

CITY COUNCIL AGENDA

Date: June 11, 2013

TO: City Council

FROM: June Overholt, Administrative Services Director/Deputy City Manager

SUBJECT: Report of Investments for April 2013

RECOMMENDATION: The City Council receive and file the monthly *Report of Investments*.

JUSTIFICATION: State law requires that a monthly report of investments be submitted to the Governing Legislative Body.

BACKGROUND: This report includes investments on hand at the end of April 2013. As of April 30, 2013, the City's operating funds totaled \$68,208,569. Included in Successor Agency operating funds is \$761,495 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Summary Schedule.

As of April 30, 2013 approximately 45% of the City's unrestricted cash balances were invested in investments other than LAIF.

The April Investment Report includes the following documents:

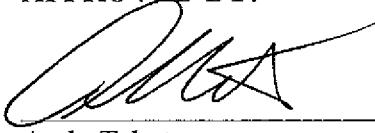
- Summary Schedule of Cash and Investments
- Operational Portfolio Individual Investments
- Individual Investments with Fiscal Agent
- Investment Report Supplemental Information – updated

FISCAL DATA: The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) decreased to 0.264% in April. The average rate for all investments in April was 0.271%.

RECOMMENDED BY:


June Overholt
Administrative Services Director/
Deputy City Manager

APPROVED BY:


Andy Takata
City Manager

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Summary Schedule of Cash and Investments

Operating Funds	Amount
<i>Petty Cash</i>	<u>2,805</u>

<i>Bank Accounts</i>	Interest	
	Rate	Amount
Wells Fargo Bank	0.000%	4,083,255
Bank of America-Airport	0.300%	5,601
Bank of America-Parking Citations	0.300%	3,014
Bank of America-CNG Station	0.300%	<u>3,607</u>

Money Market and Bank Account Sub-Total 4,095,477

Government Pools

Account #1 Operating Amount	36,404,287	
Account #1 CRA Bond Cash Bal.	761,495	
Local Agency Investment Fund: Account #1	0.264%	<u>37,165,782</u>
Account #2 Successor Agency Cash Bal	0	
Local Agency Investment Fund: Account #2	0.264%	<u>0</u>
		<i>Government Pool Sub-Total</i> <u>37,165,782</u>

Operating Cash Balance 41,264,064

Restricted Operating Funds at Riverside Public Utilities

Highmark U.S. Government Money Market Fund 0.000% 1,251,283

Other Investments

Investments-US Bank/Piper Jaffray - See Page 2 0.325% 25,693,222

Operating Funds Total **68,208,569**

Fiscal Agent

	Amount
US Bank	<u>36,659,391</u>

Fiscal Agent Total **36,659,391**

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City of Banning Investment Report

April 30, 2013

Operational Portfolio Individual Investments

Government Pools

37,165,782 L.A.I.F. account #1
0 L.A.I.F. account #2

Investments-TIS Bank/Pimec (effett.)

US Bank/Piper Jaffray Average Rate = 0.325% 25,693,222

Average Rate All = 0.271%

It has been verified that this investment portfolio is in conformity with the City of Banning's investment policy which was approved by the City Council on August 28, 2012. The Treasurer's cash management program provides sufficient liquidity to meet estimated future expenditures for a period of six months. The weighted average maturity of the pooled investment portfolio is 196 days and does not include Bond Reserve Fund Investments.

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City of Banning Investment Report

April 30, 2013

Individual Investments with Fiscal Agent

TRUSTEE		Bond	Maturity	Current Yield	Bond Reserve	Minimum Reserve	Interest Requirement	4/30/2013 Market Value
Bond Issue Description			Investment Description					
COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A								
2005 Fair Oaks Ranch Estates		2035	US Bank Mmkt 5-Ct	0.040%	daily	188,943	7.61	218,038
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003								
2003 CRA Tax Allocation Bonds		2028	US Treasury Bill	4.61%	7/28/2011	971,763		990,772
			US Bank Mmkt 5-Ct	0.040%	daily			557
			US Bank Mmkt 5-Ct	0.000%	daily			7
Surplus Fund			US Bank Mmkt 5-Ct	0.000%	daily			8
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007								
Redevelop Fund		2037	US Bank Mmkt 5-Ct	0.040%	daily	282.93		8,328,557
Reserve Fund			US Bank Mmkt 5-Ct	0.040%	daily	1,880,751	63.71	1,875,349
Special Fund			US Bank Mmkt 5-Ct	0.050%	daily			19
Surplus Fund			US Bank Mmkt 5-Ct	0.000%	daily			9
BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES								
Interest Account			US Bank Mmkt 5-Ct	0.040%	daily			196,519
Principal Account			US Bank Mmkt 5-Ct	0.000%	daily			5
			US Bank Mmkt 5-Ct	0.040%	daily			111,91
BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES								
Interest Account			US Bank Mmkt 5-Ct	0.040%	daily			1,152,811
Principal Account			US Bank Mmkt 5-Ct	0.040%	daily			25
Reserve Fund			US Bank Mmkt 5-Ct	0.040%	daily	2,310,710	78.52	2,311,274
Project Fund			US Bank Mmkt 5-Ct	0.040%	daily		54.40	1,601,413
BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES								
Acquisition & Construction			US Bank Mmkt 5-Ct	0.050%	daily			19
			US Bank Mmkt 5-Ct	0.040%	daily	2,672,050	90.79	2,672,582
			US Bank Mmkt 5-Ct	0.040%	daily		476.18	14,017,208
Total							1,166.05	36,659,391

*Paid Semi-Annually-Deposited into Money Mkt Account

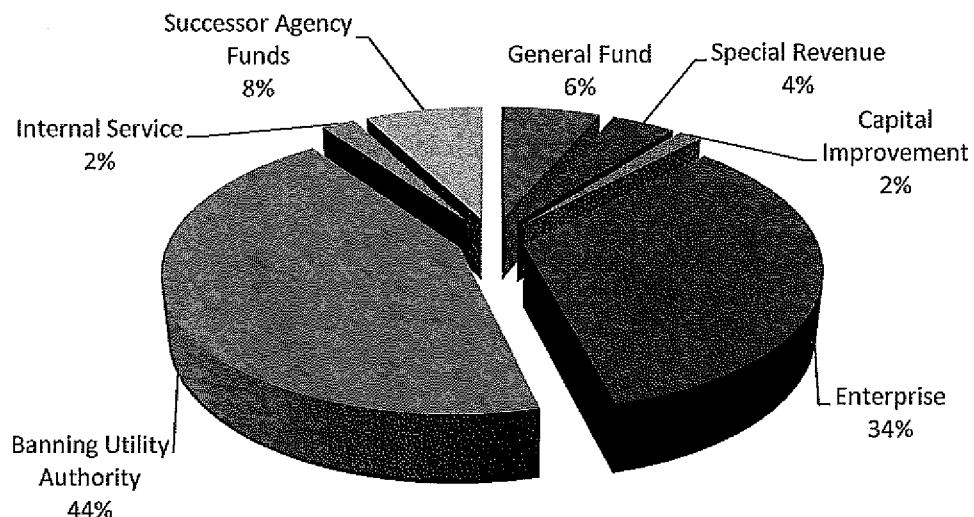
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City of Banning

Investment Report Supplemental Information

Pooled Cash Distribution

Investment reports for cities typically do not include the cash balance of the individual funds that make up the total pooled cash. This is primarily due to timing differences between when investment reports are prepared and when month end accounting entries are posted. Investment reports are usually prepared first. However, the pie chart below provides an understanding of the percentage distribution of the investments by fund type. The percentages were calculated using the average cash balances from the nine month period of July to March 2013. *(The percentages will be updated quarterly.)*



The Table below describes the funds that are included within the Fund Types used for the pie chart.

Fund Type	Description of funds
Governmental	General Fund
Special Revenue	Restricted Funds (i.e. CFDs, grants)
Capital Improvement	Development Impact Fee funds
Enterprise	Airport, Transit, Refuse, Electric
Banning Utility Authority	Water, Wastewater, Reclaimed water
Internal Service	Risk Management, Fleet, IT, Utility Services
Successor Agency Funds	Previously called Redevelopment Agency

Summary Schedule – Line item descriptions

Petty Cash –

The City maintains petty cash in various departments for incidental purchases. This line item includes the cash drawers for cashiering in utility billing.

Bank Accounts –

- Wells Fargo Bank – This is the City checking account. All cash receipts, payroll and accounts payables checks are processed through this account. Balances fluctuate based on activity and cash flow needs. As excess funds accumulate, they are transferred to LAIF to increase earnings.
- Bank of America – Airport – The City maintains a Trust account for credit card purchases made at the airport. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – Parking Citations – The City maintains a Trust account for the processing of parking citations through Turbo Data. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – CNG – The City maintains a Trust account for credit card purchases of CNG fuel made at the City yards. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.

Government Pools –

- Local Agency Investment Fund – Account #1
 - This account includes both City pooled funds and a restricted cash balance related to the CRA bonds. Investments in LAIF are limited to \$50M.
- Local Agency Investment Fund – Account #2
 - There is currently no balance in this account.
 - Note: When the State established the cutoff date of January 31, 2012 for the elimination of the Redevelopment Agency, LAIF staff recommended a transfer of the available balance from the CRA account to the City account to protect the funds from a rumored State raid or freezing of the funds.

Restricted Operating Funds at Riverside Public Utilities –

The City Electric operation has an agreement with Riverside Public Utilities (RPU) to purchase power for the City. Part of the agreement requires that the City maintain a balance in the trust account used by RPU. The City does not control the investments or earnings of the trust account.

Other Investments –

Currently the City works with a Piper Jaffray broker to make various investments per the City policy and in accordance with State guidelines. The Broker is not on retainer, nor do they receive a City paid fee with each investment. Funds in the Money Market fluctuate as securities mature or get called. Staff is in the process of investing the Money Market funds over several months. We will be adding an additional broker to provide more investment options.

Fiscal Agent / US Bank –