESULTS DECEMBER 2021	ACTUAL RESULTS DECEMBER 2020	PRIOR YEAR VS CURRENT YEAR
Operating Revenues	\$64,175,000	\$37,714,975	\$37,204,118	\$510,857
Operating Expenses	(59,158,690)	(27,172,386)	(26,138,453)	(1,033,933)
Net Operating Income	\$5,016,310	\$10,542,589	\$11,065,665	(\$523,076)

WASTEWATER FUND

Net operating income for the Wastewater Fund through December 2021 was \$7.2 million, an increase of \$1.7 million from the prior year. Operating revenue increased by about \$2.4 million or 14% compared to the prior year, due to the timing of reimbursements received from the City of San Diego for treatment charges. Operating expenses increased by about \$703,000 or 6% compared to the prior year due to increases in the costs for supplies, maintenance, and utilities.

	FISCAL YEAR 2021/22 BUDGET	ACTUAL RESULTS DECEMBER 2021	ACTUAL RESULTS DECEMBER 2020	PRIOR YEAR VS CURRENT YEAR
Operating Revenues	\$41,200,000	\$19,989,592	\$17,577,285	\$2,412,307
Operating Expenses	(26,601,330)	(12,808,901)	(12,106,086)	(702,815)
Net Operating Income	\$5,016,310	\$7,180,691	\$5,471,199	\$1,709,492

FOR MORE INFORMATION

This summary report is based on detailed information generated by the City's Finance department. If you have any questions or would like additional information on this report, please contact the Finance department at (760) 839-4676 or visit www.escondido.org



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: 1/25/2022Department: Finance

Division: _____

Project/Budget Manager: Christina Holmes 4620
Name ExtensionCouncil Date (if applicable): 02/02/2022
(attach copy of staff report)**For Finance Use Only**

Log # _____

Fiscal Year 2022
ear

_____ Budget Balances
_____ General Fund Accts
_____ Revenue
_____ Interfund Transfers
_____ Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Fire Assistance Reimbursement	4256-001-000	\$1,056,680	
Overtime	5020-001-600	976,400	
Supplies	5101-001-600	530	
Gas	5111-001-600	1,950	
Misc. Motive	5118-001-600	10,700	
Training & Meetings	5160-001-600	2,100	
Transfers Out	5999-001-000	65,000	
Transfers In	4999-653-000	65,000	
Motive Equipment	5208-653-715	65,000	
Sales Tax Revenue	4001-001-000	4,200,000	
Professional Services	5131-001-600	40,000	
Reimbursement from Outside Agencies	4370-555-000	61,670	
Temporary Part-Time	5004-555-414	50,930	
Other Employee Overhead	5025-555-414	1,740	
PERS-Normal Cost	5026-555-414	5,630	
Workers' Compensation	5028-555-414	3,370	
Adult Literacy Services	401-409102-25010	51,880	
Family Literacy Services	401-409102-25018	32,400	
FY20201/22 California Literacy Services – Adult Literacy	4112-401-25010	51,880	
FY20201/22 California Literacy Services – Family Literacy	4112-401-25018	32,400	

Explanation of Request:

Mid-Year Budget Adjustment to amend the FY2021/22 operating and capital project budgets. All budget adjustments have a funding source.

APPROVALS

	DocuSigned by: <i>Christina Holmes</i>	1/25/2022		
Department Head	<small>C0C8E98A934247C... DocuSigned by:</small>	Date	City Manager	Date
Finance	<small>F22DD68BFC2B4F3... DocuSigned by:</small>	1/25/2022 Date	City Clerk	Date

Distribution (after approval): Original: Finance

KEY-

CONSENT CALENDAR CURRENT BUSINESS

PUBLIC HEARING WORKSHOP

Item 12.



CITY of ESCONDIDO

FUTURE AGENDA

02/09/2022 - CANCELLED

2/16/2022 - CANCELLED

02/23/2022 - NO MEETING (PRESIDENT'S DAY)

03/02/2022

PUBLIC HEARING - (J. PROCOPIO) - RESOLUTION OF FORMATION TO ESTABLISH COMMUNITY FACILITIES DISTRICT (CFD) NO. 2022-01 (ECLIPSE AND MOUNTAIN HOUSE) - Request the City Council approve to hold a public hearing to establish CFD 2022-01 and determine the necessity to incur bond indebtedness for the Eclipse and Mountain House Project.

PUBLIC HEARING - (C. MCKINNEY) - AMENDING THE ESCONDIDO MUNICIPAL CODE PERTAINING TO REGULATION OF SHORT-TERM HOME RENTALS AND AWARDED AN AGREEMENT FOR ADMINISTRATION OF THE SHORT-TERM HOUSING RENTAL PROGRAM - Request the City Council approve adopting Ordinance 2022-01 pertaining to regulation of short-term home rentals and creating a short-term home rental program for the collection of associated taxes and fees, business license, and code compliance monitoring. It is also requested the City Council adopt Resolution 2022-04 authorizing the