



City Council Staff Report

DATE: October 16, 2013 CONSENT CALENDAR
SUBJECT: TREASURER'S INVESTMENT REPORT AS OF
AUGUST 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 August 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 \$104,025,242 plus \$33,327,926 in bond issue capital projects, reserve and debt service funds. The market value of the invested cash is \$103,131,134.

RECOMMENDATION:

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

STAFF ANALYSIS:

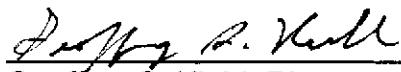
The attached report includes the face value and coupon rate (if applicable) of the investments and the source for the market value estimate. Also included is information on the investments of bond issue reserve, debt service and related funds.

The investments, in type, maturity and as a percentage of the total portfolio, are in compliance with the existing City Council-approved investment policy.

The weighted average maturity (WAM) of the portfolio is 63.33 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

CITY OF PALM SPRINGS
 TREASURER'S MONTHLY REPORT
 SUMMARY OF INVESTMENTS
 August 31, 2013

| On Call Deposits | <u>Adjusted Basis</u> | <u>Category Total</u> | <u>Percentage</u> |
|--|-----------------------|-----------------------|-------------------|
| Checking Account | \$ 4,100,206 | | |
| CalTrust ShortTerm | 22,197,070 | | |
| CalTrust MidTerm | 28,224,740 | | |
| State Pool | <u>15,032</u> | \$ 54,537,048 | 52.43% |
| | | | |
| Short Term Investments (1 year or less) | | | |
| U.S. Gov't Agencies | <u>46,991,000</u> | 46,991,000 | 45.17% |
| | | | |
| Medium Term Investments (1 year to 3 years) | | | |
| Corporate Notes | 1,000,000 | | |
| Time Deposits | 200,000 | | |
| U.S. Gov't Agencies | <u>0</u> | 1,200,000 | 1.15% |
| | | | |
| 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>1.25%</u> |
| | | \$ <u>104,025,242</u> | <u>100.00%</u> |

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**TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
August 31, 2013**

| | 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 | 4,100,206 | | \$ 4,100,206 | Bank of America | 4,100,206 |
| CalTrust ShortTerm* | N/A | | N/A | open | 0.34% | 22,197,070 | | 22,197,064 | CalTrust | 27,154,304 |
| CalTrust MidTerm | N/A | | N/A | open | 0.63% | 28,224,740 | | 28,077,040 | CalTrust | 28,021,069 |
| Local Agency Invest Fund (LAIF) | 15,032 | variable | N/A | open | 0.271% | 15,032 | | 15,036 | LAIF | 15,027 |
| | | | | | | | 54,537,048 | | | |
| Short Term Investments (1 year or less) | | | | | | | | | | |
| U.S. Govt Agency Securities | | | | | | | | | | |
| Federal Farm Credit Bank | 1,000,000 | 0.85% | N/A | 11/15/12 | 0.85% | 999,000 | | 988,160 | Bank of NY Mellon | 987,370 |
| Federal Home Loan Bank | 2,000,000 | 1.00% | N/A | 12/18/12 | 1.00% | 1,999,000 | | 1,953,960 | Bank of NY Mellon | 1,959,360 |
| Federal Farm Credit Bank | 2,000,000 | 1.12% | N/A | 05/20/13 | 1.12% | 2,000,000 | | 1,959,180 | Bank of NY Mellon | 1,960,820 |
| Federal Home Loan Mortgage Corporation | 1,000,000 | 1.00% | N/A | 07/11/13 | 1.00% | 1,000,000 | | 971,875 | Bank of NY Mellon | 976,010 |
| Federal Home Loan Mortgage Corporation | 2,000,000 | 1.05% | N/A | 07/16/13 | 1.05% | 2,000,000 | | 1,950,400 | Bank of NY Mellon | 1,958,750 |
| Federal Home Loan Mortgage Corporation | 5,000,000 | 2.00% | N/A | 07/17/13 | 2.00% | 0 | | 0 | Bank of NY Mellon | 5,004,050 |
| Federal Home Loan Bank | 1,000,000 | 1.00% | N/A | 07/30/13 | 1.00% | 1,000,000 | | 973,500 | Bank of NY Mellon | 977,710 |
| Federal Home Loan Bank | 1,000,000 | 0.45% | N/A | 08/09/13 | 0.45% | 1,000,000 | | 991,610 | Bank of NY Mellon | 992,090 |
| Federal Home Loan Bank | 1,000,000 | 1.05% | N/A | 08/12/13 | 1.05% | 1,000,000 | | 974,700 | Bank of NY Mellon | 979,090 |
| Federal Farm Credit Bank | 2,000,000 | 0.98% | N/A | 08/15/13 | 0.98% | 1,997,000 | | 1,975,580 | Bank of NY Mellon | 1,972,080 |
| Federal National Mortgage Association | 1,000,000 | 1.00% | N/A | 08/28/13 | 1.00% | 998,000 | | 979,970 | Bank of NY Mellon | 982,460 |
| Federal National Mortgage Association | 2,000,000 | 1.10% | N/A | 08/28/13 | 1.10% | 2,000,000 | | 1,966,860 | Bank of NY Mellon | 1,971,860 |
| Federal Home Loan Mortgage Corporation | 2,000,000 | 1.00% | N/A | 09/20/13 | 1.00% | 2,000,000 | | 1,958,280 | Bank of NY Mellon | 1,963,750 |
| Federal Home Loan Bank | 2,000,000 | 1.00% | N/A | 09/20/13 | 1.00% | 1,998,000 | | 1,939,860 | Bank of NY Mellon | 1,947,240 |
| Federal Home Loan Mortgage Corporation | 2,000,000 | 1.04% | N/A | 09/27/13 | 1.04% | 2,000,000 | | 1,958,300 | Bank of NY Mellon | 1,963,980 |
| Federal National Mortgage Association | 2,000,000 | 1.07% | N/A | 09/27/13 | 1.07% | 2,000,000 | | 1,962,188 | Bank of NY Mellon | 1,967,740 |
| Federal National Mortgage Association | 2,000,000 | 2.20% | N/A | 10/24/13 | 2.20% | 2,000,000 | | 2,000,660 | Bank of NY Mellon | 0 |
| Federal Home Loan Mortgage Corporation | 1,000,000 | 2.00% | N/A | 10/30/13 | 2.00% | 1,000,000 | | 1,002,900 | Bank of NY Mellon | 0 |
| Federal Home Loan Mortgage Corporation | 1,000,000 | 2.05% | N/A | 10/30/13 | 2.05% | 1,000,000 | | 1,000,560 | Bank of NY Mellon | 0 |
| Federal Home Loan Mortgage Corporation | 1,000,000 | 2.00% | N/A | 11/27/13 | 2.00% | 1,000,000 | | 994,570 | Bank of NY Mellon | |
| Federal Home Loan Bank | 1,000,000 | 0.75% | N/A | 11/29/13 | 0.75% | 1,000,000 | | 970,130 | Bank of NY Mellon | 973,160 |
| Federal National Mortgage Association | 4,000,000 | 1.03% | N/A | 01/30/14 | 1.03% | 4,000,000 | | 3,894,920 | Bank of NY Mellon | 3,908,800 |
| Federal National Mortgage Association | 1,000,000 | 2.00% | N/A | 01/30/14 | 2.00% | 1,000,000 | | 998,670 | Bank of NY Mellon | 0 |
| Federal Home Loan Mortgage Corporation | 2,000,000 | 1.125% | N/A | 02/24/14 | 1.125% | 2,000,000 | | 1,981,340 | Bank of NY Mellon | 1,983,680 |
| Federal National Mortgage Association | 1,000,000 | 2.00% | N/A | 02/28/14 | 2.00% | 1,000,000 | | 995,520 | Bank of NY Mellon | |
| Federal National Mortgage Association | 2,000,000 | 1.10% | N/A | 03/12/14 | 1.10% | 2,000,000 | | 1,928,750 | Bank of NY Mellon | 1,961,160 |
| Federal Home Loan Mortgage Corporation | 2,000,000 | 1.20% | N/A | 03/20/14 | 1.20% | 2,000,000 | | 1,943,500 | Bank of NY Mellon | 1,952,880 |
| Federal Home Loan Mortgage Corporation | 2,000,000 | 1.15% | N/A | 04/25/14 | 1.15% | 2,000,000 | | 1,942,740 | Bank of NY Mellon | 1,952,860 |
| Federal National Mortgage Association | 2,000,000 | 1.03% | N/A | 05/21/14 | 1.03% | 2,000,000 | | 1,929,300 | Bank of NY Mellon | 1,937,240 |
| Federal Home Loan Bank | 1,000,000 | 0.80% | N/A | 06/12/14 | 0.80% | 1,000,000 | | 970,830 | Bank of NY Mellon | 974,050 |
| | | | | | | | 46,991,000 | | | |

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

| | <u>Par Value</u> | <u>Coupon Rate</u> | <u>Rating</u> | <u>Maturity or Call Date</u> | <u>Yield to Maturity</u> | <u>Adjusted Cost Basis</u> | <u>Category Total</u> | <u>(memo only) Market Value</u> | <u>Source</u> | <u>Prior Qtr Market Value</u> |
|---|------------------|--------------------|---------------|------------------------------|--------------------------|----------------------------|-----------------------|---------------------------------|-------------------|-------------------------------|
| Medium Term Investments (1 year to 3 years) | | | | | | | | | | |
| Corporate Notes | | | | | | | | | | |
| General Electric Capital Corporation | 1,000,000 | 0.60% | A1/AA+ | 04/13/15 | 1.20% | <u>1,000,000</u> | | 999,700 | Bank of NY Mellon | 995,080 |
| | | | | | | | 1,000,000 | | | |
| Time Deposits | | | | | | | | | | |
| Ally Bank CD | 200,000 | 1.15% | N/A | 7/27/15 | 1.15% | <u>200,000</u> | | <u>200,000</u> | Bank of NY Mellon | <u>200,000</u> |
| | | | | | | | 200,000 | | | |
| U.S. Gov't Agency Securities | | | | | | | | | | |
| | | | | | | | 0 | | | |
| 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 | | 202,538 | Bank of NY Mellon | 203,015 |
| GE Cap Bank CD | 200,000 | 1.35% | N/A | 7/20/16 | 1.35% | 200,000 | | 202,538 | Bank of NY Mellon | 203,015 |
| Goldman Sachs Bank CD | 200,000 | 1.80% | N/A | 7/25/17 | 1.80% | 198,600 | | 203,642 | Bank of NY Mellon | 204,530 |
| Discover Bank CD | 200,000 | 1.70% | N/A | 7/26/17 | 1.70% | <u>200,000</u> | | 202,875 | Bank of NY Mellon | 203,729 |
| | | | | | | | 798,600 | | | |
| U.S. Gov't Agency Securities | | | | | | | | | | |
| Financing Corporation (FICO) | 500,000 | 9.80% | N/A | 04/06/18 | 9.80% | <u>498,594</u> | | 672,782 | Bank of America | 682,795 |
| | | | | | | | 498,594 | | | |
| | | | | | | | <u>\$ 104,025,242</u> | <u>\$ 103,131,134</u> | | <u>\$ 106,190,960</u> |
| Total Invested Cash | | | | | | | | | | |

*Includes the following deposits of non-City funds:

| | Principal | Interest | Total |
|---------------------------------|-----------|----------|---------|
| Palm Springs Historical Society | 250,000 | 925 | 250,925 |

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

| | <u>Par Value</u> | <u>Coupon</u> | <u>Rating</u> | <u>Maturity</u> | <u>Yield to Maturity</u> | <u>Adjusted Cost Basis</u> | <u>Category Total</u> |
|--|------------------|---------------|---------------|-----------------|------------------------------|--------------------------------|-----------------------|
| Total Invested Cash | \$ 104,025,242 | | | | | \$ <u>104,025,242</u> | \$ 104,025,242 |
| Miscellaneous Accounts | | | | | | | |
| Petty Cash | 4,000 | N/A | N/A | open | None | 4,000 | |
| Trust & Agency - Bank of America | 784,592 | N/A | N/A | open | None | 784,592 | |
| Downpayment Assistance (Housing Fund) - Bank of America | 33,816 | 0.05% | N/A | open | 0.05% | 33,816 | |
| Workers Compensation - Bank of America | 5,935 | N/A | N/A | open | None | 5,935 | |
| General Liability - Bank of America | 30,000 | N/A | N/A | open | None | 30,000 | |
| 1930's General Store Museum - Bank of America | 6,417 | N/A | N/A | open | None | 6,417 | |
| On-Line Credit Card Fire Inspection Fees -Bank of America | 112,370 | N/A | N/A | open | None | 112,370 | |
| On-Line Credit Card Transportation Permits -Bank of America | 8,045 | N/A | N/A | open | None | <u>8,045</u> | 985,175 |
| Total Cash Deposited | | | | | | | \$ <u>105,010,417</u> |

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TREASURER'S MONTHLY REPORT
 BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
 August 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 |
|--|--------------|----------------|--------|----------|----------------------|------------------------|-------------------|-----------------------------|-------------------|----------------------------|
| 2004/2012 Convention Center | | | | | | | | | | |
| Invesco Government & Agency Private | 358,579 | variable | AAA | open | 0.01% | 358,579 | | 358,578 | Bank of NY Mellon | 358,566 |
| Federal Home Loan Mortgage Corporation | 5,465,000 | 4.125% | N/A | 9/27/13 | 1.93% | 5,867,848 | | 5,479,810 | Bank of NY Mellon | 5,517,245 |
| | | | | | | | 6,226,427 | | | |
| 1991/01 Series B - Housing | | | | | | | | | | |
| Invesco Government & Agency Private | 478,115 | variable | AAA | open | 0.02% | 478,115 | | 478,115 | Bank of NY Mellon | 742,452 |
| | | | | | | | 478,115 | | | |
| 1994/04 Series A & B/2007A, B, & C | | | | | | | | | | |
| Invesco Government & Agency Private | 1,988,368 | variable | AAA | open | 0.01% | 1,988,368 | | 1,988,368 | Bank of NY Mellon | 1,261,394 |
| Federal Home Loan Mortgage Corporation | 965,000 | 4.125% | N/A | 9/27/13 | 1.93% | 1,036,134 | | 967,615 | Bank of NY Mellon | 974,225 |
| Federal Home Loan Mortgage Corporation | 571,000 | 4.125% | N/A | 9/27/13 | 1.93% | 613,091 | | 572,547 | Bank of NY Mellon | 576,459 |
| | | | | | | | 3,637,593 | | | |
| 1998 Airport PFC | | | | | | | | | | |
| Invesco Government & Agency Private | 1,235,679 | variable | AAA | open | 0.01% | 1,235,679 | | 1,235,679 | Bank of NY Mellon | 1,351,927 |
| | | | | | | | 1,235,679 | | | |
| 2002 Parking Structure | | | | | | | | | | |
| Cash | 3 | | | | | 3 | | 3 | Bank of NY Mellon | 3 |
| Invesco Government & Agency Private | 2,207 | variable | AAA | open | 0.01% | 2,207 | | 2,207 | Bank of NY Mellon | 2,127 |
| | | | | | | | 2,210 | | | |
| 2004 Assessment District 161 | | | | | | | | | | |
| Invesco Government & Agency Private | 399,197 | variable | AAA | open | 0.02% | 399,197 | | 399,197 | Bank of NY Mellon | 399,183 |
| | | | | | | | 399,197 | | | |

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TREASURER'S MONTHLY REPORT
 BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
 August 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 | 158,641 | variable | AAA | open | 0.02% | <u>158,641</u> | | 158,641 | Bank of NY Mellon | 158,635 |
| | | | | | | | 158,641 | | | |
| 2005 Assessment District 164 | | | | | | | | | | |
| Invesco Government & Agency Private | 559,674 | variable | AAA | open | 0.02% | <u>559,674</u> | | 559,674 | Bank of NY Mellon | 367,721 |
| | | | | | | | 559,674 | | | |
| 2006 Airport PFC | | | | | | | | | | |
| Invesco Government & Agency Private | 1,185,983 | variable | AAA | open | 0.02% | <u>1,185,983</u> | | 1,185,983 | Bank of NY Mellon | 2,746,277 |
| | | | | | | | 1,185,983 | | | |
| 2007 Refunding Lease Revenue Bonds | | | | | | | | | | |
| Cash | 0 | | | | | 0 | | 0 | Bank of NY Mellon | 0 |
| Invesco Government & Agency Private | 1 | variable | AAA | open | 0.01% | <u>1</u> | | 1 | Bank of NY Mellon | 1 |
| | | | | | | | 1 | | | |
| 2008 Airport PFC Refunding | | | | | | | | | | |
| Invesco Government & Agency Private | 32,027 | variable | AAA | open | 0.02% | <u>32,027</u> | | 32,027 | Bank of NY Mellon | 32,027 |
| Federal Home Loan Mortgage Corporation | 603,000 | 4.125% | N/A | 9/27/13 | 1.93% | <u>647,450</u> | | 604,634 | Bank of NY Mellon | 608,765 |
| | | | | | | | 679,477 | | | |
| Reserve for 2012 Downtown Revitalization Lease Revenue Bond | | | | | | | | | | |
| Invesco Government & Agency Private | 3,189,094 | variable | AAA | open | 0.01% | <u>3,189,094</u> | | 3,189,094 | Bank of NY Mellon | 3,188,985 |
| | | | | | | | 3,189,094 | | | |
| Chevron/CoGen Lease Proceeds | | | | | | | | | | |
| Cash | 14,717,283 | | | | | <u>14,717,283</u> | | 14,717,283 | Deutsche Bank | 0 |
| | | | | | | | 14,717,283 | | | |
| Funds With Century Golf | 768,553 | | | | | <u>768,553</u> | | 768,553 | Century Golf | 1,115,806 |
| | | | | | | | 768,553 | | | |
| Totals | | | | | | | <u>33,237,926</u> | <u>32,698,009</u> | | <u>\$ 19,401,798</u> |

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

| <u>By Maturity:</u> | Allowable Percentages | | Current Mo. |
|----------------------------------|-----------------------|---------|---------------|
| | Minimum | Maximum | |
| 1 day to 365 days | \$8,000,000 | N/A | \$101,528,048 |
| 1 year to 3 years | 0.00% | 50.00% | 1.15% |
| 3 years to 5 years | 0.00% | 30.00% | 1.25% |
| over 5 years | N/A | N/A | 0.00% |
| | | | |
| <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% | 0.96% |
| Corporate Notes | N/A | 20.00% | 0.96% |
| 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% | 45.65% |
| U.S. Treasury Notes/Bonds | N/A | N/A | 0.00% |

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