



City Council Staff Report

DATE: October 17, 2012 CONSENT CALENDAR
SUBJECT: TREASURER'S INVESTMENT REPORT AS OF
AUGUST 31, 2012
FROM: Geoffrey S. Kiehl, Director of Finance and Treasurer
BY: Department of Finance and Treasury

SUMMARY

Attached is the Treasurer's Investment Report as of August 31, 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 \$97,253,516 plus \$18,491,906 in bond issue capital projects, reserve and debt service funds. The market value of the invested cash is \$97,651,810.

RECOMMENDATION:

Receive and File Treasurer's Investment Report as of August 31, 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

ITEM NO. 25

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

The weighted average maturity (WAM) of the portfolio is 124 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



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
August 31, 2012

On Call Deposits	Adjusted Basis	Category Total	Percentage
Checking Account	\$ 1,506,434		
Heritage Money Market Fund	0		
CalTrust ShortTerm	34,086,504		
CalTrust MidTerm	18,077,395		
State Pool	<u>15,000</u>	\$ 53,685,333	55.20%
Short Term Investments (1 year or less)			
U.S. Gov't Agencies	<u>37,070,989</u>	37,070,989	38.12%
Medium Term Investments (1 year to 3 years)			
Corporate Notes	1,000,000		
Time Deposits	200,000		
U.S. Gov't Agencies	<u>4,000,000</u>	5,200,000	5.35%
Long Term Investments (3 year to 5 years)			
Time Deposits	798,600		
U.S. Gov't Agencies	<u>498,594</u>	1,297,194	<u>1.33%</u>
		\$ <u><u>97,253,516</u></u>	<u><u>100.00%</u></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
August 31, 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
On Call Deposits										
Checking - Bank of America	\$	N/A	N/A	AAA	open	None	\$ 1,506,434	\$ 1,506,434	Bank of America	3,332,356
Heritage Money Market Fund		N/A				0.010%	0	0	CalTrust	393
CalTrust ShortTerm*		N/A			open	0.370%	34,086,504	34,111,035	CalTrust	42,035,947
CalTrust MidTerm		N/A			open	0.880%	18,077,395	18,095,326	CalTrust	18,033,629
Local Agency Invest Fund (LAIF)		15,000	variable	N/A	open	0.363%	15,000	15,018	LAIF	15,018
								53,685,333		
Short Term Investments (1 year or less)										
U.S. Gov't Agency Securities										
Federal Farm Credit Bank	2,000,000	1.05%	N/A	04/18/12	1.99%	0	0	0	Bank of NY Mellon	2,000,100
Federal Home Loan Bank	2,000,000	1.02%	N/A	05/03/12	1.02%	0	0	0	Bank of NY Mellon	2,000,100
Federal Home Loan Bank	1,000,000	1.20%	N/A	03/07/12	1.20%	0	0	0	Bank of NY Mellon	1,000,120
Federal Home Loan Bank	1,000,000	1.30%	N/A	07/12/12	1.30%	0	0	0	Bank of NY Mellon	1,000,240
Federal Farm Credit Bank	2,000,000	1.75%	N/A	08/15/12	1.75%	0	0	0	Bank of NY Mellon	2,003,320
Federal Farm Credit Bank	2,000,000	1.50%	N/A	08/22/12	1.50%	0	0	0	Bank of NY Mellon	2,003,600
Federal Home Loan Bank	2,000,000	1.00%	N/A	08/24/12	1.00%	0	0	0	Bank of NY Mellon	2,001,875
Federal Farm Credit Bank	2,000,000	1.50%	N/A	09/06/12	1.50%	2,000,000	2,000,160	2,000,160	Bank of NY Mellon	2,004,860
Federal Home Loan Bank	2,000,000	0.50%	N/A	09/13/12	0.50%	2,000,000	2,000,140	2,000,140	Bank of NY Mellon	1,999,780
Federal Home Loan Bank	2,000,000	0.50%	N/A	09/14/12	0.50%	2,000,000	2,000,160	2,000,160	Bank of NY Mellon	1,999,840
Federal National Mortgage Association	1,000,000	1.65%	N/A	10/17/12	1.65%	1,000,000	1,000,800	2,002,380	Bank of NY Mellon	1,003,940
Federal National Mortgage Association	2,000,000	1.375%	N/A	10/19/12	1.375%	2,000,000	2,000,640	1,000,640	Bank of NY Mellon	2,005,700
Federal Farm Credit Bank	998,750	0.800%	N/A	10/23/12	0.800%	999,239	999,239	1,000,640	Bank of NY Mellon	0
Federal National Mortgage Association	2,000,000	1.700%	N/A	10/24/12	1.700%	2,000,000	2,004,000	2,004,000	Bank of NY Mellon	2,008,040
Federal Farm Credit Bank	999,000	0.900%	N/A	11/15/12	0.900%	999,000	999,000	1,001,100	Bank of NY Mellon	0
Federal Farm Credit Bank	999,000	0.850%	N/A	11/15/12	0.850%	999,000	1,001,080	1,001,080	Bank of NY Mellon	0
Federal National Mortgage Association	1,000,000	1.500%	N/A	11/23/12	1.500%	1,000,000	1,002,510	1,002,510	Bank of NY Mellon	1,004,160
Federal National Mortgage Association	1,000,000	0.500%	N/A	11/23/12	0.500%	1,000,000	1,000,280	1,000,280	Bank of NY Mellon	999,660
Federal National Mortgage Association	1,000,000	0.500%	N/A	11/27/12	0.500%	1,000,000	1,000,156	1,000,156	Bank of NY Mellon	1,000,070
Federal National Mortgage Association	1,000,000	0.400%	N/A	11/28/12	0.400%	1,000,000	1,000,480	1,000,480	Bank of NY Mellon	1,000,430
Federal Home Loan Mortgage Corporation	1,999,000	1.030%	N/A	02/28/13	1.030%	1,999,000	2,005,180	2,005,180	Bank of NY Mellon	0
Federal National Mortgage Association	2,000,000	1.125%	N/A	03/28/13	1.125%	2,000,000	2,011,720	2,011,720	Bank of NY Mellon	2,009,940
Federal National Mortgage Association	1,000,000	2.50%	N/A	04/18/13	2.50%	1,000,000	1,013,000	1,013,000	Bank of NY Mellon	1,015,850
Federal National Mortgage Association	2,000,000	1.00%	N/A	06/06/13	1.00%	2,000,000	2,006,220	2,006,220	Bank of NY Mellon	1,995,340
Federal National Mortgage Association	2,000,000	1.00%	N/A	06/07/13	1.00%	2,000,000	2,006,940	2,006,940	Bank of NY Mellon	2,005,720
Federal Home Loan Mortgage Corporation	5,000,000	2.00%	N/A	07/07/13	2.00%	5,079,750	5,079,750	5,071,650	Bank of NY Mellon	0
Federal Farm Credit Bank	1,997,000	0.98%	N/A	08/15/13	0.98%	1,997,000	2,008,160	2,008,160	Bank of NY Mellon	0
Federal National Mortgage Association	998,000	1.00%	N/A	08/28/13	1.00%	998,000	1,001,980	1,001,980	Bank of NY Mellon	0
Federal National Mortgage Association	2,000,000	1.10%	N/A	08/28/13	1.10%	2,000,000	2,008,800	2,008,800	Bank of NY Mellon	0
								37,070,989		

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TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
August 31, 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
Medium Term Investments (1 year to 3 years)										
Corporate Notes										
General Electric Capital Corporation	1,000,000	1.20%	A1/AA+	04/13/15	1.20%	<u>1,000,000</u>	1,000,000	993,880	Bank of NY Mellon	991,950
Time Deposits										
Ally Bank CD	200,000	1.15%	N/A	7/27/15	1.15%	<u>200,000</u>	200,000	<u>200,000</u>		0
U.S. Gov't Agency Securities										
Federal Home Loan Mortgage Corporation	2,000,000	1.13%	N/A	02/24/14	1.125%	<u>2,000,000</u>		2,012,660	Bank of NY Mellon	2,013,140
Federal National Mortgage Association	2,000,000	1.10%	N/A	03/20/14	1.103%	<u>2,000,000</u>	4,000,000	2,004,340	Bank of NY Mellon	2,011,040
Long Term Investment (3 years to 5 years)										
Time Deposits										
GE Cap Retail Bank CD	200,000	1.35%	N/A	7/20/16	1.35%	<u>200,000</u>		205,889		0
GE Cap Bank CD	200,000	1.35%	N/A	7/20/16	1.35%	<u>200,000</u>		205,889		0
Goldman Sachs Bank CD	200,000	1.80%	N/A	7/25/17	1.80%	<u>198,600</u>		209,924		0
Discover Bank CD	200,000	1.70%	N/A	7/26/17	1.70%	<u>200,000</u>	798,600	208,956		0
U.S. Gov't Agency Securities										
Financing Corporation (FICO)	500,000	9.80%	N/A	04/06/18	9.80%	<u>498,594</u>		729,422	Bank of America	728,051
							<u>498,594</u>			
							<u>\$ 97,253,516</u>	<u>\$ 97,651,810</u>		<u>\$ 103,224,219</u>

Total Invested Cash

*Includes the following deposits of non-City funds:

Palm Springs Historical Society	Principal	Interest	Total
	250,000	84	250,084

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**TREASURER'S MONTHLY REPORT
MISCELLANEOUS AND TRUST ACCOUNTS
August 31, 2012**

	Par Value	Coupon	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total
Total Invested Cash	\$ 97,253,516					\$ 97,253,516	\$ 97,253,516
Miscellaneous Accounts							
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	902,644	N/A	N/A	open	None	902,644	
Downpayment Assistance (Housing Fund) - JP Morgan Chase	33,787	0.10%	N/A	open	0.15%	33,787	
Workers Compensation - Bank of America	8,003	N/A	N/A	open	None	8,003	
General Liability - Bank of America	30,000	N/A	N/A	open	None	30,000	
1930's General Store Museum - Bank of America	4,693	N/A	N/A	open	None	4,693	
On-Line Credit Card Fire Inspection Fees -Bank of America	4,219	N/A	N/A	open	None	4,219	
On-Line Credit Card Transportation Permits -Bank of America	3,763	N/A	N/A	open	None	3,763	1,011,109
Total Cash Deposited							\$ 98,264,625

TREASURER'S MONTHLY REPORT
BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS

August 31, 2012

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	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Source	Price Or Market Value
2004/2012 Convention Center										
Invesco Government & Agency Private	137,083	variable	AAA	open	0.01%	137,083		137,082	Bank of NY Mellon	137,077
Federal Home Loan Mortgage Corporation	5,465,000	4.125%	N/A	9/27/13	1.93%	<u>5,867,848</u>		5,693,109	Bank of NY Mellon	5,724,150
							6,004,931			
1991/01 Series B - Housing										
Invesco Government & Agency Private	48,314	variable	AAA	open	0.02%	48,314		48,314	Bank of NY Mellon	421,050
Federal Home Loan Bank	420,000	4.625%	N/A	10/10/12	1.38%	<u>453,705</u>		421,907	Bank of NY Mellon	425,184
							502,019			
1994/04 Series A & B										
Invesco Government & Agency Private	1,904,506	variable	AAA	open	0.02%	1,904,506		1,904,506	Bank of NY Mellon	1,904,443
Federal Home Loan Mortgage Corporation	965,000	4.125%	N/A	9/27/13	1.93%	1,036,134		1,005,279	Bank of NY Mellon	1,010,700
Federal Home Loan Mortgage Corporation	571,000	4.125%	N/A	9/27/13	1.93%	<u>613,091</u>		594,834	Bank of NY Mellon	598,077
							3,533,731			
1998 Airport PFC										
Invesco Government & Agency Private	334,947	variable	AAA	open	0.02%	334,947		334,947	Bank of NY Mellon	435,994
U.S. Treasury Note	918,000	1.375%	N/A	3/15/13	1.55%	<u>913,374</u>		923,881	Bank of NY Mellon	925,564
							1,248,321			
2001 Assessment District 157/158										
Invesco Government & Agency Private	245,413	variable	AAA	open	0.02%	<u>245,413</u>		245,413	Bank of NY Mellon	165,408
							245,413			
2002 Parking Structure										
Cash	3					3		3	Bank of NY Mellon	3
Invesco Government & Agency Private	2,874	variable	AAA	open	0.01%	<u>2,874</u>		2,874	Bank of NY Mellon	2,713
							2,877			
2004 Assessment District 161										
Invesco Government & Agency Private	308,730	variable	AAA	open	0.02%	308,730		308,730	Bank of NY Mellon	81,238
Key Bank National Association, Ohio	108,000	4.30%	N/A	12/20/12	1.80%	115,105		109,289	Bank of NY Mellon	109,841
CIT Bank, Salt Lake City, Utah	205,000	3.05%	N/A	1/28/13	1.87%	<u>211,607</u>		207,172	Bank of NY Mellon	207,707
							635,443			

TREASURER'S MONTHLY REPORT
BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS

August 31, 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
2004 Assessment District 162										
Invesco Government & Agency Private	134,282	variable	AAA	open	0.01%	134,282		134,282	Bank of NY Mellon	69,952
Capital One Bank USA National Association	88,000	4.15%	N/A	3/5/13	1.80%	<u>93,846</u>		89,568	Bank of NY Mellon	89,966
							228,128			
2005 Assessment District 164										
Invesco Government & Agency Private	284,265	variable	AAA	open	0.02%	284,265		284,265	Bank of NY Mellon	100,143
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>		25,445	Bank of NY Mellon	25,559
							556,273			
2006 Airport PFC										
Invesco Government & Agency Private	333,042	variable	AAA	open	0.02%	333,042		333,042	Bank of NY Mellon	1,164,984
U.S. Treasury Note	855,000	1.375%	N/A	3/15/13	1.55%	<u>850,692</u>		860,477	Bank of NY Mellon	862,045
							1,183,733			
2007 Merged Project #1 & #2										
Invesco Government & Agency Private	0	variable	AAA	open	0.01%	<u>0</u>		0	Bank of NY Mellon	0
							0			
2007 Refunding Lease Revenue Bonds										
Invesco Government & Agency Private	4	variable	AAA	open	0.01%	<u>4</u>		4	Bank of NY Mellon	4
							4			
2008 Airport PFC Refunding										
Invesco Government & Agency Private	7,152	variable	AAA	open	0.02%	7,152		7,152	Bank of NY Mellon	12,437
Federal Home Loan Mortgage Corporation	603,000	4.125%	N/A	9/27/13	1.95%	<u>647,450</u>		628,169	Bank of NY Mellon	651,594
							654,602			
Reserve for 2012 Downlown Revitalization Lease Revenue Bond										
Invesco Government & Agency Private	3,188,209	variable	AAA	open		<u>3,188,209</u>		3,188,209	Bank of NY Mellon	3,264,343
							3,188,209			
Funds With Century Golf										
	488,220					<u>488,220</u>		488,220	Century Golf	870,593
							488,220			
Totals						<u>\$ 18,491,906</u>		<u>\$ 18,221,175</u>		<u>\$ 519,425,838</u>

TREASURER'S MONTHLY REPORT
CALCULATION OF INVESTMENT LIMITATIONS

August 31, 2012

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By Maturity:	Allowable Percentages		Current Mo.
	Minimum	Maximum	
1 day to 365 days	\$8,000,000	N/A	\$90,756,322
1 year to 3 years	0.00%	50.00%	5.35%
3 years to 5 years	0.00%	30.00%	0.82%
over 5 years	N/A	N/A	0.51%
By Type of Investment:			
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%
Time Deposits	N/A	30.00%	1.03%
Corporate Notes	N/A	20.00%	1.03%
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%	42.74%
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
	41,152		
41,153	41,152	1	1,506,434
41,153	41,152	1	0
41,153	41,152	1	34,086,504
41,153	41,152	1	18,077,395
41,153	41,152	1	15,000
41,017	41,152	-135	0
41,032	41,152	-120	0
41,036	41,152	-116	0
41,102	41,152	-50	0
41,136	41,152	-16	0
41,143	41,152	-9	0
41,145	41,152	-7	0
41,158	41,152	6	12,000,000
41,165	41,152	13	26,000,000
41,166	41,152	14	28,000,000
41,199	41,152	47	47,000,000
41,201	41,152	49	98,000,000
41,205	41,152	53	52,959,661
41,206	41,152	54	108,000,000
41,228	41,152	76	75,924,000
41,228	41,152	76	75,924,000
41,236	41,152	84	84,000,000
41,236	41,152	84	84,000,000
41,240	41,152	88	88,000,000
41,241	41,152	89	89,000,000
41,333	41,152	181	361,819,000
41,361	41,152	209	418,000,000
41,382	41,152	230	230,000,000
41,431	41,152	279	558,000,000
41,432	41,152	280	560,000,000
41,462	41,152	310	1,574,722,500
41,501	41,152	349	696,953,000
41,514	41,152	362	361,276,000
41,514	41,152	362	724,000,000
42,107	41,152	955	955,000,000
42,212	41,152	1,060	212,000,000
41,694	41,152	542	1,084,000,000
41,718	41,152	566	1,132,000,000
42,571	41,152	1,419	283,800,000
42,571	41,152	1,419	283,800,000
42,941	41,152	1,789	355,295,400
42,942	41,152	1,790	358,000,000
43,196	41,152	2,044	1,019,126,136
			12,090,285,030
Total Investments at Cost			97,253,516
WAM in Days			124.32