City Council Staff Report

DATE: September 26, 2017 CONSENT CALENDAR

SUBJECT: TREASURER'S INVESTMENT REPORT AS OF July 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 July 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 $145,787,713 plus $9,025,082 bond issue capital projects, reserve, and debt service funds. There is an additional $1,260,406 in various miscellaneous/trust accounts. The market value of the invested cash is $147,048,119.

RECOMMENDATION:

Receive and File Treasurer's Investment Report as of July 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 445.63 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
July 31, 2017

On Call Deposits	Adjusted Basis	Category Total	Percentage
Checking Account	$ 28,396,384		
CalTrust Short Term	28,854,887		
LAIF State Pool	32,043,998	$ 89,295,269	61.25%
Short Term Investments (1 year or less)			
U.S. Government Agencies	6,498,594	6,498,594	4.46%
Medium Term Investments (1 year to 3 years)			
U.S. Government Agencies	15,997,850	15,997,850	10.97%
Long Term Investments (3 year to 5 years)			
U.S. Government Agencies	33,996,000	33,996,000	23.32%
Negotiable Certificates of Deposit (5 years or less)			
FDIC-Insured CD's	0	0	0.00%
		$ 145,787,713	100.00%

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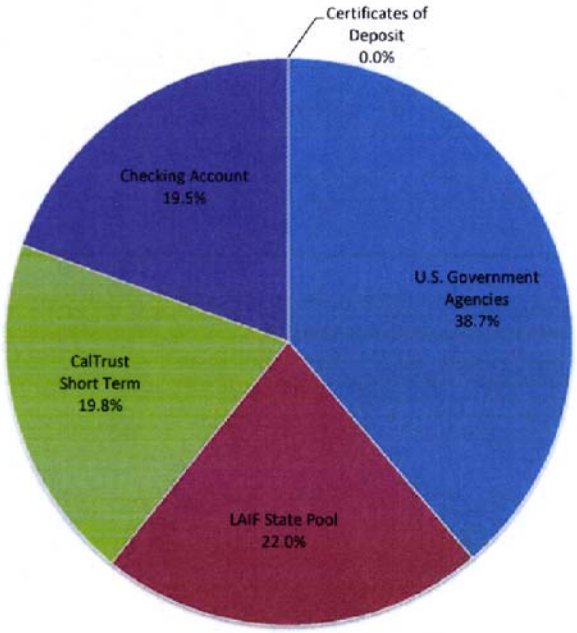
CITY OF PALM SPRINGS
TREASURER'S MONTHLY REPORT
PORTFOLIO STATISTICS
July 31, 2017

Portfolio Composition

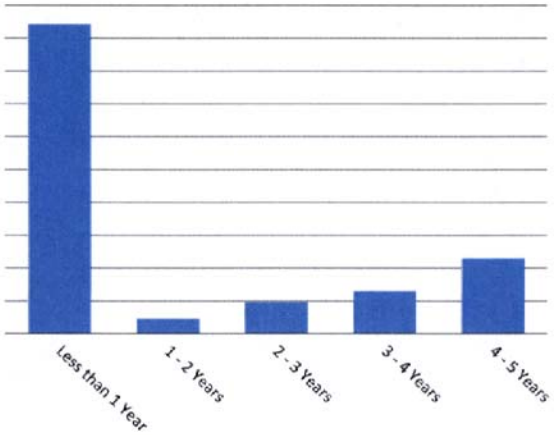
Investment Type	Market Value
U.S. Government Agencies	56,492,444
LAIF State Pool	32,043,998
CalTrust Short Term	28,854,887
Checking Account	28,396,384
Certificates of Deposit	-
TOTAL	$ 145,787,713



Portfolio Liquidity

Aging Interval*	Par Value
Less than 1 Year	94,296,384
1 - 2 Years	4,500,000
2 - 3 Years	9,500,000
3 - 4 Years	13,000,000
4 - 5 Years	23,000,000
TOTAL	144,296,384

*To maturity (does not include call date)



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

	Par Value	Coupon Rate	Moody's / S&P Rating	Purchase Date	Maturity Date	Days to Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	(memo only) Market Value	Prior Qtr. Market Value
On Call Deposits											
Checking - Bank of America	28,396,384	N/A	N/A		Demand	1	None	28,396,384		$ 28,396,384	40,775,575
CalTrust ShortTerm	27,500,000	variable	N/A		Demand	1	1.15%	28,854,887		$ 28,839,958	28,812,947
Local Agency Invest Fund (LAIF)	31,500,000	variable	N/A		Demand	1	1.051%	32,043,998		$ 32,010,053	31,936,508
	87,396,384								89,295,269	89,246,395	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	51	1.00%	2,000,000		2,000,940	2,001,380
Federal National Mortgage Association	2,000,000	1.10%	Aaa / AA+	03/12/13	03/12/18	224	1.10%	2,000,000		1,997,820	1,997,520
Financing Corporation (FICO)	500,000	9.80%	Aaa / AA+	04/06/88	04/06/18	249	9.80%	498,594			532,134
Federal National Mortgage Association	2,000,000	1.03%	Aaa / AA+	05/21/13	05/21/18	294	1.03%	2,000,000		1,996,340	1,995,140
	6,500,000								6,498,594	5,995,100	1,995,140
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	561	1.03%	499,850		497,655	497,210
Federal Home Loan Mortgage Corporation	1,000,000	1.10%	Aaa / AA+	10/25/16	05/15/19	653	1.10%	1,000,000		1,000,250	1,000,670
Federal Farm Credit Bank	1,000,000	1.30%	Aaa / AA+	06/06/16	06/06/19	675	1.30%	1,000,000		992,780	991,720
Federal Farm Credit Bank	1,000,000	1.12%	Aaa / AA+	06/20/16	06/27/19	696	1.12%	1,000,000		989,900	988,710
Federal National Mortgage Association	1,000,000	1.10%	Aaa / AA+	06/20/16	06/28/19	697	1.10%	1,000,000		989,220	988,000
Federal Farm Credit Bank	500,000	1.08%	Aaa / AA+	08/04/16	08/15/19	745	1.08%	500,000		495,470	494,875
Federal Home Loan Bank	500,000	1.25%	Aaa / AA+	08/09/16	08/22/19	752	1.25%	500,000		494,695	494,075
Federal Home Loan Mortgage Corporation	500,000	1.30%	Aaa / AA+	08/09/16	08/23/19	753	1.30%	500,000		497,600	497,310
Federal National Mortgage Association	1,000,000	1.10%	Aaa / AA+	08/03/16	08/23/19	753	1.10%	1,000,000		991,430	990,260
Federal Farm Credit Bank	1,000,000	1.12%	Aaa / AA+	10/19/16	10/11/19	802	1.12%	999,250		990,710	988,590
Federal National Mortgage Association	1,000,000	1.17%	Aaa / AA+	10/25/16	11/15/19	837	1.17%	998,750		988,100	986,760
Federal Home Loan Mortgage Corporation	1,000,000	1.00%	Aaa / AA+	10/20/16	11/15/19	837	1.00%	1,000,000		994,810	993,680
Federal National Mortgage Association	500,000	1.40%	Aaa / AA+	02/26/16	11/26/19	848	1.40%	500,000		496,900	496,295
Federal Home Loan Mortgage Corporation	1,000,000	1.20%	Aaa / AA+	11/01/16	11/29/19	851	1.20%	1,000,000		989,550	988,250
Federal National Mortgage Association	1,000,000	1.20%	Aaa / AA+	08/03/16	02/24/20	938	1.20%	1,000,000		988,390	986,520
Federal National Mortgage Association	500,000	1.25%	Aaa / AA+	08/09/16	02/24/20	938	1.25%	500,000		494,385	493,460
Federal Home Loan Mortgage Corporation	1,000,000	1.00%	Aaa / AA+	11/16/16	06/16/20	1,051	1.00%	1,000,000		998,460	997,890
Federal National Mortgage Association	2,000,000	1.25%	Aaa / AA+	08/04/16	08/28/20	1,124	1.25%	2,000,000		1,981,480	1,967,600
	16,000,000								15,997,850	15,871,785	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	1,204	1.00%	1,000,000		993,570	991,980
Federal National Mortgage Association	500,000	1.50%	Aaa / AA+	02/24/16	11/24/20	1,212	1.50%	500,000		497,175	496,130

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

	Par Value	Coupon Rate	Moody's / S&P Rating	Purchase Date	Maturity Date	Days to Maturity	Yield to Maturity	Adjusted 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	1,000,000	1.13%	Aaa / AA+	08/03/16	11/24/20	1,212	1.13%	1,000,000		984,110	981,910
Federal Farm Credit Bank	500,000	1.58%	Aaa / AA+	05/17/16	02/17/21	1,297	1.58%	500,000		495,215	495,515
Federal National Mortgage Association	500,000	1.00%	Aaa / AA+	02/26/16	02/26/21	1,306	1.00%	500,000		499,670	499,435
Federal Home Loan Mortgage Corporation	500,000	1.25%	Aaa / AA+	02/26/16	02/26/21	1,306	1.25%	500,000		496,735	495,960
Federal National Mortgage Association	500,000	1.375%	Aaa / AA+	03/30/16	03/30/21	1,338	1.375%	500,000		495,370	494,110
Federal Home Loan Bank	1,000,000	1.00%	Aaa / AA+	04/29/16	04/28/21	1,367	1.00%	998,500		994,960	993,600
Federal Home Loan Mortgage Corporation	1,000,000	1.50%	Aaa / AA+	05/25/16	05/25/21	1,394	1.50%	1,000,000		986,760	984,740
Federal Home Loan Bank	500,000	1.25%	Aaa / AA+	05/25/16	05/25/21	1,394	1.25%	500,000		495,715	494,860
Federal Home Loan Mortgage Corporation	500,000	1.25%	Aaa / AA+	05/25/16	05/25/21	1,394	1.25%	500,000		495,505	494,625
Federal Home Loan Bank	500,000	1.125%	Aaa / AA+	05/27/15	05/27/21	1,396	1.125%	499,000		497,020	496,125
Federal Home Loan Mortgage Corporation	1,000,000	1.25%	Aaa / AA+	06/09/16	06/09/21	1,409	1.25%	1,000,000		996,120	994,770
Federal Home Loan Bank	1,000,000	1.25%	Aaa / AA+	06/16/16	06/16/21	1,416	1.25%	998,500		989,910	988,090
Federal National Mortgage Association	1,000,000	1.125%	Aaa / AA+	07/27/16	07/27/21	1,457	1.125%	1,000,000		988,640	986,910
Federal Home Loan Mortgage Corporation	1,000,000	1.25%	Aaa / AA+	07/19/16	08/16/21	1,477	1.25%	1,000,000		990,190	988,540
Federal National Mortgage Association	1,000,000	1.00%	Aaa / AA+	08/03/16	08/24/21	1,485	1.00%	1,000,000		997,950	996,800
Federal Home Loan Mortgage Corporation	1,000,000	1.00%	Aaa / AA+	08/08/16	08/24/21	1,485	1.00%	1,000,000		996,760	995,520
Federal National Mortgage Association	1,000,000	1.40%	Aaa / AA+	08/03/16	08/25/21	1,486	1.40%	1,000,000		980,880	978,240
Federal Home Loan Mortgage Corporation	2,000,000	1.50%	Aaa / AA+	07/18/16	08/25/21	1,486	1.50%	2,000,000		1,980,860	1,976,800
Federal Home Loan Mortgage Corporation	1,000,000	1.50%	Aaa / AA+	09/12/16	09/30/21	1,522	1.50%	1,000,000		994,110	992,130
Federal Home Loan Bank	1,000,000	1.50%	Aaa / AA+	09/12/16	10/12/21	1,534	1.50%	1,000,000		985,980	983,520
Federal Home Loan Mortgage Corporation	1,000,000	1.40%	Aaa / AA+	09/29/16	10/27/21	1,549	1.40%	1,000,000		980,150	977,550
Federal Home Loan Mortgage Corporation	1,000,000	1.13%	Aaa / AA+	10/12/16	10/28/21	1,550	1.13%	1,000,000		987,300	989,340
Federal Home Loan Mortgage Corporation	1,000,000	1.05%	Aaa / AA+	10/12/16	10/28/21	1,550	1.05%	1,000,000		981,290	979,100
Federal Home Loan Bank	1,000,000	1.25%	Aaa / AA+	10/24/16	11/08/21	1,561	1.25%	1,000,000		988,490	986,450
Federal Home Loan Mortgage Corporation	1,000,000	1.55%	Aaa / AA+	10/11/16	11/10/21	1,563	1.55%	1,000,000		984,930	982,450
Federal Home Loan Bank	1,000,000	1.25%	Aaa / AA+	10/13/16	11/10/21	1,563	1.25%	1,000,000		991,550	989,780
Federal Home Loan Bank	1,000,000	1.05%	Aaa / AA+	10/25/16	11/15/21	1,568	1.05%	1,000,000		995,790	994,900
Federal Home Loan Bank	1,000,000	1.25%	Aaa / AA+	10/18/16	11/17/21	1,570	1.25%	1,000,000		989,430	987,410
Federal Home Loan Bank	1,000,000	1.00%	Aaa / AA+	10/26/16	11/17/21	1,570	1.00%	1,000,000		996,740	995,550
Federal Home Loan Mortgage Corporation	1,000,000	1.30%	Aaa / AA+	10/24/16	11/22/21	1,575	1.30%	1,000,000		989,990	988,030
Federal Home Loan Bank	1,000,000	1.30%	Aaa / AA+	10/26/16	11/23/21	1,576	1.30%	1,000,000		990,620	988,720
Federal Home Loan Bank	1,000,000	1.55%	Aaa / AA+	11/02/16	11/26/21	1,579	1.55%	1,000,000		994,370	992,320
Federal Home Loan Mortgage Corporation	1,000,000	1.50%	Aaa / AA+	10/17/16	11/30/21	1,583	1.50%	1,000,000		988,840	986,670
Federal Home Loan Bank	1,000,000	1.70%	Aaa / AA+	11/17/16	12/08/21	1,591	1.70%	1,000,000		997,760	996,280
Federal Home Loan Mortgage Corporation	1,000,000	1.85%	Aaa / AA+	11/15/16	12/14/21	1,597	1.85%	1,000,000		999,000	997,580
	34,000,000								33,996,000	33,689,455	33,632,440
Negotiable Certificates of Deposit (5 years or less)											
Goldman Sachs Bank CD	200,000	1.80%	FDIC	7/25/12	7/25/17	-	1.80%	0			200,114
Discover Bank CD	200,000	1.70%	FDIC	7/26/12	7/26/17	-	1.70%	0			200,126
	400,000								0	0	400,240
Total Invested Cash	$ 144,296,384								$ 145,787,713	$ 144,802,735	$ 153,394,725

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

	Par Value	Coupon	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total
Total Invested Cash	$ 145,787,713					$ 145,787,713	
							$ 145,787,713
Miscellaneous Accounts							
Petty Cash	3,950	N/A	N/A	open	None	3,950	
Trust & Agency - Bank of America	1,016,446	N/A	N/A	open	None	1,016,446	
Downpayment Assistance (Housing Fund) -Bank of America	34,017	0.002	N/A	open	0.20%	34,017	
Workers Compensation - Bank of America	-9,569	N/A	N/A	open	None	-9,569	
General Liability - Bank of America	30,000	N/A	N/A	open	None	30,000	
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	163,366	N/A	N/A	open	None	163,366	
On-Line Credit Card Transportation Permits -Bank of America	6,975	N/A	N/A	open	None	6,975	1,260,406
Total Cash Deposited							$ 147,048,119

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TREASURER'S MONTHLY REPORT
BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
July 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	958,738	variable	AAA	open	0.01%	958,738		958,738	US Bank	981,996
							958,738			
2006 Airport PFC										
Invesco Government & Agency Private	1,003,039	variable	AAA	open	0.01%	1,003,039		1,003,039	US Bank	2,439,718
							1,003,039			
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	13	variable	AAA	open	0.01%	13		13	US Bank	13
							13			
2007C Tax Allocation Bonds										
First American Government Obligation	6	variable	AAA	open	0.01%	6		6	US Bank	6
							6			
2008 Airport PFC Refunding										
Invesco Government & Agency Private	579,775	variable	AAA	open	0.01%	579,775		579,775	US Bank	592,067
							579,775			
2012 Downtown Revitalization Lease Revenue Bond Reserve										
Invesco Government & Agency Private	3,205,666	variable	AAA	open	0.01%	3,205,666		3,205,666	US Bank	3,203,660
							3,205,666			

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TREASURER'S MONTHLY REPORT
BOND ISSUE RESERVE, DEBT SERVICE & RELATED FUNDS
July 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	12,770	variable	AAA	open	0.01%	12,770		12,770	US Bank	12,764
							12,770			
2014 Merged Project 1 & 2/Housing Refunding										
First American Government Obligation	493,138	variable	AAA	open	0.01%	493,138		493,138	US Bank	492,939
							493,138			
2015 Reassesment District No.2015-1										
First American Government Obligation	274,752	variable	AAA	open	0.01%	274,752		274,752	US Bank	274,641
							274,752			
2015 Local Measure A Sales Tax										
First American Government Obligation	1,114,701	variable	AAA	open	0.01%	1,114,701		1,114,701	US Bank	1,114,250
							1,114,701			
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	8,703	variable	AAA	open	0.01%	8,703		8,703	US Bank	8,686
							8,703			
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	658,398	N/A	N/A	demand	None	658,398		658,398	Century Golf	901,588
							658,398			
Totals							9,025,082	9,025,082		$ 10,739,213

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

By Maturity:	Minimum	Maximum	July 31, 2017
1 day to 365 days	N/A	N/A	65.71%
1 year to 3 years	N/A	50.00%	10.97%
3 years to 5 years	N/A	30.00%	23.32%

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%	0.00%
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%	19.79%
Money Market Mutual Funds - More than 1 Year	N/A	25.00%	0.00%
LAIF	N/A	100.00%	21.98%
U.S. Government Agencies	N/A	60.00%	38.75%
U.S. Treasury Notes/Bonds	N/A	100.00%	0.00%

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