Attachment A

City of Oakland and Oakland Redevelopment Successor Agency

City of Oakland, California

Cash Management Report For The Quarter Ended June 30, 2019
Finance Department
Bureau of Treasury

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Treasury Administrator

Investment Staff
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CITY OF OAKLAND
CASH MANAGEMENT REPORT FOR
THE QUARTER ENDED JUNE 30, 2019

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CITY OF OAKLAND AND CITY OF OAKLAND SUCCESSOR
CASH MANAGEMENT REPORT
FOR THE QUARTER ENDED JUNE 30, 2019

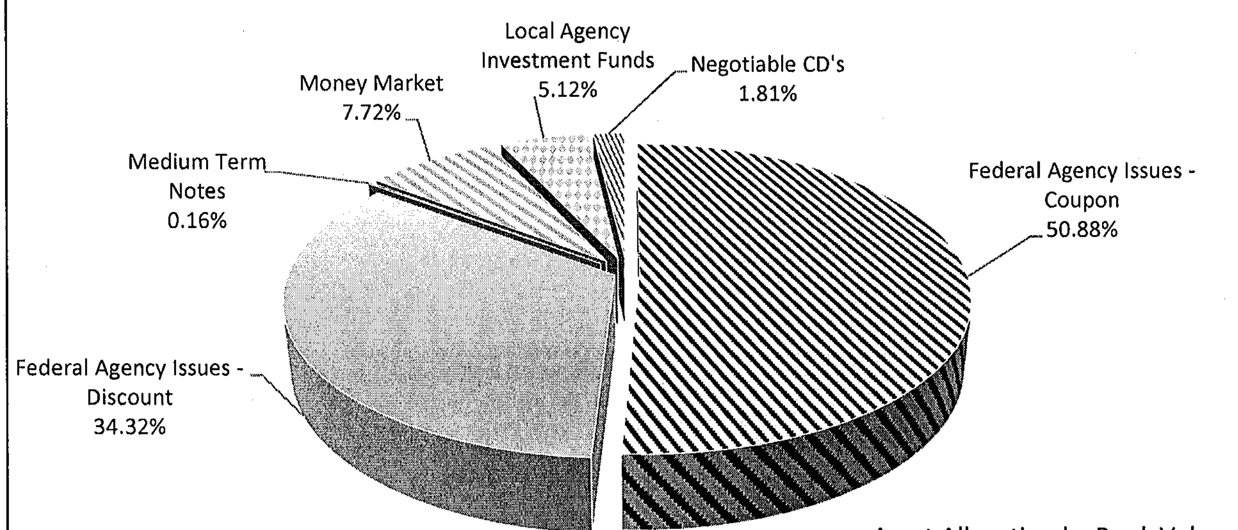
PREPARED BY THE
FINANCE DEPARTMENT
BUREAU OF TREASURY

JULY 31, 2019

Pooled Fund Portfolio Statistics
For the month ended June 30, 2019

Average Daily Balance	$1,257,086,679
Net Earning Quarter	$7,412,386
Month End Yield	2.42%
Average Maturity	287 days
Daily Liquidly	12.78%
180 Day Liquidity	57.15%

Investments	Par Value	Market Value	Book Value
Federal Agency Issues - Coupon	646,600,000.00	647,045,371.20	646,169,960.90
Federal Agency Issues - Discount	441,000,000.00	438,729,996.00	435,805,519.72
Medium Term Notes	2,000,000.00	2,005,594.00	1,999,012.04
Money Market	98,000,000.00	98,000,000.00	98,000,000.00
Local Agency Investment Funds	65,000,000.00	65,111,266.35	65,000,000.00
Negotiable CD's	23,000,000.00	23,011,444.00	23,000,000.00
Total	**$1,275,600,000.00**	**$1,273,903,671.55**	**$1,269,974,492.66**



Asset Allocation by Book Value

CITY OF OAKLAND AND OAKLAND SUCCESSOR
CASH MANAGEMENT REPORT
FOR THE QUARTER ENDED JUNE 30, 2019

I. ECONOMIC REVIEW

MARKET OVERVIEW

According to the U.S. Department of Commerce, Real Gross Domestic Product – the output of goods and services produced by labor – increased at an annual rate of 2.1 percent in the second quarter of 2019. The Real GDP had increased 3.1 percent in the first quarter of 2019. The Real GDP slowed down sharply in the second quarter however was better than expected growth of 2.0 percent, as strong consumer spending and government spending were partly offset by negative contributions from private inventory, exports, and nonresidential and residential fixed investments.

The U.S. jobs rebounded sharply in June 2019 with solid hiring across many industries. According to the Bureau of Labor Statistics, Nonfarm payroll added 224,000 jobs in June 2019, after only increasing 72,000 jobs in May 2019.The unemployment rate decreased to 3.7 percent. Economists had expected a gain of only 165,000 in jobs. The strongest job gains occurred in professional and business services, in health care, and in transportation and warehousing sectors. The jobs market remains stronger despite concerns of global economic slowdown.

U.S. consumer spending rebounded more than expected in the second quarter of 2019.The Bureau of Economic Analysis reported that consumer spending, which accounts for almost 70 percent of the economy, increased 4.3 percent in second quarter after increasing only 1.1 percent in the first quarter of 2019.The personal consumption expenditure (PCE) price index excluding food and energy increased 2.3 percent during the second quarter, after a 0.4 percent gain in first quarter of 2019. The core PCE is the Federal Reserve's preferred inflation measure and has a 2 percent target.

U.S. consumer prices increased by the most in nearly 18 months in June 2019, but the underlying inflation pressures remained firm as domestic and global economic growth slows. The Labor Department reported that its Consumer Price Index increased 0.3 percent in June 2019. This increase in CPI was boosted by strong increases in the prices for apparel, used cars and trucks, household furnishings, cost of health care, as rents. The CPI had increased 0.1 percent in May 2019. The index was above expectations as it was forecasted to rise by 0.1 percent. The Consumer Price Index has increased 1.6 percent over the past year, which is now close to the FOMC's inflation threshold of 2 percent.

U.S. consumer confidence weakened in June 2019, as consumers were less optimistic about the future expectations amid global economic slowdowns and continued volatility in financial markets amid US trade war with China. The Conference Board reported that its index of consumer confidence decreased to 121.5 in June 2019 after 131.3 reading in May 2019. The economists had expected an increase to 131.1.

U.S. retail sales increased more than expected in June 2019, as consumers had strong spending for the fourth straight month. The Commerce Department reported that retail sales increased 0.4 percent in June 2019, as households increased spending on purchases of motor vehicles and variety of other goods. Economists were expecting an increase of 0.1 percent. In May 2019, retail sales had increased 0.4 percent. Retail sales has increased 3.4 percent since June 2018.

U.S. manufacturing activity slowed in June 2019 amid U.S China trade war, the Institute for Supply Management (ISM) said its manufacturing index decreased to a reading of 51.7 in June 2019 from 52.1 in May 2019. Any number above 50% signals expansion.

U.S. producer prices increased slightly in June 2019 as the cost of energy and other good decreased, however the underlying wholesale inflation was soft. The Labor Department reported that its producer price index for final demand increased 0.1 percent in June 2019 after increasing 0.1 percent in May 2019. In the 12 months through June 2019, the PPI rose 1.7 percent.

However, Prices for U.S. import prices fell in June 2019, as cost of petroleum and other goods declined. According to U.S. Bureau of Labor Statistics, import prices decreased 0.9 percent in June 2019, the biggest decrease since December 2018. Economists has forecasted import prices falling by 0.7 percent. The US imports prices was unchanged in May 2019. In the 12 months through June 2019, import prices fell 2.0% after declining 1.1% in May 2019.

U.S. homebuilding fell for a second straight month in June 2019. The Commerce Department reported that Housing Starts decreased 0.9 percent to a seasonally adjusted annual rate of 1.253 million units, as rebound in the construction of single family housing units was offset by a plunge in multi-family home-building. Economists had forecasted housing starts to decrease to a pace of 1.261 million units. The Commerce Department also reported that single family homebuilding, which accounts for the largest share of the housing market, increased 3.5 percent to a rate of 847,000 units in June 2019.

Sales of new U.S. single family homes rebound sharply in June 2019, however sales of the prior three months were revised down, indicating potential weakness in the housing market. The Commerce Department reported that new home sales rose 7.0 percent to a seasonally adjusted annual rate of 646,000 units in June 2019. Economists were expecting an increase of 6.0 percent to 660,000 units. The housing market continues to be violate despite lower mortgage rates and the lowest unemployment rate in nearly 50 years.

However, the U.S. existing home sales fell more than expected in June, as shortage of inventory pushed prices of homes higher. The National Association of Realtors reported that its index of existing home sales decreased 1.7 percent to a seasonally adjusted annual rate of 5.27 million homes. May's sales pace was 5.36 million units. Existing home sales makes up about 90 percent of U.S. home sales, decreased 2.2% from last year.

Interest Rates

Inflation and unemployment continue to be the primary concern of the Federal Open Market Committee ("FOMC"). The FOMC held meetings on May 1st and June 19th 2019. On June 19th, the FOMC decided to maintain that target range at 2.25-2.50 percent, however expressed concerns about the increase in uncertainties in the economic outlook, which could subsequently lead to a rate cut.

The FOMC kept the target range indicating that even though the labor market remained strong, growth of economic activity has slowed. FOMC expects inflation on a 12-month basis is expected to remain somewhat near 2 percent in the near team but to stabilize around the 2 percent objective over the medium term. The FOMC changed it's 2019 outlook indicating they will act as appropriate to sustain the expansion. The FOMC will continue to monitor global economic and financial developments and assess their implications for the economic outlook.

Consistent with its statutory mandate, the FOMC seeks to foster maximum employment and price stability. Inflation had picked up in recent months, however it continues to run below the committee's two percent longer run objective. The FOMC anticipates inflation to rise gradually toward two percent over the medium term as the labor market improves further.

The FOMC currently expects that, with gradual adjustments in the stance of monetary policy, economic activity will continue to expand at a moderate pace and labor market indicators will continue to strengthen. However, FOMC indicated that the actual path of federal funds rate will depend of future incoming economic data.

II. City of Oakland

Portfolio Review

The City's Portfolio balances increased from $1.15 billion as of March 31, 2019 to $1.27 billion as of June 30, 2019. This net increase was mainly due to receipt of $165.7 million in property taxes, offset by debt service payments of approximately $85.9 million, and other vendor payments. The additional $40.50 million increase is the net of other revenues offset by operational expenses.

Portfolio Composition

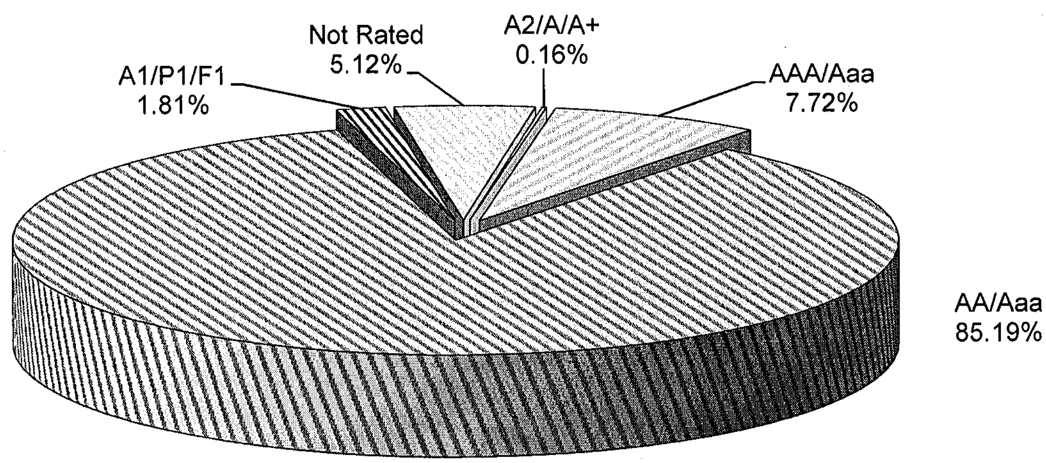
The Portfolio continues to comply with all provisions of the City's adopted Investment Policy for Fiscal Year 2018-2019, including compliance with applicable local ordinances and resolutions such as Nuclear Free Zone, Linked Banking, Tobacco Divestiture, Fossil Fuels, and Guns/Ammunition.

The following discussion addresses the City's investment portfolio characteristics in terms of the Investment Policy's four objectives: safety, liquidity, diversity and return. Portfolio detail for each month of the current quarter is attached to this report.

Preservation of Capital/Safety. In the chart below, the City's holdings are depicted by credit rating category as of June 30, 2019. Approximately 85.19% of Operating Fund investments were rated in the AA/Aaa category while 7.72% in AAA/Aaa, 5.12 % primary unrated holdings represent the Fund's investments in the Local Agency Investment Fund ("LAIF"), 1.81 % in the A1/P1 category, and the remaining 0.16% in A2/A/A+. On August 6, 2011, the government agencies were downgraded by Standard and Poor's Rating Agency to AA+ from AAA. Moody's Investors' Service and Fitch Ratings continue to maintain AAA rating for government agencies.

The City's Investment Policy for FY 2018-2019 does not have a rating criteria level for government agencies.

City of Oakland Operating Fund
Portfolio Credit Quality
(As of 06/30/19)



Liquidity. Liquidity continues to be a primary objective when making investment decisions for the Operating Pool portfolio. With ongoing capital projects at the Port and within the City, and to ensure that sufficient liquidity is available to meet day-to-day expenditures, the City maintains a sufficient "cushion" in money market funds to meet unanticipated project expenditures.

Debt service payable from the City's Operating Pool for the Port and the City for the six months following June 30, 2019 is approximately $212.37 million. Consequently, staff will continue to invest in short-term instruments and money markets as investment tools to maintain adequate short-term liquidity.

Investments maturing over the next six months are as follows:

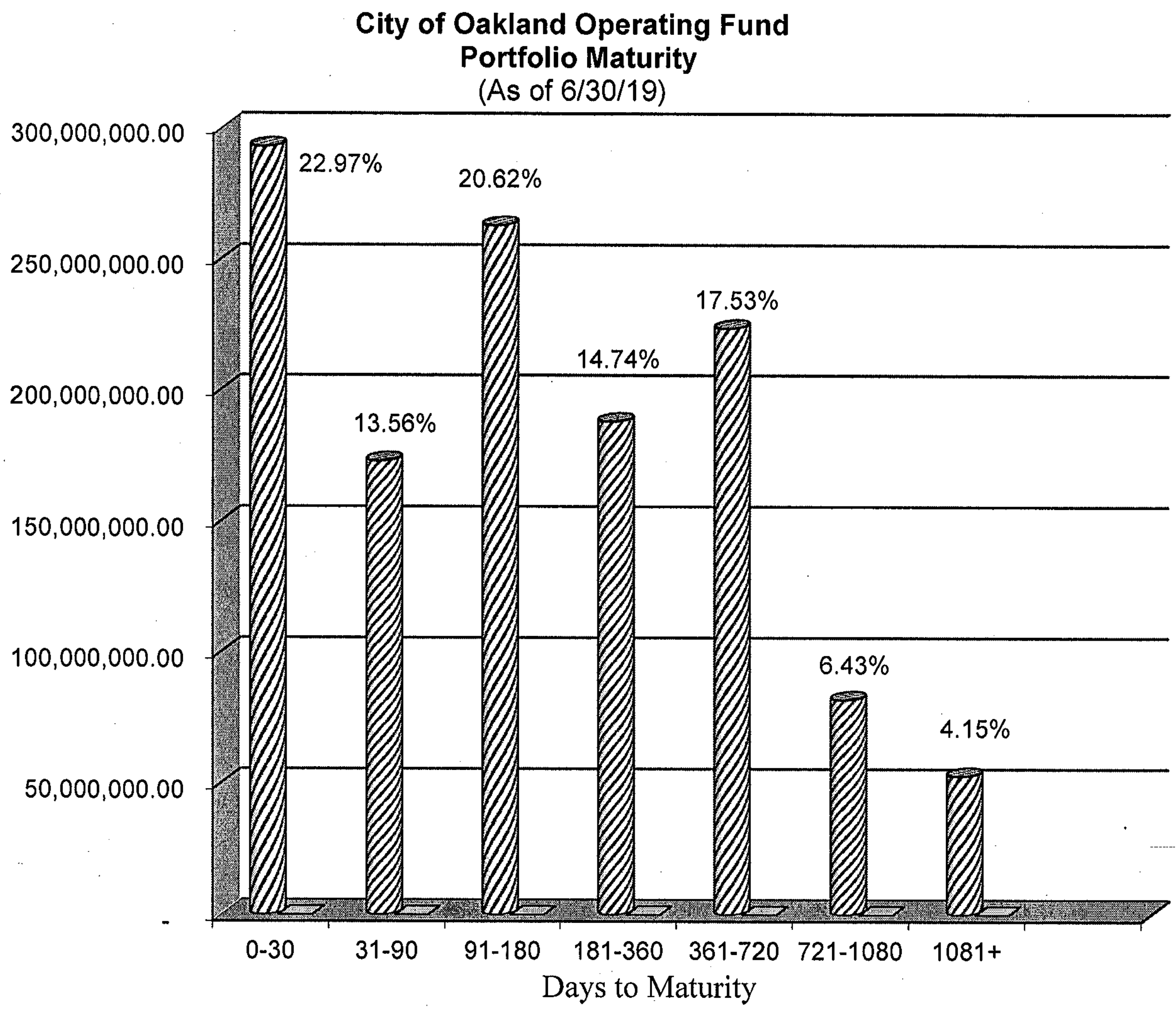
Days	Amount(s)	Percent
0-30	$ 293,000,000.00	22.97%
31-180	$ 436,000,000.00	34.18%
Total	**$ 729,000,000.00**	**57.15%**

Investments maturing within 180 days include $65.00 million in LAIF and $98.00 million in money market funds, both of which are considered to have a one-day maturity due to the ability to withdraw funds daily.

Five Year Historical Portfolio Balance: Listed below is the balance for the operating fund portfolio for each of the last 5 years.

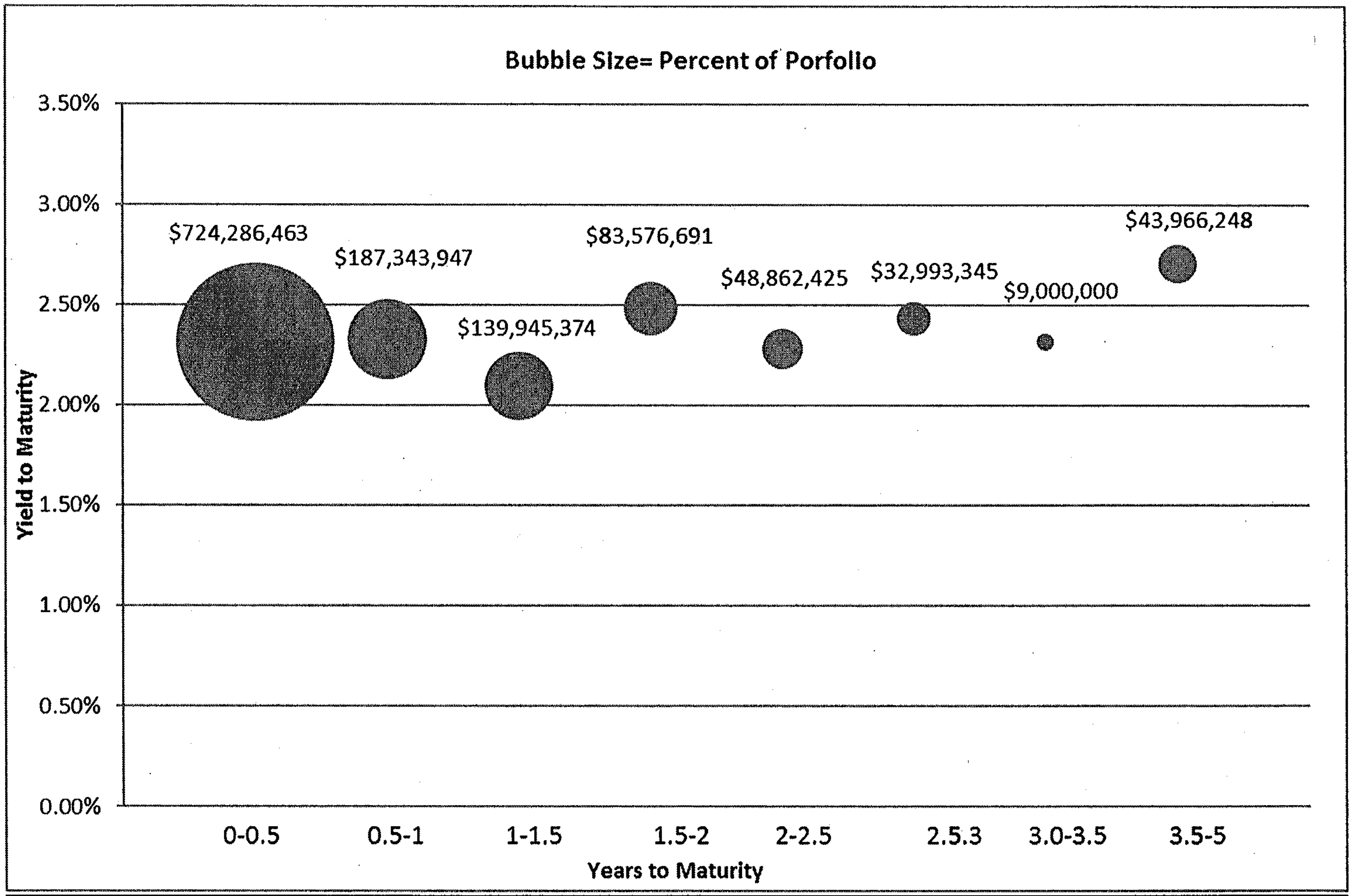
Year	Amount	Percent Increase/Decrease From Prior Year
June 2019	$1,269,974,493	21.11%
June 2018	$1,048,612,266	9.71%
June 2017	$ 955,786,438	30.43%
June 2016	$ 732,799,610	34.54%
June 2015	$ 544,670,029	

The following graph depicts the Operating Fund Portfolio by dollars invested and the percentage in each maturity range as of June 30, 2019.



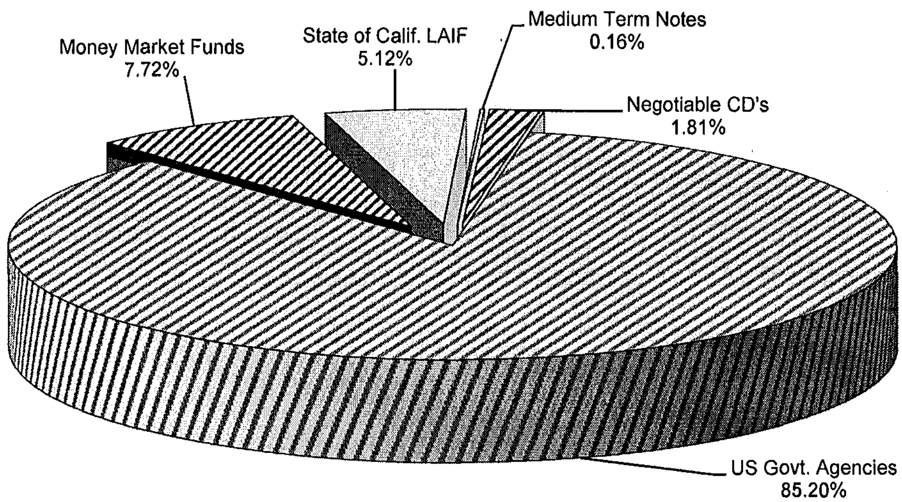
The following graph depicts the Operating Fund Portfolio by yield to maturity vs time to maturity, this indicates that higher percentage of portfolio is invested in front end of the yield curve to meet daily liquidity needs.

City of Oakland Operating Fund
Yield to Maturity
(As of 6/30/19)



Diversity. To reduce the risks of investing, the portfolio is diversified among a variety of financial instruments, as depicted by the following chart. In addition to limiting the types of investments permissible in any one category as outlined in the Investment Policy, no more than 5% of the total cash portfolio may be invested in any one issue. This single-issue provision does not apply to money market funds or to LAIF, as they each are backed by a large portfolio of highly diversified assets.

City of Oakland Operating Fund
Portfolio Diversity
(As of 06/30/19)



Derivatives. The Operating Fund Portfolio contained no derivative instruments (interest rate swaps, futures, or options) during this reporting period.

Yield. Total interest earned for the quarter ended June 30, 2019 was approximately $7,412,386. The effective rate of return on total assets in the Operating Fund Portfolio for month-end June 30, 2019 was 2.42% as compared to 2.41% for March 31, 2019. It continues to be the City's practice to hold investments to maturity rather than to sell at a loss and adjust to the market's yield curve. The primary investment objective of the City for the portfolio is to maximize safety, liquidity, and return in that respective order.

Comparative yields for the quarter are shown below.

City of Oakland Operating Fund
Comparative Annualized Yields
(As of 06/30/19)

As of Month-end	1-year Govt. Agency	LAIF[1]	Operating Fund	Alameda County Pool[2]
April 2019	2.30%	2.46%	2.43%	2.64%
May 2019	2.24%	2.45%	2.40%	2.39%
June 2019	2.02%	2.43%	2.42%	2.27%

[1]Effective monthly average return.
[2]Annualized cash based return.

Benchmark Comparison:

The effective rate of return on total assets in the Operating Fund Portfolio for the month ending June 30, 2019 was 2.42%. The City's Operating Fund Portfolio had out-performed the 1 year government agency which yielded a rate of 2.02%. The City's Operating Fund Portfolio slightly underperformed the Local Agency Investment Fund ("LAIF"), which ended the month at 2.43%.

The Alameda County Pool had a preliminary accrual basis rate of return for June 2019 of 2.27%. The Alameda County Pool had a Portfolio of $6.31 billion with 422 days to maturity, meanwhile the City's Operating Fund had an accrual rate of return of 2.42% for June 2019. The City had a portfolio of $1.27 billion with 287 days to maturity.

As of June 30, 2019, the City's Portfolio Fund's average days-to-maturity (ADM) was 287 days versus LAIF's average days-to-maturity (ADM) was 173 days.

The performance comparison to LAIF must be considered in light of LAIF's historical tendency to lag market changes in both rising and falling interest rate environments. The City does not actively sell securities in the portfolio to take advantage of cyclical swings in the market, which could result in the loss of principal. The primary investment objective of the City for the portfolio is to maximize safety, liquidity, and yield in that respective order.

The summary below provides total portfolio income recognized for the last quarter as compared to the prior quarter and the same quarter one year ago.

TOTAL PORTFOLIO INCOME RECOGNIZED Accrual Basis			
Total Portfolio	**June 30, 2019**	**March 31, 2019**	**June 30, 2018**
Quarter-End			
Total Interest Earnings	$ 7,412,386	$ 4,944,245	$ 4,675,678
Realized gains (losses) from sales	-	-	-
Total income recognized	$ 7,412,386	$ 4,944,245	$ 4,675,678
Fiscal Year-to-Date			
Total Interest Earnings	$ 23,352,114	$ 9,662,760	$ 12,667,036
Realized gains (losses) from sales	-	-	-
Total income recognized	$ 23,352,114	$ 9,662,760	$ 12,667,036

Valuation and Leverage. Based on information received from Interactive Data Corporation, the market value of the Operating Fund was $1.27 billion, which was above book value by $3,929,179. There was no leverage in the portfolio during the reported period, and liquidity was maintained at sufficient levels.

The following table illustrates the net unrealized gains or losses on the portfolio when comparing the portfolio's market value to both its original cost and amortized cost.

UNREALIZED GAINS & LOSSES			
	Cash Basis		**Accrual Basis**
Market Value	$ 1,273,903,672	**Market Value**	$ 1,273,903,672
Original Cost	(1,269,224,355)	**Original Cost**	(1,269,974,493)
Net Unrealized Gain (Loss)	$ 4,679,316	**Net Unrealized Gain (Loss)**	$ 3,929,179

The City's investment strategy, per the Investment Policy, is generally to hold securities to maturity. The net unrealized gains noted above are "paper gains" where there is an inverse relationship between the changes in market interest rates to the value of investment securities.

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III. CITY OF OAKLAND SUCCESSOR PORTFOLIO

PORTFOLIO REVIEW

The Successor Agency's portfolio increased from a balance of $49.20 million as of March 31, 2019 to a balance of $63.17 million as of June 30, 2019. The portfolio increased due to receipt of $15.9 million for Recognized Obligation Payment Schedule ("ROPS"), offset by transfers of approximately $8.35 million, and other vendor payments.

PORTFOLIO COMPOSITION

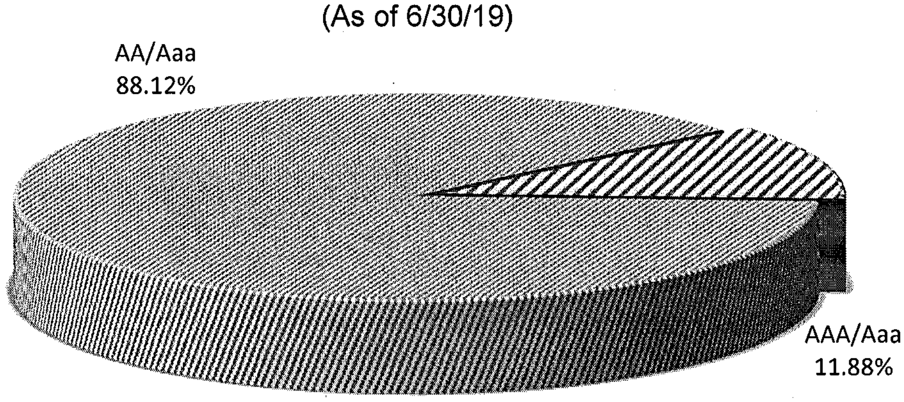
The Portfolio continues to comply with all provisions of the City's Investment Policy for Fiscal Year 2018-2019, including compliance with applicable local ordinances and resolutions such as Nuclear Free Zone, Linked Banking, and Tobacco Divestiture. In addition, the City will consider investing, when possible, in companies that promote the use and production of renewable energy resources and any other type of socially responsible investments.

The following discussion addresses the Successor investment portfolio characteristics in terms of the Investment Policy's four objectives of safety, liquidity, diversity and return. Portfolio detail for each of the months in the current quarter is attached to this report.

Preservation of Capital/Safety. The Successor's holdings by credit rating category are depicted in the chart below. Approximately 11.88% of Operating Fund investments were rated in the AAA/Aaa, while 88.12% were rated AA/Aaa . On August 6, 2011, the government agencies were downgraded by Standard and Poor's Rating Agency to AA+ from AAA. Moody's Investors' Service and Fitch Ratings continue to maintain AAA for government agencies.

The City's Investment Policy for FY 2018-2019 does not have a rating criteria level for government agencies.

Oakland Successor
Portfolio Credit Quality
(As of 6/30/19)



Liquidity. Liquidity within the Successor's Portfolio remains sufficient to meet only debt service needs of the Successor for the next six months and beyond. The debt service payment for the next six months for the Successor is approximately $38.56 million. The estimated six-month cash flow for Successor Portfolio is summarized below:

Successor Portfolio Estimated Cash Flow		
June-Dec 2019*		
Beg: Available Balance	$	63,147,562
ROPS Receipt		-
Debt Service		(38,561,914)
Other expenses		(5,000,000)
Bal: Dec 2019	$	19,585,649
*Successor Pool Only		

Five Year Historical Portfolio Balance: Listed below is the balance for the operating fund portfolio for each of the last 5 years.

Year	Amount	Percent Increase/Decrease From Prior Year
June 2019	$63,147,562	18.47%
June 2018	$53,302,922	2.72%
June 2017	$ 51,892,344	2.48%
June 2016	$ 50,637,795	2.35%
June 2015	$ 49,476,849	

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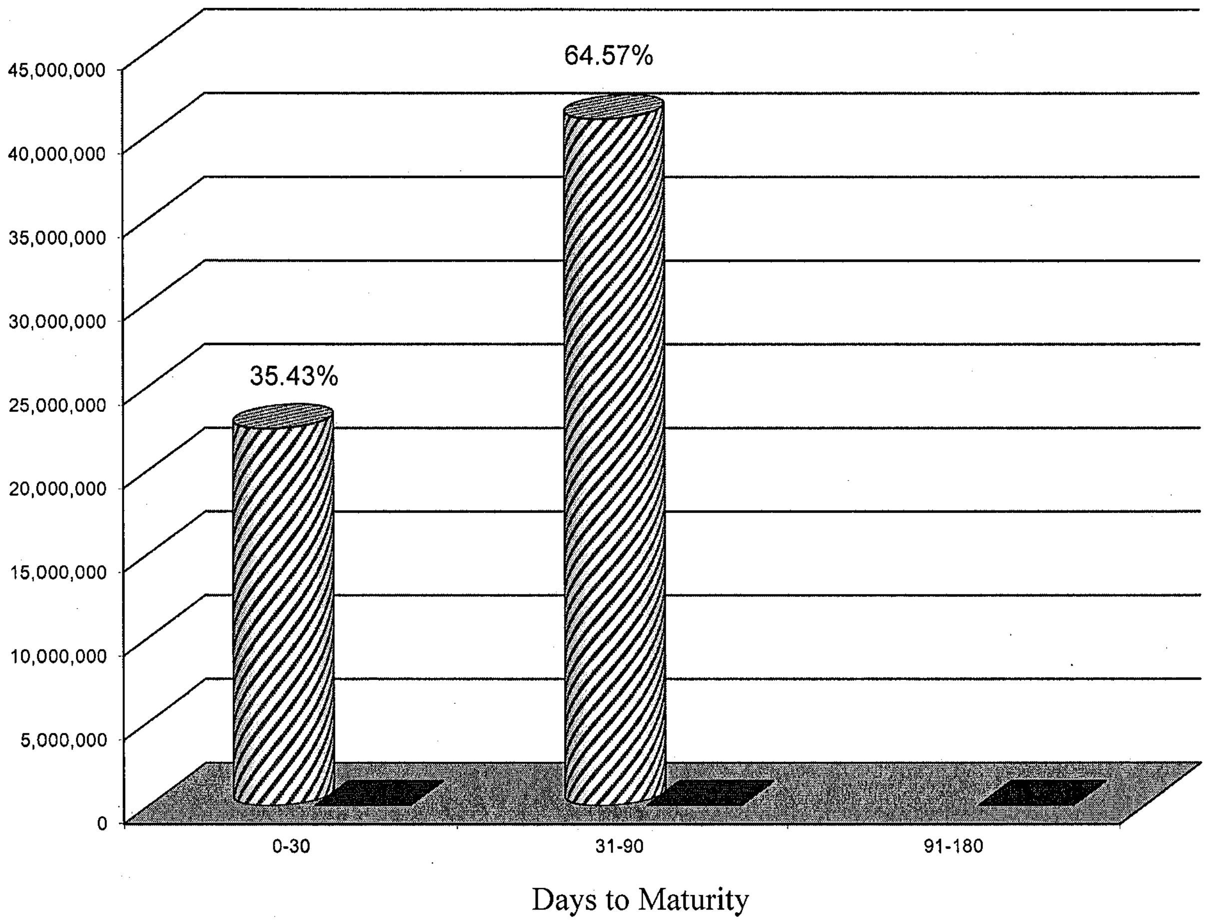
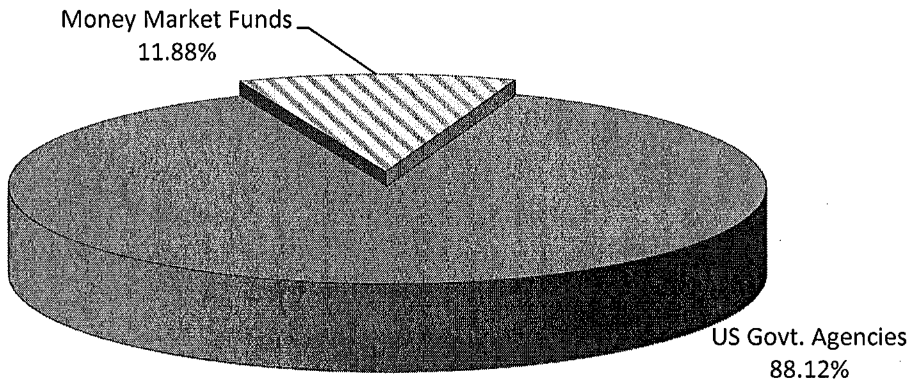
The following chart depicts the Successor's Portfolio by percentage and dollars invested in each maturity range.

Oakland Successor Agency
Portfolio Maturity
(As of 06/30/19)



Diversity. To reduce the risks of investing, the portfolio is diversified among a variety of instruments, as depicted by the following chart. In addition to limiting the types of investment in any one category, as outlined in the Investment Policy, no more than 5% of the total cash portfolio may be invested in any one issue.

Oakland Successor Agency
Portfolio Diversity
(As of 6/30/19)



Derivatives. The Agency Portfolio contained no derivative instruments during this reporting period.

Yield. Total interest earned for the quarter ended June 30, 2019, was approximately $333,977. The effective rate of return on total assets in the Successor's Portfolio was 2.39% for month ending June 30, 2019. The Successor's Portfolio outperformed the 1-year government agency which yielded a rate of 2.02% as of June 30, 2019. The Successor's Portfolio underperformed the Local Agency Investment Fund ("LAIF"), which ended the month at 2.43%. The performance comparison to LAIF must be considered in light of LAIF's historical tendency to lag market changes in both rising and falling interest rate environments. The Successor Portfolio has extremely shorter duration due to liquidity concerns, thus was able to generated higher short term returns in comparison to LAIF and 1-year government agency.

As of June 30, 2019, Successor's Portfolio Fund's average days-to-maturity (ADM) was 85 days versus LAIF's average days-to-maturity (ADM) was 173 days.

Comparative yields for the quarter are shown below.

Oakland Successor Agency
Comparative Annualized Yields
(As of 6/30/19)

As of Month-end	1-Year Govt. Agency	LAIF[1]	Successor
April 2019	2.30%	2.46%	2.49%
May 2019	2.24%	2.45%	2.44%
June 2019	2.02%	2.43%	2.39%

[1]*Effective monthly average return*

The summary below provides total portfolio income recognized for the last quarter as compared to the prior quarter and the same quarter one year ago.

TOTAL PORTFOLIO INCOME RECOGNIZED Accrual Basis				
Total Portfolio		**June 30, 2019**	**March 31, 2019**	**June 30, 2018**
Quarter-End				
Total Interest Earnings		$ 333,977	$ 47,977	$ 205,761
Realized gains (losses) from sales		-	-	-
Total income recognized		$ 333,977	$ 47,977	$ 205,761
Fiscal Year-to-Date				
Total Interest Earnings		$ 863,277	$ 220,290	$ 491,340
Realized gains (losses) from sales		-	-	-
Total income recognized		$ 863,277	$ 220,290	$ 491,340

Valuation and Leverage. Based on information received from Interactive Data Corporation, the market value of the Successor portfolio for the quarter ended June 30, 2019 was $63.40 million, which was above book value by $253,204. There was no leverage in the portfolio during the reporting period and liquidity was maintained at sufficient levels.

The following table illustrates the net unrealized gains or losses on the portfolio when comparing the portfolio's market value to both its original cost and amortized cost.

UNREALIZED GAINS & LOSSES			
	Cash Basis		Accrual Basis
Market Value	$ 63,400,766	**Market Value**	$ 63,400,766
Original Cost	(63,146,975)	**Original Cost**	(63,147,562)
Net Unrealized Gain (Loss)	$ 253,791	**Net Unrealized Gain (Loss)**	$ 253,204

Portfolio Earnings Comparison