



City Council Staff Report

DATE: January 16, 2013 CONSENT CALENDAR
SUBJECT: TREASURER'S INVESTMENT REPORT AS OF
NOVEMBER 30, 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 November 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 \$81,739,344 plus \$17,321,906 in bond issue capital projects, reserve and debt service funds. The market value of the invested cash is \$82,087,473.

RECOMMENDATION:

Receive and File Treasurer's Investment Report as of November 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

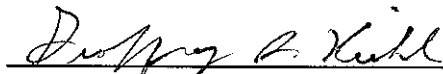
ITEM NO. 76

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

The weighted average maturity (WAM) of the portfolio is 130.34 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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12/31/2012

CITY OF PALM SPRINGS
 TREASURER'S MONTHLY REPORT
 SUMMARY OF INVESTMENTS

November 30, 2012

On Call Deposits	Adjusted Basis	Category Total	Percentage
Checking Account	\$ 2,910,530		
CalTrust ShortTerm	22,131,572		
CalTrust MidTerm	18,117,038		
State Pool	<u>15,000</u>	\$ 43,174,140	52.82%
Short Term Investments (1 year or less)			
U.S. Gov't Agencies	<u>32,068,000</u>	32,068,000	39.23%
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	6.36%
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>1.59%</u>
		\$ <u><u>81,739,334</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

Treasurer
12/31/2012

TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
November 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
On Call Deposits										
Checking - Bank of America	\$	N/A	N/A	AAA	open	None	\$ 2,910,530	\$ 2,910,530	Bank of America	3,246,966
CalTrust ShortTerm*		N/A	N/A	N/A	open	0.360%	22,131,572	22,142,105	CalTrust	27,123,574
CalTrust MidTerm		N/A	N/A	N/A	open	0.880%	18,117,038	18,117,044	CalTrust	18,108,879
Local Agency Invest Fund (LAIF)		15,000	variable	N/A	open	0.324%	15,000	15,020	LAIF	15,020
								43,174,140		
Short Term Investments (1 year or less)										
U.S. Gov't Agency Securities										
Federal National Mortgage Association	1,000,000	1.65%	N/A	10/17/12	1.65%	0	0	0	Bank of NY Mellon	1,000,670
Federal National Mortgage Association	2,000,000	1.375%	N/A	10/19/12	1.375%	0	0	0	Bank of NY Mellon	2,001,180
Federal Farm Credit Bank	998,750	0.800%	N/A	10/23/12	0.800%	998,750	1,000,040	1,000,040	Bank of NY Mellon	1,000,430
Federal National Mortgage Association	2,000,000	1.700%	N/A	10/24/12	1.700%	0	0	0	Bank of NY Mellon	2,001,840
Federal Farm Credit Bank	999,000	0.900%	N/A	11/15/12	0.900%	999,000	1,000,050	1,000,050	Bank of NY Mellon	1,000,860
Federal Farm Credit Bank	999,000	0.850%	N/A	11/15/12	0.850%	999,000	1,000,050	1,000,050	Bank of NY Mellon	1,000,850
Federal National Mortgage Association	1,000,000	1.500%	N/A	11/23/12	1.500%	0	0	0	Bank of NY Mellon	1,001,640
Federal National Mortgage Association	1,000,000	0.500%	N/A	11/23/12	0.500%	0	0	0	Bank of NY Mellon	1,000,180
Federal National Mortgage Association	1,000,000	0.500%	N/A	11/27/12	0.500%	0	0	0	Bank of NY Mellon	1,000,140
Federal National Mortgage Association	1,000,000	0.400%	N/A	11/28/12	0.400%	0	0	0	Bank of NY Mellon	1,000,330
Federal Farm Credit Bank	2,000,000	0.92%	N/A	12/5/12	0.92%	1,998,500	2,000,100	2,000,100	Bank of NY Mellon	2,001,940
Federal Home Loan Bank	2,000,000	1.00%	N/A	12/18/12	1.00%	1,999,000	2,000,625	2,000,625	Bank of NY Mellon	1,996,640
Federal Home Loan Mortgage Corporation	1,999,000	1.030%	N/A	02/28/13	1.030%	1,999,000	2,003,560	2,003,560	Bank of NY Mellon	2,003,860
Federal National Mortgage Association	2,000,000	1.125%	N/A	03/28/13	1.125%	2,000,000	2,007,660	2,007,660	Bank of NY Mellon	2,010,460
Federal National Mortgage Association	1,000,000	2.50%	N/A	04/18/13	2.50%	1,000,000	1,007,960	1,007,960	Bank of NY Mellon	1,011,440
Federal National Mortgage Association	2,000,000	1.00%	N/A	06/06/13	1.00%	2,000,000	2,004,760	2,004,760	Bank of NY Mellon	2,005,340
Federal National Mortgage Association	2,000,000	1.00%	N/A	06/07/13	1.00%	2,000,000	2,009,020	2,009,020	Bank of NY Mellon	2,009,080
Federal Home Loan Mortgage Corporation	5,000,000	2.00%	N/A	07/07/13	2.00%	5,055,469	5,079,750	5,055,469	Bank of NY Mellon	5,065,100
Federal Farm Credit Bank	1,997,000	0.98%	N/A	08/15/13	0.98%	1,997,000	2,008,600	2,008,600	Bank of NY Mellon	2,007,960
Federal National Mortgage Association	998,000	1.00%	N/A	08/28/13	1.00%	998,000	1,003,630	998,000	Bank of NY Mellon	1,001,580
Federal National Mortgage Association	2,000,000	1.10%	N/A	08/28/13	1.10%	2,000,000	2,009,400	2,009,400	Bank of NY Mellon	2,007,920
Federal Home Loan Mortgage Corporation	\$2,000,000	1.00%	N/A	9/20/13	1.00%	2,000,000	2,007,720	2,007,720	Bank of NY Mellon	2,001,700
Federal Home Loan Mortgage Corporation	\$2,000,000	1.05%	N/A	9/27/13	1.05%	2,000,000	2,008,060	2,008,060	Bank of NY Mellon	2,002,188
Federal National Mortgage Association	\$2,000,000	1.07%	N/A	9/27/13	1.07%	2,000,000	2,009,440	2,009,440	Bank of NY Mellon	2,006,340
								32,068,000		

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

	Par Value	Coupon Rate	Rating	Maturity or Coll 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	993,640	Bank of NY Mellon	992,360
Time Deposits										
Ally Bank CD	200,000	1.15%	N/A	7/27/15	1.15%	<u>200,000</u>	200,000	200,000		200,000
U.S. Gov't Agency Securities										
Federal Home Loan Mortgage Corporation	2,000,000	1.13%	N/A	02/24/14	1.125%	2,000,000		2,013,280	Bank of NY Mellon	2,007,360
Federal National Mortgage Association	2,000,000	1.10%	N/A	03/20/14	1.100%	<u>2,000,000</u>	4,000,000	2,003,880	Bank of NY Mellon	2,004,280
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%	200,000		205,945		206,100
GE Cap Bank CD	200,000	1.35%	N/A	7/20/16	1.35%	200,000		205,945		206,100
Goldman Sachs Bank CD	200,000	1.80%	N/A	7/25/17	1.80%	198,600		210,217		210,244
Discover Bank CD	200,000	1.70%	N/A	7/26/17	1.70%	<u>200,000</u>		209,296		209,290
U.S. Gov't Agency Securities										
Financing Corporation (FICO)	500,000	9.80%	N/A	04/06/18	9.80%	<u>498,594</u>	498,594	724,428	Bank of America	727,161
							<u>\$ 81,739,334</u>	<u>\$ 82,087,473</u>		<u>\$ 96,397,611</u>

Total Invested Cash

*Includes the following deposits of non-City funds:

	Principal	Interest	Total
Palm Springs Historical Society	250,000	309	250,309

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

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 12/31/2012

	Par Value	Coupon	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total
Total Invested Cash	\$ 81,739,334					\$ 81,739,334	\$ 81,739,334
Miscellaneous Accounts							
Petty Cash	4,000	N/A	N/A	open	None	4,000	
Trust & Agency - Bank of America	954,588	N/A	N/A	open	None	954,588	
Downpayment Assistance (Housing Fund) - JP Morgan Chase	33,796	0.10%	N/A	open	0.15%	33,796	
Workers Compensation - Bank of America	8,830	N/A	N/A	open	None	8,830	
General Liability - Bank of America	30,000	N/A	N/A	open	None	30,000	
1930's General Store Museum - Bank of America	6,651	N/A	N/A	open	None	6,651	
On-Line Credit Card Fire Inspection Fees -Bank of America	28,558	N/A	N/A	open	None	28,558	
On-Line Credit Card Transportation Permits -Bank of America	5,753	N/A	N/A	open	None	5,753	1,072,175
Total Cash Deposited							\$ 82,811,509

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

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 12/31/2012

	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Source	Prior Qtr. Market Value
2004/2012 Convention Center										
Invesco Government & Agency Private	245,809	variable	AAA	open	0.01%	245,809		245,808	Bank of NY Mellon	249,800
Federal Home Loan Mortgage Corporation	5,465,000	4.125%	N/A	9/27/13	1.93%	<u>5,867,848</u>	6,113,657	5,640,372	Bank of NY Mellon	5,677,370
1991/01 Series B - Housing										
Invesco Government & Agency Private	478,035	variable	AAA	open	0.02%	478,035		478,035	Bank of NY Mellon	48,315
Federal Home Loan Bank	420,000	4.625%	N/A	10/10/12	1.38%	<u>0</u>	478,035	0	Bank of NY Mellon	420,475
1994/04 Series A & B										
Invesco Government & Agency Private	97,704	variable	AAA	open	0.02%	97,704		97,704	Bank of NY Mellon	97,698
Federal Home Loan Mortgage Corporation	965,000	4.125%	N/A	9/27/13	1.93%	1,036,134		995,967	Bank of NY Mellon	1,002,500
Federal Home Loan Mortgage Corporation	571,000	4.125%	N/A	9/27/13	1.93%	<u>613,091</u>	1,746,929	589,323	Bank of NY Mellon	593,189
1998 Airport PFC										
Invesco Government & Agency Private	552,945	variable	AAA	open	0.02%	552,945		552,945	Bank of NY Mellon	411,819
U.S. Treasury Note	918,000	1.375%	N/A	3/15/13	1.55%	<u>913,374</u>	1,466,319	921,231	Bank of NY Mellon	923,095
2001 Assessment District 157/158										
Invesco Government & Agency Private	0	variable	AAA	open	0.02%	<u>0</u>	0	0	Bank of NY Mellon	163,136
2002 Parking Structure										
Cash	3					3		3	Bank of NY Mellon	3
Invesco Government & Agency Private	2,748	variable	AAA	open	0.01%	<u>2,748</u>	2,752	2,748	Bank of NY Mellon	2,345
2004 Assessment District 161										
Invesco Government & Agency Private	80,663	variable	AAA	open	0.02%	80,663		80,663	Bank of NY Mellon	80,661
Key Bank National Association, Ohio	108,000	4.30%	N/A	12/20/12	1.80%	115,105		108,246	Bank of NY Mellon	109,000
CIT Bank, Salt Lake City, Utah	205,000	3.05%	N/A	1/28/13	1.87%	<u>211,607</u>	407,376	205,946	Bank of NY Mellon	206,893

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

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 12/31/2012

	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	68,807	variable	AAA	open	0.01%	68,807		68,807	Bank of NY Mellon	68,805
Capital One Bank USA National Association	88,000	4.15%	N/A	3/5/13	1.80%	93,846		88,886	Bank of NY Mellon	89,438
							162,653			
2005 Assessment District 164										
Invesco Government & Agency Private	95,671	variable	AAA	open	0.02%	95,671		95,671	Bank of NY Mellon	94,910
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%	26,661		25,252	Bank of NY Mellon	25,408
							367,679			
2006 Airport PFC										
Invesco Government & Agency Private	725,530	variable	AAA	open	0.02%	725,530		725,530	Bank of NY Mellon	467,788
U.S. Treasury Note	855,000	1.375%	N/A	3/15/13	1.55%	850,692		858,010	Bank of NY Mellon	859,745
							1,576,221			
2007 Merged Project #1 & #2										
Invesco Government & Agency Private	0	variable	AAA	open	0.01%	0		0	Bank of NY Mellon	0
							0			
2007 Refunding Lease Revenue Bonds										
Invesco Government & Agency Private	1	variable	AAA	open	0.01%	1		1	Bank of NY Mellon	338,350
							1			
2008 Airport PFC Refunding										
Invesco Government & Agency Private	19,589	variable	AAA	open	0.02%	19,589		19,589	Bank of NY Mellon	19,589
Federal Home Loan Mortgage Corporation	603,900	4.125%	N/A	9/27/13	1.93%	647,450		622,350	Bank of NY Mellon	626,433
							667,039			
Reserve for 2012 Downtown Revitalization Lease Revenue Bond										
Invesco Government & Agency Private	4,022,210	variable	AAA	open		4,022,210		4,022,210	Bank of NY Mellon	3,188,247
							4,022,210			
Funds With Century Golf										
	311,038					311,038		311,038	Century Golf	236,704
Totals							\$ 17,321,906	\$ 17,001,553		\$ 16,246,716

TREASURER'S MONTHLY REPORT
CALCULATION OF INVESTMENT LIMITATIONS

November 30, 2012

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12/31/12

	Allowable Percentages		Current Mo.
	Minimum	Maximum	
<u>By Maturity:</u>			
1 day to 365 days	\$8,000,000	N/A	\$75,242,140
1 year to 3 years	0.00%	50.00%	6.36%
3 years to 5 years	0.00%	30.00%	0.98%
over 5 years	N/A	N/A	0.61%
 <u>By Type of Investment:</u>			
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%	1.22%
Corporate Notes	N/A	20.00%	1.22%
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%	44.74%
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
	41,243		
41,244	41,243	1	2,910,530
41,244	41,243	1	22,131,572
41,244	41,243	1	18,117,038
41,244	41,243	1	15,000
41,199	41,243	-44	0
41,201	41,243	-42	0
41,205	41,243	-38	-37,952,500
41,206	41,243	-37	0
41,228	41,243	-15	-14,985,000
41,228	41,243	-15	-14,985,000
41,236	41,243	-7	0
41,236	41,243	-7	0
41,240	41,243	-3	0
41,241	41,243	-2	0
41,248	41,243	5	9,992,500
41,261	41,243	18	35,982,000
41,333	41,243	90	179,910,000
41,361	41,243	118	236,000,000
41,382	41,243	139	139,000,000
41,431	41,243	188	376,000,000
41,432	41,243	189	378,000,000
41,462	41,243	219	1,112,465,250
41,501	41,243	258	515,226,000
41,514	41,243	271	270,458,000
41,514	41,243	271	542,000,000
41,537	41,243	294	588,000,000
41,544	41,243	301	602,000,000
41,544	41,243	301	602,000,000
42,107	41,243	864	864,000,000
42,212	41,243	969	193,800,000
41,694	41,243	451	902,000,000
41,718	41,243	475	950,000,000
42,571	41,243	1,328	265,600,000
42,571	41,243	1,328	265,600,000
42,941	41,243	1,698	337,222,800
42,942	41,243	1,699	339,800,000
43,196	41,243	1,953	973,754,082
			10,654,062,272
Total Investments at Cost			81,739,334
WAM in Days			130.34