



City Council Staff Report

DATE: February 4, 2015 CONSENT CALENDAR
SUBJECT: TREASURER'S INVESTMENT REPORT AS OF
DECEMBER 31, 2014
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 December 31, 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 \$102,719,740 plus \$13,182,706 bond issue capital projects, reserve and debt service funds. There is an additional \$1,279,268 in various miscellaneous/trust accounts. The market value of the invested cash is \$102,560,983.

RECOMMENDATION:

Receive and File Treasurer's Investment Report as of December 31, 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 507.04 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
 December 31, 2014

On Call Deposits	<u>Adjusted Basis</u>	<u>Category Total</u>	<u>Percentage</u>
Checking Account	\$ 4,014,316		
CalTrust ShortTerm	13,282,332		
CalTrust MidTerm	12,894,147		
State Pool	<u>26,040,751</u>	\$ 56,231,546	54.74%
Short Term Investments (1 year or less)			
U.S. Gov't Agencies	41,991,000		
Corporate Notes	1,000,000		
Time Deposits	<u>200,000</u>	43,191,000	42.05%
Medium Term Investments (1 year to 3 years)			
Time Deposits	<u>798,600</u>	798,600	0.78%
Long Term Investments (3 year to 5 years)			
U.S. Gov't Agencies	<u>2,498,594</u>	2,498,594	2.43%
		\$ <u>102,719,740</u>	<u>100.00%</u>

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TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
December 31, 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
On Call Deposits													
Checking - Bank of America	\$ 4,014,316	N/A	AAA		demand	N/A	1	None	4,014,316	\$	4,014,316	Bank of America	9,856,357
CalTrust ShortTerm	13,000,000	variable	N/A		demand	N/A	1	0.19%	13,282,132		13,276,193	CalTrust	15,275,157
CalTrust MidTerm	12,500,000	variable	N/A		demand	N/A	1	0.74%	12,894,147		12,839,739	CalTrust	12,828,853
Local Agency Invest Fund (LAIF)	26,000,000	variable	N/A		demand	N/A	1	0.267%	26,040,731		26,045,472	LAIF	25,032,770
	55,514,316									56,231,546	56,175,720		62,992,737
Short Term Investments (1 year or less)													
U.S. Govt Agency Securities													
Federal Home Loan Bank	0	2.00%	N/A	07/08/14	07/08/19		0	2.00%	0		0	Bank of NY Mellon	2,000,340
Federal Home Loan Mortgage Corporation	0	2.00%	N/A	07/24/14	07/24/19		0	2.00%	0		0	Bank of NY Mellon	2,002,480
Federal Home Loan Bank	0	1.85%	N/A	01/30/14	01/30/19		0	1.85%	0		0	Bank of NY Mellon	1,996,680
Federal Home Loan Mortgage Corporation	0	2.05%	N/A	08/28/14	08/28/19		0	2.05%	0		0	Bank of NY Mellon	998,180
Federal Home Loan Bank	1,000,000	0.45%	N/A	05/09/13	05/09/16	01/01/15	495	0.45%	1,000,000		996,540	Bank of NY Mellon	996,170
Federal Farm Credit Bank	1,000,000	0.85%	N/A	08/15/12	02/15/17	01/01/15	777	0.85%	999,600		997,840	Bank of NY Mellon	998,125
Federal Farm Credit Bank	2,000,000	0.98%	N/A	08/15/12	08/15/17	01/01/15	958	0.98%	1,997,000		1,988,140	Bank of NY Mellon	1,992,960
Federal Home Loan Bank	2,000,000	1.00%	N/A	09/18/12	09/18/17	01/01/15	992	1.00%	1,999,000		1,991,000	Bank of NY Mellon	1,991,420
Federal Farm Credit Bank	2,000,000	1.12%	N/A	02/20/13	02/20/18	01/01/15	1,147	1.12%	2,000,000		1,991,620	Bank of NY Mellon	1,991,820
Federal Home Loan Bank	2,000,000	2.07%	N/A	04/15/14	04/15/19	01/01/15	1,566	2.07%	2,000,000		2,000,300	Bank of NY Mellon	1,996,120
Federal Home Loan Bank	1,000,000	0.75%	N/A	05/29/13	05/29/18	01/01/15	1,345	0.75%	1,000,000		993,080	Bank of NY Mellon	992,610
Federal Home Loan Mortgage Corporation	1,000,000	1.00%	N/A	01/11/13	01/11/18	01/11/15	1,107	1.00%	1,000,000		992,020	Bank of NY Mellon	988,720
Federal Home Loan Bank	2,000,000	1.50%	N/A	07/15/14	07/15/19	01/15/15	1,657	2.00%	2,000,000		1,983,340	Bank of NY Mellon	1,966,120
Federal Home Loan Mortgage Corporation	2,000,000	1.05%	N/A	01/16/13	01/16/18	01/16/15	1,112	1.05%	2,000,000		1,991,720	Bank of NY Mellon	1,989,500
Federal Home Loan Mortgage Corporation	2,000,000	1.15%	N/A	04/25/13	04/25/18	01/25/15	1,211	1.15%	2,000,000		1,982,060	Bank of NY Mellon	1,975,340
Federal National Mortgage Association	4,000,000	1.03%	N/A	01/30/13	01/30/18	01/30/15	1,126	1.03%	4,000,000		3,956,600	Bank of NY Mellon	3,946,080
Federal Home Loan Bank	1,000,000	1.00%	N/A	01/30/13	01/30/18	01/30/15	1,126	1.00%	1,000,000		989,110	Bank of NY Mellon	988,110
Federal Home Loan Bank	1,000,000	1.05%	N/A	02/12/13	02/12/18	02/12/15	1,139	1.05%	1,000,000		990,090	Bank of NY Mellon	988,880
Federal National Mortgage Association	2,000,000	1.03%	N/A	05/21/13	05/21/18	02/21/15	1,237	1.03%	2,000,000		1,969,920	Bank of NY Mellon	1,963,840
Federal National Mortgage Association	1,000,000	1.00%	N/A	08/28/12	08/28/17	02/28/15	971	1.00%	998,000		994,320	Bank of NY Mellon	992,620
Federal National Mortgage Association	2,000,000	1.10%	N/A	08/28/12	08/28/17	02/28/15	971	1.10%	2,000,000		1,994,360	Bank of NY Mellon	1,994,820
Federal Home Loan Bank	1,000,000	0.80%	N/A	06/12/13	06/12/18	03/12/15	1,259	0.80%	1,000,000		994,770	Bank of NY Mellon	991,590
Federal Home Loan Mortgage Corporation	2,000,000	1.00%	N/A	09/20/12	09/20/17	03/20/15	994	1.00%	2,000,000		1,996,900	Bank of NY Mellon	1,990,880
Federal Home Loan Mortgage Corporation	2,000,000	1.20%	N/A	03/20/13	03/20/18	03/20/15	1,175	1.20%	2,000,000		1,989,980	Bank of NY Mellon	1,992,080
Federal Home Loan Bank	2,000,000	1.00%	N/A	06/20/13	06/20/18	03/20/15	1,267	1.00%	1,998,000		1,986,960	Bank of NY Mellon	1,980,780
Federal Home Loan Mortgage Corporation	2,000,000	1.04%	N/A	09/27/12	09/27/17	03/27/15	1,001	1.04%	2,000,000		1,991,120	Bank of NY Mellon	1,984,140
Federal National Mortgage Association	2,000,000	1.07%	N/A	09/27/12	09/27/17	03/27/15	1,001	1.07%	2,000,000		1,986,120	Bank of NY Mellon	1,998,860
Federal National Mortgage Association	2,000,000	2.00%	N/A	04/30/14	04/30/19	04/30/15	1,581	2.00%	2,000,000		2,009,688	Bank of NY Mellon	2,000,080
	42,000,000									41,991,000	41,757,598		48,689,145
Corporate Notes													
General Electric Capital Corporation	1,000,000	0.73%	A1/AA-	04/13/12	04/13/15	N/A	103	0.73%	1,000,000		1,001,230	Bank of NY Mellon	1,002,380
	1,000,000									1,000,000	1,001,230		1,002,380
Time Deposits													
Ally Bank CD	200,000	1.15%	N/A	7/27/12	7/27/15	N/A	208	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
December 31, 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
Medium Term Investments (1 year to 3 years)													
Time Deposits													
GE Cap Retail Bank CD	200,000	1.35%	N/A	7/20/12	7/20/16	N/A	567	1.35%	200,000		202,026	Bank of NY Mellon	202,158
GE Cap Bank CD	200,000	1.35%	N/A	7/20/12	7/20/16	N/A	567	1.35%	200,000		202,026	Bank of NY Mellon	202,158
Goldman Sachs Bank CD	200,000	1.80%	N/A	7/25/12	7/25/17	N/A	937	1.80%	198,600		203,473	Bank of NY Mellon	203,235
Discover Bank CD	200,000	1.70%	N/A	7/26/12	7/26/17	N/A	938	1.70%	200,000		202,964	Bank of NY Mellon	202,678
	800,000									798,600	810,489		810,229
Long Term Investment (3 years to 5 years)													
U.S. Gov't Agency Securities													
Federal National Mortgage Association Financing Corporation (FICO)	2,000,000	1.10%	N/A	03/12/13	03/12/18	03/12/18	1,167	1.10%	2,000,000		1,982,160	Bank of NY Mellon	1,972,480
	500,000	9.80%	N/A	04/06/88	04/06/18	N/A	1,192	9.80%	498,594		633,787	Bank of America	642,178
	2,500,000									2,498,594	2,615,947		2,614,658
Total Invested Cash	\$ 101,814,316									\$ 102,719,740	\$ 102,560,983		\$ 116,309,149
													0.80%
													Prior Quarter Portfolio Yield

*Interest Income for the Quarter Ending 12/31/2014 200,442

*Gross amount before deduction of investment related fees

TREASURER'S MONTHLY REPORT
 MISCELLANEOUS AND TRUST ACCOUNTS
 December 31, 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>
Total Invested Cash	\$ 102,719,740					\$ 102,719,740	\$ 102,719,740
Miscellaneous Accounts							
Petty Cash	3,950	N/A	N/A	open	None	3,950	
Trust & Agency - Bank of America	1,052,670	N/A	N/A	open	None	1,052,670	
Downpayment Assistance (Housing Fund) - Bank of America	33,869	0.15%	N/A	open	0.15%	33,869	
Workers Compensation - Bank of America	90,129	N/A	N/A	open	None	90,129	
General Liability - Bank of America	30,000	N/A	N/A	open	None	30,000	
1930's General Store Museum - Bank of America	10,263	N/A	N/A	open	None	10,263	
On-Line Credit Card Fire Inspection Fees -Bank of America	55,058	N/A	N/A	open	None	55,058	
On-Line Credit Card Transportation Permits -Bank of America	3,330	N/A	N/A	open	None	3,330	1,279,268
Total Cash Deposited							\$ 1,279,268

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TREASURER'S MONTHLY REPORT
BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
December 31, 2014

	<u>Par Value</u>	<u>Coupon Rate</u>	<u>Rating</u>	<u>Maturity</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>
2012/2014 Convention Center First American Government Obligation	12,867	variable	AAA	open	0.01%	<u>12,867</u>	12,867	12,867	US Bank	14,182
1991/01 Series B - Housing Invesco Government & Agency Private	9	variable	AAA	open	0.02%	<u>9</u>	9	9	Bank of NY Mellon	9
2004A/B, Merged Project #1/#2 Invesco Government & Agency Private	113	variable	AAA	open	0.01%	<u>113</u>	113	113	Bank of NY Mellon	303
2007A, B, & C Tax Allocation Bonds Invesco Government & Agency Private	10	variable	AAA	open	0.01%	<u>10</u>	10	10	US Bank	10
1998 Airport PFC Invesco Government & Agency Private	2,373,976	variable	AAA	open	0.01%	<u>2,373,976</u>	2,373,976	2,373,976	Bank of NY Mellon	1,197,746
2002 Parking Structure Cash	3					<u>3</u>		3	Bank of NY Mellon	3
Invesco Government & Agency Private	1,630	variable	AAA	open	0.01%	<u>1,630</u>		1,630	Bank of NY Mellon	1,520
2004 Assessment District 161 GE Capital Bank CD	200,000	1.70%	N/A	01/17/2019	1.70%	<u>200,000</u>		199,058	Bank of NY Mellon	200,458
Goldman Sachs Bank CD	100,000	1.90%	N/A	01/22/2019	1.90%	<u>100,000</u>		101,231	Bank of NY Mellon	100,589
Invesco Government & Agency Private	97,399	variable	AAA	open	0.02%	<u>97,399</u>		97,399	Bank of NY Mellon	97,397
2004 Assessment District 162 Goldman Sachs Bank CD	90,000	1.90%	N/A	01/22/2019	1.90%	<u>90,000</u>		91,107	Bank of NY Mellon	90,530
Invesco Government & Agency Private	67,685	variable	AAA	open	0.02%	<u>67,685</u>		67,685	Bank of NY Mellon	67,683
							157,685			

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TREASURER'S MONTHLY REPORT
BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
December 31, 2014

	<u>Par Value</u>	<u>Coupon Rate</u>	<u>Rating</u>	<u>Maturity</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>
2005 Assessment District I64										
GE Capital Retail Bank CD	200,000	1.90%	N/A	01/17/2019	1.90%	200,000		202,453	Bank of NY Mellon	201,175
Goldman Sachs Bank CD	50,000	1.90%	N/A	01/22/2019	1.90%	50,000		50,615	Bank of NY Mellon	50,295
Invesco Government & Agency Private	119,094	variable	AAA	open	0.02%	119,094		119,094	Bank of NY Mellon	119,091
							369,094			
2006 Airport PFC										
Invesco Government & Agency Private	1,637,413	variable	AAA	open	0.02%	1,637,413		1,637,413	Bank of NY Mellon	1,271,861
							1,637,413			
2007 Refunding Lease Revenue Bonds										
Invesco Government & Agency Private	0	variable	AAA	open	0.01%	0		0	US Bank	296,069
							0			
2008 Airport PFC Refunding										
Invesco Government & Agency Private	618,377	variable	AAA	open	0.02%	618,377		618,377	Bank of NY Mellon	618,377
							618,377			
2012 Downtown Revitalization Lease Revenue Bond Reserve										
Invesco Government & Agency Private	3,189,851	variable	AAA	open	0.01%	3,189,851		3,189,851	Bank of NY Mellon	3,189,774
							3,189,851			
2014 Merged Project 1 & 2/Housing Refunding										
First American Government Obligation	1,006	variable	AAA	open	0.01%	1,006		1,006	US Bank	11,615
							1,006			
Chevron/CoGen Lease Proceeds										
Cash	4,046,360					4,046,360		4,046,360	Deutsche Bank	5,908,164
							4,046,360			
Funds With Century Golf										
	376,914					376,914		376,914	Century Golf	371,034
							376,914			
Totals							<u>13,182,706</u>	<u>13,187,171</u>		<u>\$ 13,807,884</u>

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TREASURER'S MONTHLY REPORT
 CALCULATION OF INVESTMENT LIMITATIONS
 December 31, 2014

<u>By Maturity:</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Current Mo.</u>
1 day to 365 days	N/A	N/A	96.79%
1 year to 3 years	N/A	50.00%	0.78%
3 years to 5 years	N/A	30.00%	2.43%
<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%	0.97%
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%	0.19%
Corporate Notes - by issuer	N/A	5.00%	0.19%
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%	12.93%
Money Market Mutual Funds - More than 1 Year	N/A	25.00%	12.55%
LAIF	N/A	100.00%	52.08%
U.S. Government Agencies	N/A	60.00%	43.31%
U.S. Treasury Notes/Bonds	N/A	100.00%	0.00%

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Calculation of Weighted Avg Maturity

Mature Date	Current Date	No. of Days	Days X Cost
12/31/2014			
01/01/2015	12/31/2014	1	4,014,316
01/01/2015	12/31/2014	1	13,282,332
01/01/2015	12/31/2014	1	12,894,147
01/01/2015	12/31/2014	1	26,040,751
07/08/2019	12/31/2014	0	0
07/24/2019	12/31/2014	0	0
01/30/2019	12/31/2014	0	0
08/28/2019	12/31/2014	0	0
05/09/2016	12/31/2014	495	495,000,000
02/15/2017	12/31/2014	777	776,223,000
08/15/2017	12/31/2014	958	1,913,126,000
09/18/2017	12/31/2014	992	1,983,008,000
02/20/2018	12/31/2014	1,147	2,294,000,000
04/15/2019	12/31/2014	1,566	3,132,000,000
05/29/2018	12/31/2014	1,245	1,245,000,000
01/11/2018	12/31/2014	1,107	1,107,000,000
07/15/2019	12/31/2014	1,657	3,314,000,000
01/16/2018	12/31/2014	1,112	2,224,000,000
04/25/2018	12/31/2014	1,211	2,422,000,000
01/30/2018	12/31/2014	1,126	4,504,000,000
01/30/2018	12/31/2014	1,126	1,126,000,000
02/12/2018	12/31/2014	1,139	1,139,000,000
05/21/2018	12/31/2014	1,237	2,474,000,000
08/28/2017	12/31/2014	971	969,058,000
08/28/2017	12/31/2014	971	1,942,000,000
06/12/2018	12/31/2014	1,259	1,259,000,000
09/20/2017	12/31/2014	994	1,988,000,000
03/20/2018	12/31/2014	1,175	2,350,000,000
06/20/2018	12/31/2014	1,267	2,531,466,000
09/27/2017	12/31/2014	1,001	2,002,000,000
09/27/2017	12/31/2014	1,001	2,002,000,000
04/30/2019	12/31/2014	1,581	3,162,000,000
04/13/2015	12/31/2014	103	103,000,000
07/27/2015	12/31/2014	208	41,600,000
07/20/2016	12/31/2014	567	113,400,000
07/20/2016	12/31/2014	567	113,400,000
07/25/2017	12/31/2014	937	186,088,200
07/26/2017	12/31/2014	938	187,600,000
03/12/2018	12/31/2014	1,167	2,334,000,000
04/06/2018	12/31/2014	1,192	594,324,048
			52,083,524,794
Total Investments at Cost			102,719,740
WAM in Days			507.04