



## City Council Staff Report

DATE: June 6, 2012 CONSENT CALENDAR  
SUBJECT: TREASURER'S INVESTMENT REPORT AS OF  
APRIL 30, 2012  
FROM: Geoffrey S. Kiehl, Director of Finance and Treasurer  
BY: Department of Finance and Treasury

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### SUMMARY

Attached is the Treasurer's Investment Report as of April 30, 2012. The report includes the face value and coupon rate (if applicable) of the investments and the source for the market value estimate. The City's total invested cash is \$92,823,871 plus \$ 18,924,645 in bond issue capital projects, reserve and debt service funds. The market value of the invested cash is \$93,197,610.

### RECOMMENDATION:

Receive and File Treasurer's Investment Report as of April 30, 2012.

### STAFF ANALYSIS:

The attached report includes the face value and coupon rate (if applicable) of the investments and the source for the market value estimate. Also included is information on the investments of bond issue reserve, debt service and related funds.

The investments, in type, maturity and as a percentage of the total portfolio, are in compliance with the existing City Council-approved investment policy with one exception: the FICO notes (\$500,000, 4/16/18, 9.8%) exceed the 5 year limitation on maturities (Detail of Investments, Long Term Investments, U.S. Govt. Agency Securities). The investment in question was purchased prior to the adoption of the 5-year limitation. Since it appears to represent no additional risk either because of credit-worthiness or liquidity, earlier councils decided to allow it to be retained in the investment pool because the yield is higher than attainable

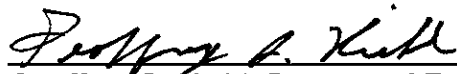
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under current market conditions. We recommend that this exception to the policy be continued.

The weighted average maturity (WAM) of the portfolio is 87 days. The maximum WAM allowed by the Investment Policy is 1095 days. The current portfolio and expected revenue cash flow will be sufficient to meet budgeted expenditure requirements for the next six months and the foreseeable future thereafter.

FISCAL IMPACT:

None



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Geoffrey S. Kiehl, Director of Finance and Treasurer

Attachments: Treasurer's Investment Report

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CITY OF PALM SPRINGS  
TREASURER'S MONTHLY REPORT  
SUMMARY OF INVESTMENTS  
April 30, 2012

On Call Deposits	Adjusted Basis	Category Total	Percentage
Checking Account	\$ 5,270,992		
Heritage Money Market Fund	393		
CalTrust ShortTerm	33,021,999		
CalTrust MidTerm	18,016,893		
State Pool	<u>15,000</u>	\$ 56,325,277	60.68%
Short Term Investments (1 year or less)			
U.S. Gov't Agencies	<u>30,000,000</u>	30,000,000	32.32%
Medium Term Investments (1 year to 3 years)			
U.S. Gov't Agencies	<u>5,000,000</u>	5,000,000	5.39%
Long Term Investments (3 year to 5 years)			
Corporate Notes	1,000,000		
U.S. Gov't Agencies	<u>498,594</u>	<u>1,498,594</u>	<u>1.61%</u>
		\$ <u>92,823,871</u>	<u>100.00%</u>

\*Some investments made prior to the implementation of the current Investment Policy exceed the 5 year limit

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TREASURER'S MONTHLY REPORT  
DETAIL OF INVESTMENTS  
April 30, 2012

	Par Value	Coupon Rate	Rating	Maturity or Call Date	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Source	Prior Qtr. Market Value
<b>On Call Deposits</b>										
Checking - Bank of America	\$ N/A	N/A	AAA	open	None	\$ 5,270,992		\$ 5,270,992	Bank of America	2,049,194
Heritage Money Market Fund	N/A				0.010%	393		393	CalTrust	393
CalTrust ShortTerm*	N/A		N/A	open	0.400%	33,021,999		33,052,501	CalTrust	36,038,647
CalTrust MidTerm	N/A		N/A	open	1.070%	18,016,893		18,016,909	CalTrust	17,982,794
Local Agency Invest Fund (LAIF)	15,000	variable	N/A	open	0.383%	<u>15,000</u>		15,018	LAIF	15,025
							56,325,277			
<b>Short Term Investments (1 year or less)</b>										
U.S. Gov't Agency Securities										
Federal Farm Credit Bank	2,000,000	1.09%	N/A	04/18/12	1.09%	2,000,000		2,000,220	Bank of NY Mellon	1,995,520
Federal National Mortgage Association	1,000,000	2.55%	N/A	04/20/12	2.55%	0		0	Bank of NY Mellon	1,001,180
Federal Home Loan Bank	2,000,000	1.02%	N/A	05/03/12	1.02%	2,000,000		2,000,220	Bank of NY Mellon	1,996,440
Federal Home Loan Bank	1,000,000	1.20%	N/A	05/07/12	1.20%	1,000,000		1,000,190	Bank of NY Mellon	997,969
Federal Home Loan Mortgage Corporation	2,000,000	1.75%	N/A	05/09/12	1.75%	2,000,000		2,000,660	Bank of NY Mellon	2,003,080
Federal Home Loan Mortgage Corporation	1,000,000	1.80%	N/A	05/09/12	1.80%	1,000,000		1,000,330	Bank of NY Mellon	1,001,563
Federal Home Loan Bank	2,000,000	1.25%	N/A	05/11/12	1.80%	2,000,000		2,000,580	Bank of NY Mellon	0
Federal National Mortgage Association	2,000,000	1.45%	N/A	05/30/12	1.45%	2,000,000		2,001,900	Bank of NY Mellon	2,004,000
Federal Home Loan Mortgage Corporation	2,000,000	2.30%	N/A	06/13/12	2.30%	2,000,000		2,004,540	Bank of NY Mellon	1,001,260
Federal National Mortgage Association	1,000,000	1.30%	N/A	06/15/12	1.30%	1,000,000		1,001,200	Bank of NY Mellon	2,007,860
Federal Home Loan Bank	1,000,000	1.30%	N/A	07/12/12	2.30%	1,000,000		1,001,260	Bank of NY Mellon	0
Federal Farm Credit Bank	2,000,000	1.75%	N/A	08/15/12	1.75%	2,000,000		2,007,900	Bank of NY Mellon	2,008,040
Federal Farm Credit Bank	2,000,000	1.50%	N/A	08/22/12	1.50%	2,000,000		2,007,580	Bank of NY Mellon	2,007,260
Federal Farm Credit Bank	2,000,000	1.50%	N/A	09/06/12	1.50%	2,000,000		2,008,900	Bank of NY Mellon	2,009,200
Federal National Mortgage Association	1,000,000	1.65%	N/A	10/17/12		1,000,000		1,005,110	Bank of NY Mellon	0
Federal National Mortgage Association	2,000,000	1.375%	N/A	10/19/12	1.375%	2,000,000		2,007,420	Bank of NY Mellon	2,000,920
Federal National Mortgage Association	2,000,000	1.70%	N/A	10/24/12	1.70%	2,000,000		2,011,000	Bank of NY Mellon	2,009,820
Federal National Mortgage Association	1,000,000	1.50%	N/A	11/23/12	1.50%	1,000,000		1,006,020	Bank of NY Mellon	1,006,240
Federal National Mortgage Association	2,000,000	1.13%	N/A	03/28/13	1.50%	<u>2,000,000</u>		2,008,720	Bank of NY Mellon	1,993,780
							30,000,000			

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TREASURER'S MONTHLY REPORT  
DETAIL OF INVESTMENTS  
April 30, 2012

	Par Value	Coupon Rate	Rating	Maturity or Call Date	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Source	Prior Qtr. Market Value
<b>Medium Term Investments (1 year to 3 years)</b>										
U.S. Gov't Agency Securities										
Federal National Mortgage Association	1,000,000	2.50%	N/A	04/18/13	2.50%	1,000,000		1,020,210	Bank of NY Mellon	1,022,110
Federal Home Loan Mortgage Corporation	2,000,000	1.125%	N/A	02/24/14	1.125%	2,000,000		2,013,620	Bank of NY Mellon	1,986,520
Federal National Mortgage Association	2,000,000	1.100%	N/A	03/20/14	1.125%	<u>2,000,000</u>		2,010,220	Bank of NY Mellon	2,001,250
							5,000,000			
<b>Long Term Investment (3 years to 5 years)</b>										
U.S. Gov't Agency Securities										
Financing Corporation (FICO)	500,000	9.80%	N/A	04/06/18	9.80%	<u>498,594</u>		731,347	Bank of America	724,612
Corporate Notes										
General Electric Capital Corporation	1,000,000	1.20%	N/A	04/13/15	1.20%	<u>1,000,000</u>		992,650	Bank of NY Mellon	0
							<u>1,498,594</u>			
							<u>\$ 92,823,871</u>	<u>\$ 93,197,610</u>		<u>\$ 88,864,676</u>

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**TREASURER'S MONTHLY REPORT**  
**MISCELLANEOUS AND TRUST ACCOUNTS**  
April 30, 2012

	Par Value	Coupon	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total
<b>Total Invested Cash</b>	\$ 92,823,871					\$ 92,823,871	\$ 92,823,871
<b>Miscellaneous Accounts</b>							
Petty Cash	4,000	N/A	N/A	open	None	4,000	
Revolving Fund - Bank of America	20,000	N/A	N/A	open	None	20,000	
Trust & Agency - Bank of America	911,909	N/A	N/A	open	None	911,909	
Downpayment Assistance (Housing Fund) - JP Morgan Chase	33,776	0.15%	N/A	open	0.15%	33,776	
Workers Compensation - Bank of America	26,822	N/A	N/A	open	None	26,822	
General Liability - Bank of America	29,850	N/A	N/A	open	None	29,850	
1930's General Store Museum - Bank of America	2,805	N/A	N/A	open	None	2,805	
On-Line Credit Card Fire Inspection Fees -Bank of America	32,041	N/A	N/A	open	None	32,041	
On-Line Credit Card Transportation Permits -Bank of America	6,538	N/A	N/A	open	None	6,538	1,067,741
<b>Total Cash Deposited</b>							\$ 93,891,613

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**TREASURER'S MONTHLY REPORT**  
**BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS**  
April 30, 2012

	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Source	Prior Qtr. Market Value
1997/01/04/12 Convention Center										
Invesco Government & Agency Private	1,779,878	variable	AAA	open	0.01%	1,779,878		1,779,877	Bank of NY Mellon	20,363
Federal Home Loan Mortgage Corporation	5,465,000	4.125%	N/A	9/27/13	1.93%	<u>5,867,848</u>		5,760,274	Bank of NY Mellon	5,815,908
							7,647,726			
1991/01 Series B - Housing										
Invesco Government & Agency Private	421,044	variable	AAA	open	0.02%	421,044		421,044	Bank of NY Mellon	38,558
Federal Home Loan Bank	420,000	4.625%	N/A	10/10/12	1.38%	<u>453,705</u>		428,375	Bank of NY Mellon	434,314
							874,749			
1994/04 Series A & B										
Invesco Government & Agency Private	1,904,379	variable	AAA	open	0.02%	1,904,379		1,904,379	Bank of NY Mellon	34,096
Federal Home Loan Mortgage Corporation	965,000	4.125%	N/A	9/27/13	1.93%	1,036,134		1,017,139	Bank of NY Mellon	1,026,963
Federal Home Loan Mortgage Corporation	571,000	4.125%	N/A	9/27/13	1.93%	<u>613,091</u>		601,851	Bank of NY Mellon	607,664
							3,553,604			
1998 Airport PFC										
Invesco Government & Agency Private	294,882	variable	AAA	open	0.02%	294,882		294,882	Bank of NY Mellon	612,571
U.S. Treasury Note	918,000	1.375%	N/A	3/15/13	1.55%	<u>913,374</u>		927,391	Bank of NY Mellon	931,091
							1,208,256			
2001 Assessment District 157/158										
Invesco Government & Agency Private	165,403	variable	AAA	open	0.02%	<u>165,403</u>		165,403	Bank of NY Mellon	167,672
							165,403			
2002 Parking Structure										
Cash	3					3		3	Bank of NY Mellon	3
Invesco Government & Agency Private	2,513	variable	AAA	open	0.01%	<u>2,513</u>		2,513	Bank of NY Mellon	2,696
							2,517			

**TREASURER'S MONTHLY REPORT**  
**BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS**  
**April 30, 2012**

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	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Source	Prior Qtr. Market Value
<b>2004 Assessment District 161</b>										
Invesco Government & Agency Private	78,907	variable	AAA	open	0.02%	78,907		78,907	Bank of NY Mellon	75,750
Key Bank National Association, Ohio	108,000	4.30%	N/A	12/20/12	1.80%	115,105		110,390	Bank of NY Mellon	111,422
CIT Bank, Salt Lake City, Utah	205,000	3.05%	N/A	1/28/13	1.87%	<u>211,607</u>		208,274	Bank of NY Mellon	209,294
							405,620			
<b>2004 Assessment District 162</b>										
Invesco Government & Agency Private	69,950	variable	AAA	open	0.01%	69,950		69,950	Bank of NY Mellon	68,124
Capital One Bank USA National Association	88,000	4.15%	N/A	3/5/13	1.80%	<u>93,846</u>		90,349	Bank of NY Mellon	91,215
							163,795			
<b>2005 Assessment District 164</b>										
Invesco Government & Agency Private	99,382	variable	AAA	open	0.02%	99,382		99,382	Bank of NY Mellon	97,342
Citizens Bank, Flint, Michigan	245,000	1.85%	N/A	3/4/13	1.80%	245,347		245,000	Bank of NY Mellon	245,000
Capital One Bank USA National Association	25,000	4.15%	N/A	3/5/13	1.80%	<u>26,661</u>		25,667	Bank of NY Mellon	25,913
							371,390			
<b>2006 Airport PFC</b>										
Invesco Government & Agency Private	911,920	variable	AAA	open	0.02%	911,920		911,920	Bank of NY Mellon	847,471
U.S. Treasury Note	855,000	1.375%	N/A	3/15/13	1.55%	<u>850,692</u>		863,747	Bank of NY Mellon	867,192
							1,762,612			
<b>2007 Merged Project #1 &amp; #2</b>										
Invesco Government & Agency Private	0	variable	AAA	open	0.01%	<u>0</u>		0	Bank of NY Mellon	1,028,577
							0			
<b>2007 Refunding Lease Revenue Bonds</b>										
Invesco Government & Agency Private	3	variable	AAA	open	0.01%	<u>3</u>		3	Bank of NY Mellon	1
							3			
<b>2008 Airport PFC Refunding</b>										
Invesco Government & Agency Private	12,437	variable	AAA	open	0.02%	12,437		12,437	Bank of NY Mellon	12,437
Federal Home Loan Mortgage Corporation	603,000	4.125%	N/A	9/27/13	1.93%	<u>647,450</u>		635,580	Bank of NY Mellon	641,719
							659,887			
Funds With Century Golf	2,109,085					<u>2,109,085</u>		2,109,085	Century Golf	886,416
							<u>2,109,085</u>			
<b>Totals</b>							<u>\$ 18,924,645</u>	<u>\$ 18,763,821</u>		<u>\$ 14,899,773</u>



TREASURER'S MONTHLY REPORT  
CALCULATION OF INVESTMENT LIMITATIONS

April 30, 2012

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By Maturity:	Allowable Percentages		Current Mo.
	Minimum	Maximum	
1 day to 365 days	\$8,000,000	N/A	\$86,325,277
1 year to 3 years	0.00%	50.00%	5.39%
3 years to 5 years	0.00%	30.00%	0.00%
over 5 years	N/A	N/A	1.61%
<b>By Type of Investment:</b>			
Bankers Acceptance - in total	N/A	40.00%	0.00%
Bankers Acceptance - single bank	N/A	20.00%	0.00%
Commercial Paper	N/A	15.00%	0.00%
Certificates of Deposit	N/A	30.00%	0.00%
Corporate Notes	N/A	20.00%	0.00%
Money Market Mutual Funds	N/A	10.00%	0.00%
Mortgage Pass Thrus	N/A	10.00%	0.00%
U.S. Government Agencies	N/A	60.00%	38.24%
U.S. Treasury Notes/Bonds	N/A	N/A	0.00%

Calculation of Weighted Avg Maturity

Mature Date	Current Date	No. of Days	Days X Cost
	41,029		
41,030	41,029	1	5,270,992
41,030	41,029	1	393
41,030	41,029	1	33,021,999
41,030	41,029	1	18,016,893
41,030	41,029	1	15,000
41,017	41,029	-12	-24,000,000
41,019	41,029	-10	0
41,032	41,029	3	6,000,000
41,036	41,029	7	7,000,000
41,038	41,029	9	18,000,000
41,038	41,029	9	9,000,000
41,040	41,029	11	22,000,000
41,059	41,029	30	60,000,000
41,073	41,029	44	88,000,000
41,075	41,029	46	46,000,000
41,102	41,029	73	73,000,000
41,136	41,029	107	214,000,000
41,143	41,029	114	228,000,000
41,158	41,029	129	258,000,000
41,199	41,029	170	170,000,000
41,201	41,029	172	344,000,000
41,206	41,029	177	354,000,000
41,236	41,029	207	207,000,000
41,361	41,029	332	664,000,000
41,382	41,029	353	353,000,000
41,694	41,029	665	1,330,000,000
41,718	41,029	689	1,378,000,000
43,196	41,029	2,167	1,080,453,198
42,124	41,029	1,095	1,095,000,000
Total Investments at Cost			8,036,778,475
WAM in Days			92,823,871 86.58