



City Council Staff Report

DATE: MAY 6, 2009 CONSENT CALENDAR
SUBJECT: TREASURER'S INVESTMENT REPORT AS OF
MARCH 31, 2009
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 March 31, 2009. 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 \$91,583,640 plus \$24,881,423 in bond issue capital projects, reserve and debt service funds. The market value of the invested cash is \$92,458,544.

RECOMMENDATION:

Receive and File Treasurer's Investment Report as of March 31, 2009.

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 funds, and on loan repayment programs managed by a bank.

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

ITEM NO. 2.D.

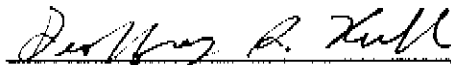
under current market conditions. We recommend that this exception to the policy be continued.

State law requires this report to be submitted within 30 days of the end of the quarter. Because all of the City's bank accounts may not be completely reconciled, there may be minor adjustments to the cash on hand in the checking account and to the valuation of the bond issue's money market investments. All other amounts are actual.

The weighted average maturity (WAM) of the portfolio is 231 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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4/17/2009

**CITY OF PALM SPRINGS
TREASURER'S MONTHLY REPORT
SUMMARY OF INVESTMENTS
MARCH 31, 2009**

On Call Deposits	Adjusted Basis	Category Total	Percentage
Checking Account	\$ 3,408,460		
State Pool	<u>60,800,000</u>	\$ 64,208,460	70.11%
Short Term Investments (1 year or less)			
Mortgage Pass-Thrus	2,037,205		
Time Deposits	1,846,500		
U.S. Gov't Agencies	<u>989,280</u>	4,872,985	5.32%
Medium Term Investments (1 year to 3 years)			
Corporate Notes	2,785,430		
Mortgage Pass-Thrus	2,218,171		
U.S. Gov't Agencies	<u>14,000,000</u>	19,003,601	20.75%
Long Term Investments (3 years to 5 years)			
U.S. Gov't Agencies	<u>3,498,594</u>	<u>3,498,594</u>	<u>3.82%</u>
	\$	<u><u>91,583,640</u></u>	<u>100.00%</u>

*Some investments made prior to the implementation of the current Investment Policy exceed the 5 year limit.

TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
MARCH 31, 2009

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4/17/2009

	Par Value	Coupon Rate	Rating	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	\$ N/A	variable	AAA	open	0.13%	\$ 3,408,460		\$ 3,408,460	LAUF	\$ 3,935,514
Local Agency Invest Fund (LAUF)	60,800,000	variable	N/A	open	1.82%	60,800,000	64,208,460	60,983,215		51,454,588
Short Term Investments (1 year or less)										
Mortgage Pass-Thrus										
Federal Home Loan Mortgage Corporation	3,000,000	5.00%	N/A	02/01/09	5.08%	0		0	BNY Western Tr	61,305
Federal Home Loan Mortgage Corporation	2,355,000	4.50%	N/A	03/01/09	4.88%	0		0	BNY Western Tr	411,296
Federal Home Loan Mortgage Corporation	480,000	4.00%	N/A	04/01/09	5.18%	76,154		81,579	BNY Western Tr	146,617
Federal Home Loan Mortgage Corporation	540,000	3.50%	N/A	06/01/09	4.79%	160,262		174,141	BNY Western Tr	213,511
Federal Home Loan Mortgage Corporation	570,000	4.50%	N/A	09/01/09	5.37%	151,815		160,568	BNY Western Tr	226,064
Federal Home Loan Mortgage Corporation	3,000,000	5.50%	N/A	10/01/09	5.43%	177,690		181,961	BNY Western Tr	191,286
Federal Home Loan Mortgage Corporation	2,050,000	4.50%	N/A	10/01/09	5.03%	243,853		246,141	BNY Western Tr	275,659
Federal National Mortgage Association	2,700,000	4.50%	N/A	01/01/10	4.91%	354,966		348,715	BNY Western Tr	416,854
Federal National Mortgage Association	2,500,000	4.50%	N/A	02/01/10	4.46%	389,918		394,398	BNY Western Tr	469,361
Federal Home Loan Mortgage Corporation	1,455,000	4.50%	N/A	02/01/10	5.22%	269,500		283,265	BNY Western Tr	324,149
Federal National Mortgage Association	1,000,000	4.00%	N/A	03/01/10	5.12%	253,647		247,432	BNY Western Tr	279,212
							2,037,305			
Time Deposits										
CD Account Registry Service (CDARS)	906,500	4.00%	AAA	03/12/09	4.08%	0		0	Palm Desert Nat. Bank	1,900,000
CD Account Registry Service (CDARS)	940,000	3.00%	AAA	07/16/09	3.09%	940,000		940,000	Palm Desert Nat. Bank	940,000
CD Account Registry Service (CDARS)	906,500	2.30%	AAA	03/11/10	2.33%	906,500		906,500	Palm Desert Nat. Bank	0
							1,846,500			
U.S. Govt Agency Securities										
Federal Home Loan Mortgage Corporation	1,000,000	5.38%	N/A	04/15/09	3.65%	989,280		1,000,938	BNY Western Tr	1,008,125
Federal Home Loan Bank	500,000	4.10%	N/A	03/08/10	4.60%	0		0	BNY Western Tr	500,156
							989,280			
Medium Term Investments (1 year to 3 years)										
Corporate Notes										
Wells Fargo & Company	800,000	3.98%	Aa1	10/29/10	4.20%	795,160		767,464	BNY Western Tr	793,625
SBC Communications, Inc.	1,000,000	5.30%	A2	11/15/10	5.17%	1,004,150		1,030,270	BNY Western Tr	1,016,480
Goldman Sachs Group, Inc.	1,000,000	5.00%	Aa3	01/15/11	5.37%	986,120		992,650	BNY Western Tr	968,394
							2,785,430			

**TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
MARCH 31, 2009**

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	Per Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	(incuso only) Market Value	Source	Prior Qtr. Market Value
Mortgage Pass-Thrus										
Federal Home Loan Mortgage Corporation	2,280,000	4.50%	N/A	05/03/10	5.25%	538,630		564,392	BNY Western Tr	622,239
Federal Home Loan Mortgage Corporation	1,370,000	5.00%	N/A	09/03/10	5.55%	314,640		325,054	BNY Western Tr	337,457
Federal National Mortgage Association	500,000	4.00%	N/A	10/03/10	4.95%	166,719		175,446	BNY Western Tr	186,425
Federal Home Loan Bank	775,000	4.75%	N/A	10/23/10	4.88%	453,676		468,951	BNY Western Tr	481,690
Federal Home Loan Mortgage Corporation	1,015,552	4.50%	N/A	02/01/11	5.24%	355,040		374,022	BNY Western Tr	402,399
Federal Home Loan Mortgage Corporation	695,000	4.00%	N/A	04/01/11	5.22%	302,748		321,126	BNY Western Tr	345,038
Federal Home Loan Mortgage Corporation	200,000	4.50%	N/A	05/03/11	5.37%	86,718	2,218,171	92,016	BNY Western Tr	97,209
U.S. Govt Agency Securities										
Federal Home Loan Mortgage Corporation	1,000,000	4.85%	N/A	12/30/10	4.05%	1,000,000		1,007,350	BNY Western Tr	1,015,660
Federal Farm Credit Bank	1,600,000	4.38%	N/A	06/23/11	4.38%	1,000,000		1,007,500	BNY Western Tr	1,016,563
Federal Home Loan Bank	1,600,000	4.10%	N/A	06/24/11	4.10%	1,000,000		1,033,438	BNY Western Tr	1,044,063
Federal Home Loan Bank	1,600,000	4.13%	N/A	06/24/11	4.13%	1,000,000		1,033,438	BNY Western Tr	1,044,575
Federal National Mortgage Association	1,600,000	4.00%	N/A	06/24/11	4.00%	1,000,000		1,006,563	BNY Western Tr	1,015,313
Federal Home Loan Mortgage Corporation	1,900,000	4.25%	N/A	06/30/11	4.25%	1,000,000		1,007,490	BNY Western Tr	1,016,719
Federal Home Loan Bank	1,600,000	4.28%	N/A	06/30/11	4.28%	1,000,000		1,007,813	BNY Western Tr	1,017,388
Federal Farm Credit Bank	1,600,000	4.10%	N/A	07/07/11	4.10%	1,000,000		1,007,813	BNY Western Tr	1,016,563
Federal Home Loan Bank	2,600,000	5.05%	N/A	07/27/11	5.05%	2,000,000		2,028,125	BNY Western Tr	2,053,125
Federal Home Loan Bank	1,600,000	5.05%	N/A	07/27/11	5.05%	1,000,000		1,014,063	BNY Western Tr	1,026,563
Federal Farm Credit Bank	1,600,000	4.00%	N/A	08/11/11	4.00%	1,000,000		1,010,000	BNY Western Tr	1,018,750
Federal Home Loan Bank	1,600,000	3.25%	N/A	11/28/11	3.25%	1,000,000		1,014,688	BNY Western Tr	1,020,313
Federal Home Loan Bank	1,600,000	4.02%	N/A	12/23/11	4.02%	1,000,000	14,600,000	1,006,250	BNY Western Tr	1,014,688
U.S. Govt Agency Securities										
Federal Home Loan Bank	1,000,000	4.00%	N/A	05/03/12	4.00%	1,000,000		1,015,000	BNY Western Tr	1,022,813
Federal Home Loan Mortgage Corporation	1,000,000	4.02%	N/A	06/25/12	4.02%	1,000,000		1,031,320	BNY Western Tr	1,034,350
Federal Home Loan Mortgage Corporation	1,000,000	4.00%	N/A	06/10/13	4.00%	1,000,000		1,005,625	BNY Western Tr	1,011,380
Financing Corporation (FICO)	500,000	9.80%	N/A	04/06/18	9.80%	498,594	3,498,594	731,406	NationsBank	757,656

Long Term Investment
(3 years to 5 years)

Total Invested Cash

\$ 91,383,640
\$ 92,458,544
\$ 85,250,931

**TREASURER'S MONTHLY REPORT
MISCELLANEOUS AND TRUST ACCOUNTS
MARCH 31, 2009**

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4/17/2009

	Par Value	Coupon	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total
Total Invested Cash	\$ 91,583,640					\$ 91,583,640	\$ 91,583,640
Miscellaneous Accounts							
Petty Cash	3,900	N/A	N/A	open	none	3,900	
Revolving Fund - Bank of America	10,061	N/A	N/A	open	none	10,061	
Trust & Agency - Bank of America	1,241,707	N/A	N/A	open	none	1,241,707	
Downpayment Assistance (Housing Fund) - Washington Mutual	33,651	variable	N/A	open	0.01%	33,651	
Workers Compensation - Bank of America	5,988	N/A	N/A	open	none	5,988	
General Liability - Bank of America	10,410	N/A	N/A	open	none	10,410	1,305,718
Deposits Held In Trust							
Time Deposits (FDIC Insured)	19,829	2.72%	N/A	6/24/2009	2.75%	19,829	19,829
Guaranty Bank (Coyote Springs Apt)							
Total Cash Deposited							\$ 92,909,187

TREASURER'S MONTHLY REPORT
BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
MARCH 31, 2009

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04/17/09

	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Source	Prior Qtr. Market Value
1991/9/30/04 Convention Center ADM Government & Agency Portf Private	5,889,981	variable	AAA	open	0.12%	<u>5,889,981</u>	5,889,981	5,889,981	BNY Western Tr	5,883,253
1992/06 Airport ADM Government & Agency Portf Private	1,405,911	variable	AAA	open	0.12%	<u>1,405,911</u>	1,405,911	1,405,911	BNY Western Tr	1,468,389
1991/01 Series B - Housing ADM Government & Agency Portf Private	472,767	variable	AAA	open	0.12%	<u>472,767</u>	472,767	472,767	BNY Western Tr	477,422
1994/04 Series A & B ADM Government & Agency Portf Private	3,947,588	variable	AAA	open	0.12%	<u>3,947,588</u>	3,947,588	3,947,588	BNY Western Tr	2,471,777
MIBA Investment Agreement	0	5.17%	AAA	08/01/34	5.17%	<u>0</u>	3,947,588	0	BNY Western Tr	1,651,456
1998 Airport GARB Cash	0					<u>0</u>	0	0	BNY Western Tr	0
1998/08 Airport PFC ADM Government & Agency Portf Private	1,236,140	variable	AAA	open	0.12%	<u>1,236,140</u>	1,236,140	1,236,140	BNY Western Tr	1,746,273
1998 Assessment District 155 A&B ADM Government & Agency Portf Private	289,519	variable	AAA	open	0.12%	<u>289,519</u>	289,519	289,519	BNY Western Tr	284,773

**TREASURER'S MONTHLY REPORT
BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
MARCH 31, 2009**

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	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Source	Prior Qtr. Market Value
2001 Assessment District 157/158 AIM Government & Agency Profit Private	186,972	variable	AAA	open	0.12%	<u>186,972</u>	186,972	186,972	BNY Western Tr	186,759
2002 Parking Structure Cash	3									
AIM Government & Agency Profit Private	11,991	variable	AAA	open	0.12%	<u>11,991</u>	11,994	11,991	BNY Western Tr	19,627
2004 Assessment District 161 AIM Government & Agency Profit Private	412,656	variable	AAA	open	0.12%	<u>412,656</u>	412,656	412,656	BNY Western Tr	414,248
2004 Assessment District 162 AIM Government & Agency Profit Private	161,688	variable	AAA	open	0.12%	<u>161,688</u>	161,688	161,688	BNY Western Tr	161,478
2005 Assessment District 164 AIM Government & Agency Profit Private	367,423	variable	AAA	open	0.12%	<u>367,423</u>	367,423	367,423	BNY Western Tr	368,564
2007 Merged Project #1 & #2 AIM Government & Agency Profit Private	8,509,096	variable	AAA	open	0.12%	<u>8,509,096</u>	8,509,096	8,509,096	BNY Western Tr	10,814,236
2007 Refunding Lease Revenue Bonds AIM Government & Agency Profit Private	1,341,550	variable	AAA	open	0.12%	<u>1,341,550</u>	1,341,550	1,341,550	BNY Western Tr	1,341,550
2008 Airport PFC Refunding AIM Government & Agency Profit Private	648,138	variable	AAA	open	0.12%	<u>648,138</u>	648,138	648,138	BNY Western Tr	647,944
Totals						<u>\$ 24,881,423</u>	<u>\$ 24,881,423</u>	<u>\$ 27,937,752</u>		

TREASURER'S MONTHLY REPORT
 CALCULATION OF INVESTMENT LIMITATIONS
 MARCH 31, 2009

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 04/17/09

	Allowable Percentages		
	Minimum	Maximum	Current Mo.
By Maturity:			
1 day to 365 days	\$8,000,000	N/A	\$69,081,445
1 year to 3 years	0.00%	50.00%	20.75%
3 years to 5 years	0.00%	30.00%	3.28%
over 5 years	N/A	N/A	0.54%
By Type of Investment:			
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%
Certificates of Deposit	N/A	30.00%	2.02%
Corporate Notes	N/A	20.00%	3.04%
Money Market Mutual Funds	N/A	10.00%	0.00%
Mortgage Pass Thrus	N/A	10.00%	4.65%
U.S. Government Agencies	N/A	50.00%	20.19%
U.S. Treasury Notes/Bonds	N/A	N/A	0.00%