



## City Council Staff Report

DATE: November 5, 2014 CONSENT CALENDAR  
SUBJECT: TREASURER'S INVESTMENT REPORT AS OF  
SEPTEMBER 30, 2014  
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 September 30, 2014. 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 \$116,506,883 plus \$13,804,837 bond issue capital projects, reserve and debt service funds. There is an additional \$1,172,876 in various miscellaneous/trust accounts. The market value of the invested cash is \$116,309,149.

### RECOMMENDATION:

Receive and File Treasurer's Investment Report as of September 30, 2014.

### 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 586.46 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

CITY OF PALM SPRINGS  
 TREASURER'S MONTHLY REPORT  
 SUMMARY OF INVESTMENTS  
 September 30, 2014

On Call Deposits	<u>Adjusted Basis</u>	<u>Category Total</u>	<u>Percentage</u>
Checking Account	\$ 9,856,357		
CalTrust ShortTerm	15,266,976		
CalTrust MidTerm	12,870,461		
State Pool	<u>25,024,894</u>	\$ 63,018,689	54.09%
Short Term Investments (1 year or less)			
U.S. Gov't Agencies	48,991,000		
Corporate Notes	1,000,000		
Time Deposits	<u>200,000</u>	50,191,000	43.08%
Medium Term Investments (1 year to 3 years)			
Time Deposits	<u>798,600</u>	798,600	0.69%
Long Term Investments (3 year to 5 years)			
U.S. Gov't Agencies	<u>2,498,594</u>	2,498,594	2.14%
		\$ <u><u>116,506,883</u></u>	<u><u>100.00%</u></u>

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TREASURER'S MONTHLY REPORT  
DETAIL OF INVESTMENTS  
September 30, 2014

	Par Value	Coupon Rate	Rating	Purchase Date	Maturity Date	First/Next Optional Call Date	Days to Maturity	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	\$ 9,856,357	N/A	AAA		demand	N/A	1	None	9,856,357		\$ 9,856,357	Bank of America	3,485,129
CalTrust ShortTerm	15,000,000	variable	N/A		demand	N/A	1	0.41%	15,266,976		15,275,157	CalTrust	20,256,986
CalTrust MidTerm	12,500,000	variable	N/A		demand	N/A	1	0.75%	12,870,461		12,828,853	CalTrust	19,328,369
Local Agency Invest Fund (LAIF)	25,000,000	variable	N/A		demand	N/A	1	0.246%	25,024,894		25,032,370	LAIF	30,024,027
	62,356,357									63,018,689	62,992,737		73,094,511
<b>Short Term Investments (1 year or less)</b>													
U.S. Govt Agency Securities													
Federal Home Loan Bank	0	2.10%	N/A	04/20/14	07/30/14		-	2.10%	0	0	0	Bank of NY Mellon	2,003,000
Federal Home Loan Bank	1,000,000	0.45%	N/A	05/09/13	05/09/16	10/01/14	587	0.45%	1,000,000	998,170	998,170	Bank of NY Mellon	998,610
Federal Farm Credit Bank	1,000,000	0.85%	N/A	08/15/12	02/15/17	10/01/14	869	0.85%	999,000	998,125	998,125	Bank of NY Mellon	998,640
Federal Farm Credit Bank	2,000,000	0.98%	N/A	08/15/12	08/15/17	10/01/14	1,050	0.98%	1,997,000	1,992,960	1,992,960	Bank of NY Mellon	1,996,400
Federal Home Loan Bank	2,000,000	1.00%	N/A	09/18/12	09/18/17	10/01/14	1,084	1.00%	1,999,000	1,991,820	1,991,820	Bank of NY Mellon	1,990,060
Federal Farm Credit Bank	2,000,000	1.12%	N/A	02/20/13	02/20/18	10/01/14	1,239	1.12%	2,000,000	1,991,820	1,991,820	Bank of NY Mellon	1,998,060
Federal Home Loan Bank	2,000,000	2.07%	N/A	04/15/14	04/15/19	10/01/14	1,658	2.07%	2,000,000	1,996,120	1,996,120	Bank of NY Mellon	1,998,580
Federal Home Loan Bank	2,000,000	2.00%	N/A	07/08/14	07/08/19	10/08/14	1,742	2.00%	2,000,000	2,000,340	2,000,340	Bank of NY Mellon	0
Federal Home Loan Mortgage Corporation	1,000,000	1.00%	N/A	01/11/13	01/11/18	10/11/14	1,199	1.00%	1,000,000	988,720	988,720	Bank of NY Mellon	991,430
Federal Home Loan Bank	2,000,000	1.50%	N/A	07/15/14	07/15/19	10/15/14	1,749	2.00%	2,000,000	1,986,120	1,986,120	Bank of NY Mellon	0
Federal Home Loan Mortgage Corporation	2,000,000	1.05%	N/A	01/16/13	01/16/18	10/16/14	1,204	1.05%	2,000,000	1,989,500	1,989,500	Bank of NY Mellon	1,984,760
Federal Home Loan Mortgage Corporation	2,000,000	2.00%	N/A	07/24/14	07/24/19	10/24/14	1,758	2.00%	2,000,000	2,002,480	2,002,480	Bank of NY Mellon	0
Federal Home Loan Mortgage Corporation	2,000,000	1.15%	N/A	04/25/13	04/25/18	10/25/14	1,303	1.15%	2,000,000	1,975,340	1,975,340	Bank of NY Mellon	1,981,840
Federal National Mortgage Association	4,000,000	1.03%	N/A	01/30/13	01/30/18	10/30/14	1,218	1.03%	4,000,000	3,946,080	3,946,080	Bank of NY Mellon	3,958,640
Federal Home Loan Bank	1,000,000	1.00%	N/A	01/30/13	01/30/18	10/30/14	1,218	1.00%	1,000,000	988,110	988,110	Bank of NY Mellon	990,170
Federal Home Loan Bank	2,000,000	1.85%	N/A	01/30/14	01/30/19	10/30/14	1,583	1.85%	2,000,000	1,996,880	1,996,880	Bank of NY Mellon	1,999,180
Federal Home Loan Bank	1,000,000	1.05%	N/A	02/12/13	02/12/18	11/12/14	1,231	1.05%	1,000,000	988,880	988,880	Bank of NY Mellon	990,920
Federal National Mortgage Association	2,000,000	1.03%	N/A	05/21/13	05/21/18	11/21/14	1,329	1.03%	2,000,000	1,963,840	1,963,840	Bank of NY Mellon	1,966,360
Federal National Mortgage Association	1,000,000	1.00%	N/A	08/28/12	08/28/17	11/28/14	1,063	1.00%	998,000	992,620	992,620	Bank of NY Mellon	996,094
Federal National Mortgage Association	2,000,000	1.10%	N/A	08/28/12	08/28/17	11/28/14	1,063	1.10%	2,000,000	1,994,820	1,994,820	Bank of NY Mellon	2,001,960
Federal Home Loan Mortgage Corporation	1,000,000	2.05%	N/A	08/28/14	08/28/19	11/28/14	1,793	2.05%	1,000,000	998,180	998,180	Bank of NY Mellon	0
Federal Home Loan Bank	1,000,000	0.75%	N/A	05/29/13	05/29/18	11/29/14	1,337	0.75%	1,000,000	992,610	992,610	Bank of NY Mellon	993,720
Federal Home Loan Bank	1,000,000	0.80%	N/A	06/12/13	06/12/18	12/12/14	1,351	0.80%	1,000,000	991,590	991,590	Bank of NY Mellon	992,760
Federal Home Loan Mortgage Corporation	2,000,000	1.00%	N/A	09/20/12	09/20/17	12/20/14	1,086	1.00%	2,000,000	1,990,880	1,990,880	Bank of NY Mellon	1,996,900
Federal Home Loan Mortgage Corporation	2,000,000	1.20%	N/A	03/20/13	03/20/18	12/20/14	1,267	1.20%	-2,000,000	1,992,080	1,992,080	Bank of NY Mellon	1,997,400
Federal Home Loan Bank	2,000,000	1.00%	N/A	06/20/13	06/20/18	12/20/14	1,359	1.00%	1,998,000	1,980,780	1,980,780	Bank of NY Mellon	1,983,340
Federal Home Loan Mortgage Corporation	2,000,000	1.04%	N/A	09/27/12	09/27/17	12/27/14	1,093	1.04%	2,000,000	1,984,140	1,984,140	Bank of NY Mellon	1,990,260
Federal National Mortgage Association	2,000,000	1.07%	N/A	09/27/12	09/27/17	12/27/14	1,093	1.07%	2,000,000	1,998,660	1,998,660	Bank of NY Mellon	2,002,940
Federal National Mortgage Association	2,000,000	2.00%	N/A	04/30/14	04/30/19	04/30/15	1,671	2.00%	2,000,000	2,000,080	2,000,080	Bank of NY Mellon	2,008,580
	49,000,000									48,991,000	48,689,145		43,814,604
Corporate Notes													
General Electric Capital Corporation	1,000,000	0.73%	AA/AA1	04/13/12	04/13/15	N/A	195	0.73%	1,000,000		1,002,380	Bank of NY Mellon	1,003,510
	1,000,000									1,000,000	1,002,380		1,003,510
Time Deposits													
Ally Bank CD	200,000	1.15%	N/A	7/27/12	7/27/15	N/A	300	1.15%	200,000		200,000	Bank of NY Mellon	200,000
	200,000									200,000	200,000		200,000

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**TREASURER'S MONTHLY REPORT  
DETAIL OF INVESTMENTS  
September 30, 2014**

	Par Value	Coupon Rate	Rating	Purchase Date	Maturity Date	First/Next Optional Call Date	Days to Maturity	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>													
<b>Time Deposits</b>													
GE Cap Retail Bank CD	200,000	1.35%	N/A	7/20/12	7/20/16	N/A	659	1.35%	200,000		202,158	Bank of NY Mellon	203,034
GE Cap Bank CD	200,000	1.35%	N/A	7/20/12	7/20/16	N/A	659	1.35%	200,000		202,158	Bank of NY Mellon	203,034
Goldman Sachs Bank CD	200,000	1.80%	N/A	7/25/12	7/25/17	N/A	1,029	1.80%	198,600		203,235	Bank of NY Mellon	204,713
Discover Bank CD	200,000	1.70%	N/A	7/26/12	7/26/17	N/A	1,030	1.70%	200,000		202,678	Bank of NY Mellon	204,105
	<u>800,000</u>									798,600	810,229		814,885
<b>Long Term Investment (3 years to 5 years)</b>													
<b>U.S. Gov't Agency Securities</b>													
Federal National Mortgage Association	2,000,000	1.10%	N/A	03/12/13	01/12/18	03/12/18	1,259	1.10%	2,000,000		1,972,480	Bank of NY Mellon	1,990,920
Financing Corporation (FICO)	500,000	9.80%	N/A	04/06/88	04/06/18	N/A	1,284	9.80%	498,594		642,178	Bank of America	654,407
	<u>2,500,000</u>									2,498,594	2,614,658		2,645,327
<b>Total Invested Cash</b>	<b>\$ 115,656,357</b>									<b>\$ 116,506,883</b>	<b>\$ 116,309,149</b>		<b>\$ 121,572,836</b>
								Current Quarter Portfolio Yield	0.80%				0.65%
								Benchmark Yields					Prior Quarter Portfolio Yield
								12 Month LAIF Average	0.25%				
								2 Year Constant Maturity Treasury	0.41%				
								*Interest Income for the Quarter Ending	09/30/2014	238,999			

\*Gross amount before deduction of investment related fees

TREASURER'S MONTHLY REPORT  
 MISCELLANEOUS AND TRUST ACCOUNTS  
 September 30, 2014

	<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>
<b>Total Invested Cash</b>	\$ 116,506,883					\$ 116,506,883	\$ 116,506,883
<b>Miscellaneous Accounts</b>							
Petty Cash	4,000	N/A	N/A	open	None	4,000	
Trust & Agency - Bank of America	1,007,484	N/A	N/A	open	None	1,007,484	
Downpayment Assistance (Housing Fund) - Bank of America	33,856	0.05%	N/A	open	0.15%	33,856	
Workers Compensation - Bank of America	56,944	N/A	N/A	open	None	56,944	
General Liability - Bank of America	29,411	N/A	N/A	open	None	29,411	
1930's General Store Museum - Bank of America	8,189	N/A	N/A	open	None	8,189	
On-Line Credit Card Fire Inspection Fees -Bank of America	31,072	N/A	N/A	open	None	31,072	
On-Line Credit Card Transportation Permits -Bank of America	1,920	N/A	N/A	open	None	1,920	1,172,876
<b>Total Cash Deposited</b>							\$ 117,679,759

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TREASURER'S MONTHLY REPORT  
 BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS  
 September 30, 2014

	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Source	Prior Qtr. Market Value
2012/2014 Convention Center First American Government Obligation	14,182	variable	AAA	open	0.01%	<u>14,182</u>	14,182	14,182	US Bank	5,939,251
1991/01 Series B - Housing Invesco Government & Agency Private	9	variable	AAA	open	0.02%	<u>9</u>	9	9	Bank of NY Mellon	773,578
2004A/B, Merged Project #1/#2 Invesco Government & Agency Private	303	variable	AAA	open	0.01%	<u>303</u>	303	303	Bank of NY Mellon	2,998,456
2007A, B, & C Tax Allocation Bonds Invesco Government & Agency Private	10	variable	AAA	open	0.01%	<u>10</u>	10	10	Bank of NY Mellon	2,998,456
1998 Airport PFC Invesco Government & Agency Private	1,197,746	variable	AAA	open	0.01%	<u>1,197,746</u>	1,197,746	1,197,746	Bank of NY Mellon	1,186,547
2002 Parking Structure Cash	3					<u>3</u>		3	Bank of NY Mellon	3
Invesco Government & Agency Private	1,520	variable	AAA	open	0.01%	<u>1,520</u>	1,524	1,520	Bank of NY Mellon	1,461
2004 Assessment District 161 GE Capital Bank CD	200,000	1.70%	N/A	01/17/2019	1.70%	200,000		200,458	Bank of NY Mellon	200,368
Goldman Sachs Bank CD	100,000	1.90%	N/A	01/22/2019	1.90%	100,000		100,589	Bank of NY Mellon	101,481
Invesco Government & Agency Private	97,397	variable	AAA	open	0.02%	<u>97,397</u>	397,397	97,397	Bank of NY Mellon	94,802
2004 Assessment District 162 Goldman Sachs Bank CD	90,000	1.90%	N/A	01/22/2019	1.90%	90,000		90,530	Bank of NY Mellon	91,333
Invesco Government & Agency Private	67,683	variable	AAA	open	0.02%	<u>67,683</u>	157,683	67,683	Bank of NY Mellon	60,847

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**TREASURER'S MONTHLY REPORT**  
**BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS**  
September 30, 2014

	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Source	Prior Qtr. Market Value
<b>2005 Assessment District 164</b>										
GE Capital Retail Bank CD	200,000	1.90%	N/A	01/17/2019	1.90%	200,000		201,175	Bank of NY Mellon	202,954
Goldman Sachs Bank CD	50,000	1.90%	N/A	01/22/2019	1.90%	50,000		50,295	Bank of NY Mellon	50,740
Invesco Government & Agency Private	119,091	variable	AAA	open	0.02%	<u>119,091</u>		119,091	Bank of NY Mellon	116,773
							369,091			
<b>2006 Airport PFC</b>										
Invesco Government & Agency Private	1,271,861	variable	AAA	open	0.02%	<u>1,271,861</u>	1,271,861	1,271,861	Bank of NY Mellon	2,204,228
							1,271,861			
<b>2007 Refunding Lease Revenue Bonds</b>										
Invesco Government & Agency Private	296,069	variable	AAA	open	0.01%	<u>296,069</u>	296,069	296,069	Bank of NY Mellon	3
							296,069			
<b>2008 Airport PFC Refunding</b>										
Invesco Government & Agency Private	618,377	variable	AAA	open	0.02%	<u>618,377</u>	618,377	618,377	Bank of NY Mellon	647,464
							618,377			
<b>2012 Downtown Revitalization Lease Revenue Bond Reserve</b>										
Invesco Government & Agency Private	3,189,774	variable	AAA	open	0.01%	<u>3,189,774</u>	3,189,774	3,189,774	Bank of NY Mellon	3,189,694
							3,189,774			
<b>2014 Merged Project 1 &amp; 2/Housing Refunding</b>										
First American Government Obligation	11,615	variable	AAA	open	0.01%	<u>11,615</u>	11,615	11,615	US Bank	2,998,456
							11,615			
<b>Chevron/CoGen Lease Proceeds</b>										
Cash	5,908,164					<u>5,908,164</u>	5,908,164	5,908,164	Deutsche Bank	6,721,241
							5,908,164			
<b>Funds With Century Golf</b>										
	371,034					<u>371,034</u>	371,034	371,034	Century Golf	1,102,738
							371,034			
<b>Totals</b>							<u>13,804,837</u>	<u>13,807,884</u>		<u>\$ 31,686,875</u>

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TREASURER'S MONTHLY REPORT  
 CALCULATION OF INVESTMENT LIMITATIONS  
 September 30, 2014

<u>By Maturity:</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Current Mo.</u>
1 day to 365 days	N/A	N/A	97.17%
1 year to 3 years	N/A	50.00%	0.69%
3 years to 5 years	N/A	30.00%	2.14%
<u>By Type of Investment:</u>			
Bankers Acceptance - in total	N/A	20.00%	0.00%
Bankers Acceptance - by issuer	N/A	5.00%	0.00%
Commercial Paper	N/A	15.00%	0.00%
Time Deposits	N/A	10.00%	0.86%
Negotiable Certificates of Deposit - in total	N/A	30.00%	0.00%
Negotiable Certificates of Deposit - by issuer	N/A	5.00%	0.00%
Corporate Notes - in total	N/A	20.00%	0.17%
Corporate Notes - by issuer	N/A	5.00%	0.17%
CA State or City Bonds/Local Agency Bonds - in total	N/A	15.00%	0.00%
CA State or City Bonds/Local Agency Bonds - by issuer	N/A	5.00%	0.00%
Money Market Funds	N/A	10.00%	0.00%
Money Market Mutual Funds - Less than 1 Year	N/A	50.00%	13.10%
Money Market Mutual Funds - More than 1 Year	N/A	25.00%	11.05%
LAIF	N/A	100.00%	50.05%
U.S. Government Agencies	N/A	60.00%	44.19%
U.S. Treasury Notes/Bonds	N/A	100.00%	0.00%

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