

**CITY COUNCIL AGENDA**

**Date:** October 9, 2012  
**TO:** City Council  
**FROM:** June Overholt, Administrative Services Director/Deputy City Manager  
**SUBJECT:** Report of Investments for August 2012

**RECOMMENDATION:** "The City Council receive and place these required monthly *Reports of Investments* on file."

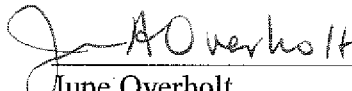
**JUSTIFICATION:** State law requires that a monthly report of investments be submitted to the Chief Executive Officer and the Legislative Body.

**BACKGROUND:** This report includes investments on hand at the end of August 2012. As of August 31, 2012, the City's operating funds totaled \$63,491,101. Included in operating funds is \$1,093,312 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Treasurer's Report. As of August 31, 2012 approximately 46% of the City's unrestricted cash balances were invested in investments other than LAIF.

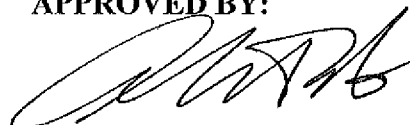
Presented are three months of Investment Reports. August is a first issue, while June and July are included to provide multiple months of statements for comparison.

**FISCAL DATA:** The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) increased to 0.377% in August. The average rate for all investments in August was 0.325%.

**RECOMMENDED BY:**

  
\_\_\_\_\_  
June Overholt  
Administrative Services Director/  
Deputy City Manager

**APPROVED BY:**

  
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Andy Takata  
City Manager

**Summary Schedule of Cash and Investments**

**Operating Funds**

Petty Cash

Amount  
2,805

Bank Accounts

	Interest	
	Rate	Amount
Wells Fargo Bank	0.000%	11,189
Wells Fargo Bank-Investment Account	0.100%	2,910,993
Bank of America-Airport	0.300%	3,984
Bank of America-Parking Citations	0.300%	3,435
Bank of America-CNG Station	0.300%	<u>3,424</u>

*Money Market and Bank Account Sub-Total* 2,933,025

Government Pools

Account #1 Operating Amount	33,498,604	
Account #1 CRA Bond Cash Bal.	783,220	
Local Agency Investment Fund: Account #1	0.377%	34,281,824
Account #2 Successor Agency Cash Bal	348	
Local Agency Investment Fund: Account #2	0.377%	<u>348</u>

*Government Pool Sub-Total* 34,282,172

**Operating Cash Balance** 37,218,002

Restricted Operating Funds at Riverside Public Utilities

Highmark U.S. Government Money Market Fund	0.000%	608,649
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Other Investments

Investments-US Bank/Piper Jaffray - See Page 2	0.281%	25,664,450
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*Operating Funds Total* 63,491,101

**Fiscal Agent**

US Bank

Amount  
40,213,227

*Fiscal Agent Total* 40,213,227

City of Banning Investment Report

August 31, 2012

Operational Portfolio Individual Investments

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Purchase Date	Discount or (Premium) Amortization	Market Value
<u>Bank Accounts</u>								
11,189	Wells Fargo Bank-Operating	n/a	0.00%	daily	varies	11,189	n/a	11,189
2,910,993	Wells Fargo Bank-Investment Acct	n/a	0.10%	daily	varies	2,910,993	n/a	2,910,993
3,984	Bank of America-Airport	n/a	0.30%	daily	varies	3,984	n/a	3,984
3,435	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,435	n/a	3,435
3,424	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,424	n/a	3,424
Sub-total								
2,933,025								
<u>Government Pools</u>								
34,281,824	L.A.I.F. account #1	n/a	0.377%	daily	varies	34,281,824	n/a	34,281,824
348	L.A.I.F. account #2	n/a	0.377%	daily	varies	348	n/a	348
34,282,172								
<u>Investments-US Bank/Piper Jaffray</u>								
5,000,000	FHLMC MTN	n/a	0.450%	9/6/2013	12/2/2011	5,000,000		5,000,000
3,000,000	FNMA Deb	n/a	0.600%	5/29/2015	5/16/2012	3,000,000		3,005,010
3,000,000	Federal Farm Credits Bks	n/a	0.600%	5/22/2015	5/16/2012	3,000,000		3,006,990
2,000,000	FNMA MTN	n/a	0.550%	12/4/2014	6/27/2012	2,000,000		2,002,780
12,649,670	Money Market	n/a	0.020%	daily	varies	12,649,670	0	12,649,670
US Bank/Piper Jaffray Average Rate= 0.281%								
25,664,450								

Average Rate All= 0.325%

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 23, 2011. 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 1.54 days and does not include Bond Reserve Fund Investments.

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City of Banning Investment Report

August 31, 2012

Individual Investments with Fiscal Agent

Bond Issue Description	Bond Maturity Date	Investment Description	Current Yield	Bond Reserve Maturity Date	Minimum Reserve Requirement	Interest Aug-12	Market Value 8/31/2012
<b>COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A</b>							
2005 Fair Oaks Ranch Estates	2035	US Bank Mmkt 4-Ct	0.040%	daily	188,943	7.39	311,115
<b>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003</b>							
2003 CRA Tax Allocation Bonds	2028	U S Treasury Bill	4.61%	7/28/2011	971,763	1.76	984,813
		US Bank Mmkt 4-Ct	0.040%	daily		21.70	20,705
		US Bank Mmkt 4-Ct	0.050%	daily			22
		US Bank Mmkt 4-Ct	0.000%	daily			8
Surplus Fund							
<b>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007</b>							
Redevelop Fund	2037	US Bank Mmkt 4-Ct	0.040%	daily		282.08	8,326,343
Reserve Fund		US Bank Mmkt 4-Ct	0.040%	daily	1,880,751	63.54	1,875,255
Special Fund		US Bank Mmkt 4-Ct	0.030%	daily		37.08	37
Surplus Fund		US Bank Mmkt 4-Ct	0.000%	daily			9
<b>BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</b>							
Interest Account		US Bank Mmkt 4-Ct	0.000%	daily			9
Principal Account		US Bank Mmkt 4-Ct	0.040%	daily		2.37	70,007
		US Bank Mmkt 4-Ct	0.040%	daily		124.99	3,689,418
<b>BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</b>							
Interest Account		US Bank Mmkt 4-Ct	0.050%	daily		0.00	19
Principal Account		US Bank Mmkt 4-Ct	0.040%	daily		12.54	370,037
Reserve Fund		US Bank Mmkt 4-Ct	0.040%	daily	2,310,710	78.30	2,311,124
Project Fund		US Bank Mmkt 4-Ct	0.040%	daily		142.25	4,198,808
<b>BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES</b>							
Interest Account		US Bank Mmkt 4-Ct	0.040%	daily		25.20	25
Principal Account		US Bank Mmkt 4-Ct	0.040%	daily	2,672,050	90.54	2,672,426
Reserve Fund		US Bank Mmkt 4-Ct	0.400%	daily		521.17	15,383,046
Acquisition & Construction							
<b>Total</b>							<b>40,213,227</b>

\*Paid Semi-Annually-Deposited into Money Mkt Account

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**Summary Schedule of Cash and Investments**

**Operating Funds**

Petty Cash

Amount  
2,805

Bank Accounts

	Interest Rate	Amount
Wells Fargo Bank	0.000%	7,992
Wells Fargo Bank-Investment Account	0.100%	4,493,897
Bank of America-Airport	0.300%	3,040
Bank of America-Parking Citations	0.300%	3,010
Bank of America-CNG Station	0.300%	<u>3,705</u>

*Money Market and Bank Account Sub-Total* 4,511,644

Government Pools

Account #1 Operating Amount	33,881,721	
Account #1 CRA Bond Cash Bal.	1,167,838	
Local Agency Investment Fund: Account #1	0.358%	35,049,559
Account #2 Successor Agency Cash Bal	347	
Local Agency Investment Fund: Account #2	0.358%	<u>347</u>

*Government Pool Sub-Total* 35,049,907

**Operating Cash Balance** 39,564,356

Restricted Operating Funds at Riverside Public Utilities

Highmark U.S. Government Money Market Fund	0.000%	1,058,458
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Other Investments

Investments-US Bank/Piper Jaffray - See Page 2	0.307%	25,639,334
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*Operating Funds Total* 66,262,148

**Fiscal Agent**

US Bank

Amount  
40,106,431

*Fiscal Agent Total* 40,106,431

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# City of Banning Investment Report

June 30, 2012

## Operational Portfolio Individual Investments

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Purchase Date	Discount or (Premium) Amortization	Market Value
<u>Bank Accounts</u>								
7,992	Wells Fargo Bank-Operating	n/a	0.00%	daily	varies	7,992	n/a	7,992
4,493,897	Wells Fargo Bank-Investment Acct	n/a	0.10%	daily	varies	4,493,897	n/a	4,493,897
3,040	Bank of America-Airport	n/a	0.30%	daily	varies	3,040	n/a	3,040
3,010	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,010	n/a	3,010
3,705	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,705	n/a	3,705
Sub-total								
<u>Government Pools</u>								
35,049,559	L.A.I.F. account #1	n/a	0.358%	daily	varies	35,049,559	n/a	35,049,559
347	L.A.I.F. account #2	n/a	0.358%	daily	varies	347	n/a	347
35,049,907								
<u>Investments-US Bank/Piper Jaffray</u>								
5,000,000	FHLMC MTN	n/a	0.450%	9/6/2013	12/2/2011	5,000,000		5,001,500
3,000,000	FNMA Deb	n/a	0.600%	5/29/2015	5/16/2012	3,000,000		2,988,380
3,000,000	Federal Farm Credits Bks	n/a	0.600%	5/29/2015	5/16/2012	3,000,000		3,002,550
2,000,000	Federal Home Loan Bks	n/a	0.350%	5/22/2015	5/16/2012	2,000,000		1,999,700
2,000,000	FNMA MTN	n/a	0.550%	12/4/2014	6/27/2012	2,000,000		1,999,560
10,647,644	Money Market	n/a	0.020%	daily	varies	10,647,644	0	10,647,644
US Bank/Piper Jaffray Average Rate= 0.307%								
25,639,334								

Average Rate All= 0.320%

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 23, 2011. 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 193 days and does not include Bond Reserve Fund Investments.

City of Banning Investment Report

Jun 30, 2012

Individual Investments with Fiscal Agent

Bond Issue Description	Bond Maturity Date	Investment Description	Current Yield	Bond Reserve	Bond Maturity Date	Minimum Reserve Requirement	Interest Jun-12	6/30/2012 Market Value
<b>COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A</b>								
2005 Fair Oaks Ranch Estates	2035	US Bank Mmkt 4-Ct	0.040%	daily	188,943	7.39	218,052	
<b>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003</b>								
2003 CRA Tax Allocation Bonds	2028	U S Treasury Bill	4.61%	7/28/2011	971,763	0.67	973,482	
		US Bank Mmkt 4-Ct	0.040%	daily			19,923	
		US Bank Mmkt 4-Ct	0.000%	daily			7	
		US Bank Mmkt 4-Ct	0.000%	daily			8	
		US Bank Mmkt 4-Ct	0.000%	daily			8	
<b>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007</b>								
Redevelop Fund	2037	US Bank Mmkt 4-Ct	0.040%	daily		282.07	8,325,788	
Reserve Fund		US Bank Mmkt 4-Ct	0.040%	daily	1,880,751	63.54	1,875,489	
Special Fund		US Bank Mmkt 4-Ct	0.060%	daily		0.00	18	
Surplus Fund		US Bank Mmkt 4-Ct	0.000%	daily			9	
<b>BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</b>								
Interest Account		US Bank Mmkt 4-Ct	0.000%	daily			9	
Principal Account		US Bank Mmkt 4-Ct	0.040%	daily		2.37	70,000	
		US Bank Mmkt 4-Ct	0.040%	daily		124.98	3,689,172	
<b>BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</b>								
Interest Account		US Bank Mmkt 4-Ct	0.050%	daily		0.00	19	
Principal Account		US Bank Mmkt 4-Ct	0.040%	daily		-	370,000	
Reserve Fund		US Bank Mmkt 4-Ct	0.040%	daily	2,310,710	78.29	2,310,970	
Project Fund		US Bank Mmkt 4-Ct	0.040%	daily		142.25	4,198,670	
<b>BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES</b>								
Interest Account		US Bank Mmkt 4-Ct	0.040%	daily		25.20	25	
Principal Account		US Bank Mmkt 4-Ct	0.040%	daily	2,672,050	100.73	2,672,248	
Reserve Fund		US Bank Mmkt 4-Ct	0.400%	daily		521.14	15,382,542	
Acquisition & Construction		US Bank Mmkt 4-Ct						
							<b>Total</b>	<b>40,106,451</b>

\*Paid Semi-Annually-Deposited into Money Mkt Account

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**Summary Schedule of Cash and Investments**

**Operating Funds**

Petty Cash

Amount  
2,805

Bank Accounts

	Interest Rate	Amount
Wells Fargo Bank	0.000%	257,966
Wells Fargo Bank-Investment Account	0.100%	2,807,513
Bank of America-Airport	0.300%	5,176
Bank of America-Parking Citations	0.300%	4,137
Bank of America-CNG Station	0.300%	<u>3,801</u>

*Money Market and Bank Account Sub-Total* 3,078,593

Government Pools

Account #1 Operating Amount	33,188,512	
Account #1 CRA Bond Cash Bal.	1,093,312	
Local Agency Investment Fund: Account #1	0.363%	34,281,824
Account #2 Successor Agency Cash Bal	348	
Local Agency Investment Fund: Account #2	0.363%	<u>348</u>

*Government Pool Sub-Total* 34,282,172

**Operating Cash Balance** 37,363,570

Restricted Operating Funds at Riverside Public Utilities

Highmark U.S. Government Money Market Fund	0.000%	1,075,487
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Other Investments

Investments-US Bank/Piper Jaffray - See Page 2	0.307%	25,663,165
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***Operating Funds Total*** 64,102,223

**Fiscal Agent**

US Bank

Amount  
41,980,146

***Fiscal Agent Total*** 41,980,146

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City of Banning Investment Report

July 31, 2012

Operational Portfolio Individual Investments

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Purchase Date	Discount or (Premium) Amortization	Market Value
<u>Bank Accounts</u>								
257,966	Wells Fargo Bank-Operating	n/a	0.00%	daily	varies	257,966	n/a	257,966
2,807,513	Wells Fargo Bank-Investment Acct	n/a	0.10%	daily	varies	2,807,513	n/a	2,807,513
5,176	Bank of America-Airport	n/a	0.30%	daily	varies	5,176	n/a	5,176
4,137	Bank of America-Parking Citations	n/a	0.30%	daily	varies	4,137	n/a	4,137
3,801	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,801	n/a	3,801
Sub-total								
<u>Government Pools</u>								
34,281,824	L.A.I.F. account #1	n/a	0.363%	daily	varies	34,281,824	n/a	34,281,824
348	L.A.I.F. account #2	n/a	0.363%	daily	varies	348	n/a	348
Sub-total								
<u>Investments-US Bank/Piper Jaffray</u>								
5,000,000	FHLMC MTN	n/a	0.450%	9/6/2013	12/2/2011	5,000,000		5,000,950
3,000,000	FNMA Deb	n/a	0.600%	5/29/2015	5/16/2012	3,000,000		3,005,070
3,000,000	Federal Farm Credits Bks	n/a	0.600%	5/22/2015	5/16/2012	3,000,000		3,006,630
2,000,000	Federal Home Loan Bks	n/a	0.350%	5/22/2015	5/16/2012	2,000,000		2,000,040
2,000,000	FNMA MTN	n/a	0.550%	12/4/2014	6/27/2012	2,000,000		2,002,700
10,647,775	Money Market	n/a	0.020%	daily	varies	10,647,775	0	10,647,775
US Bank/Piper Jaffray Average Rate= 0.307%								
Sub-total								
25,663,165								
Average Rate All= 0.327%								

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 23, 2011. 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 192 days and does not include Bond Reserve Fund Investments.

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# City of Banning Investment Report

July 31, 2012

## Individual Investments with Fiscal Agent

Bond Maturity Date	Investment Description	Current Yield	Bond Reserve Bond Maturity Date	Minimum Reserve Requirement	Interest Jul-12	7/31/2012 Market Value	
<b>DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A</b>							
2035	US Bank Mmkt 4-Ct	0.040%	daily	188,943	6.17	218,058	
<b>COMPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003</b>							
2028	U S Treasury Bill	4.61%	7/28/2011	971,763	22,431.25	1,012,355	
	US Bank Mmkt 4-Ct	0.040%	daily				
	US Bank Mmkt 4-Ct	0.040%	daily				
	US Bank Mmkt 4-Ct	0.000%	daily			684,674	
						8	
<b>COMPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007</b>							
2037	US Bank Mmkt 4-Ct	0.040%	daily		272.98	8,326,061	
	US Bank Mmkt 4-Ct	0.040%	daily	1,880,751	61.49	1,875,550	
	US Bank Mmkt 4-Ct	0.040%	daily		0.00	1,169,820	
	US Bank Mmkt 4-Ct	0.000%	daily			9	
<b>TERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</b>							
	US Bank Mmkt 4-Ct	0.000%	daily			9	
	US Bank Mmkt 4-Ct	0.040%	daily		2.30	70,005	
	US Bank Mmkt 4-Ct	0.040%	daily		120.98	3,689,293	
<b>USE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</b>							
	US Bank Mmkt 4-Ct	0.050%	daily		0.00	19	
	US Bank Mmkt 4-Ct	0.040%	daily		12.13	370,025	
	US Bank Mmkt 4-Ct	0.040%	daily	2,310,710	75.77	2,311,046	
	US Bank Mmkt 4-Ct	0.040%	daily		137.66	4,197,808	
<b>USE REVENUE BONDS 2007 SERIES</b>							
	US Bank Mmkt 4-Ct	0.040%	daily		25.20	25	
	US Bank Mmkt 4-Ct	0.040%	daily	2,672,050	87.61	2,672,336	
	US Bank Mmkt 4-Ct	0.400%	daily		504.34	15,383,046	
posited into Money Mkt Account					<b>Total</b>	<b>23,737.88</b>	<b>41,980,146</b>