



BUDGET AND FINANCE COMMISSION

Monday, April 26, 2021
6:00 P.M.

REGULAR MEETING AGENDA

SOLANA BEACH CITY HALL
635 S. Highway 101
Solana Beach, CA 92075

This meeting will be conducted in accordance with Governor Newsom's Executive Order N-29-20 related to the COVID-19 virus.

MEETING LOCATION WILL NOT BE OPEN TO THE PUBLIC. Due to the Executive Order to stay home, in person participation at this meeting will not be allowed at this time. In accordance with the Executive Order to stay home, there will be no members of the public in attendance at this meeting.

* **PUBLIC PARTICIPATION** - Written correspondence regarding an agenda item at an open session meeting should be submitted to Ryan Smith at rsmith@cosb.org by 2:00 PM on the day of the meeting. Members of the public who would like to listen to the meeting may do so by using the following Zoom link:

<https://us02web.zoom.us/j/81675165094?pwd=WnNpVXM1QndXTWdNNXN1QzNtNXFTUT09>
Webinar ID: 816 7516 5094 Passcode: 372132 The designated location for viewing public documents is the City's website www.cityofsolanabeach.org.

- 1. Call to Order**
- 2. Oral Communications – Public**
- 3. Oral Communications – Commission Members**
- 4. Approval of Commission Minutes – February 22, 2021**
- 5. Sales Tax Update – 4th Quarter 2020**
- 6. March 31, 2021 Investment Report**
- 7. City Manager Roundtable**
- 8. Adjournment**

The City of Solana Beach does not discriminate on the basis of disability. If you have special needs because of a disability, which makes it difficult for you to participate in the Budget and Finance Commission Meetings, please contact the City at (858) 720-2400, so arrangements can be made to accommodate you.



BUDGET AND FINANCE COMMISSION SUMMARY MINUTES

Regular Meeting

Monday, February 22, 2021 - 6:00 P.M.

Solana Beach City Council Chamber – Held via ZOOM

635 S. Highway 101, Solana Beach, CA 92075

1. Call To Order And Roll Call:

Chairperson Murphy called the Budget and Finance Commission (Commission) Meeting to order at 6:01 p.m. on February 22, 2021.

Budget & Finance Commissioners:

Present:

Ed Murphy
Jeff Lyle
Jolene Koester
Dave Clemons
Rod Cooper

Excused:

NA

Staff Members/Other:

City Manager Gregory Wade
Finance Director/Treasurer Ryan Smith
Senior Accountant Catherine Wong
PARS - Mitch Barker
PARS – Jennifer Meza
Highmark Capital – Christiane Tsuda
Chandler Asset Management – Mia Corral Brown
Chandler Asset Management – Genny Lynkiewicz

2. Oral Communications - Public:

Chairperson Murphy opened this portion of the agenda which provides an opportunity for members of the public to address the Commission on items not appearing on the agenda. There were no members of the public to speak to any item not on the agenda.

3. Oral Communications – Commission Members:

Chairperson Murphy asked Commission members if they wished to address the Commission on items not appearing on the agenda. No members of the commission wished to speak to any item not on the agenda.

4. Approval of Meeting Minutes

Meeting minutes for Monday, January 25, 2021 were unanimously approved.

5. December 31, 2020 Investment Report

Finance Director Ryan Smith introduced Mitch Barker, Executive Vice President, and Jennifer Meza, Consulting Manager, with PARS and Christiane Tsuda, Senior Portfolio Manager, with HighMark Capital who reviewed the December 31st results of the City's 115 Trust plan. They discussed the most recent balances of the pension and OPEB liabilities and the investment results over the final six months of 2020. Director Smith then introduced Mia Corral Brown, Senior Relationship Manager, and Genny Lynkiewicz, Senior Portfolio Manager, with Chandler Asset Management who gave an economic update and reviewed the City's investment portfolio results at quarter ending December 31st,2020. At the conclusion of the presentations, Commissioners asked questions about the investment programs that were answered by the consultants.

6. Mid-Year Budget Update

Finance Director Ryan Smith presented the FY 2020-21 Mid-Year budget update. Director Smith reviewed adjustments to General Fund Revenues and Expenditures. He discussed the overall impact to the General Fund and reviewed adjustments to funds other than the General Fund. Commissioners asked questions about the budget that were answered by Director Smith, Senior Accountant Catherine Wong, and City Manager Greg Wade.

7. City Manager Roundtable

City Manager Greg Wade congratulated three of the commissioners on their reappointment to the commission and shared information regarding COVID, the upcoming Council meeting, legislative updates, and topics currently affecting the City.

8. ADJOURNMENT

The meeting was adjourned at 8:10 pm.

Respectfully Submitted,

Ryan Smith, Finance Director/Treasurer

MINUTES AS APPROVED BY THE BUDGET AND FINANCE COMMISSION:

Approved on _____.

CITY OF SOLANA BEACH

SALES TAX UPDATE

4Q 2020 (OCTOBER - DECEMBER)



SOLANA BEACH

TOTAL: \$ 917,326

-4.3%

4Q2020



-1.9%

COUNTY



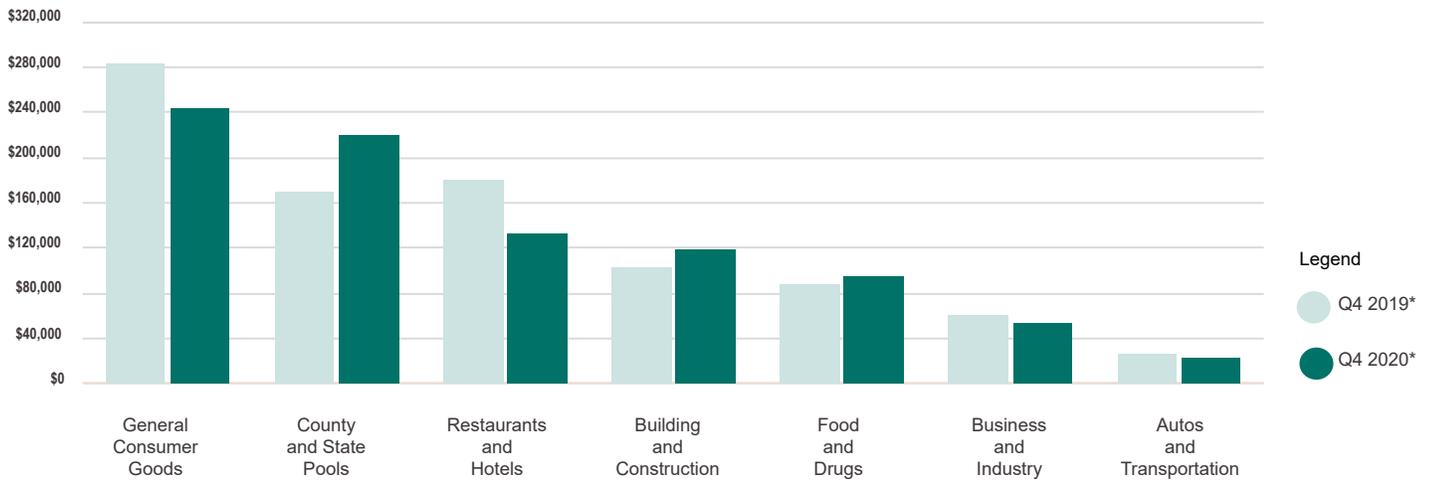
-2.0%

STATE



**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF SOLANA BEACH HIGHLIGHTS

Solana Beach's receipts from October through December were 10.3% below the fourth sales period in 2019. However, tax payment deferrals offered by the State has temporarily delayed actual receipts. Once estimated payments are incorporated into the data and reporting aberrations excluded, actual sales were down 4.3%.

This was the third quarter of economic impacts due to the pandemic. As expected, restaurants that usually depend on indoor services like casual dining and quick service establishments continue to be hindered. Furthermore, this was the normal holiday shopping period, and general consumer retailers, including home furnishing merchants, felt the strain of weak foot traffic and in-store buying.

Growth from the countywide use tax

pool continues to be a bright spot, partially offsetting the decline. With more online purchases being made and a greater number of out-of-state retailers collecting and remitting local sales tax, the City's share grew 29% compared to a year ago.

The current stable housing market supported by favorable interest rates during the pandemic also contributed to a rise in building-construction returns.

Net of aberrations, taxable sales for all of San Diego County declined 1.9% over the comparable time period; the Southern California region was down 2.7%.



TOP 25 PRODUCERS

Arco AM PM
Assay Depot
BevMo
Cedros Soles
Claire's on Cedros
CVS Pharmacy
Discount Tire
Dixieline Home/Lumber Center
European Bath & Kitchen
Fidels Little Mexico
Fish Market
Home Goods
Intimate Living Interiors
Kern & Co
Leasing Innovations
Marshalls
Mobil
Pamplemousse Grille

Red Tractons Restaurant
Solo
Sprouts Farmers Market
Staples
Surf Ride
Vons
Window Visions



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring October through December, the holiday shopping season, was 1.9% lower than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous periods. Lower receipts were primarily concentrated in the Bay Area and coastal southern regions while much of inland California, including the San Joaquin Valley, Inland Empire, and northern regions, exhibited solid gains.

As expected, the larger place of sale categories which have been negatively impacted throughout the pandemic continue to be brick and mortar general consumer goods retailers like family apparel, department, and electronics/appliance stores. With limited to zero allowed indoor dining (depending on a County's Covid-19 tier assignment), restaurants and hotels suffered the largest losses especially in communities that strongly rely on tourism. Although the workforce has slowly begun to return to physical office environments, fuel and service stations revenues lagged the prior year performance.

It does not appear that Governor Newsom's second 'shelter at home' directive, initiated by the increase in Covid-19 cases had an impact on overall results. While some merchants chose to utilize the Governor's executive order allowing for a 90-day deferral of sales tax remittance, it was substantially less than the similar opportunity companies utilized during the 1st and 2nd quarters of 2020. The outstanding payments for most California cities will be remitted before the end of the 2020-21 fiscal year.

On the bright side, as consumer confidence stabilized post the national presidential election, customers were motivated to comfortably spend on high-end luxury automobiles, boats-motorcycles, RVs, and sporting goods/equipment.

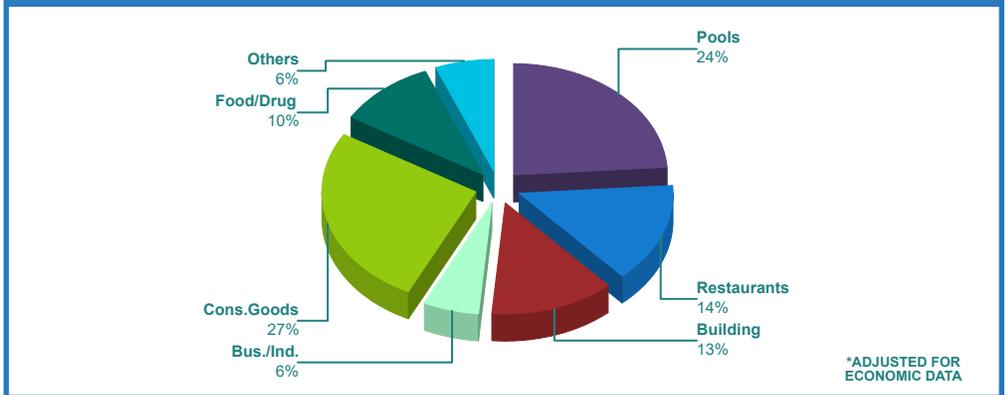
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

Exponential growth from countywide use tax pools further helped offset

the declines. Greater online shopping signifying a permanent shift of consumer habits to this more convenient experience was inevitable.

On the horizon, mass deployment of the Covid-19 vaccine will help a greater number of businesses, restaurants and theme parks to reach reopen status. Recent approval of the American Rescue Plan Act of 2021 will further support greater consumer spending, albeit in targeted segments. Pent up demand for summer outdoor experiences and travel is likely and thereby household spending is temporarily reverted away from taxable goods when compared to recent activity.

REVENUE BY BUSINESS GROUP
Solana Beach This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

| Solana Beach Business Type | Q4 '20 | Change | County Change | HdL State Change |
|------------------------------|--------|----------|---------------|------------------|
| Home Furnishings | 99,284 | -23.6% ↓ | 1.1% ↑ | 0.8% ↑ |
| Casual Dining | 82,071 | -28.6% ↓ | -38.6% ↓ | -39.4% ↓ |
| Sporting Goods/Bike Stores | 38,940 | 42.6% ↑ | 27.9% ↑ | 20.3% ↑ |
| Contractors | 27,844 | 16.5% ↑ | 7.1% ↑ | 2.3% ↑ |
| Specialty Stores | 25,257 | 3.3% ↑ | -8.2% ↓ | -6.7% ↓ |
| Convenience Stores/Liquor | 22,479 | 21.2% ↑ | -3.8% ↓ | -2.1% ↓ |
| Plumbing/Electrical Supplies | 20,480 | -10.6% ↓ | -10.8% ↓ | 2.0% ↑ |
| Quick-Service Restaurants | 18,437 | -17.7% ↓ | -9.0% ↓ | -8.8% ↓ |
| Women's Apparel | 12,423 | -20.6% ↓ | -38.1% ↓ | -36.0% ↓ |
| Fast-Casual Restaurants | 11,515 | -7.2% ↓ | -14.8% ↓ | -12.0% ↓ |

*Allocation aberrations have been adjusted to reflect sales activity



Tax Allocation Guidelines for Local Sales and Use Tax

Since the birth of digital retail in the 1990's, both retailers and consumers have had to adapt to new and evolving ways to interact. These changes also present challenges when applying Sales & Use Tax Laws and allocation rules. Sales tax laws adopted in the 1950's could not have anticipated the complexity of today's wide range of consumer shopping options.

The guideline below outlines the necessary steps to determine the proper local tax allocation for a variety of retail transactions.

SALES TAX OR USE TAX

In order to determine the correct allocation of the local 1% Bradley-Burns tax, we must first determine if sales or use tax applies to the transaction.

- Sales tax applies when the goods are located in California at the time the sales occur. This includes a stock of goods held in a California warehouse, fulfillment center or retail stores.
- Use tax applies when title to the goods passes to the purchaser at a point outside of California. Goods that ship to a customer from outside the state are generally subject to use tax.

ALLOCATION OF TAX

SALES TAX: Local 1% sales tax is allocated to the retailer's place of business in California. This is the place where the transaction occurs, or the order is taken. Per Regulation 1802(a)1, in order for a local jurisdiction to receive a direct allocation of local 1% sales tax, the facility must be the **retailer's** place of business in this state. Drop-ship facilities, a supplier warehouse, or facilities operated by a separate legal entity do not qualify for a seller's permit and would not be eligible for a direct allocation of local 1% tax.

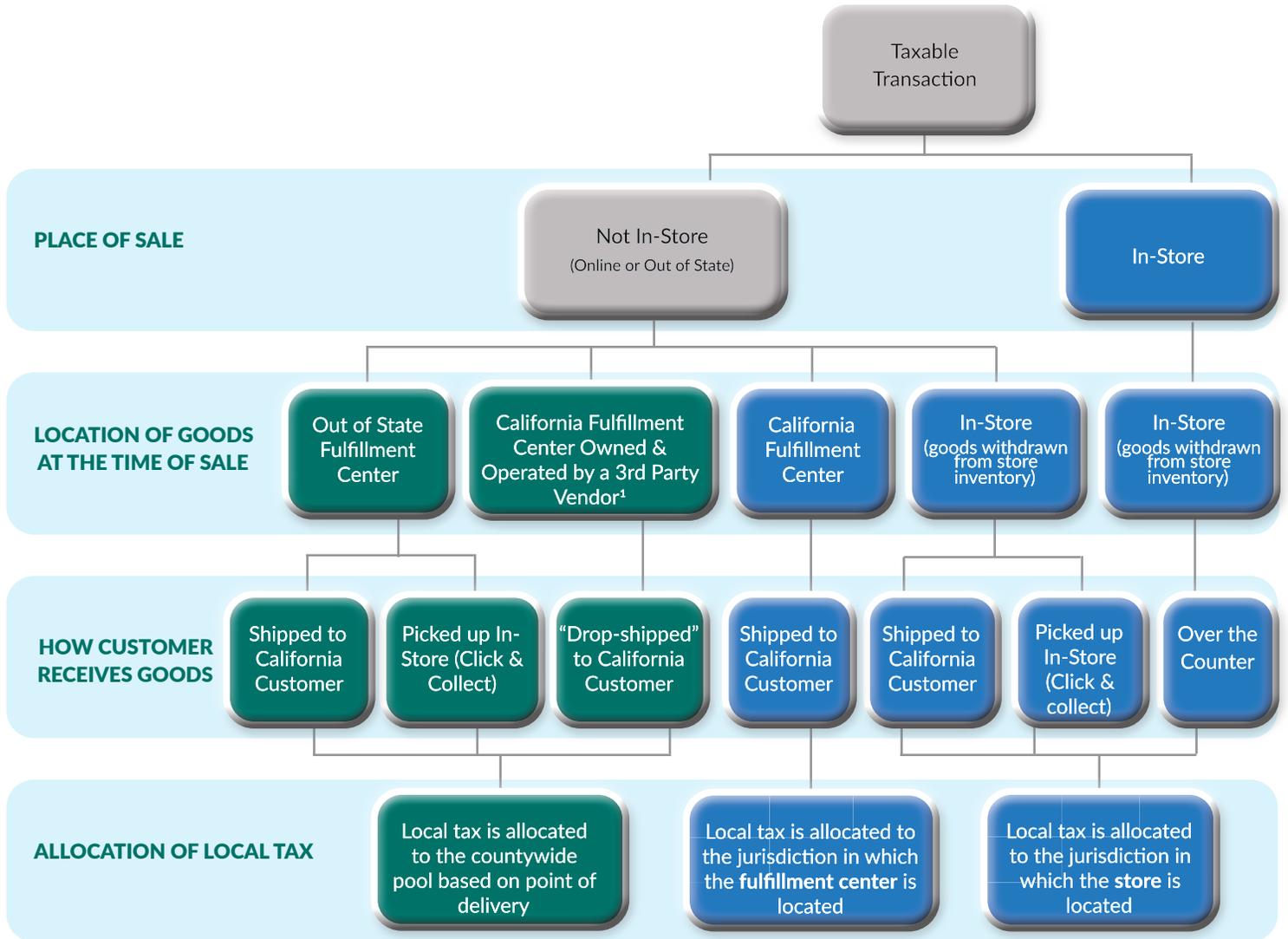
USE TAX: Use tax generally is allocated to the countywide pool based on the place of first functional use. Orders that ship from out of state that explicitly state title passes upon delivery are an exception to this general rule.

| | If Sales Tax Applies | If Use Tax Applies |
|---|--|--|
| Regulation 1802: Place of Sale and Use | In general, the place of sale is the place of business where the principal negotiations are carried on, in other words where the order is taken If an out of state retailer does not have a permanent place of business in this state other than a stock of tangible personal property, then local tax will be distributed to the jurisdiction where the inventory is located at the time of sale | The place of use is the jurisdiction where the property is put to its first functional use. Generally regarded as the location of delivery |
| Regulation 1699: Permits | Retailers are required to hold a seller's permit for each place of business in this state at which sales are customarily negotiated Permits are required for warehouses or other places at which merchandise is stored and from which retail sales of such merchandise negotiated out of state are delivered or fulfilled | Permit analysis is not required |
| Local Tax Allocation | Local tax is allocated directly if the place of sale is required to hold a seller's permit. If the place of sale is not required to hold a seller's permit then local tax will be allocated indirectly through the countywide pools | Local tax is allocated indirectly through the countywide pools (local use tax can be allocated directly under certain circumstances) |

The above table applies to the majority of transactions subject to sales and use taxes in California. For additional information on the place of sale in specific instances please review Regulation 1802 in depth.

CALIFORNIA SALES & USE TAX: Tax Allocation Guidelines for Local Sales and Use Tax

This chart is designed to show general scenarios that can impact the California local (1%) sales and use tax allocation. This chart does not exhaust all the sales and use tax law nuances that may determine a taxpayer's filing status but rather focuses on the most common processes from sale to delivery.



¹ In this scenario the retailer does not own a stock of goods in California and sales orders are negotiated/processed out of state. An out of state company is not required to hold a seller's permit for an in-state third party warehouse if they do not own a stock of goods at the time of sale.

Source: California Department of Tax & Fee Administration Regulations 1802 & 1699

As e-commerce retail develops alternative ways for consumers to purchase taxable goods it becomes more important for local government leaders to understand the proper reporting and distribution of sales taxes. How retailers handle orders, inventory, and delivery of taxable goods continues to evolve which impacts current and future sales tax revenues for California's cities and counties.

City of Solana Beach

Period Ending March 31, 2021

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com



Investment Objectives

The investment objectives for the City of Solana Beach, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs, and a market rate of return consistent with the investment program.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

City of Solana Beach

Assets managed by Chandler Asset Management are in full compliance with state law and the City's investment policy.

| Category | Standard | Comment |
|--|--|----------|
| Treasury Issues | No limitations | Complies |
| Federal Agencies | 25% per agency issuer | Complies |
| Municipal Securities | "A" or higher by a NRSRO; 30% maximum; 5% max per issuer | Complies |
| Supranationals | "AA" rated or higher by a NRSRO; 30% max; 10% max per issuer; U.S. dollar denominated; Issued by: IBRD, IFC, IADB | Complies |
| Corporate Medium Term Notes | "A" or higher by a NRSRO; 30% maximum; 5% max per issuer; Issuer is a corporation organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S. | Complies |
| FDIC insured Time Deposits/ Certificates of Deposit | Amount per institution limited to the max covered under FDIC; 20% maximum (combination of FDIC insured and collateralized TDs/ CDs); 5% max per issuer | Complies |
| Collateralized Time Deposits/ Certificates of Deposit | 20% maximum (combination of FDIC insured and collateralized TDs/ CDs); 5% max per issuer | Complies |
| Negotiable Certificates of Deposit | No rating required if amount of the NCD is covered by FDIC insured limit; If above FDIC insured limit, requires "A-1" rated or higher by a NRSRO or "A" rated long term issuer by a NRSRO; 30% maximum (inclusive of CDARS); 5% max per issuer | Complies |
| Banker's Acceptances | "A-1" or higher short-term rating by a NRSRO; or "A" or higher long-term by a NRSRO; 40% maximum; 5% max per issuer; 180 days max maturity | Complies |
| Commercial Paper | "A-1" or higher short term rating by a NRSRO; "A" rated long term issuer by a NRSRO; 25% maximum; 5% max per issuer; 270 days max maturity; Issuer is a corporation organized and operating in U.S. with assets in excess of \$500 million; 10% max of the issuer's outstanding commercial paper | Complies |
| Asset-Backed Securities/ Mortgage-Backed Securities | "AA" or higher by a NRSRO; "A" rated issuer rating or higher by a NRSRO; 20% maximum; 5% max per Asset-backed or Commercial Mortgage security issuer; There is no issuer limitation on any Mortgage security where the issuer is the U.S. Treasury or a Federal City/GSE. | Complies |
| Mutual Funds and Money Market Mutual Funds | Highest rating or "AAA" rated by two NRSROs; or SEC registered adviser with AUM >\$500 million and experience greater than 5 years; 20% maximum combined in Money Market Mutual Funds and Mutual Funds; 10% max per Mutual Fund; 20% max per Money Market Mutual Fund | Complies |
| Prohibited Securities | Futures and Options; Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities; Margin; Reverse Repurchase Agreements; Securities lending; Foreign currency denominated; Purchases of securities issued by fossil fuel companies that directly source the majority of their revenue from oil, gas, and or coal production. | Complies |
| Repurchase Agreements | 1 year max maturity; collateralized 102% of market value; Not used by investment adviser | Complies |
| Local Agency Investment Fund (LAIF) | Maximum amount permitted by LAIF; Not used by investment adviser | Complies |
| Investment Trust of California (CALTRUST) | Pursuant to CGC; Not used by investment adviser | Complies |
| Callable Securities | 20% maximum (does not include "make whole call" securities) | Complies |
| Max per Issuer | No more than 5% in any single issuer, except US Gov, Agencies, Supranationals, Money Market Mutual Funds, LAIF, LGIP, or where otherwise specified in the investment policy | Complies |
| Maximum Maturity | 5 years | Complies |

City of Solana Beach

| | 3/31/2021 | | 12/31/2020 |
|----------------------------------|------------|------------|------------|
| | Benchmark* | Portfolio | Portfolio |
| Average Maturity (yrs) | 1.86 | 1.93 | 1.77 |
| Average Modified Duration | 1.83 | 1.84 | 1.68 |
| Average Purchase Yield | n/a | 1.59% | 1.78% |
| Average Market Yield | 0.18% | 0.24% | 0.16% |
| Average Quality** | AAA | AA+/Aa1 | AA+/Aa1 |
| Total Market Value | | 26,884,033 | 26,905,462 |

*ICE BAML 1-3 Yr US Treasury/Agency Index

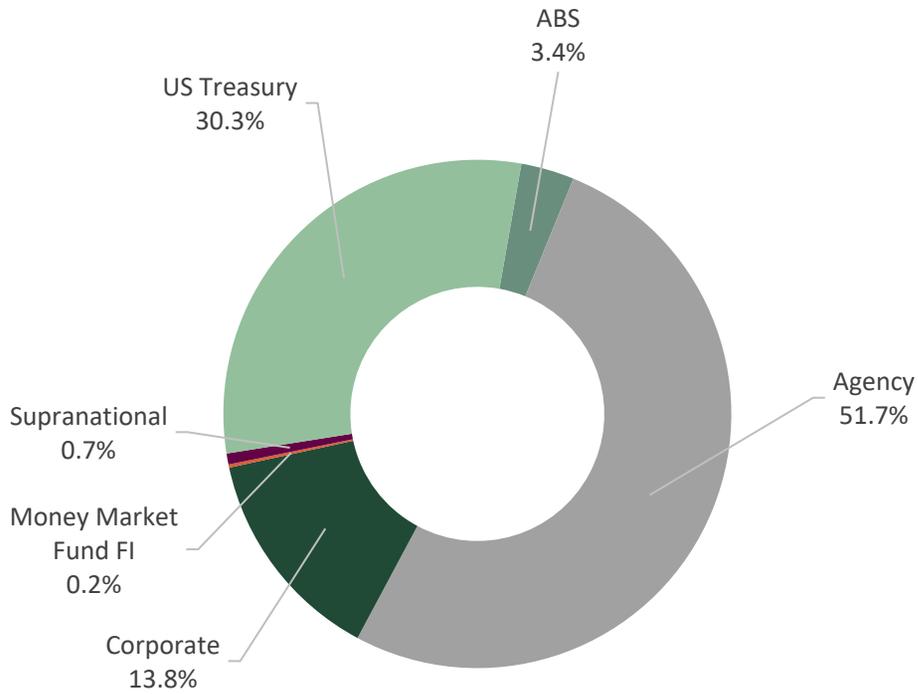
**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Sector Distribution

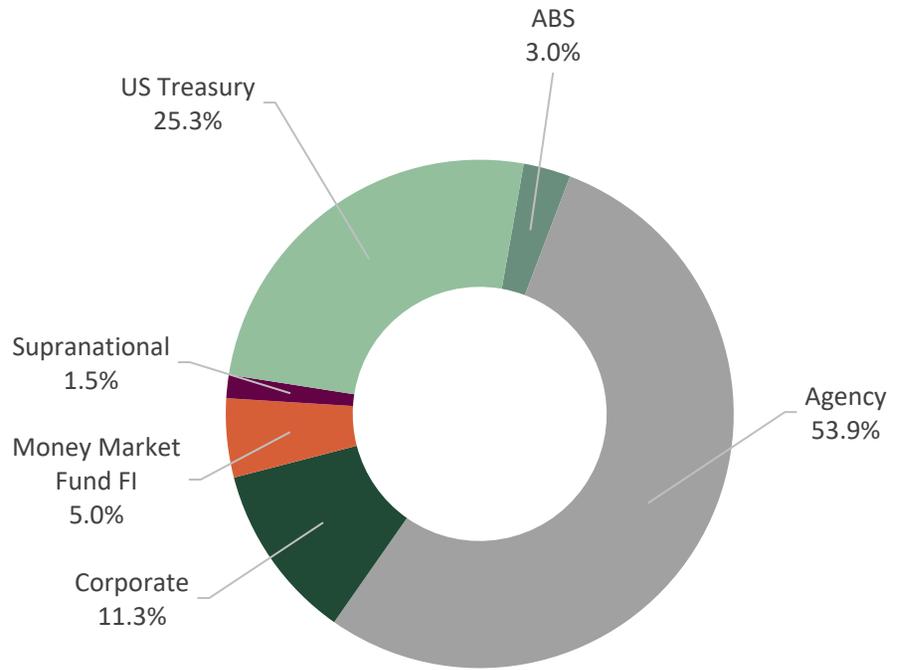
As of March 31, 2021

City of Solana Beach

March 31, 2021



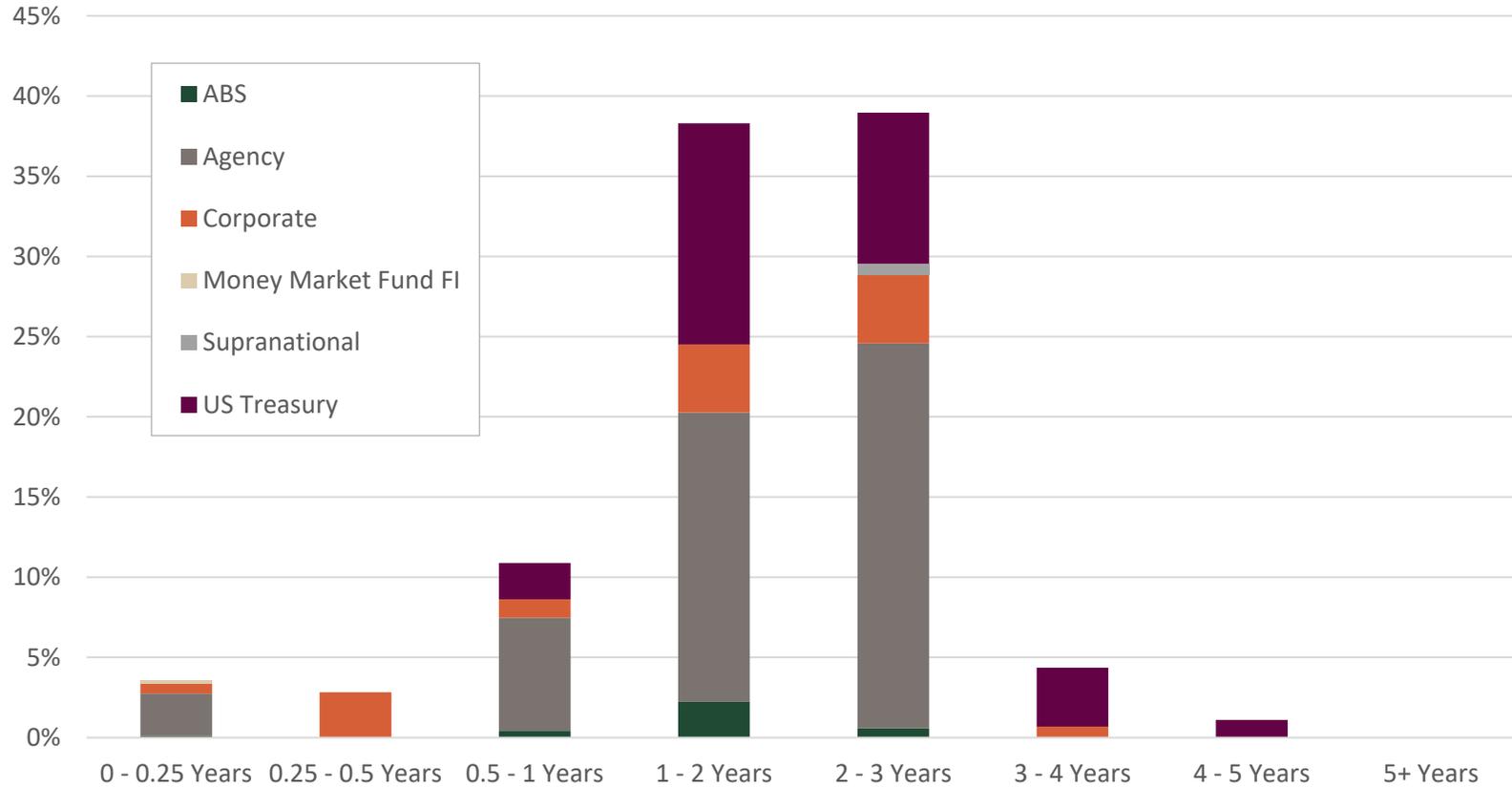
December 31, 2020



Duration Allocation

As of March 31, 2021

City of Solana Beach



| | 0 - 0.25 | 0.25 - 0.50 | 0.50 - 1 | 1 - 2 | 2 - 3 | 3 - 4 | 4 - 5 | 5+ |
|----------|----------|-------------|----------|-------|-------|-------|-------|------|
| 03/31/21 | 3.6% | 2.8% | 10.9% | 38.3% | 39.0% | 4.4% | 1.1% | 0.0% |

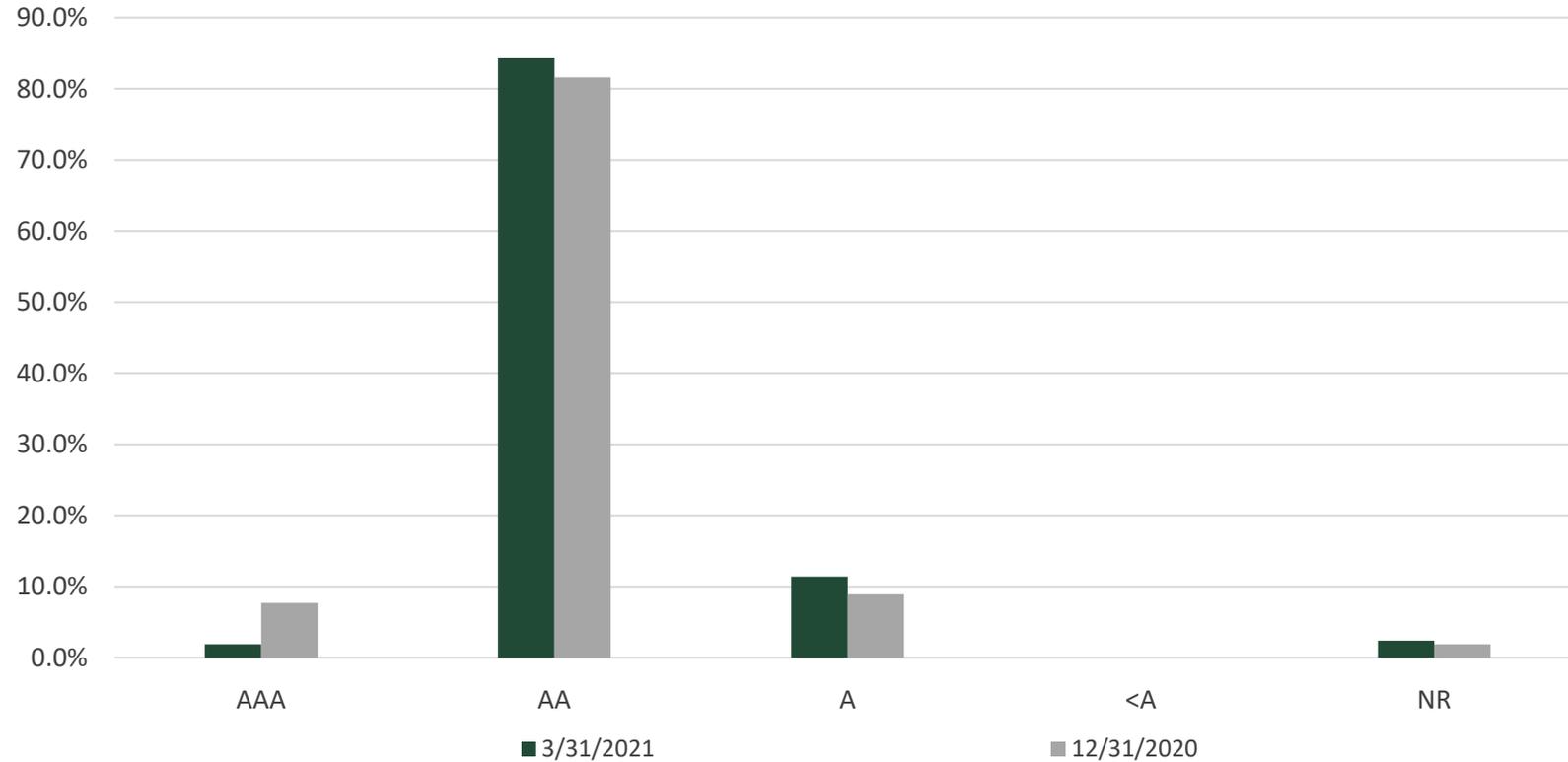
City of Solana Beach – Account #10471

| Issue Name | Investment Type | % Portfolio |
|---------------------------------------|----------------------|----------------|
| Government of United States | US Treasury | 30.25% |
| Federal Farm Credit Bank | Agency | 16.50% |
| Federal National Mortgage Association | Agency | 14.77% |
| Federal Home Loan Mortgage Corp | Agency | 10.32% |
| Federal Home Loan Bank | Agency | 10.12% |
| Paccar Financial | Corporate | 2.67% |
| Charles Schwab Corp/The | Corporate | 1.72% |
| United Parcel Service | Corporate | 1.53% |
| Oracle Corp | Corporate | 1.51% |
| Deere & Company | Corporate | 1.36% |
| Berkshire Hathaway | Corporate | 1.36% |
| Bank of New York | Corporate | 1.36% |
| John Deere ABS | ABS | 1.36% |
| Honda ABS | ABS | 1.16% |
| Apple Inc | Corporate | 1.00% |
| Nissan ABS | ABS | 0.83% |
| Intl Bank Recon and Development | Supranational | 0.71% |
| JP Morgan Chase & Co | Corporate | 0.68% |
| Toyota Motor Corp | Corporate | 0.57% |
| First American Govt Oblig Fund | Money Market Fund FI | 0.21% |
| TOTAL | | 100.00% |

Quality Distribution

As of March 31, 2021

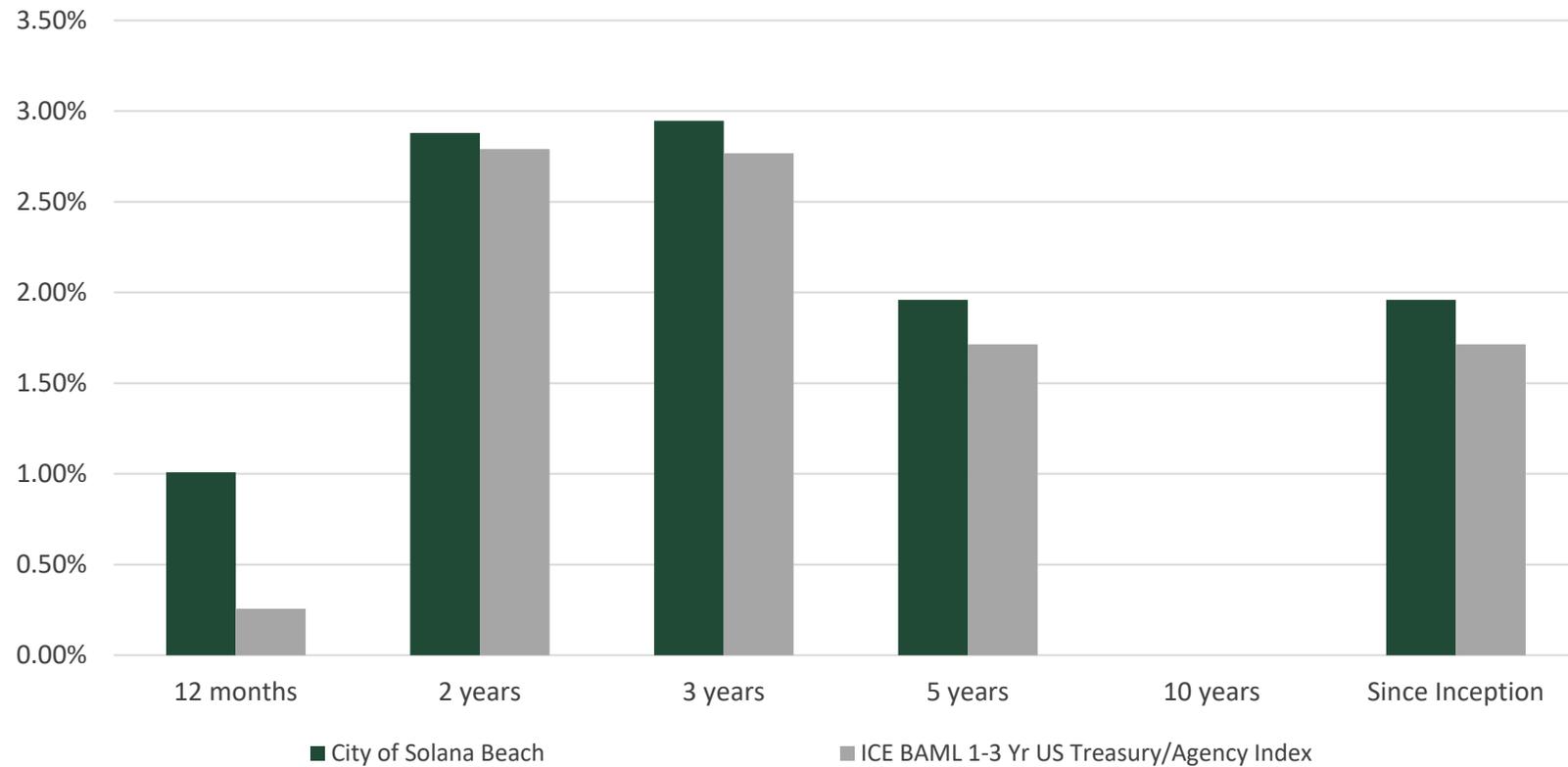
City of Solana Beach
March 31, 2021 vs. December 31, 2020



| | AAA | AA | A | <A | NR |
|----------|------|-------|-------|------|------|
| 03/31/21 | 1.9% | 84.3% | 11.4% | 0.0% | 2.4% |
| 12/31/20 | 7.7% | 81.6% | 8.9% | 0.0% | 1.9% |

Source: S&P Ratings

City of Solana Beach Total Rate of Return Annualized Since Inception 03/31/2016



| TOTAL RATE OF RETURN | Annualized | | | | | | |
|--|------------|-----------|---------|---------|---------|----------|-----------------|
| | 3 months | 12 months | 2 years | 3 years | 5 years | 10 years | Since Inception |
| City of Solana Beach | -0.05% | 1.01% | 2.88% | 2.95% | 1.96% | N/A | 1.96% |
| ICE BAML 1-3 Yr US Treasury/Agency Index | -0.05% | 0.26% | 2.79% | 2.77% | 1.71% | N/A | 1.71% |

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

Investment Comparison

As of March 31, 2021

City of Solana Beach

| | LAIF EARNINGS ESTIMATE* | GROSS INCOME EARNED CHANDLER-MANAGED PORTFOLIO | INCOME EARNED CHANDLER-MANAGED PORTFOLIO** |
|----------------------------|-------------------------|---|---|
| Apr 2016 - Dec 2016 | \$113,770 | \$185,849 | \$169,455 |
| 2017 | \$327,563 | \$439,162 | \$410,891 |
| 2018 | \$628,152 | \$553,633 | \$524,542 |
| 2019 | \$716,012 | \$600,606 | \$573,809 |
| 2020 | \$339,385 | \$513,751 | \$488,476 |
| Jan 2021 | \$10,665 | \$36,364 | \$34,336 |
| Feb 2021 | \$8,559 | \$34,489 | \$32,461 |
| Mar 2021 | \$8,305 | \$34,032 | \$32,005 |
| Total: | \$2,152,411 | \$2,397,886 | \$2,265,975 |

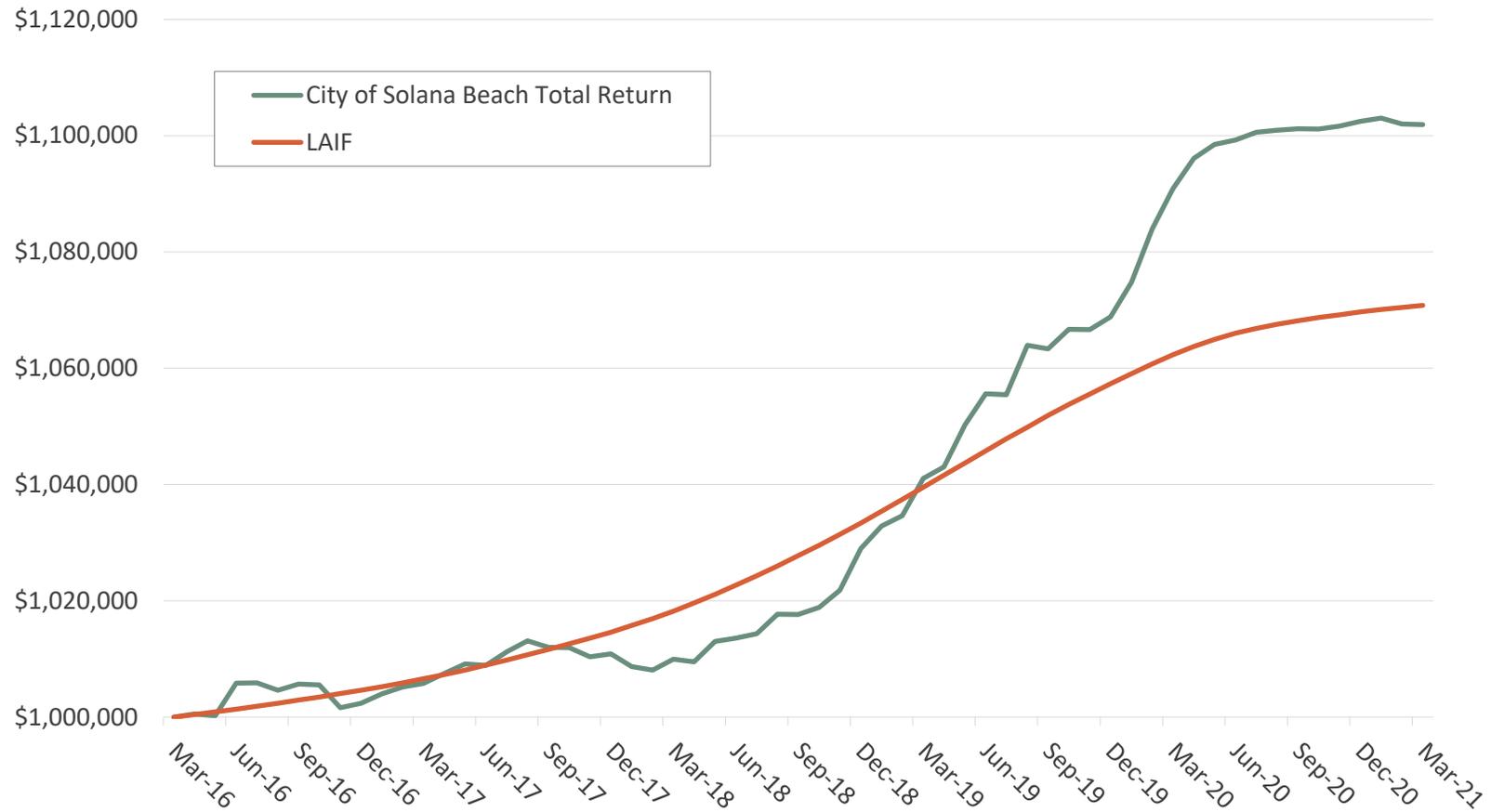
*LAIF earnings estimate calculated using daily yield

**Income earned net of Chandler fees

Growth of a Dollar

As of March 31, 2021

City of Solana Beach



Historical Return of \$1 Million Invested on March 31, 2016

| As of 03/31/2021 | Dollar Value | Return |
|-----------------------------------|--------------|--------|
| City of Solana Beach Total Return | \$1,101,880 | 1.96% |
| LAIF | \$1,070,793 | 1.38% |

PARS

Section 115 Trust Plan

Quarter Ended 3/31/2021

Account Analysis

| Plan | Balance as of | | | | | | | Balance as of | |
|---------------|------------------------|---------------|---------------------|--------------------|---------------|-------------|--|---------------|------------------------|
| | 1/1/2021 | Contributions | Earnings | Expenses | Distributions | Transfers | | | 03/31/2021 |
| OPEB | \$ 1,179,841.63 | \$ - | \$ 24,534.58 | \$ 1,727.46 | \$ - | \$ - | | | \$ 1,202,648.75 |
| PENSION | \$ 3,049,750.36 | \$ - | \$ 63,418.95 | \$ 4,465.26 | \$ - | \$ - | | | \$ 3,108,704.05 |
| Totals | \$ 4,229,591.99 | \$ - | \$ 87,953.53 | \$ 6,192.72 | \$ - | \$ - | | | \$ 4,311,352.80 |



PARS

Section 115 Trust Plan

Quarter Ended 3/31/2021

Investment Return

| Plan | 1-Month | 3-Month | 1-Year | Annualized Return | | | Plan Inception |
|---------|---------|---------|--------|-------------------|---------|----------|----------------|
| | | | | 3-Years | 5-Years | 10-Years | |
| OPEB | 0.79% | 2.08% | 30.64% | 8.76% | 8.65% | - | 3/1/2016 |
| PENSION | 0.79% | 2.08% | 30.62% | 8.79% | 8.69% | - | 3/1/2016 |

Index Comparison

| | 1-Month | 3-Month | 1-Year | 3-Years | 5-Years | 10-Years | Weight |
|--------------------------|--------------|--------------|---------------|---------------|--------------|--------------|----------------|
| Vanguard Stock Index | 3.48% | 6.43% | 62.73% | 17.13% | 16.65% | 13.79% | 48.22% |
| Vanguard Bond Index | -1.37% | -3.61% | 0.54% | 4.63% | 3.07% | 3.39% | 45.50% |
| Cash (US Treasury Index) | 0.00% | 0.01% | 0.14% | 1.69% | 1.31% | 0.70% | 6.28% |
| Total | 1.05% | 1.46% | 30.50% | 10.47% | 9.51% | 8.24% | 100.00% |

