



City Council Staff Report

DATE: September 10, 2020 CONSENT CALENDAR

SUBJECT: TREASURER'S INVESTMENT REPORT AS
OF JUNE 30, 2020

FROM: Nancy Pauley, Director of Finance and Treasurer

BY: Department of Finance and Treasury

SUMMARY

Attached is the Treasurer's Investment Report as of June 30, 2020. 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 \$251,016,963. There is an additional \$30,064,247 held by fiscal agent for bond issue reserves, debt service, and related funds, and \$823,913 in other miscellaneous accounts.

RECOMMENDATION:

Receive and File Treasurer's Investment Report as of June 30, 2020.

STAFF ANALYSIS:

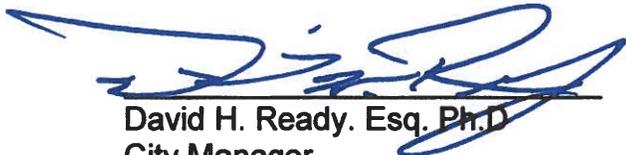
The attached report includes the face value and coupon rate (if applicable) of the investments and the source for the market value estimate. Also included is information on the investments of bond issue reserve, debt service and related funds.

The investments, in type, maturity and as a percentage of the total portfolio, are in compliance with the existing City Council approved investment policy.

The weighted average maturity (WAM) of the portfolio is 211 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.



David H. Ready, Esq. Ph.D.
City Manager



Nancy Pauley
Director of Finance/City Treasurer

Attachments: Treasurer's Investment Report

**CITY OF PALM SPRINGS
TREASURER'S MONTHLY REPORT
SUMMARY OF INVESTMENTS
June 30, 2020**

	<u>Adjusted Basis</u>	<u>Category Total</u>	<u>Percentage of Total</u>
On Call Deposits			
Checking Account - Bank of America	9,869,920		
Union Bank	-		
CalTrust Short Term	91,023,854		
LAIF State Pool	<u>73,894,690</u>	\$ 174,788,464	69.64%
Short Term Investments - Union Bank (1 year or less)			
U.S. Government Agencies	<u>6,500,000</u>	6,500,000	2.59%
Medium Term Investments - Union Bank (1 year to 3 years)			
U.S. Government Agencies	<u>60,512,967</u>	60,512,967	24.11%
Corporate Bonds/Obligations - Union Bank (5 years or less)			
Corporate Bonds	<u>3,198,093</u>	3,198,093	1.27%
Negotiable Certificates of Deposit - Union Bank (5 years or less)			
FDIC-Insured CD's	<u>6,000,000</u>	6,000,000	2.39%
Total Cash and Marketable Securities		<u>\$ 250,999,524</u>	<u>100.00%</u>
Adjustments from prior month		<u>17,438</u>	
May 31, 2020 Ending Cash Balance:		<u><u>\$ 251,016,963</u></u>	

**CITY OF PALM SPRINGS
TREASURER'S MONTHLY REPORT
PORTFOLIO STATISTICS
June 30, 2020**

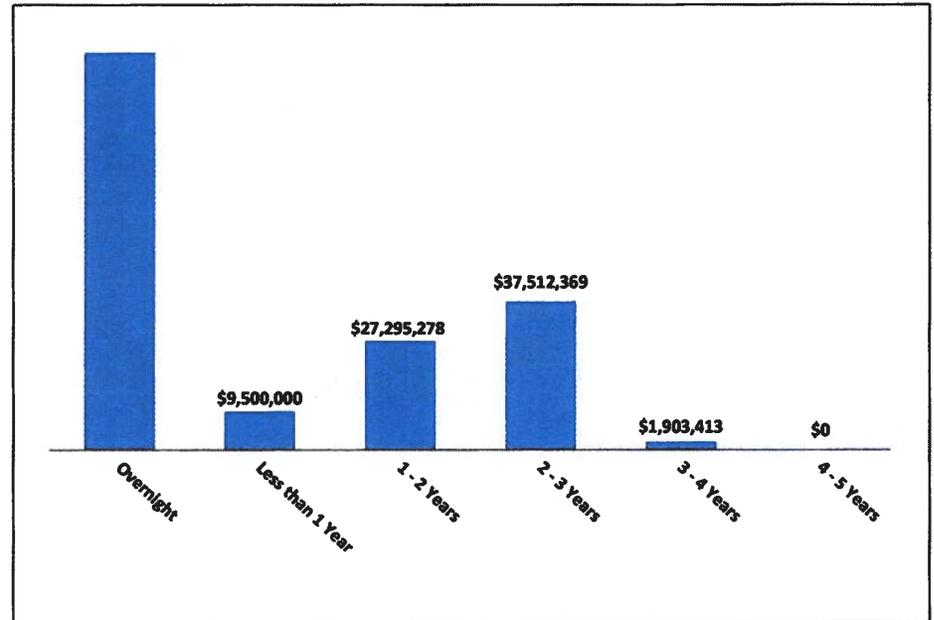
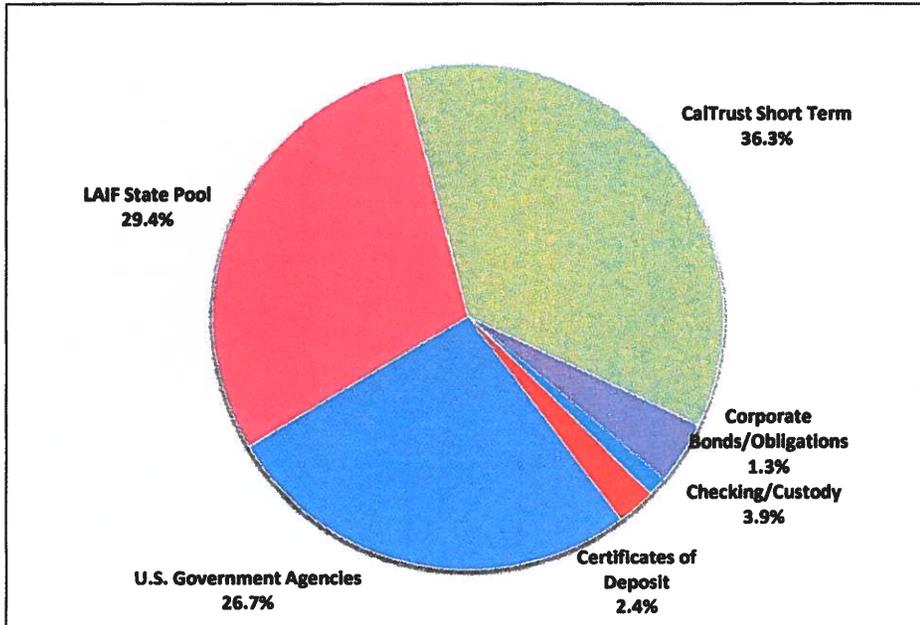
Portfolio Composition

Investment Type	Cost Basis
U.S. Government Agencies	67,012,967
LAIF State Pool	73,894,690
CalTrust Short Term	91,023,854
Checking/Custody	9,869,920
Corporate Bonds/Obligations	3,198,093
Certificates of Deposit	6,000,000
TOTAL	\$ 250,999,524

Portfolio Liquidity

Aging Interval*	Par Value
Overnight	174,788,464
Less than 1 Year	9,500,000
1 - 2 Years	27,295,278
2 - 3 Years	37,512,369
3 - 4 Years	1,903,413
4 - 5 Years	-

TOTAL \$ 250,999,524
*To maturity (does not include call date)



TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
 June 30, 2020

	Par Value	Coupon Rate	Moody's / S&P Rating	Purchase Date	Maturity/Called Date	Days to Maturity	Yield to Maturity	Cost Basis	Category Total	Market Value as of June 30, 2020	Market Value as of March 31, 2020
On Call Deposits											
Checking - Bank of America	9,869,920	N/A	N/A		Demand	1	None	9,869,920		9,869,920	9,605,606
Union Bank	-	variable	N/A		Demand	1	None	-		-	13,292,484
CalTrust ShortTerm	91,023,854	variable	N/A		Demand	1	1.64%	91,023,854		91,023,854	58,824,151
Local Agency Invest Fund (LAIF)	73,894,690	variable	N/A		Demand	1	1.79%	73,894,690		73,894,690	68,553,626
	<u>174,788,464</u>								174,788,464	174,788,464	150,275,667
Short Term Investments (1 year or less)											
US Agency Securities											
Federal National Mortgage Association	2,000,000	1.25%	Aaa / AA+	08/04/16	08/28/20	59	1.25%	2,000,000		2,003,520	2,006,880
Federal Home Loan Mortgage Corporation	3,000,000	1.70%	Aaa / AA+	09/18/17	09/28/20	90	1.70%	3,000,000		3,010,710	3,015,780
Federal National Mortgage Association	500,000	1.50%	Aaa / AA+	02/24/16	11/24/20	147	1.50%	500,000		502,600	504,410
Federal National Mortgage Association	1,000,000	1.75%	Aaa / AA+	08/16/17	02/16/21	231	1.75%	1,000,000		1,009,590	1,012,190
	<u>6,500,000</u>								6,500,000	6,526,420	6,539,260
Medium Term Investments (1 year to 3 years)											
US Agency Securities											
Federal National Mortgage Association	1,000,000	1.40%	Aaa / AA+	08/03/16	08/25/21	421	1.40%	1,000,000		1,013,110	1,011,120
Federal Home Loan Bank	1,000,000	1.05%	Aaa / AA+	10/11/16	11/15/21	503	1.05%	1,000,000		1,024,010	1,026,120
Federal Home Loan Bank	3,000,000	1.63%	Aaa / AA+	03/17/20	12/20/21	538	1.63%	3,046,440		3,060,780	3,063,720
Federal National Mortgage Association	3,000,000	2.00%	Aaa / AA+	03/17/20	01/05/22	554	2.00%	3,068,010		3,082,200	3,085,950
Federal National Mortgage Association	3,000,000	2.63%	Aaa / AA+	03/17/20	01/11/22	560	2.63%	3,106,080		3,111,120	3,116,070
Federal Home Loan Mortgage Corporation	3,000,000	2.38%	Aaa / AA+	03/17/20	01/13/22	562	2.38%	3,092,820		3,100,020	3,105,210
US Treasury Notes	3,050,000	1.75%	Aaa / AA+	03/24/20	05/31/22	700	1.75%	3,142,334		3,141,866	3,149,735
US Treasury Notes	3,050,000	1.75%	Aaa / AA+	03/24/20	06/15/22	715	1.75%	3,147,100		3,144,367	3,153,182
US Treasury Notes	3,050,000	1.75%	Aaa / AA+	03/24/20	06/30/22	730	1.75%	3,147,814		3,146,014	3,154,859
US Treasury Notes	3,050,000	1.75%	Aaa / AA+	03/24/20	07/15/22	745	1.75%	3,146,504		3,148,058	3,154,493
US Treasury Notes	3,050,000	1.50%	Aaa / AA+	03/24/20	08/15/22	776	1.50%	3,132,922		3,136,254	3,141,378
US Treasury Notes	3,050,000	1.63%	Aaa / AA+	03/24/20	08/15/22	776	1.63%	3,141,619		3,144,123	3,149,125
Federal National Mortgage Association	3,000,000	1.38%	Aaa / AA+	03/20/20	09/06/22	798	1.38%	3,054,180		3,074,520	3,072,300
Federal National Mortgage Association	3,000,000	2.00%	Aaa / AA+	03/20/20	10/05/22	827	2.00%	3,092,160		3,114,930	3,108,360
Federal Home Loan Bank	2,000,000	3.20%	Aaa / AA+	04/26/20	10/26/22	848	3.20%	2,000,000		2,017,780	2,030,100
US Treasury Notes	3,175,000	1.50%	Aaa / AA+	03/24/20	01/15/23	929	1.50%	3,271,366		3,281,426	3,283,649
Federal National Mortgage Association	3,000,000	2.38%	Aaa / AA+	03/20/20	01/19/23	933	2.38%	3,134,100		3,169,290	3,161,700
Federal Home Loan Bank	3,000,000	1.38%	Aaa / AA+	03/20/20	02/17/23	962	1.38%	3,052,314		3,088,260	3,080,580
US Treasury Notes	3,175,000	1.50%	Aaa / AA+	03/24/20	02/28/23	973	1.50%	3,275,459		3,286,855	3,288,125
US Treasury Notes	3,175,000	0.50%	Aaa / AA+	03/24/20	03/15/23	988	0.50%	3,184,302		3,202,654	3,195,098
US Treasury Notes	3,175,000	1.50%	Aaa / AA+	03/24/20	03/31/23	1,004	1.50%	3,277,443		3,290,475	3,290,094
	<u>59,000,000</u>								60,512,987	60,778,112	60,820,968
Corporate Bonds/Obligations (5 years or less)											
Apple Incorporated	2,000,000	2.15%	FDIC	04/09/20	02/09/22	589	2.10%	2,044,680		2,057,740	-
Microsoft Corporation	1,114,000	2.00%	FDIC	04/13/20	08/08/23	1,134	1.92%	1,153,413		1,165,979	-
	<u>3,114,000</u>								3,198,093	3,223,719	-
Negotiable Certificates of Deposit (5 years or less)											
MUFG Union Bank CD	250,000	2.60%	FDIC	07/24/18	07/24/20	24	2.60%	250,000		250,415	251,260
TCF National Bank CD	250,000	2.60%	FDIC	07/25/18	07/27/20	27	2.60%	250,000		250,465	251,293
Discover Bank CD	250,000	1.90%	FDIC	08/03/17	08/03/20	34	1.90%	250,000		250,423	250,760
BMW Bank NA CD	250,000	1.90%	FDIC	09/08/17	09/08/20	70	1.90%	250,000		250,870	250,958
TIAA FSB CD	250,000	1.90%	FDIC	09/18/17	09/14/20	76	1.90%	250,000		250,943	250,990

TREASURER'S MONTHLY REPORT
DETAIL OF INVESTMENTS
June 30, 2020

	<u>Par Value</u>	<u>Coupon Rate</u>	<u>Moody's / S&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 June 30, 2020</u>	<u>Market Value as of March 31, 2020</u>
Key Bank NA CD	250,000	1.85%	FDIC	09/27/17	09/25/20	87	1.85%	250,000		251,045	250,985
First Bank of Highland CD	250,000	1.90%	FDIC	10/23/17	11/02/20	125	1.90%	250,000		251,540	251,215
Barclays Bank CD	250,000	2.00%	FDIC	11/03/17	11/09/20	132	2.00%	250,000		251,720	251,400
Investors Bank CD	250,000	2.10%	FDIC	12/27/17	12/28/20	181	2.10%	250,000		252,480	251,850
Carver Federal Savings Bank CD	250,000	2.15%	FDIC	12/29/17	12/29/20	182	2.15%	250,000		252,558	251,948
Citizens National Bank CD	250,000	2.15%	FDIC	01/17/18	01/19/21	203	2.15%	250,000		252,793	252,025
Marlin Business Bank CD	250,000	2.20%	FDIC	01/18/18	01/19/21	203	2.20%	250,000		252,863	252,125
Capital One Bank, NA CD	250,000	2.05%	FDIC	08/02/17	08/02/21	398	2.05%	250,000		255,135	252,543
American Express FSB CD	250,000	2.20%	FDIC	09/12/17	09/13/21	440	2.20%	250,000		256,023	253,013
Third Federal Savings & Loan CD	250,000	2.00%	FDIC	09/15/17	09/15/21	442	2.00%	250,000		255,538	252,548
Patriot Bank CD	250,000	2.95%	FDIC	07/30/18	01/31/22	580	2.95%	250,000		260,913	257,313
Synchrony Bank CD	250,000	2.70%	FDIC	03/11/19	03/15/22	623	2.70%	250,000		260,695	256,550
Merrick Bank CD	250,000	2.65%	FDIC	03/11/19	03/21/22	629	2.65%	250,000		260,550	256,345
Goldman Sachs Bank CD	250,000	2.30%	FDIC	08/02/17	08/02/22	763	2.30%	250,000		260,823	255,263
American Express Centurion CD	250,000	2.35%	FDIC	08/22/17	08/22/22	783	2.35%	250,000		260,520	254,755
Capital One Bank USA, NA CD	250,000	2.35%	FDIC	08/23/17	08/23/22	784	2.35%	250,000		261,358	255,653
Citibank, NA CD	250,000	3.30%	FDIC	07/24/18	07/24/23	1,119	3.30%	250,000		272,600	264,800
Comenity Capital Bank CD	250,000	3.35%	FDIC	10/17/18	10/17/23	1,204	3.35%	250,000		274,450	266,170
UBS Bank USA CD	250,000	3.35%	FDIC	10/17/18	10/17/23	1,204	3.35%	250,000		274,450	266,170
	<u>6,000,000</u>							<u>6,000,000</u>		<u>6,171,165</u>	<u>6,107,932</u>
Total Invested Cash	\$ 249,402,464							\$ 250,999,524		\$ 251,487,880	\$ 223,744,027

Monthly Portfolio Yield: 1.65%

Benchmark Yields:

12 Month LAIF Average: 2.19%

**TREASURER'S MONTHLY REPORT
MISCELLANEOUS AND TRUST ACCOUNTS
June 30, 2020**

<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>
Total Cash								
11010	Cash and Marketable Securities Adjustments from Prior Month	\$ 250,999,524					250,999,524 <u>17,438</u>	251,016,963
Miscellaneous Accounts								
11016	1930's General Store Museum - Bank of America	9,846	N/A	N/A	open	None	9,846	
11017	Downpayment Assistance (Housing Fund) - Bank of America	34,216	0.002	N/A	open	0.20%	34,216	
11018	Save the Plaza - Bank of America	303,473	N/A	N/A	open	None	303,473	
11019	Airport Parking - Bank of America	79,424	N/A	N/A	open	None	79,424	
11020	Petty Cash - Various	4,100	N/A	N/A	open	None	4,100	
11025	Workers Compensation - Bank of America	296,203	N/A	N/A	open	None	296,203	
11026	General Liability - Bank of America	96,652	N/A	N/A	open	None	<u>96,652</u>	823,913
Total Cash Deposited							\$ <u>251,840,876</u>	

TREASURER'S MONTHLY REPORT
CASH WITH FISCAL AGENT (BOND ISSUE RESERVE, DEBT SERVICE, AND RELATED FUNDS)
 June 30, 2020

Acct	Description	Par Value	Coupon Rate	Rating	Maturity	Yield to Maturity	Adjusted Cost Basis	Category Total	Market Value as of June 30, 2020	Source	Market Value as of March 31, 2020
11029	2015 Refunding Lease Revenue Bonds First American Government Obligation	0	variable	AAA	open	0.01%	0		0	US Bank	334
11030	2015 Reassessment District No.2015-1 First American Government Obligation	272,988	variable	AAA	open	0.01%	272,988		272,988	US Bank	272,846
11011	Cash with Fiscal Agent - Reserve 2019 Bond Issuance	2,513,881					2,513,881		2,513,881	US Bank	2,511,368
11097	Cash with Fiscal Agent - 2019 PFC Bond Issuance	19,464,837					19,464,837		19,464,837	US Bank	26,099,159
11037	2012 Downtown Revitalization Lease Revenue Bond Reserve Invesco Government & Agency Private	3,247,375	variable	AAA	open	0.01%	3,247,375		3,247,375	US Bank	3,244,965
11038	Chevron/CoGen Lease Proceeds Cash	-	N/A	N/A	demand	None	0		-	Deutsche Bank	715,377
11039	2012/2014 Convention Center First American Government Obligation	4	variable	AAA	open	0.01%	4		4	US Bank	2,380
11041	Cash with Fiscal Agent - 2014 Conv	-					0		-	-	(232,555)
	2015 Local Measure A Sales Tax										
11042	First American Government Obligation	627,355					627,355		627,355		632,847
11043	First American Government Obligation	8,663	variable	AAA	open	0.01%	8,663		8,663	US Bank	8,659
							636,018		636,018		641,506
11080	Funds With Century Golf	1,527,797	N/A	N/A	demand	None	1,527,797		1,527,797	Century Golf	2,178,922
11090	Cash with Fiscal Agent - Refinance	2,272,877					2,272,877		2,272,877	US Bank	1,616,868
	2007A&B Tax Allocation Bonds										
11092	First American Government Obligation	128,468					128,468		128,468		128,401
11096	Cash with Fiscal Agent - 2017	1					1		1	US Bank	887,494
	Total Cash with Fiscal Agent	30,064,247					30,064,247	30,064,247	30,064,247		38,607,996

**TREASURER'S MONTHLY REPORT
CALCULATION OF INVESTMENT LIMITATIONS
June 30, 2020**

<u>By Maturity:</u>	<u>Minimum</u>	<u>Maximum</u>	<u>June 30, 2020</u>
1 day to 365 days	N/A	N/A	73.89%
1 year to 3 years	N/A	50.00%	25.36%
3 years to 5 years	N/A	30.00%	0.75%
Total:			100.00%

By Type of Investment:

Bank - Checking/Custody	N/A	100.00%	3.96%
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%	2.41%
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%	36.50%
Money Market Mutual Funds - More than 1 Year	N/A	25.00%	0.00%
LAIF	N/A	100.00%	29.63%
U.S. Government Agencies	N/A	60.00%	26.26%
U.S. Treasury Notes/Bonds	N/A	100.00%	0.00%
Total:			98.75%

TREASURER'S MONTHLY REPORT
CALCULATION OF WEIGHTED AVERAGE MATURITY
June 30, 2020

Description	Maturity/Called Date	Current Date	No. of Days	Days X Cost
On Call Deposits				
Checking - Bank of America		06/30/20	1	9,869,920
Union Bank		06/30/20	1	-
CalTrust ShortTerm		06/30/20	1	91,023,854
Local Agency Invest Fund (LAIF)		06/30/20	1	73,894,690
Short Term Investments (1 year or less)				
US Agency Securities				
Federal National Mortgage Association	08/28/20	06/30/20	59	118,000,000
Federal Home Loan Mortgage Corporation	09/28/20	06/30/20	90	270,000,000
Federal National Mortgage Association	11/24/20	06/30/20	147	73,500,000
Federal National Mortgage Association	02/16/21	06/30/20	353	353,000,000
Medium Term Investments (1 year to 3 years)				
US Agency Securities				
Federal National Mortgage Association	08/25/21	06/30/20	421	421,000,000
Federal Home Loan Bank	11/15/21	06/30/20	503	503,000,000
Federal Home Loan Bank	12/20/21	06/30/20	538	1,638,984,720
Federal National Mortgage Association	01/05/22	06/30/20	554	1,699,677,540
Federal National Mortgage Association	01/11/22	06/30/20	560	1,739,404,800
Federal Home Loan Mortgage Corporation	01/13/22	06/30/20	562	1,738,164,840
US Treasury Notes	05/31/22	06/30/20	700	2,199,633,793
US Treasury Notes	06/15/22	06/30/20	715	2,250,176,228
US Treasury Notes	06/30/22	06/30/20	730	2,297,904,549
US Treasury Notes	07/15/22	06/30/20	745	2,344,145,420
US Treasury Notes	08/15/22	06/30/20	776	2,431,147,379
US Treasury Notes	08/15/22	06/30/20	776	2,437,896,445
Federal National Mortgage Association	09/06/22	06/30/20	798	2,437,235,640
Federal National Mortgage Association	10/05/22	06/30/20	827	2,557,216,320
Federal Home Loan Bank	10/26/22	06/30/20	848	1,696,000,000
Federal National Mortgage Association	01/19/23	06/30/20	933	2,924,115,300
US Treasury Notes	01/15/23	06/30/20	929	3,039,099,200
Federal Home Loan Bank	02/17/23	06/30/20	962	2,936,326,068
US Treasury Notes	02/28/23	06/30/20	973	3,187,021,607
US Treasury Notes	03/15/23	06/30/20	986	3,146,090,149
US Treasury Notes	03/31/23	06/30/20	1,004	3,290,553,154

TREASURER'S MONTHLY REPORT
CALCULATION OF WEIGHTED AVERAGE MATURITY
 June 30, 2020

Description	Maturity/Called Date	Current Date	No. of Days	Days X Cost
Corporate Bonds/Obligations (5 years or less)				
Apple Incorporated	02/09/22	06/30/20	589	1,204,316,520
Microsoft Corporation	08/08/23	06/30/20	1,134	1,307,970,342
Negotiable Certificates of Deposit (5 years or less)				
MUFG Union Bank CD	07/24/20	06/30/20	24	6,000,000
TCF National Bank CD	07/27/20	06/30/20	27	6,750,000
Discover Bank CD	08/03/20	06/30/20	34	8,500,000
BMW Bank NA CD	09/08/20	06/30/20	70	17,500,000
TIAA FSB CD	09/14/20	06/30/20	76	19,000,000
Key Bank NA CD	09/25/20	06/30/20	87	21,750,000
First Bank of Highland CD	11/02/20	06/30/20	125	31,250,000
Barclays Bank CD	11/09/20	06/30/20	132	33,000,000
Investors Bank CD	12/28/20	06/30/20	181	45,250,000
Carver Federal Savings Bank CD	12/29/20	06/30/20	182	45,500,000
Citizens National Bank CD	01/19/21	06/30/20	203	50,750,000
Marlin Business Bank CD	01/19/21	06/30/20	203	50,750,000
Capital One Bank, NA CD	08/02/21	06/30/20	398	99,500,000
American Express FSB CD	09/13/21	06/30/20	440	110,000,000
Third Federal Savings & Loan CD	09/15/21	06/30/20	442	110,500,000
Patriot Bank CD	01/31/22	06/30/20	580	145,000,000
Synchrony Bank CD	03/15/22	06/30/20	623	155,750,000
Merrick Bank CD	03/21/22	06/30/20	629	157,250,000
Goldman Sachs Bank CD	08/02/22	06/30/20	763	190,750,000
American Express Centurion CD	08/22/22	06/30/20	783	195,750,000
Capital One Bank USA, NA CD	08/23/22	06/30/20	784	196,000,000
Citibank, NA CD	07/24/23	06/30/20	1,119	279,750,000
Comenity Capital Bank CD	10/17/23	06/30/20	1,204	301,000,000
UBS Bank USA CD	10/17/23	06/30/20	1,204	301,000,000
Total Investments at Cost				250,999,524
WAM in Days				211