



City Council Staff Report

DATE: April 1, 2015 CONSENT CALENDAR
SUBJECT: TREASURER'S INVESTMENT REPORT AS OF
FEBRUARY 28, 2015
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 February 28, 2015. 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 \$117,661,247 plus \$12,620,608 bond issue capital projects, reserve and debt service funds. There is an additional \$1,295,939 in various miscellaneous/trust accounts. The market value of the invested cash is \$117,638,207.

RECOMMENDATION:

Receive and File Treasurer's Investment Report as of February 28, 2015.

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 412.41 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
 February 28, 2015

| <u>On Call Deposits</u> | <u>Adjusted Basis</u> | <u>Category Total</u> | <u>Percentage</u> |
|--------------------------------------------------------|-----------------------|-----------------------|-------------------|
| Checking Account | \$ 3,919,312 | | |
| CalTrust ShortTerm | 22,291,627 | | |
| CalTrust MidTerm | 10,903,862 | | |
| State Pool | <u>34,058,252</u> | \$ 71,173,053 | 60.49% |
| | | | |
| <u>Short Term Investments (1 year or less)</u> | | | |
| U.S. Gov't Agencies | 41,991,000 | | |
| Corporate Notes | 1,000,000 | | |
| Time Deposits | <u>200,000</u> | 43,191,000 | 36.71% |
| | | | |
| <u>Medium Term Investments (1 year to 3 years)</u> | | | |
| Time Deposits | <u>798,600</u> | 798,600 | 0.68% |
| | | | |
| <u>Long Term Investments (3 year to 5 years)</u> | | | |
| U.S. Gov't Agencies | <u>2,498,594</u> | 2,498,594 | 2.12% |
| | | \$ <u>117,661,247</u> | <u>100.00%</u> |

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**TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
February 28, 2015**

| | 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 | \$ 3,919,312 | N/A | AAA | | demand | N/A | 1 | None | 3,919,312 | | \$ 3,919,312 | Bank of America | 3,919,312 |
| CallTrust ShortTerm | 22,000,000 | variable | N/A | | demand | N/A | 1 | 0.51% | 22,291,627 | | 22,281,494 | CallTrust | 13,276,193 |
| CallTrust MidTerm | 10,500,000 | variable | N/A | | demand | N/A | 1 | 0.84% | 10,903,862 | | 10,879,497 | CallTrust | 12,839,739 |
| Local Agency Invest Fund (LAIF) | 34,000,000 | variable | N/A | | demand | N/A | 1 | 0.26% | 34,058,252 | | 34,057,584 | LAIF | 26,145,472 |
| | <u>70,419,312</u> | | | | | | | | | 71,173,953 | 71,137,887 | | 56,089,716 |
| Short Term Investments (1 year or less) | | | | | | | | | | | | | |
| U.S. Gov't Agency Securities | | | | | | | | | | | | | |
| Federal Home Loan Bank | | 2.07% | N/A | 04/15/14 | 04/15/19 | 01/27/15 | 0 | | 0 | | 0 | Bank of NY Mellon | 2,000,300 |
| Federal Home Loan Bank | 1,000,000 | 0.45% | N/A | 05/09/13 | 05/09/16 | 03/01/15 | 436 | 0.45% | 1,000,000 | | 1,000,020 | Bank of NY Mellon | 996,540 |
| Federal Farm Credit Bank | 1,000,000 | 0.85% | N/A | 08/15/12 | 02/15/17 | 03/01/15 | 718 | 0.85% | 999,000 | | 1,000,040 | Bank of NY Mellon | 997,840 |
| Federal Farm Credit Bank | 2,000,000 | 0.98% | N/A | 08/15/12 | 08/15/17 | 03/01/15 | 899 | 0.98% | 1,997,000 | | 1,996,560 | Bank of NY Mellon | 1,988,140 |
| Federal Home Loan Bank | 2,000,000 | 1.00% | N/A | 09/18/12 | 09/18/17 | 03/01/15 | 933 | 1.00% | 1,999,000 | | 1,992,100 | Bank of NY Mellon | 1,991,000 |
| Federal Farm Credit Bank | 2,000,000 | 1.12% | N/A | 02/20/13 | 02/20/18 | 03/01/15 | 1,088 | 1.12% | 2,000,000 | | 1,999,080 | Bank of NY Mellon | 1,991,620 |
| Federal Home Loan Bank | 1,000,000 | 0.75% | N/A | 05/29/13 | 05/29/18 | 03/01/15 | 1,186 | 0.75% | 1,000,000 | | 997,740 | Bank of NY Mellon | 993,080 |
| Federal Home Loan Bank | 1,000,000 | 0.80% | N/A | 06/12/13 | 06/12/18 | 03/12/15 | 1,200 | 0.80% | 1,000,000 | | 999,450 | Bank of NY Mellon | 994,770 |
| Federal Home Loan Mortgage Corporation | 2,000,000 | 1.00% | N/A | 09/20/12 | 09/20/17 | 03/20/15 | 935 | 1.00% | 2,000,000 | | 2,000,940 | 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 | 03/20/15 | 1,116 | 1.20% | 2,000,000 | | 1,987,960 | Bank of NY Mellon | 1,989,980 |
| Federal Home Loan Bank | 2,000,000 | 1.00% | N/A | 06/20/13 | 06/20/18 | 03/20/15 | 1,208 | 1.00% | 1,998,000 | | 1,996,240 | Bank of NY Mellon | 1,986,960 |
| Federal Home Loan Mortgage Corporation | 2,000,000 | 1.04% | N/A | 09/27/12 | 09/27/17 | 03/27/15 | 942 | 1.04% | 2,000,000 | | 1,997,760 | Bank of NY Mellon | 1,991,120 |
| Federal National Mortgage Association | 2,000,000 | 1.07% | N/A | 09/27/12 | 09/27/17 | 03/27/15 | 942 | 1.07% | 2,000,000 | | 1,988,340 | Bank of NY Mellon | 1,986,120 |
| Federal Home Loan Mortgage Corporation | 1,000,000 | 1.00% | N/A | 01/11/13 | 01/11/18 | 04/11/15 | 1,048 | 1.00% | 1,000,000 | | 995,990 | Bank of NY Mellon | 992,020 |
| Federal Home Loan Bank | 2,000,000 | 1.50% | N/A | 07/15/14 | 07/15/19 | 04/15/15 | 1,598 | 1.50% | 2,000,000 | | 1,995,020 | Bank of NY Mellon | 1,983,340 |
| Federal Home Loan Mortgage Corporation | 2,000,000 | 1.05% | N/A | 01/16/13 | 01/16/18 | 04/16/15 | 1,053 | 1.05% | 2,000,000 | | 1,999,080 | Bank of NY Mellon | 1,991,720 |
| Federal Home Loan Mortgage Corporation | 2,000,000 | 1.15% | N/A | 04/25/13 | 04/25/18 | 04/25/15 | 1,152 | 1.15% | 2,000,000 | | 1,990,840 | Bank of NY Mellon | 1,982,060 |
| Federal National Mortgage Association | 4,000,000 | 1.03% | N/A | 01/30/13 | 01/30/18 | 04/30/15 | 1,067 | 1.03% | 4,000,000 | | 3,966,600 | Bank of NY Mellon | 3,956,600 |
| Federal Home Loan Bank | 1,000,000 | 1.00% | N/A | 01/30/13 | 01/30/18 | 04/30/15 | 1,067 | 1.00% | 1,000,000 | | 993,110 | Bank of NY Mellon | 989,110 |
| Federal National Mortgage Association | 2,000,000 | 2.00% | N/A | 04/30/14 | 04/30/19 | 04/30/15 | 1,522 | 2.00% | 2,000,000 | | 2,006,040 | Bank of NY Mellon | 2,009,688 |
| Federal Home Loan Bank | 1,000,000 | 1.05% | N/A | 02/12/13 | 02/12/18 | 05/12/15 | 1,080 | 1.05% | 1,000,000 | | 993,810 | Bank of NY Mellon | 990,090 |
| Federal Home Loan Mortgage Corporation | 1,000,000 | 1.25% | N/A | 02/20/15 | 02/20/18 | 05/20/15 | 1,088 | 1.25% | 1,000,000 | | 995,550 | Bank of NY Mellon | 989,110 |
| Federal National Mortgage Association | 2,000,000 | 1.03% | N/A | 05/21/13 | 05/21/18 | 05/21/15 | 1,178 | 1.03% | 2,000,000 | | 1,981,460 | Bank of NY Mellon | 1,969,920 |
| Federal National Mortgage Association | 1,000,000 | 1.00% | N/A | 08/28/12 | 08/28/17 | 05/28/15 | 912 | 1.00% | 998,000 | | 994,960 | Bank of NY Mellon | 994,320 |
| Federal National Mortgage Association | 2,000,000 | 1.10% | N/A | 08/28/12 | 08/28/17 | 05/28/15 | 912 | 1.10% | 2,000,000 | | 1,999,380 | Bank of NY Mellon | 1,994,260 |
| Federal National Mortgage Association | 1,000,000 | 1.20% | N/A | 02/27/15 | 02/27/18 | 08/27/15 | 1,095 | 1.20% | 1,000,000 | | 998,750 | Bank of NY Mellon | 989,110 |
| | <u>42,000,000</u> | | | | | | | | 41,991,000 | 41,991,000 | 41,865,820 | | 43,735,818 |
| Corporate Notes | | | | | | | | | | | | | |
| General Electric Capital Corporation | 1,000,000 | 0.73% | A1/AA+ | 04/13/12 | 04/13/15 | N/A | 44 | 0.73% | 1,000,000 | | 1,000,880 | Bank of NY Mellon | 1,001,230 |
| | <u>1,000,000</u> | | | | | | | | | 1,000,880 | 1,000,510 | | 1,001,230 |
| Time Deposits | | | | | | | | | | | | | |
| Ally Bank CD | 200,000 | 1.15% | N/A | 7/27/12 | 7/27/15 | N/A | 149 | 1.15% | 200,000 | | 200,716 | Bank of NY Mellon | 200,000 |
| | <u>200,000</u> | | | | | | | | | 200,000 | 200,716 | | 200,000 |

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**TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
February 28, 2015**

| | 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 | 508 | 1.35% | 200,000 | | 201,732 | Bank of NY Mellon | 202,026 |
| GE Cap Bank CD | 200,000 | 1.35% | N/A | 7/20/12 | 7/20/16 | N/A | 508 | 1.35% | 200,000 | | 201,732 | Bank of NY Mellon | 202,026 |
| Goldman Sachs Bank CD | 200,000 | 1.80% | N/A | 7/25/12 | 7/25/17 | N/A | 878 | 1.80% | 198,600 | | 203,888 | Bank of NY Mellon | 203,473 |
| Discover Bank CD | 200,000 | 1.70% | N/A | 7/26/12 | 7/26/17 | N/A | 879 | 1.70% | 200,000 | | 203,410 | Bank of NY Mellon | 202,964 |
| | <u>800,000</u> | | | | | | | | | 798,600 | 810,762 | | 810,489 |
| Long Term Investment (3 years to 5 years) | | | | | | | | | | | | | |
| U.S. Gov't Agency Securities | | | | | | | | | | | | | |
| Federal National Mortgage Association | 2,000,000 | 1.10% | N/A | 03/12/13 | 03/12/18 | 03/12/18 | 1,108 | 1.10% | 2,000,000 | | 1,993,780 | Bank of NY Mellon | 1,982,160 |
| Financing Corporation (FICO) | 500,000 | 9.80% | N/A | 04/06/88 | 04/06/18 | N/A | 1,133 | 9.80% | 498,594 | | 627,732 | Bank of America | 633,787 |
| | <u>2,500,000</u> | | | | | | | | | 2,498,594 | 2,621,512 | | 2,615,947 |
| Total Invested Cash | \$ 116,719,312 | | | | | | | | | \$ 117,661,247 | \$ 117,638,207 | | \$ 104,444,199 |

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TREASURER'S MONTHLY REPORT
 MISCELLANEOUS AND TRUST ACCOUNTS
 February 28, 2015

| | <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 | \$ 117,661,247 | | | | | \$ 117,661,247 | \$ 117,661,247 |
| Miscellaneous Accounts | | | | | | | |
| Petty Cash | 3,950 | N/A | N/A | open | None | 3,950 | |
| Trust & Agency - Bank of America | 1,055,776 | N/A | N/A | open | None | 1,055,776 | |
| Downpayment Assistance (Housing Fund) - Bank of America | 33,877 | 0.15% | N/A | open | 0.15% | 33,877 | |
| Workers Compensation - Bank of America | 86,955 | N/A | N/A | open | None | 86,955 | |
| General Liability - Bank of America | 29,530 | N/A | N/A | open | None | 29,530 | |
| 1930's General Store Museum - Bank of America | 9,562 | N/A | N/A | open | None | 9,562 | |
| On-Line Credit Card Fire Inspection Fees -Bank of America | 71,455 | N/A | N/A | open | None | 71,455 | |
| On-Line Credit Card Transportation Permits -Bank of America | 4,834 | N/A | N/A | open | None | 4,834 | 1,295,939 |
| Total Cash Deposited | | | | | | | \$ 118,957,185 |

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TREASURER'S MONTHLY REPORT
 BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
 February 28, 2015

| | Par Value | Coupon Rate | Rating | Maturity | Yield to Maturity | Adjusted Cost Basis | Category Total | (memo only) Market Value | Source | Prior Qtr. Market Value |
|----------------------------------------------------------------------|-----------|-------------|--------|------------|-------------------|---------------------|----------------|--------------------------|-------------------|-------------------------|
| 1991/01 Series B - Housing Invesco Government & Agency Private | 0 | variable | AAA | open | 0.02% | 0 | 0 | 0 | Bank of NY Mellon | 9 |
| 1998 Airport PFC Invesco Government & Agency Private | 851,493 | variable | AAA | open | 0.01% | 851,493 | 851,493 | 851,493 | Bank of NY Mellon | 2,373,976 |
| 2002 Parking Structure Cash | 3 | | | | | 3 | | 3 | Bank of NY Mellon | 3 |
| Invesco Government & Agency Private | 1,270 | variable | AAA | open | 0.01% | 1,270 | 1,274 | 1,270 | Bank of NY Mellon | 1,630 |
| 2004A/B, Merged Project #1/#2 Invesco Government & Agency Private | 0 | variable | AAA | open | 0.01% | 0 | 0 | 0 | Bank of NY Mellon | 113 |
| 2004 Assessment District 161 GE Capital Bank CD | 200,000 | 1.70% | N/A | 01/17/2019 | 1.70% | 200,000 | | 202,046 | Bank of NY Mellon | 199,058 |
| Goldman Sachs Bank CD | 100,000 | 1.90% | N/A | 01/22/2019 | 1.90% | 100,000 | | 101,794 | Bank of NY Mellon | 101,231 |
| Invesco Government & Agency Private | 188,132 | variable | AAA | open | 0.02% | 188,132 | 488,132 | 188,132 | Bank of NY Mellon | 97,399 |
| 2004 Assessment District 162 Goldman Sachs Bank CD | 90,000 | 1.90% | N/A | 01/22/2019 | 1.90% | 90,000 | | 91,614 | Bank of NY Mellon | 91,107 |
| Invesco Government & Agency Private | 92,197 | variable | AAA | open | 0.02% | 92,197 | 182,197 | 92,197 | Bank of NY Mellon | 67,685 |
| 2005 Assessment District 164 GE Capital Retail Bank CD | 200,000 | 1.90% | N/A | 01/17/2019 | 1.90% | 200,000 | | 203,575 | Bank of NY Mellon | 202,453 |
| Goldman Sachs Bank CD | 50,000 | 1.90% | N/A | 01/22/2019 | 1.90% | 50,000 | | 50,897 | Bank of NY Mellon | 50,615 |
| Invesco Government & Agency Private | 193,333 | variable | AAA | open | 0.02% | 193,333 | 443,333 | 193,333 | Bank of NY Mellon | 119,094 |
| 2006 Airport PFC Invesco Government & Agency Private | 915,622 | variable | AAA | open | 0.02% | 915,622 | 915,622 | 915,622 | Bank of NY Mellon | 1,637,413 |

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TREASURER'S MONTHLY REPORT
 BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
 February 28, 2015

| | <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> |
|---------------------------------------------------------|------------------|--------------------|---------------|-----------------|--------------------------|----------------------------|-----------------------|---------------------------------|-------------------|--------------------------------|
| 2007 Refunding Lease Revenue Bonds | | | | | | | | | | |
| Invesco Government & Agency Private | 0 | variable | AAA | open | 0.01% | <u>0</u> | 0 | 0 | US Bank | 0 |
| 2007A&B Tax Allocation Bonds | | | | | | | | | | |
| Invesco Government & Agency Private | 736,526 | variable | AAA | open | 0.01% | <u>736,526</u> | 736,526 | 736,526 | US Bank | 10 |
| 2007C Tax Allocation Bonds | | | | | | | | | | |
| Invesco Government & Agency Private | 525,426 | variable | AAA | open | 0.01% | <u>525,426</u> | 525,426 | 525,426 | US Bank | 10 |
| 2008 Airport PFC Refunding | | | | | | | | | | |
| Invesco Government & Agency Private | 309,354 | variable | AAA | open | 0.02% | <u>309,354</u> | 309,354 | 309,354 | Bank of NY Mellon | 618,377 |
| 2012 Downtown Revitalization Lease Revenue Bond Reserve | | | | | | | | | | |
| Invesco Government & Agency Private | 3,189,904 | variable | AAA | open | 0.01% | <u>3,189,904</u> | 3,189,904 | 3,189,904 | Bank of NY Mellon | 3,189,851 |
| 2012/2014 Convention Center | | | | | | | | | | |
| First American Government Obligation | 12,677 | variable | AAA | open | 0.01% | <u>12,677</u> | 12,677 | 12,677 | US Bank | 12,867 |
| 2014 Merged Project 1 & 2/Housing Refunding | | | | | | | | | | |
| First American Government Obligation | 809,757 | variable | AAA | open | 0.01% | <u>809,757</u> | 809,757 | 809,757 | US Bank | 1,006 |
| Chevron/CoGen Lease Proceeds | | | | | | | | | | |
| Cash | 3,160,015 | | | | | <u>3,160,015</u> | 3,160,015 | 3,160,015 | Deutsche Bank | 4,046,360 |
| Funds With Century Golf | 994,899 | | | | | <u>994,899</u> | 994,899 | 994,899 | Century Golf | 376,914 |
| Totals | | | | | | <u>994,899</u> | <u>12,620,608</u> | <u>12,630,534</u> | \$ | <u>13,187,181</u> |

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TREASURER'S MONTHLY REPORT
 CALCULATION OF INVESTMENT LIMITATIONS
 February 28, 2015

| <u>By Maturity:</u> | <u>Minimum</u> | <u>Maximum</u> | <u>Current Mo.</u> |
|-------------------------------------------------------|----------------|----------------|--------------------|
| 1 day to 365 days | N/A | N/A | 97.20% |
| 1 year to 3 years | N/A | 50.00% | 0.68% |
| 3 years to 5 years | N/A | 30.00% | 2.12% |
| | | | |
| <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% | 0.85% |
| 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% | 18.95% |
| Money Market Mutual Funds - More than 1 Year | N/A | 25.00% | 9.27% |
| LAIF | N/A | 100.00% | 68.12% |
| U.S. Government Agencies | N/A | 60.00% | 37.81% |
| U.S. Treasury Notes/Bonds | N/A | 100.00% | 0.00% |

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