



City Council Staff Report

DATE: JUNE 17, 2009 CONSENT CALENDAR
SUBJECT: TREASURER'S INVESTMENT REPORT AS OF
APRIL 30, 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 April 30, 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 \$90,996,563 plus \$25,902,166 in bond issue capital projects, reserve and debt service funds. The market value of the invested cash is \$91,820,491.

RECOMMENDATION:

Receive and File Treasurer's Investment Report as of April 30, 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, 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 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

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

The weighted average maturity (WAM) of the portfolio is 223 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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5/21/2009

**CITY OF PALM SPRINGS
TREASURER'S MONTHLY REPORT
SUMMARY OF INVESTMENTS
APRIL 30, 2009**

On Call Deposits	Adjusted Basis	Category Total	Percentage
Checking Account	\$ 2,630,294		
State Pool	<u>62,300,000</u>	\$ 64,930,294	71.35%
Short Term Investments (1 year or less)			
Mortgage Pass-Thrus	1,809,403		
Time Deposits	1,846,500		
U.S. Gov't Agencies	<u>0</u>	3,655,903	4.02%
Medium Term Investments (1 year to 3 years)			
Corporate Notes	2,785,430		
Mortgage Pass-Thrus	2,126,342		
U.S. Gov't Agencies	<u>14,000,000</u>	18,911,772	20.78%
Long Term Investments (3 years to 5 years)			
U.S. Gov't Agencies	<u>3,498,594</u>	<u>3,498,594</u>	<u>3.84%</u>
		\$ <u>90,996,563</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
APRIL 30, 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
On Call Deposits										
Checking - Bank of America	\$ N/A	variable	AAA	open	0.21%	\$ 2,630,294		\$ 2,630,294		\$ 3,408,460
Local Agency Invest Fund (LAIF)	62,300,000	variable	N/A	open	1.61%	62,300,000	64,930,294	62,413,980	LAIF	60,983,215
Show Term Investments (1 year or less)										
Mortgage Pass-Thrus										
Federal Home Loan Mortgage Corporation	480,000	4.00%	N/A	04/01/09	5.18%	0		0	BNY Western Tr	81,579
Federal Home Loan Mortgage Corporation	540,000	3.50%	N/A	06/01/09	4.79%	129,603		144,017	BNY Western Tr	174,141
Federal Home Loan Mortgage Corporation	570,000	4.50%	N/A	09/01/09	5.37%	138,001		147,377	BNY Western Tr	160,508
Federal Home Loan Mortgage Corporation	3,060,000	5.50%	N/A	10/01/09	5.43%	174,473		179,833	BNY Western Tr	181,961
Federal Home Loan Mortgage Corporation	2,050,000	4.50%	N/A	10/01/09	5.03%	231,112		234,264	BNY Western Tr	246,141
Federal National Mortgage Association	2,790,000	4.50%	N/A	01/01/10	4.91%	305,819		321,811	BNY Western Tr	348,713
Federal National Mortgage Association	2,500,000	4.50%	N/A	02/01/10	4.46%	362,255		369,604	BNY Western Tr	394,398
Federal Home Loan Mortgage Corporation	1,455,000	4.50%	N/A	02/01/10	5.22%	249,115		267,867	BNY Western Tr	285,265
Federal National Mortgage Association	1,000,000	4.00%	N/A	03/01/10	5.12%	219,026	1,809,403	255,672	BNY Western Tr	247,452
Time Deposits										
CD Account Registry Service (CDARS)	940,000	3.00%	AAA	07/16/09	3.00%	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	1,846,500	906,500	Palm Desert Nat. Bank	906,500
U.S. Gov't Agency Securities										
Federal Home Loan Mortgage Corporation	1,000,000	3.38%	N/A	04/15/09	3.65%	0		0	BNY Western Tr	3,001,938
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		771,200	BNY Western Tr	767,464
SBC Communications, Inc.	1,000,000	5.30%	A2	11/15/10	5.17%	1,004,150		1,038,270	BNY Western Tr	1,030,270
Goldman Sachs Group, Inc.	1,000,000	5.00%	Aa3	01/15/11	5.37%	986,120	2,785,430	1,009,800	BNY Western Tr	992,650

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TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
APRIL 30, 2009

	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	Market Value (enemo only)	Source	Prior Qtr. Market Value
Mortgage Pass-Through							2,126,342			
Federal Home Loan Mortgage Corporation	2,280,000	4.50%	N/A	05/01/10	5.29%	507,795		537,223	BNY Western Tr	564,392
Federal Home Loan Mortgage Corporation	1,370,000	5.00%	N/A	09/01/10	5.55%	299,959		313,780	BNY Western Tr	525,054
Federal National Mortgage Association	500,000	4.00%	N/A	10/01/10	4.95%	161,410		172,050	BNY Western Tr	175,446
Federal Home Loan Bank	775,000	4.75%	N/A	10/25/10	4.88%	443,301		459,346	BNY Western Tr	468,951
Federal Home Loan Mortgage Corporation	1,015,552	4.50%	N/A	02/01/11	5.24%	338,811		363,658	BNY Western Tr	374,022
Federal Home Loan Mortgage Corporation	695,000	4.00%	N/A	04/01/11	5.23%	291,244		312,814	BNY Western Tr	321,126
Federal Home Loan Mortgage Corporation	200,000	4.50%	N/A	05/01/11	5.37%	83,831		90,640	BNY Western Tr	92,036
							2,126,342			
U.S. Govt Agency Securities										
Federal Home Loan Mortgage Corporation	1,000,000	4.05%	N/A	12/30/10	4.05%	1,000,000		1,005,430	BNY Western Tr	1,007,350
Federal Farm Credit Bank	1,000,000	4.38%	N/A	06/23/11	4.38%	1,000,000		1,005,313	BNY Western Tr	1,007,500
Federal Home Loan Bank	1,000,000	4.10%	N/A	06/24/11	4.10%	1,000,000		1,035,313	BNY Western Tr	1,031,438
Federal Home Loan Bank	1,000,000	4.13%	N/A	06/24/11	4.13%	1,000,000		1,035,625	BNY Western Tr	1,031,438
Federal National Mortgage Association	1,000,000	4.00%	N/A	06/24/11	4.00%	1,000,000		1,005,080	BNY Western Tr	1,006,563
Federal Home Loan Mortgage Corporation	1,000,000	4.25%	N/A	06/30/11	4.25%	1,000,000		1,005,680	BNY Western Tr	1,007,490
Federal Home Loan Bank	1,000,000	4.28%	N/A	06/30/11	4.28%	1,000,000		1,005,938	BNY Western Tr	1,007,813
Federal Farm Credit Bank	1,000,000	4.10%	N/A	07/07/11	4.10%	1,000,000		1,005,938	BNY Western Tr	1,007,813
Federal Home Loan Bank	2,000,000	5.00%	N/A	07/27/11	5.50%	2,000,000		2,023,125	BNY Western Tr	2,028,125
Federal Home Loan Bank	1,000,000	5.00%	N/A	07/27/11	5.50%	1,000,000		1,011,563	BNY Western Tr	1,014,063
Federal Farm Credit Bank	1,000,000	4.00%	N/A	08/13/11	4.00%	1,000,000		1,008,750	BNY Western Tr	1,010,000
Federal Home Loan Bank	1,000,000	3.25%	N/A	11/28/11	3.25%	1,000,000		1,018,730	BNY Western Tr	1,014,688
Federal Home Loan Bank	1,000,000	4.02%	N/A	12/23/11	4.02%	1,000,000	14,000,000	1,004,688	BNY Western Tr	1,006,230
U.S. Govt Agency Securities										
Federal Home Loan Bank	1,000,000	4.00%	N/A	05/03/12	4.00%	1,000,000		1,015,625	BNY Western Tr	1,015,080
Federal Home Loan Mortgage Corporation	1,000,000	4.02%	N/A	06/25/12	4.02%	1,000,000		1,033,940	BNY Western Tr	1,031,320
Federal Home Loan Mortgage Corporation	1,000,000	4.00%	N/A	06/10/13	4.00%	1,000,000		1,003,750	BNY Western Tr	1,005,625
Financing Corporation (FICO)	500,000	9.80%	N/A	04/06/18	9.80%	498,594	3,498,594	736,406	NationalBank	751,466
Total Invested Cash							\$ 90,996,563	\$ 91,820,491		\$ 92,458,544

Long Term Investment
(3 years to 5 years)

TREASURER'S MONTHLY REPORT
MISCELLANEOUS AND TRUST ACCOUNTS
APRIL 30, 2009

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	Par Value	Coupon	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total
Total Invested Cash	\$ 90,996,563					\$ 90,996,563	\$ 90,996,563
Miscellaneous Accounts							
Petty Cash	3,900	N/A	N/A	open	none	3,900	
Revolving Fund - Bank of America	11,297	N/A	N/A	open	none	11,297	
Trust & Agency - Bank of America	1,248,479	N/A	N/A	open	none	1,248,479	
Downpayment Assistance (Housing Fund) - Washington Mutual	33,651	variable	N/A	open	0.01%	33,651	
Workers Compensation - Bank of America	4,052	N/A	N/A	open	none	4,052	
General Liability - Bank of America	9,706	N/A	N/A	open	none	9,706	1,311,085
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							\$ 92,327,477

TREASURER'S MONTHLY REPORT
BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
APRIL 30, 2009

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	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	Market Value (memo only)	Source	Prior Qtr. Market Value
1991/97/01/04 Convention Center ADM Government & Agency Portf Private	8,063,949	variable	AAA	open	0.04%	8,063,949	8,063,949	8,063,949	BNY Western Tr	5,889,981
1992/06 Airport										
ADM Government & Agency Portf Private	1,483,848	variable	AAA	open	0.04%	1,483,848	1,483,848	1,483,848	BNY Western Tr	1,402,911
1991/81 Series B - Housing										
ADM Government & Agency Portf Private	472,835	variable	AAA	open	0.04%	472,835	472,835	472,835	BNY Western Tr	472,767
1994/64 Series A & B										
ADM Government & Agency Portf Private	3,948,162	variable	AAA	open	0.04%	3,948,162	3,948,162	3,948,162	BNY Western Tr	3,947,588
1998/08 Airport PFC										
ADM Government & Agency Portf Private	1,342,922	variable	AAA	open	0.04%	1,342,922	1,342,922	1,342,922	BNY Western Tr	1,236,140
1998 Assessment District 155, A&B										
ADM Government & Agency Portf Private	289,561	variable	AAA	open	0.04%	289,561	289,561	289,561	BNY Western Tr	289,519
2001 Assessment District 157/158										
ADM Government & Agency Portf Private	186,999	variable	AAA	open	0.05%	186,999	186,999	186,999	BNY Western Tr	186,972
2002 Parking Structure										
Cash	3									3
ADM Government & Agency Portf Private	13,492	variable	AAA	open	0.05%	13,492	13,492	13,492	BNY Western Tr	11,991
2004 Assessment District 161										
ADM Government & Agency Portf Private	412,716	variable	AAA	open	0.05%	412,716	412,716	412,716	BNY Western Tr	412,656
2004 Assessment District 162										
ADM Government & Agency Portf Private	161,711	variable	AAA	open	0.05%	161,711	161,711	161,711	BNY Western Tr	161,688
2005 Assessment District 164										
ADM Government & Agency Portf Private	367,477	variable	AAA	open	0.05%	367,477	367,477	367,477	BNY Western Tr	367,423
2007 Merged Project #1 & #2										
ADM Government & Agency Portf Private	8,510,322	variable	AAA	open	0.05%	8,510,322	8,510,322	8,510,322	BNY Western Tr	8,509,096
2007 Refunding Lease Revenue Bonds										
ADM Government & Agency Portf Private	32	variable	AAA	open	0.06%	32	32	32	BNY Western Tr	1,341,550
2008 Airport PFC Refunding										
ADM Government & Agency Portf Private	648,138	variable	AAA	open	0.05%	648,138	648,138	648,138	BNY Western Tr	648,138
Totals						\$ 25,902,166	\$ 25,902,166	\$ 25,902,166		\$ 24,881,423

TREASURER'S MONTHLY REPORT
 CALCULATION OF INVESTMENT LIMITATIONS
 APRIL 30, 2009

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	Allowable Percentages		Current Mo.
	Minimum	Maximum	
By Maturity:			
1 day to 365 days	\$8,000,000	N/A	\$68,586,197
1 year to 3 years	0.00%	50.00%	20.78%
3 years to 5 years	0.00%	30.00%	3.30%
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%	2.03%
Corporate Notes	N/A	20.00%	3.06%
Money Market Mutual Funds	N/A	10.00%	0.00%
Mortgage Pass Thrus	N/A	10.00%	4.33%
U.S. Government Agencies	N/A	50.00%	19.23%
U.S. Treasury Notes/Bonds	N/A	N/A	0.00%