City Council Staff Report

DATE: October 18, 2017 CONSENT CALENDAR

SUBJECT: TREASURER'S INVESTMENT REPORT AS OF August 31, 2017

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 August 31, 2017. 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 $140,657,843 plus $11,341,040 bond issue capital projects, reserve, and debt service funds. There is an additional $1,389,053 in various miscellaneous/trust accounts. The market value of the invested cash is $142,046,895.

RECOMMENDATION:

Receive and File Treasurer's Investment Report as of August 31, 2017.

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.

ITEM NO. 1.A

The weighted average maturity (WAM) of the portfolio is 500.04 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
August 31, 2017

On Call Deposits	Adjusted Basis	Category Total	Percentage
Checking Account	$ 18,458,181		
CalTrust Short Term	28,913,219		
LAIF State Pool	32,043,998	$ 79,415,399	56.46%
Short Term Investments (1 year or less)			
U.S. Government Agencies	6,498,594	6,498,594	4.62%
Medium Term Investments (1 year to 3 years)			
U.S. Government Agencies	15,997,850	15,997,850	11.37%
Long Term Investments (3 year to 5 years)			
U.S. Government Agencies	36,996,000	36,996,000	26.30%
Negotiable Certificates of Deposit (5 years or less)			
FDIC-Insured CD's	1,750,000	1,750,000	1.24%
		$ 140,657,843	100.00%

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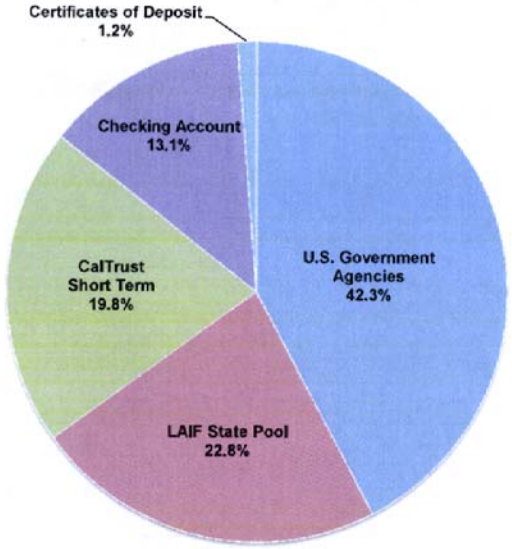
CITY OF PALM SPRINGS
TREASURER'S MONTHLY REPORT
PORTFOLIO STATISTICS
August 31, 2017

Portfolio Composition

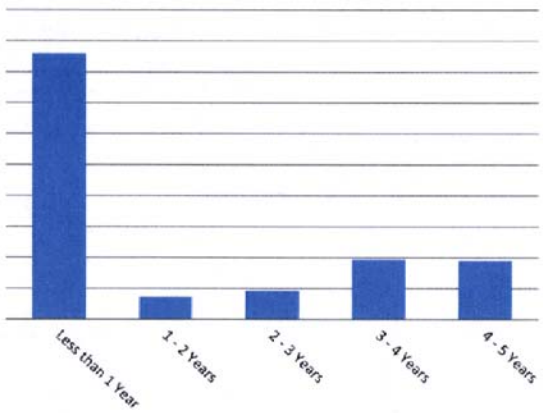
Investment Type	Market Value
U.S. Government Agencies	59,492,444
LAIF State Pool	32,043,998
CalTrust Short Term	28,913,219
Checking Account	18,458,181
Certificates of Deposit	1,750,000
TOTAL	$ 140,657,843



Portfolio Liquidity

Aging Interval*	Par Value
Less than 1 Year	85,915,399
1 - 2 Years	7,250,000
2 - 3 Years	9,250,000
3 - 4 Years	19,250,000
4 - 5 Years	19,000,000
TOTAL	140,665,399

*To maturity (does not include call date)



TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
August 31, 2017

	Par Value	Coupon Rate	Moody's / S&P Rating	Purchase Date	Maturity Date	Days to Maturity	Yield to Maturity	Cost Basis	Category Total	(memo only) Market Value	Prior Qtr. Market Value
On Call Deposits											
Checking - Bank of America	18,458,181	N/A	N/A		Demand	1	None	18,458,181		$ 18,458,181	40,775,575
CalTrust ShortTerm	28,913,219	variable	N/A		Demand	1	1.23%	28,913,219		$ 28,898,290	28,812,947
Local Agency Invest Fund (LAIF)	32,043,998	variable	N/A		Demand	1	1.084%	32,043,998		$ 32,010,053	31,936,508
	79,415,399								79,415,399	79,366,525	101,525,030
Short Term Investments (1 year or less)											
U.S. Gov't Agency Securities											
Federal Home Loan Mortgage Corporation	2,000,000	1.00%	Aaa / AA+	09/20/12	09/20/17	20	1.00%	2,000,000		2,000,540	2,001,380
Federal National Mortgage Association	2,000,000	1.10%	Aaa / AA+	03/12/13	03/12/18	193	1.10%	2,000,000		1,999,460	1,997,520
Financing Corporation (FICO)	500,000	9.80%	Aaa / AA+	04/06/88	04/06/18	218	9.80%	498,594		525,820	532,134
Federal National Mortgage Association	2,000,000	1.03%	Aaa / AA+	05/21/13	05/21/18	263	1.03%	2,000,000		1,996,520	1,995,140
	6,500,000								6,498,594	6,522,340	6,526,174
Medium Term Investments (1 year to 3 years)											
U.S. Gov't Agency Securities											
Federal Farm Credit Bank	500,000	1.03%	Aaa / AA+	02/24/16	02/12/19	530	1.03%	499,850		497,975	497,210
Federal Home Loan Mortgage Corporation	1,000,000	1.10%	Aaa / AA+	10/25/16	05/15/19	622	1.10%	1,000,000		1,001,410	1,000,670
Federal Farm Credit Bank	1,000,000	1.30%	Aaa / AA+	06/06/16	06/06/19	644	1.30%	1,000,000		997,190	991,720
Federal Farm Credit Bank	1,000,000	1.12%	Aaa / AA+	06/20/16	06/27/19	665	1.12%	1,000,000		993,900	988,710
Federal National Mortgage Association	1,000,000	1.10%	Aaa / AA+	06/20/16	06/28/19	666	1.10%	1,000,000		990,120	988,000
Federal Farm Credit Bank	500,000	1.08%	Aaa / AA+	08/04/16	08/15/19	714	1.08%	500,000		496,090	494,875
Federal Home Loan Bank	500,000	1.25%	Aaa / AA+	08/09/16	08/22/19	721	1.25%	500,000		495,150	494,075
Federal National Mortgage Association	1,000,000	1.10%	Aaa / AA+	08/03/16	08/23/19	722	1.10%	1,000,000		992,300	990,260
Federal Home Loan Mortgage Corporation	500,000	1.30%	Aaa / AA+	08/09/16	08/23/19	722	1.30%	500,000		497,960	497,310
Federal Farm Credit Bank	1,000,000	1.12%	Aaa / AA+	10/19/16	10/11/19	771	1.12%	999,250		991,610	988,590
Federal Home Loan Mortgage Corporation	1,000,000	1.00%	Aaa / AA+	10/20/16	11/15/19	806	1.00%	1,000,000		995,550	993,680
Federal National Mortgage Association	1,000,000	1.17%	Aaa / AA+	10/25/16	11/15/19	806	1.17%	998,750		989,100	986,760
Federal National Mortgage Association	500,000	1.40%	Aaa / AA+	02/26/16	11/26/19	817	1.40%	500,000		497,310	496,295
Federal Home Loan Mortgage Corporation	1,000,000	1.20%	Aaa / AA+	11/01/16	11/29/19	820	1.20%	1,000,000		990,510	988,250
Federal National Mortgage Association	500,000	1.25%	Aaa / AA+	08/09/16	02/24/20	907	1.25%	500,000		495,715	493,460
Federal National Mortgage Association	1,000,000	1.20%	Aaa / AA+	08/03/16	02/24/20	907	1.20%	1,000,000		991,070	986,520
Federal Home Loan Mortgage Corporation	1,000,000	1.00%	Aaa / AA+	11/16/16	06/16/20	1,020	1.00%	1,000,000		999,070	997,890
Federal National Mortgage Association	2,000,000	1.25%	Aaa / AA+	08/04/16	08/28/20	1,093	1.25%	2,000,000		1,983,580	1,967,600
	16,000,000								15,997,850	15,895,610	15,841,875
Long Term Investments (3 years to 5 years)											
U.S. Gov't Agency Securities											
Federal Home Loan Bank	1,000,000	1.00%	Aaa / AA+	10/20/16	11/16/20	1,173	1.00%	1,000,000		995,640	991,980
Federal National Mortgage Association	500,000	1.50%	Aaa / AA+	02/24/16	11/24/20	1,181	1.50%	500,000		498,765	496,130
Federal National Mortgage Association	1,000,000	1.13%	Aaa / AA+	08/03/16	11/24/20	1,181	1.13%	1,000,000		987,050	981,910
Federal National Mortgage Association	1,000,000	1.75%	Aaa / AA+	08/16/17	02/16/21	1,265	1.75%	1,000,000		1,000,430	0
Federal Farm Credit Bank	500,000	1.58%	Aaa / AA+	05/17/16	02/17/21	1,266	1.58%	500,000		498,700	495,515
Federal Home Loan Mortgage Corporation	500,000	1.25%	Aaa / AA+	02/26/16	02/26/21	1,275	1.25%	500,000		497,990	495,960

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TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
August 31, 2017

	Par Value	Coupon Rate	Moody's / S&P Rating	Purchase Date	Maturity Date	Days to Maturity	Yield to Maturity	Cost Basis	Category Total	(memo only) Market Value	Prior Qtr. Market Value
Long Term Investments (Continued) (3 years to 5 years)											
U.S. Gov't Agency Securities (Continued)											
Federal National Mortgage Association	500,000	1.375%	Aaa / AA+	02/26/16	02/26/21	1,275	1.375%	500,000		499,865	499,435
Federal National Mortgage Association	500,000	1.50%	Aaa / AA+	03/30/16	03/30/21	1,307	1.50%	500,000		497,415	494,110
Federal Home Loan Bank	1,000,000	1.00%	Aaa / AA+	04/29/16	04/28/21	1,336	1.00%	998,500		997,200	993,600
Federal Home Loan Mortgage Corporation	500,000	1.25%	Aaa / AA+	05/25/16	05/25/21	1,363	1.25%	500,000		496,900	494,625
Federal Home Loan Mortgage Corporation	1,000,000	1.50%	Aaa / AA+	05/25/16	05/25/21	1,363	1.50%	1,000,000		990,100	984,740
Federal Home Loan Bank	500,000	1.25%	Aaa / AA+	05/25/16	05/25/21	1,363	1.25%	500,000		497,105	494,860
Federal Home Loan Bank	500,000	1.125%	Aaa / AA+	05/27/15	05/27/21	1,365	1.125%	499,000		498,465	496,125
Federal Home Loan Mortgage Corporation	1,000,000	1.25%	Aaa / AA+	06/09/16	06/09/21	1,378	1.25%	1,000,000		998,470	994,770
Federal Home Loan Bank	1,000,000	1.25%	Aaa / AA+	06/16/16	06/16/21	1,385	1.25%	998,500		992,860	988,090
Federal National Mortgage Association	1,000,000	1.125%	Aaa / AA+	07/27/16	07/27/21	1,426	1.125%	1,000,000		991,310	986,910
Federal Farm Credit Bank	1,000,000	1.90%	Aaa / AA+	08/02/17	08/02/21	1,432	1.90%	1,000,000		1,000,350	0
Federal Home Loan Mortgage Corporation	1,000,000	1.25%	Aaa / AA+	07/19/16	08/16/21	1,446	1.25%	1,000,000		992,790	988,540
Federal Home Loan Mortgage Corporation	1,000,000	1.50%	Aaa / AA+	08/08/16	08/24/21	1,454	1.50%	1,000,000		998,370	995,520
Federal National Mortgage Association	1,000,000	1.00%	Aaa / AA+	08/03/16	08/24/21	1,454	1.00%	1,000,000		999,480	996,800
Federal Home Loan Mortgage Corporation	2,000,000	1.50%	Aaa / AA+	07/18/16	08/25/21	1,455	1.50%	2,000,000		1,987,780	1,976,800
Federal National Mortgage Association	1,000,000	1.40%	Aaa / AA+	08/03/16	08/25/21	1,455	1.40%	1,000,000		985,460	978,240
Federal Home Loan Mortgage Corporation	1,000,000	1.50%	Aaa / AA+	09/12/16	09/30/21	1,491	1.50%	1,000,000		992,760	992,130
Federal Home Loan Bank	1,000,000	1.50%	Aaa / AA+	09/12/16	10/12/21	1,503	1.50%	1,000,000		989,740	983,520
Federal Home Loan Mortgage Corporation	1,000,000	1.40%	Aaa / AA+	09/29/16	10/27/21	1,518	1.40%	1,000,000		984,470	977,550
Federal Home Loan Mortgage Corporation	1,000,000	1.13%	Aaa / AA+	10/12/16	10/28/21	1,519	1.13%	1,000,000		990,540	989,340
Federal Home Loan Mortgage Corporation	1,000,000	1.05%	Aaa / AA+	10/12/16	10/28/21	1,519	1.05%	1,000,000		984,800	979,100
Federal Home Loan Bank	1,000,000	1.25%	Aaa / AA+	10/24/16	11/08/21	1,530	1.25%	1,000,000		991,820	986,450
Federal Home Loan Mortgage Corporation	1,000,000	1.55%	Aaa / AA+	10/11/16	11/10/21	1,532	1.55%	1,000,000		988,930	982,450
Federal Home Loan Bank	1,000,000	1.25%	Aaa / AA+	10/13/16	11/10/21	1,532	1.25%	1,000,000		994,390	989,780
Federal Home Loan Bank	1,000,000	1.05%	Aaa / AA+	10/25/16	11/15/21	1,537	1.05%	1,000,000		997,000	994,900
Federal Home Loan Bank	1,000,000	1.25%	Aaa / AA+	10/18/16	11/17/21	1,539	1.25%	1,000,000		992,740	987,410
Federal Home Loan Bank	1,000,000	1.00%	Aaa / AA+	10/26/16	11/17/21	1,539	1.00%	1,000,000		998,500	995,550
Federal Home Loan Mortgage Corporation	1,000,000	1.30%	Aaa / AA+	10/24/16	11/22/21	1,544	1.30%	1,000,000		993,250	988,030
Federal Home Loan Bank	1,000,000	1.30%	Aaa / AA+	10/26/16	11/23/21	1,545	1.30%	1,000,000		993,850	988,720
Federal Home Loan Bank	1,000,000	1.55%	Aaa / AA+	11/02/16	11/26/21	1,548	1.55%	1,000,000		998,000	992,320
Federal Home Loan Mortgage Corporation	1,000,000	1.50%	Aaa / AA+	10/17/16	11/30/21	1,552	1.50%	1,000,000		992,610	986,670
Federal Home Loan Bank	1,000,000	1.70%	Aaa / AA+	11/17/16	12/08/21	1,560	1.70%	1,000,000		1,000,020	996,280
Federal Home Loan Mortgage Corporation	1,000,000	1.85%	Aaa / AA+	11/15/16	12/14/21	1,566	1.85%	1,000,000		1,000,020	997,580
Federal National Mortgage Association	1,000,000	2.20%	Aaa / AA+	08/23/17	08/23/22	1,818	2.20%	1,000,000		1,000,260	0
	37,000,000								36,996,000	36,786,195	33,632,440
Negotiable Certificates of Deposit (5 years or less)											
Goldman Sachs Bank CD	0	1.80%	FDIC	7/25/12	07/25/17	-	1.80%	0		0	200,114
Discover Bank CD	0	1.70%	FDIC	7/26/12	07/26/17	-	1.70%	0		0	200,126
Ally Bank CD	250,000	1.70%	FDIC	8/3/17	08/05/19	704	1.70%	250,000		250,073	0
Discover Bank CD	250,000	1.90%	FDIC	8/3/17	08/03/20	1,068	1.90%	250,000		250,398	0
Capital One Bank, NA CD	250,000	2.05%	FDIC	8/2/17	08/02/21	1,432	2.05%	250,000		251,585	0
Goldman Sachs Bank CD	250,000	2.30%	FDIC	8/2/17	08/02/22	1,797	2.30%	250,000		250,765	0
American Express Centurion CD	250,000	2.35%	FDIC	8/22/17	08/22/22	1,817	2.35%	250,000		251,045	0
Capital One Bank USA, NA CD	250,000	2.35%	FDIC	8/23/17	08/23/22	1,818	2.35%	250,000		251,105	0
Sallie Mae CD	250,000	2.35%	FDIC	8/16/17	08/23/22	1,818	2.35%	250,000		251,105	0
	1,750,000								1,750,000	1,756,075	400,240
Total Invested Cash	$ 140,665,399								$140,657,843	$ 140,326,744	$ 157,925,759

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TREASURER'S MONTHLY REPORT
MISCELLANEOUS AND TRUST ACCOUNTS
August 31, 2017

	Par Value	Coupon	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total
Total Invested Cash	$ 140,657,843					$ 140,657,843	
							$ 140,657,843
Miscellaneous Accounts							
Petty Cash	3,950	N/A	N/A	open	None	3,950	
Trust & Agency - Bank of America	1,066,419	N/A	N/A	open	None	1,066,419	
Downpayment Assistance (Housing Fund) -Bank of America	34,023	0.002	N/A	open	0.20%	34,023	
Workers Compensation - Bank of America	51,392	N/A	N/A	open	None	51,392	
General Liability - Bank of America	29,900	N/A	N/A	open	None	29,900	
1930's General Store Museum - Bank of America	15,221	N/A	N/A	open	None	15,221	
On-Line Credit Card Fire Inspection Fees -Bank of America	181,304	N/A	N/A	open	None	181,304	
On-Line Credit Card Transportation Permits -Bank of America	6,844	N/A	N/A	open	None	6,844	1,389,053
Total Cash Deposited							$ 142,046,895

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TREASURER'S MONTHLY REPORT
BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
August 31, 2017

	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Source	Prior Qtr. Market Value
1998 Airport PFC										
Invesco Government & Agency Private	998,926	variable	AAA	open	0.01%	998,926		998,926	US Bank	981,996
							998,926			
2006 Airport PFC										
Invesco Government & Agency Private	1,117,777	variable	AAA	open	0.01%	1,117,777		1,117,777	US Bank	2,439,718
							1,117,777			
2007 Refunding Lease Revenue Bonds										
First American Government Obligation	0	variable	AAA	open	0.01%	0		0	US Bank	0
							0			
2007A&B Tax Allocation Bonds										
First American Government Obligation	778,259	variable	AAA	open	0.01%	778,259		778,259	US Bank	13
							778,259			
2007C Tax Allocation Bonds										
First American Government Obligation	346,406	variable	AAA	open	0.01%	346,406		346,406	US Bank	6
							346,406			
2008 Airport PFC Refunding										
Invesco Government & Agency Private	580,201	variable	AAA	open	0.01%	580,201		580,201	US Bank	592,067
							580,201			
2012 Downtown Revitalization Lease Revenue Bond Reserve										
Invesco Government & Agency Private	3,208,001	variable	AAA	open	0.01%	3,208,001		3,208,001	US Bank	3,203,660
							3,208,001			

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TREASURER'S MONTHLY REPORT
BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
August 31, 2017

	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	12,776	variable	AAA	open	0.01%	12,776		12,776	US Bank	12,764
							12,776			
2014 Merged Project 1 & 2/Housing Refunding										
First American Government Obligation	1,305,646	variable	AAA	open	0.01%	1,305,646		1,305,646	US Bank	492,939
							1,305,646			
2015 Reassesment District No.2015-1										
First American Government Obligation	737,363	variable	AAA	open	0.01%	737,363		737,363	US Bank	274,641
							737,363			
2015 Local Measure A Sales Tax										
First American Government Obligation	1,115,257	variable	AAA	open	0.01%	1,115,257		1,115,257	US Bank	1,114,250
							1,115,257			
2015 Refunding Lease Revenue Bonds										
First American Government Obligation	8	variable	AAA	open	0.01%	8		8	US Bank	8
							8			
2017 Refunding Lease Revenue Bonds										
First American Government Obligation	2,022	variable	AAA	open	0.01%	2,022		2,022	US Bank	8,686
							2,022			
Chevron/CoGen Lease Proceeds										
Cash	715,377	N/A	N/A	demand	None	715,377		715,377	Deutsche Bank	716,877
							715,377			
Funds With Century Golf	423,021	N/A	N/A	demand	None	423,021		423,021	Century Golf	901,588
							423,021			
Totals							11,341,040	11,341,040		$ 10,739,213

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TREASURER'S MONTHLY REPORT
CALCULATION OF INVESTMENT LIMITATIONS
August 31, 2017

By Maturity:	Minimum	Maximum	August 31, 2017
1 day to 365 days	N/A	N/A	61.08%
1 year to 3 years	N/A	50.00%	11.73%
3 years to 5 years	N/A	30.00%	27.19%
By Type of Investment:			
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%	0.00%
Negotiable Certificates of Deposit - in total	N/A	30.00%	4.73%
Negotiable Certificates of Deposit - by issuer	N/A	5.00%	0.00%
Corporate Notes - in total	N/A	20.00%	0.00%
Corporate Notes - by issuer	N/A	5.00%	0.00%
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%	20.56%
Money Market Mutual Funds - More than 1 Year	N/A	25.00%	0.00%
LAIF	N/A	100.00%	22.78%
U.S. Government Agencies	N/A	60.00%	42.30%
U.S. Treasury Notes/Bonds	N/A	100.00%	0.00%

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