



City Council Staff Report

DATE: March 6, 2013 CONSENT CALENDAR

SUBJECT: TREASURER'S INVESTMENT REPORT AS OF
JANUARY 31, 2013

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 January 31, 2013. 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 \$96,618,065 plus \$16,273,864 in bond issue capital projects, reserve and debt service funds. The market value of the invested cash is \$96,764,121.

RECOMMENDATION:

Receive and File Treasurer's Investment Report as of January 31, 2013.

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

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

The weighted average maturity (WAM) of the portfolio is 107.63 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
January 31, 2013

On Call Deposits	Adjusted Basis	Category Total	Percentage
Checking Account	\$ 5,751,148		
CalTrust ShortTerm	26,144,878		
CalTrust MidTerm	18,141,833		
State Pool	<u>15,012</u>	\$ 50,052,871	51.80%
Short Term Investments (1 year or less)			
U.S. Gov't Agencies	<u>40,068,000</u>	40,068,000	41.47%
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	5.38%
Long Term Investments (3 year to 5 years)			
Time Deposits	798,600		
U.S. Gov't Agencies	<u>498,594</u>	1,297,194	1.34%
		<u>\$ 96,618,065</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
January 31, 2013

	Pur 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	\$ 5,751,148	\$ 5,751,148	Bank of America	1,874,963
CallTrust ShortTerm*		N/A	N/A	N/A	open	0.30%	26,144,878	26,154,327	CallTrust	27,148,244
CallTrust MidTerm		N/A	N/A	N/A	open	0.75%	18,141,833	18,123,888	CallTrust	18,112,199
Local Agency Invest Fund (LAIF)		15.012	variable	N/A	open	0.30%	15,012	15,029	LAIF	15,029
								50,052,871		
Short Term Investments (1 year or less)										
U.S. Gov't Agency Securities										
Federal Farm Credit Bank	998,750	0.800%	N/A	11/23/12	0.80%	998,750		998,750	Bank of NY Mellon	1,000,661
Federal Farm Credit Bank	999,000	0.900%	N/A	11/15/12	0.90%	999,000		995,703	Bank of NY Mellon	999,971
Federal Farm Credit Bank	999,000	0.850%	N/A	11/15/12	0.85%	999,000		997,103	Bank of NY Mellon	1,000,070
Federal Farm Credit Bank	2,000,000	0.925%	N/A	12/05/12	0.92%	1,998,500		1,989,620	Bank of NY Mellon	1,998,125
Federal Home Loan Bank	2,000,000	1.00%	N/A	12/18/12	1.00%	1,999,000		1,991,540	Bank of NY Mellon	2,000,140
Federal Home Loan Mortgage Corporation	1,999,000	1.000%	N/A	02/28/13	1.00%	1,999,000		2,001,480	Bank of NY Mellon	2,003,950
Federal National Mortgage Association	2,000,000	1.125%	N/A	04/28/13	1.125%	2,000,000		1,989,361	Bank of NY Mellon	1,997,021
Federal National Mortgage Association	1,000,000	2.50%	N/A	04/18/13	2.50%	1,000,000		1,004,660	Bank of NY Mellon	1,004,420
Federal National Mortgage Association	2,000,000	1.00%	N/A	06/06/13	1.00%	2,000,000		2,003,460	Bank of NY Mellon	2,004,400
Federal National Mortgage Association	2,000,000	1.00%	N/A	06/07/13	1.00%	2,000,000		2,005,520	Bank of NY Mellon	2,007,640
Federal Home Loan Mortgage Corporation	5,000,000	2.00%	N/A	07/03/13	2.00%	5,079,250		5,043,360	Bank of NY Mellon	5,040,950
Federal Home Loan Mortgage Corporation	1,000,000	1.00%	N/A	07/11/13	1.00%	1,000,000		994,260	Bank of NY Mellon	0
Federal Home Loan Mortgage Corporation	2,000,000	1.05%	N/A	07/11/13	1.05%	2,000,000		1,994,440	Bank of NY Mellon	0
Federal Home Loan Bank	1,000,000	1.00%	N/A	07/30/13	1.00%	1,000,000		996,180	Bank of NY Mellon	0
Federal Farm Credit Bank	1,997,000	0.98%	N/A	08/15/13	0.98%	1,997,000		2,003,880	Bank of NY Mellon	2,007,400
Federal National Mortgage Association	998,000	1.00%	N/A	08/28/13	1.00%	998,000		998,770	Bank of NY Mellon	1,003,260
Federal National Mortgage Association	2,000,000	1.10%	N/A	08/28/13	1.10%	2,000,000		2,004,360	Bank of NY Mellon	2,005,440
Federal Home Loan Mortgage Corporation	2,000,000	1.00%	N/A	09/20/13	1.00%	2,000,000		1,996,460	Bank of NY Mellon	2,005,440
Federal Home Loan Mortgage Corporation	2,000,000	1.05%	N/A	09/27/13	1.05%	2,000,000		1,996,920	Bank of NY Mellon	2,005,860
Federal National Mortgage Association	2,000,000	1.07%	N/A	09/27/13	1.07%	2,000,000		2,001,040	Bank of NY Mellon	2,007,560
Federal National Mortgage Association	4,000,000	1.03%	N/A	01/30/14	1.03%	4,000,000		3,984,520	Bank of NY Mellon	0
								40,068,000		

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TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
January 31, 2013

	Par Value	Coupon Rate	Rating	Maturity or Call Date	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Source	Price @ Market Value
Medium Term Investments (1 year to 3 years)										
Corporate Notes										
General Electric Capital Corporation	1,000,000	1.20%	A1/AAA	04/15/15	1.20%	1,000,000	1,000,000	999,360	Bank of NY Mellon	999.650
Time Deposits										
Ally Bank CD	200,000	1.15%	N/A	7/27/13	1.15%	200,000	200,000	200,000	Bank of NY Mellon	200.000
U.S. Gov't Agency Securities										
Federal Home Loan Mortgage Corporation	2,000,000	1.15%	N/A	02/24/14	1.125%	2,000,000		2,003,320	Bank of NY Mellon	2,011.820
Federal National Mortgage Association	2,000,000	1.05%	N/A	03/20/14	1.100%	2,000,000		2,002,120	Bank of NY Mellon	2,002.700
							4,000,000			
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		204,683	Bank of NY Mellon	203.555
GE Cap Bank CD	200,000	1.35%	N/A	7/20/16	1.35%	200,000		204,683	Bank of NY Mellon	203.555
Goldman Sachs Bank CD	200,000	1.80%	N/A	7/25/17	1.80%	198,600		207,979	Bank of NY Mellon	209.539
Discover Bank CD	200,000	1.70%	N/A	7/26/17	1.70%	200,000		207,095	Bank of NY Mellon	208.635
							798,600			
U.S. Gov't Agency Securities										
Financing Corporation (FISC)3	500,000	9.80%	N/A	04/06/18	9.80%	498,594		708,209	Bank of America	715.088
							498,594			
							\$ 90,618,165	\$ 90,764,121		\$ 86,005,592

Total Invested Cash

*Includes the following deposits of non-city funds:

	Principal	Interest	Total
Palm Springs Historical Society	250,000	436	250,436

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TREASURER'S MONTHLY REPORT
MISCELLANEOUS AND TRUST ACCOUNTS
January 31, 2013

	Par Value	Coupon	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total
Total Invested Cash	\$ 96,618,065					\$ 96,618,065	\$ 96,618,065
Miscellaneous Accounts							
Petty Cash	4,000	N/A	N/A	open	None	4,000	
Trust & Agency - Bank of America	978,664	N/A	N/A	open	None	978,664	
Downpayment Assistance (Housing Fund) - JP Morgan Chase	33,801	0.10%	N/A	open	0.15%	33,801	
Workers Compensation - Bank of America	34,811	N/A	N/A	open	None	34,811	
General Liability - Bank of America	30,000	N/A	N/A	open	None	30,000	
1930's General Store Museum - Bank of America	5,717	N/A	N/A	open	None	5,717	
On-Line Credit Card Fire Inspection Fees -Bank of America	44,912	N/A	N/A	open	None	44,912	
On-Line Credit Card Transportation Permits -Bank of America	6,796	N/A	N/A	open	None	6,796	1,138,701
Total Cash Deposited							\$ 97,756,766

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TREASURER'S MONTHLY REPORT
BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
January 31, 2013

	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Source	Yr to Qtr Market Value
2004/2012 Convention Center										
Invesco Government & Agency Private	245,817	variable	AAA	open	0.01%	245,817		245,836	Bank of NY Mellon	245,811
Federal Home Loan Mortgage Corporation	5,455,000	4.125%	N/A	9/27/13	1.93%	5,807,948		5,606,925	Bank of NY Mellon	5,624,359
							6,113,685			
1991A01 Series B - Housing										
Invesco Government & Agency Private	828,503	variable	AAA	open	0.02%	828,503		828,503	Bank of NY Mellon	478,081
							828,503			
1994B04 Series A & B										
Invesco Government & Agency Private	97,715	variable	AAA	open	0.02%	97,715		97,715	Bank of NY Mellon	97,713
Federal Home Loan Mortgage Corporation	965,000	4.125%	N/A	9/27/13	1.93%	1,076,134		990,161	Bank of NY Mellon	993,139
Federal Home Loan Mortgage Corporation	571,000	4.125%	N/A	9/27/13	1.93%	613,091		585,829	Bank of NY Mellon	587,650
							1,746,940			
1998 Airport IFC										
Invesco Government & Agency Private	76,588	variable	AAA	open	0.02%	76,588		76,588	Bank of NY Mellon	623,553
U.S. Treasury Note	918,000	1.375%	N/A	3/15/13	1.35%	913,174		919,359	Bank of NY Mellon	920,332
							989,962			
2001 Assessment District 137938										
Invesco Government & Agency Private	1	variable	AAA	open	0.02%	1		1	Bank of NY Mellon	1
							1			
2002 Parking Structure										
Cash	3					3		3	Bank of NY Mellon	3
Invesco Government & Agency Private	2,788	variable	AAA	open	0.01%	2,788		2,788	Bank of NY Mellon	2,567
							2,791			
2004 Assessment District 161										
Invesco Government & Agency Private	399,153	variable	AAA	open	0.02%	399,153		399,153	Bank of NY Mellon	190,999
CIT Bank, Salt Lake City, Utah	205,000	3.05%	N/A	1/28/13	1.87%	0		0	Bank of NY Mellon	205,456
							399,153			

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TREASURER'S MONTHLY REPORT
BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
January 31, 2013

	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	68,815	variable	AAA	open	0.01%	68,815		68,815	Bank of NY Mellon	68,814
Capital One Bank USA National Association	88,000	4.15%	N/A	3/5/13	1.80%	93,846		88,318	Bank of NY Mellon	88,666
							162,661			
2005 Assessment District 164										
Invesco Government & Agency Private	96,440	variable	AAA	open	0.02%	96,440		96,440	Bank of NY Mellon	96,053
Citizens Bank, Fint. Mortgage	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		25,000	Bank of NY Mellon	25,172
							368,448			
2006 Airport PFC										
Invesco Government & Agency Private	539,932	variable	AAA	open	0.02%	539,932		539,932	Bank of NY Mellon	854,462
U.S. Treasury Note	855,000	1.375%	N/A	3/15/13	1.55%	855,092		855,265	Bank of NY Mellon	857,172
							1,395,023			
2007 Mergal 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	1
							1			
2008 Airport PFC Refunding										
Invesco Government & Agency Private	19,591	variable	AAA	open	0.02%	19,591		19,591	Bank of NY Mellon	19,591
Federal Home Loan Mortgage Corporation	603,000	4.125%	N/A	9/27/13	1.93%	647,350		618,600	Bank of NY Mellon	620,583
							667,040			
Reserve for 2012 Downtown Revitalization Lease Revenue Bond										
Invesco Government & Agency Private	3,188,719	variable	AAA	open		3,188,719		3,188,719	Bank of NY Mellon	3,188,664
							3,188,719			
Funds With Century Golf	415,337					415,337		415,337	Century Golf	321,096
							415,337			
Totals							\$ 16,273,864	\$ 15,914,929		\$ 16,354,869

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TREASURER'S MONTHLY REPORT
CALCULATION OF INVESTMENT LIMITATIONS
January 31, 2013

	Allowable Percentages		Current Mo.
	Minimum	Maximum	
<u>By Maturity:</u>			
1 day to 365 days	\$8,000,000	N/A	\$90,120,871
1 year to 3 years	0.00%	50.00%	5.38%
3 years to 5 years	0.00%	30.00%	0.83%
over 5 years	N/A	N/A	0.52%
<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%	1.03%
Corporate Notes	N/A	20.00%	1.04%
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%	46.13%
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
	41,305		
41,306	41,305	1	5,751,148
41,306	41,305	1	26,144,878
41,306	41,305	1	18,141,833
41,306	41,305	1	15,012
41,205	41,305	-100	-99,875,000
41,228	41,305	-77	-76,923,000
41,228	41,305	-77	-76,923,000
41,248	41,305	-57	-113,914,500
41,261	41,305	-44	-87,956,000
41,333	41,305	28	55,972,000
41,361	41,305	56	112,000,000
41,382	41,305	77	77,000,000
41,431	41,305	126	252,000,000
41,432	41,305	127	254,000,000
41,462	41,305	157	797,520,750
41,466	41,305	161	161,000,000
41,471	41,305	166	332,000,000
41,485	41,305	180	180,000,000
41,501	41,305	196	391,412,000
41,514	41,305	209	208,582,000
41,514	41,305	209	418,000,000
41,537	41,305	232	464,000,000
41,544	41,305	239	478,000,000
41,544	41,305	239	478,000,000
41,669	41,305	364	1,456,000,000
42,107	41,305	802	802,000,000
42,212	41,305	907	181,400,000
41,694	41,305	389	778,000,000
41,718	41,305	413	826,000,000
42,571	41,305	1,266	253,200,000
42,571	41,305	1,266	253,200,000
42,941	41,305	1,636	324,909,600
42,942	41,305	1,637	327,400,000
43,196	41,305	1,891	942,841,254
			10,398,898,975
Total Investments at Cost			96,618,065
WAM in Days			107.63