



City of Huntington Beach Exposure to Current Bank Issues

City Council Meeting

March 21, 2023

BACKGROUND:

- March 10-12, 2023: Federal Regulators close Silicon Valley Bank and Signature Bank, NY after traditional “run on money”
- Federal Regulators act immediately to approve Bank Term Funding Program to backstop depositors and financial institutions

ACTION:

- City Treasurer and Acting Chief Financial Officer contact CalPERS and other financial providers to determine effect, if any, on City funds

CONCLUSION:

- Currently there is very little to no effect on City funds



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Exposure to to Current Banking Issue
As of March 15, 2023

City of Huntington Beach Program	Exposure Summary	Effects to City
Calpers	Small exposure to SVB and Signature Bank: .018% loss overall	Approx. \$105K potential loss for City's Misc Plan, \$140K potential loss for Safety Plan. Less than 0.02% overall
City Investment Portfolio	No exposure to SVB or Signature Bank	None
Deferred Compensation Accounts - 457	4 mutual funds have exposure to SVB (0.15%), 3 mutual funds have exposure to First Republic (0.07%), 3 mutual funds have exposure to Signature (0.02%)	De minimis effect - approximately 0.002% of the total portfolio
Supplemental Pension	1 mutual fund has exposure to SVB (0.04%), 1 mutual fund has exposure to First Republic (0.03%), 3 mutual funds have exposure to Signature (0.33%)	De minimis effect - approximately 0.004% of the total portfolio
PARS 115 Trust Account	Awaiting specifics	Most likely de minimis
CERBT - Employee Retirement Account (Calpers)	Exposure range of 0%-0.003% for the overall fund prior to last week. All positions were sold.	None



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Other Exposure To Financial Companies		
Bank Operating Accounts - MUFG Union Bank (purchased by U.S. Bank)	Deposits over \$250K FDIC-insured limit are collateralized at 110% per Government Code	None
Custody Account (Investment Portfolio)	Securities within a custody account are not commingled with the custodian bank, per federal banking law.	None
City Investment Portfolio Holdings - US Bank	\$5.9MM of bonds of US Bank are held, maturing 7/23 and 7/24 (1.7% of portfolio). \$5MM of MUFG Union Bank (US Bank purchased) Commercial Paper held, maturing 6/23 (1.4% of portfolio).	None

