



## City Council Staff Report

DATE: February 27, 2020 CONSENT CALENDAR  
SUBJECT: TREASURER'S INVESTMENT REPORT AS OF  
December 2019  
FROM: Nancy A. Pauley, Director of Finance and Treasurer  
BY: Department of Finance and Treasury

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### SUMMARY

Attached is the Treasurer's Investment Report as of December 31, 2019. 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 and marketable securities is \$216,368,784, plus \$1,462,141 in Trust and Agency accounts. There is an additional \$33,751,556 held by fiscal agent for bond issue reserves, debt service, and related funds, and \$1,580,665 in other miscellaneous accounts.

### RECOMMENDATION:

Receive and File Treasurer's Investment Report as of December 31, 2019.

### 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. 16

City Council Staff Report  
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Treasurer's Investment Report as of December 31, 2019

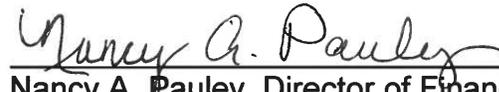
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The weighted average maturity (WAM) of the portfolio is 102 days. The maximum WAM allowed by the Investment Policy is 1,095 days. The current portfolio and expected revenue cash flow will be sufficient to meet budgeted expenditure requirements for the next six months and the foreseeable future thereafter.

FISCAL IMPACT:

None.

Submitted by:



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Nancy A. Pauley, Director of Finance and Treasurer

Attachments: Treasurer's Investment Report

CITY OF PALM SPRINGS  
 TREASURER'S MONTHLY REPORT  
 SUMMARY OF INVESTMENTS  
 December 31, 2019

	<u>Adjusted Basis</u>	<u>Category Total</u>	<u>Percentage of Total Invested Funds</u>
<b>On Call Deposits</b>			
Checking Account	12,904,173		
CalTrust Short Term	105,762,573		
LAIF State Pool	<u>61,202,038</u>	\$ 179,868,784	83.13%
<b>Short Term Investments (1 year or less)</b>			
U.S. Government Agencies	<u>7,000,000</u>	7,000,000	3.24%
<b>Medium Term Investments (1 year to 3 years)</b>			
U.S. Government Agencies	<u>23,500,000</u>	23,500,000	10.86%
<b>Negotiable Certificates of Deposit (5 years or less)</b>			
FDIC-Insured CD's	<u>6,000,000</u>	6,000,000	2.77%
Total Cash and Marketable Securities		<u>\$ 216,368,784</u>	<u>100.00%</u>
Trust and Agency		1,462,141	
Adjustments from prior month		<u>(5,935)</u>	
November 30, 2019 Ending Cash Balance:		<u><u>\$ 217,824,990</u></u>	

CITY OF PALM SPRINGS  
 TREASURER'S MONTHLY REPORT  
 PORTFOLIO STATISTICS  
 December 31, 2019

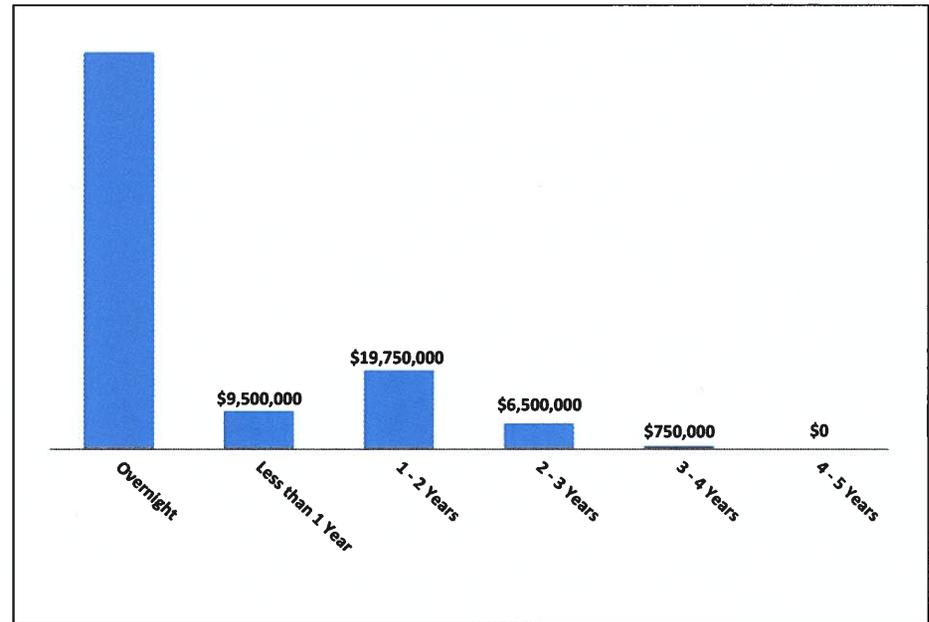
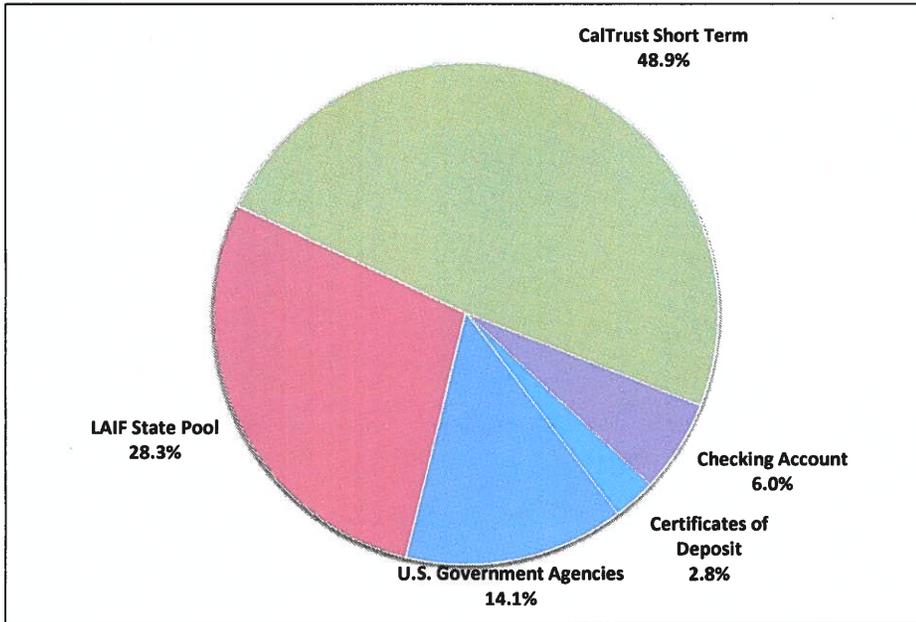
**Portfolio Composition**

Investment Type	Cost Basis
U.S. Government Agencies	30,500,000
LAIF State Pool	61,202,038
CalTrust Short Term	105,762,573
Checking Account	12,904,173
Certificates of Deposit	6,000,000
<b>TOTAL</b>	<b>\$ 216,368,784</b>

**Portfolio Liquidity**

Aging Interval*	Par Value
Overnight	179,868,784
Less than 1 Year	9,500,000
1 - 2 Years	19,750,000
2 - 3 Years	6,500,000
3 - 4 Years	750,000
4 - 5 Years	-
<b>TOTAL</b>	<b>216,368,784</b>

\*To maturity (does not include call date)



**TREASURER'S MONTHLY REPORT**  
**DETAIL OF INVESTMENTS**  
 December 31, 2019

	<u>Par Value</u>	<u>Coupon Rate</u>	<u>Moody's / S&amp;P Rating</u>	<u>Purchase Date</u>	<u>Maturity/Called Date</u>	<u>Days to Maturity</u>	<u>Yield to Maturity</u>	<u>Cost Basis</u>	<u>Category Total</u>	<u>Market Value as of December 31, 2019</u>
<b>On Call Deposits</b>										
Checking - Bank of America	12,904,173	N/A	N/A		Demand	1	None	12,904,173		12,904,173
CalTrust ShortTerm	105,762,573	variable	N/A		Demand	1	2.43%	105,762,573		105,762,573
Local Agency Invest Fund (LAIF)	61,202,038	variable	N/A		Demand	1	2.45%	61,202,038		61,202,038
	<u>179,868,784</u>								<u>179,868,784</u>	<u>179,868,784</u>
<b>Short Term Investments (1 year or less)</b>										
U.S. Gov't Agency Securities										
Federal National Mortgage Association	500,000	1.25%	Aaa / AA+	08/09/16	02/24/20	55	1.25%	500,000		499,740
Federal National Mortgage Association	1,000,000	1.20%	Aaa / AA+	08/03/16	02/24/20	55	1.20%	1,000,000		999,410
Federal National Mortgage Association	2,000,000	1.25%	Aaa / AA+	08/04/16	08/28/20	241	1.25%	2,000,000		1,995,220
Federal Home Loan Mortgage Corporation	3,000,000	1.70%	Aaa / AA+	09/18/17	09/28/20	272	1.70%	3,000,000		3,001,920
Federal National Mortgage Association	500,000	1.50%	Aaa / AA+	02/24/16	11/24/20	329	1.50%	500,000		499,340
	<u>7,000,000</u>								<u>7,000,000</u>	<u>6,995,630</u>
<b>Medium Term Investments (1 year to 3 years)</b>										
U.S. Gov't Agency Securities										
Federal National Mortgage Association	1,000,000	1.75%	Aaa / AA+	08/16/17	02/16/21	413	1.75%	1,000,000		1,000,670
Federal Farm Credit Bank	500,000	1.58%	Aaa / AA+	05/17/16	02/17/21	414	1.58%	500,000		499,085
Federal Home Loan Mortgage Corporation	1,000,000	1.50%	Aaa / AA+	05/25/16	05/25/21	511	1.50%	1,000,000		998,970
Federal Farm Credit Bank	1,000,000	1.90%	Aaa / AA+	08/02/17	08/02/21	580	1.90%	1,000,000		1,000,010
Federal Home Loan Mortgage Corporation	2,000,000	1.50%	Aaa / AA+	07/18/16	08/25/21	603	1.50%	2,000,000		1,997,380
Federal National Mortgage Association	1,000,000	1.40%	Aaa / AA+	08/03/16	08/25/21	603	1.40%	1,000,000		996,310
Federal Home Loan Mortgage Corporation	1,000,000	1.50%	Aaa / AA+	09/12/16	09/30/21	639	1.50%	1,000,000		997,860
Federal Home Loan Bank	1,000,000	1.50%	Aaa / AA+	09/12/16	10/12/21	651	1.50%	1,000,000		998,260
Federal Home Loan Mortgage Corporation	1,000,000	1.40%	Aaa / AA+	09/29/16	10/27/21	666	1.40%	1,000,000		997,550
Federal Home Loan Mortgage Corporation	1,000,000	1.05%	Aaa / AA+	10/12/16	10/28/21	667	1.05%	1,000,000		998,550
Federal Home Loan Bank	1,000,000	1.50%	Aaa / AA+	10/24/16	11/08/21	678	1.50%	1,000,000		999,930
Federal Home Loan Mortgage Corporation	1,000,000	1.55%	Aaa / AA+	10/11/16	11/10/21	680	1.55%	1,000,000		997,270
Federal Home Loan Bank	1,000,000	1.05%	Aaa / AA+	10/25/16	11/15/21	685	1.05%	1,000,000		1,007,180
Federal Home Loan Bank	1,000,000	1.25%	Aaa / AA+	10/18/16	11/17/21	687	1.25%	1,000,000		998,820
Federal Home Loan Mortgage Corporation	1,000,000	1.30%	Aaa / AA+	10/24/16	11/22/21	692	1.30%	1,000,000		999,500
Federal Home Loan Bank	1,000,000	1.30%	Aaa / AA+	10/26/16	11/23/21	693	1.30%	1,000,000		998,790
Federal Home Loan Bank	1,000,000	1.55%	Aaa / AA+	11/02/16	11/26/21	696	1.55%	1,000,000		999,720
Federal Home Loan Mortgage Corporation	1,000,000	1.50%	Aaa / AA+	10/17/16	11/30/21	700	1.50%	1,000,000		995,830
Federal Farm Credit Bank	3,000,000	2.00%	Aaa / AA+	09/12/17	09/12/22	986	2.00%	3,000,000		2,987,340
Federal Home Loan Bank	2,000,000	3.20%	Aaa / AA+	10/26/18	10/26/22	1,030	3.20%	2,000,000		2,021,500
	<u>23,500,000</u>								<u>23,500,000</u>	<u>23,490,525</u>
<b>Negotiable Certificates of Deposit (5 years or less)</b>										
MUFG Union Bank CD	250,000	2.60%	FDIC	07/24/18	07/24/20	206	2.60%	250,000		251,325
TCF National Bank CD	250,000	2.60%	FDIC	07/25/18	07/27/20	209	2.60%	250,000		251,345
Discover Bank CD	250,000	1.90%	FDIC	08/03/17	08/03/20	216	1.90%	250,000		250,360
BMW Bank NA CD	250,000	1.90%	FDIC	09/08/17	09/08/20	252	1.90%	250,000		250,425
TIAA FSB CD	250,000	1.90%	FDIC	09/18/17	09/14/20	258	1.90%	250,000		250,443

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**TREASURER'S MONTHLY REPORT**  
**DETAIL OF INVESTMENTS**  
**December 31, 2019**

	<u>Par Value</u>	<u>Coupon Rate</u>	<u>Moody's / S&amp;P Rating</u>	<u>Purchase Date</u>	<u>Maturity/Called Date</u>	<u>Days to Maturity</u>	<u>Yield to Maturity</u>	<u>Cost Basis</u>	<u>Category Total</u>	<u>Market Value as of December 31, 2019</u>
Key Bank NA CD	250,000	1.85%	FDIC	09/27/17	09/25/20	269	1.85%	250,000		250,373
First Bank of Highland CD	250,000	1.90%	FDIC	10/23/17	11/02/20	307	1.90%	250,000		250,513
Barclays Bank CD	250,000	2.00%	FDIC	11/03/17	11/09/20	314	2.00%	250,000		250,735
Investors Bank CD	250,000	2.10%	FDIC	12/27/17	12/28/20	363	2.10%	250,000		251,085
Carver Federal Savings Bank CD	250,000	2.15%	FDIC	12/29/17	12/29/20	364	2.15%	250,000		251,213
Citizens National Bank CD	250,000	2.15%	FDIC	01/17/18	01/19/21	385	2.15%	250,000		251,263
Marlin Business Bank CD	250,000	2.20%	FDIC	01/18/18	01/19/21	385	2.20%	250,000		251,393
Capital One Bank, NA CD	250,000	2.05%	FDIC	08/02/17	08/02/21	580	2.05%	250,000		251,405
American Express FSB CD	250,000	2.20%	FDIC	09/12/17	09/13/21	622	2.20%	250,000		251,663
Third Federal Savings & Loan CD	250,000	2.00%	FDIC	09/15/17	09/15/21	624	2.00%	250,000		251,270
Patriot Bank CD	250,000	2.95%	FDIC	07/30/18	01/31/22	762	2.95%	250,000		256,268
Synchrony Bank CD	250,000	2.70%	FDIC	03/11/19	03/15/22	805	2.70%	250,000		255,205
Merrick Bank CD	250,000	2.65%	FDIC	03/11/19	03/21/22	811	2.65%	250,000		254,983
Goldman Sachs Bank CD	250,000	2.30%	FDIC	08/02/17	08/02/22	945	2.30%	250,000		253,283
American Express Centurion CD	250,000	2.35%	FDIC	08/22/17	08/22/22	965	2.35%	250,000		252,660
Capital One Bank USA, NA CD	250,000	2.35%	FDIC	08/23/17	08/23/22	966	2.35%	250,000		253,633
Citibank, NA CD	250,000	3.30%	FDIC	07/24/18	07/24/23	1,301	3.30%	250,000		262,598
Comenity Capital Bank CD	250,000	3.35%	FDIC	10/17/18	10/17/23	1,386	3.35%	250,000		263,868
UBS Bank USA CD	250,000	3.35%	FDIC	10/17/18	10/17/23	1,386	3.35%	250,000		263,868
	<u>6,000,000</u>								<u>6,000,000</u>	<u>6,081,170</u>
<b>Total Invested Cash</b>	<u>\$ 216,368,784</u>								<u>\$ 216,368,784</u>	<u>\$ 216,436,109</u>

Monthly Portfolio Yield: 2.17%

Benchmark Yields:

12 Month LAIF Average: 2.26%  
2 Year Constant Maturity Treasury: 2.57%

TREASURER'S MONTHLY REPORT  
 MISCELLANEOUS AND TRUST ACCOUNTS  
 December 31, 2019

<u>Account</u>	<u>Description</u>	<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>
<b>Total Cash</b>								
11010	Cash and Marketable Securities	\$ 216,368,784					216,368,784	
	Trust and Agency	1,403,798					1,403,798	
	Adjustments from Prior Month						<u>(5,935)</u>	217,766,647
<b>Miscellaneous Accounts</b>								
11013	On-Line Credit Card Fire Inspection Fees - Bank of America	188,091	N/A	N/A	open	None	188,091	
11014	On-Line Credit Card Transportation Permits - Bank of America	3,171	N/A	N/A	open	None	3,171	
11016	1930's General Store Museum - Bank of America	12,643	N/A	N/A	open	None	12,643	
11017	Downpayment Assistance (Housing Fund) - Bank of America	34,182	0.002	N/A	open	0.20%	34,182	
11018	Save the Plaza	193,257	N/A	N/A	open	None	193,257	
11019	Ace Parking	710,894	N/A	N/A	open	None	710,894	
11020	Petty Cash	4,100	N/A	N/A	open	None	4,100	
11025	Workers Compensation - Bank of America	354,932	N/A	N/A	open	None	354,932	
11026	General Liability - Bank of America	79,395	N/A	N/A	open	None	<u>79,395</u>	1,580,665
<b>Total Cash Deposited</b>								<u>\$ 219,347,312</u>

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**TREASURER'S MONTHLY REPORT**  
**CASH WITH FISCAL AGENT (BOND ISSUE RESERVE, DEBT SERVICE, AND RELATED FUNDS)**  
**December 31, 2019**

Acct	Description	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	Market Value as of December 31, 2019	Source
11029	2015 Refunding Lease Revenue Bonds First American Government Obligation	333	variable	AAA	open	0.01%	<u>333</u>		333	US Bank
11030	2015 Reassessment District No.2015-1 First American Government Obligation	275,209	variable	AAA	open	0.01%	<u>275,209</u>		275,209	US Bank
11032	Cash with Fiscal Agent - Conv 04/12	-	-	-	-	-	<u>0</u>		-	US Bank
11011	Cash with Fiscal Agent - Reserve 2019 Bond Issuance	2,499,000	-	-	-	-	<u>2,499,000</u>		2,499,000	US Bank
11097	Cash with Fiscal Agent - 2019 PFC Bond Issuance	24,222,819	-	-	-	-	<u>24,222,819</u>		24,222,819	US Bank
11037	2012 Downtown Revitalization Lease Revenue Bond Reserve Invesco Government & Agency Private	3,233,073	variable	AAA	open	0.01%	<u>3,233,073</u>		3,233,073	US Bank
11038	Chevron/CoGen Lease Proceeds Cash	715,377	N/A	N/A	demand	None	<u>715,377</u>		715,377	Deutsche Bank
11039	2012/2014 Convention Center First American Government Obligation	2,373	variable	AAA	open	0.01%	<u>2,373</u>		2,373	US Bank
11041	Cash with Fiscal Agent - 2014 Conv  2015 Local Measure A Sales Tax	16,145	-	-	-	-	<u>16,145</u>		16,145	-
11042	First American Government Obligation	630,955					630,955		630,955	
11043	First American Government Obligation	506,081	variable	AAA	open	0.01%	<u>506,081</u>		<u>506,081</u>	US Bank
							<u>1,137,036</u>		<u>1,137,036</u>	
11080	Funds With Century Golf	1,648,344	N/A	N/A	demand	None	<u>1,648,344</u>		1,648,344	Century Golf
11092	2007A&B Tax Allocation Bonds First American Government Obligation	757					757		757	
11093	First American Government Obligation	-	variable	AAA	open	0.01%	<u>0</u>		<u>-</u>	US Bank
							<u>757</u>		<u>757</u>	
11096	Cash with Fiscal Agent - 2017	1,090	-	-	-	-	<u>1,090</u>		1,090	US Bank
	<b>Total Cash with Fiscal Agent</b>	<u>33,751,556</u>						<u>33,751,556</u>	<u>33,751,556</u>	

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**TREASURER'S MONTHLY REPORT  
CALCULATION OF INVESTMENT LIMITATIONS  
December 31, 2019**

<u>By Maturity:</u>	<u>Minimum</u>	<u>Maximum</u>	<u>December 31, 2019</u>
1 day to 365 days	N/A	N/A	87.52%
1 year to 3 years	N/A	50.00%	12.13%
3 years to 5 years	N/A	30.00%	0.35%
Total:			100.00%

By Type of Investment:

Bank - Checking	N/A	100.00%	5.96%
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%	2.77%
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%	48.88%
Money Market Mutual Funds - More than 1 Year	N/A	25.00%	0.00%
LAIF	N/A	100.00%	28.29%
U.S. Government Agencies	N/A	60.00%	14.10%
U.S. Treasury Notes/Bonds	N/A	100.00%	0.00%
Total:			100.00%

**TREASURER'S MONTHLY REPORT  
CALCULATION OF WEIGHTED AVERAGE MATURITY  
December 31, 2019**

Description	Maturity/Called Date	Current Date	No. of Days	Days X Cost
<b>On Call Deposits</b>				
		12/31/2019		
Checking - Bank of America		12/31/2019	1	12,904,173
CalTrust ShortTerm		12/31/2019	1	105,762,573
Local Agency Invest Fund (LAIF)		12/31/2019	1	61,202,038
<b>Short Term Investments (1 year or less)</b>				
U.S. Gov't Agency Securities				
Federal National Mortgage Association	02/24/20	12/31/2019	55	27,500,000
Federal National Mortgage Association	02/24/20	12/31/2019	55	55,000,000
Federal National Mortgage Association	08/28/20	12/31/2019	241	482,000,000
Federal Home Loan Mortgage Corporation	09/28/20	12/31/2019	272	816,000,000
Federal National Mortgage Association	11/24/20	12/31/2019	360	180,000,000
<b>Medium Term Investments (1 year to 3 years)</b>				
U.S. Gov't Agency Securities				
Federal National Mortgage Association	02/16/21	12/31/2019	413	413,000,000
Federal Farm Credit Bank	02/17/21	12/31/2019	414	207,000,000
Federal Home Loan Mortgage Corporation	05/25/21	12/31/2019	511	511,000,000
Federal Farm Credit Bank	08/02/21	12/31/2019	580	580,000,000
Federal Home Loan Mortgage Corporation	08/25/21	12/31/2019	603	1,206,000,000
Federal National Mortgage Association	08/25/21	12/31/2019	603	603,000,000
Federal Home Loan Mortgage Corporation	09/30/21	12/31/2019	639	639,000,000
Federal Home Loan Bank	10/12/21	12/31/2019	651	651,000,000
Federal Home Loan Mortgage Corporation	10/27/21	12/31/2019	666	666,000,000

**TREASURER'S MONTHLY REPORT**  
**CALCULATION OF WEIGHTED AVERAGE MATURITY**  
**December 31, 2019**

Description	Maturity/Called Date	Current Date	No. of Days	Days X Cost
<b>Medium Term Investments (1 year to 3 years)</b>				
Federal Home Loan Mortgage Corporation	10/28/21	12/31/2019	667	667,000,000
Federal Home Loan Bank	11/08/21	12/31/2019	678	678,000,000
Federal Home Loan Mortgage Corporation	11/10/21	12/31/2019	680	680,000,000
Federal Home Loan Bank	11/15/21	12/31/2019	685	685,000,000
Federal Home Loan Bank	11/17/21	12/31/2019	687	687,000,000
Federal Home Loan Mortgage Corporation	11/22/21	12/31/2019	692	692,000,000
Federal Home Loan Bank	11/23/21	12/31/2019	693	693,000,000
Federal Home Loan Bank	11/26/21	12/31/2019	696	696,000,000
Federal Home Loan Mortgage Corporation	11/30/21	12/31/2019	700	700,000,000
Federal Farm Credit Bank	09/12/22	12/31/2019	986	2,958,000,000
Federal Home Loan Bank	10/26/22	12/31/2019	1,030	2,060,000,000
<b>Negotiable Certificates of Deposit (5 years or less)</b>				
MUFG Union Bank CD	07/24/20	12/31/2019	206	51,500,000
TCF National Bank CD	07/27/20	12/31/2019	209	52,250,000
Discover Bank CD	08/03/20	12/31/2019	216	54,000,000
BMW Bank NA CD	09/08/20	12/31/2019	252	63,000,000
TIAA FSB CD	09/14/20	12/31/2019	258	64,500,000
Key Bank NA CD	09/25/20	12/31/2019	269	67,250,000
First Bank of Highland CD	11/02/20	12/31/2019	307	76,750,000
Barclays Bank CD	11/09/20	12/31/2019	314	78,500,000
Investors Bank CD	12/28/20	12/31/2019	363	90,750,000
Carver Federal Savings Bank CD	12/29/20	12/31/2019	364	91,000,000
Citizens National Bank CD	01/19/21	12/31/2019	385	96,250,000
Marlin Business Bank CD	01/19/21	12/31/2019	385	96,250,000

**TREASURER'S MONTHLY REPORT**  
**CALCULATION OF WEIGHTED AVERAGE MATURITY**  
**December 31, 2019**

Description	Maturity/Called Date	Current Date	No. of Days	Days X Cost
<b>Negotiable Certificates of Deposit (5 years or less)</b>				
Capital One Bank, NA CD	08/02/21	12/31/2019	580	145,000,000
American Express FSB CD	09/13/21	12/31/2019	622	155,500,000
Third Federal Savings & Loan CD	09/15/21	12/31/2019	624	156,000,000
Patriot Bank CD	01/31/22	12/31/2019	762	190,500,000
Synchrony Bank CD	03/15/22	12/31/2019	805	201,250,000
Merrick Bank CD	03/21/22	12/31/2019	811	202,750,000
Goldman Sachs Bank CD	08/02/22	12/31/2019	945	236,250,000
American Express Centurion CD	08/22/22	12/31/2019	965	241,250,000
Capital One Bank USA, NA CD	08/23/22	12/31/2019	966	241,500,000
Citibank, NA CD	07/24/23	12/31/2019	1,301	325,250,000
Comenity Capital Bank CD	10/17/23	12/31/2019	1,386	346,500,000
UBS Bank USA CD	10/17/23	12/31/2019	1,386	346,500,000
<b>Total Investments at Cost</b>				<b>216,368,784</b>
<b>WAM in Days</b>				<b>102.06</b>