

CITY COUNCIL AGENDA

Date: February 14, 2012
TO: City Council
FROM: June Overholt, Administrative Services Director/Deputy City Manager
SUBJECT: Report of Investments for December 2011

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 December 2011. As of December 31, 2011, the City's operating funds totaled \$62,582,938. Included in operating funds is \$1,569,748 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Treasurer's Report. As of December 31, 2011 approximately 48% of the City's unrestricted cash balances were invested in investments other than LAIF.

Presented are three months of Investment Reports. December is a first issue, while October and November are included to provide multiple months of statements for comparison.

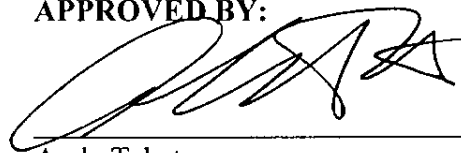
FISCAL DATA: The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) decreased to 0.382 % in December. The average rate for all investments in December was 0.469%.

RECOMMENDED BY:



June Overholt
Administrative Services Director/
Deputy City Manager

APPROVED BY:



Andy Takata
City Manager

Summary Schedule of Cash and Investments

Operating Funds

		<u>Amount</u>
<i>Petty Cash</i>		2,305
		<u>Interest</u>
	<u>Rate</u>	<u>Amount</u>
<i>Bank Accounts</i>		
Wells Fargo Bank	0.000%	4,620
Wells Fargo Bank-Investment Account	0.100%	2,947,287
Bank of America-Airport	0.300%	4,666
Bank of America-Parking Citations	0.300%	3,244
Bank of America-CNG Station	0.300%	<u>3,726</u>
<i>Money Market and Bank Account Sub-Total</i>		2,963,544
<i>Government Pools</i>		
Account #1 Operating Amount	31,216,326	
Account #1 CRA Bond Cash Bal.	297,412	
Local Agency Investment Fund: Account #1	0.382%	31,513,738
Account #2 CRA Bond Cash Bal	1,272,335	
Local Agency Investment Fund: Account #2	0.382%	<u>1,272,335</u>
<i>Government Pool Sub-Total</i>		<u>32,786,074</u>
Operating Cash Balance		35,751,923
<i>Restricted Operating Funds at Riverside Public Utilities</i>		
Highmark U.S. Government Money Market Fund	0.000%	1,244,500
<i>Other Investments</i>		
Investments-US Bank/Piper Jaffray - See Page 2	0.623%	25,586,516
<i>Operating Funds Total</i>		<u><u>62,582,938</u></u>

Fiscal Agent

		<u>Amount</u>
US Bank		<u>43,554,793</u>
<i>Fiscal Agent Total</i>		<u><u>43,554,793</u></u>

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City of Banning Investment Report

December 31, 2011

Operational Portfolio Individual Investments

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Purchase Price	Discount or (Premium) Amortization	Market Value
<u>Bank Accounts</u>								
4,620	Wells Fargo Bank-Operating	n/a	0.00%	daily	varies	4,620	n/a	4,620
2,947,287	Wells Fargo Bank-Investment Acct	n/a	0.10%	daily	varies	2,947,287	n/a	2,947,287
4,666	Bank of America-Airport	n/a	0.30%	daily	varies	4,666	n/a	4,666
3,244	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,244	n/a	3,244
3,726	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,726	n/a	3,726
	Sub-total							2,963,544
<u>Government Pools</u>								
31,513,738	L.A.I.F. account #1	n/a	0.382%	daily	varies	31,513,738	n/a	31,513,738
1,272,335	L.A.I.F. account #2	n/a	0.382%	daily	varies	1,272,335	n/a	1,272,335
								32,786,074
<u>Investments-US Bank/Piper Jaffray</u>								
1,000,000	Federal Home Loan Banks	n/a	1.000%	6/27/2014	6/16/2011	1,000,000		1,002,900
2,000,000	Federal Home Loan Banks	n/a	1.125%	6/30/2014	6/16/2011	2,000,000		2,000,120
2,000,000	FHLMC MTN	n/a	0.650%	7/18/2013	7/18/2011	2,000,000		2,000,260
1,000,000	FHLMC MTN	n/a	1.000%	4/11/2014	7/11/2011	1,000,000		1,000,110
5,000,000	FHLMC MTN	n/a	0.500%	9/6/2013	12/2/2011	5,000,000		4,994,050
5,000,000	FHLMC MTN	n/a	0.450%	9/6/2013	12/2/2011	5,000,000		4,999,150
3,000,000	Federal Farm Bank Credit Bks	n/a	0.620%	5/1/2014	12/2/2011	3,000,000		3,000,840
5,500,000	Federal Farm Bank Credit Bks	n/a	0.690%	6/12/2014	12/28/2011	5,500,000		5,498,625
1,090,461	Money Market	n/a	0.000%	daily	varies	1,090,461	0	1,090,461
	US Bank/Piper Jaffray Average Rate=		0.623%					25,586,516

Average Rate All= 0.469%

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 305 days and does not include Bond Reserve Fund Investments.

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City of Banning Investment Report

December 31, 2011

Individual Investments with Fiscal Agent

Bond Issue Description	Bond Maturity Date	Investment Description	Current Yield	Bond Reserve Bond Maturity Date	Minimum Reserve Requirement	Interest Dec-11	Market Value 12/31/2011
COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A							
2005 Fair Oaks Ranch Estates	2035	US Bank Mmkt 4-Ct	0.500%	daily	188,943	7.73	188,057
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003							
2003 CRA Tax Allocation Bonds	2028	U S Treasury Bill	75.00%	7/28/2011	971,763	0.00	987,622
		US Bank Mmkt 4-Ct	0.500%	daily		0.84	21,837
		US Bank Mmkt 4-Ct	0.300%	daily			29
		US Bank Mmkt 4-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 4-Ct	0.500%	daily		490.35	11,932,348
Reserve Fund		US Bank Mmkt 4-Ct	0.500%	daily	1,880,751	77.07	1,875,570
Special Fund		US Bank Mmkt 4-Ct	0.400%	daily			47
Surplus Fund		US Bank Mmkt 4-Ct	0.000%	daily			9
BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES							
Interest Account		US Bank Mmkt 4-Ct	0.000%	daily			4
Principal Account		US Bank Mmkt 4-Ct	0.000%	daily			6
		US Bank Mmkt 4-Ct	0.500%	daily		151.57	3,688,408
BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES							
Interest Account		US Bank Mmkt 4-Ct	0.040%	daily			24
Principal Account		US Bank Mmkt 4-Ct	0.500%	daily			30
Reserve Fund		US Bank Mmkt 4-Ct	0.500%	daily	2,310,710	94.97	2,311,026
Project Fund		US Bank Mmkt 4-Ct	0.500%	daily		172.51	4,197,800
BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES							
		US Bank Mmkt 4-Ct	0.500%	daily		19.15	19
		US Bank Mmkt 4-Ct	0.500%	daily		55.14	2,972,594
Acquisition & Construction		US Bank Mmkt 4-Ct	0.500%	daily		632.00	15,379,355
						Total	43,554,793

*Paid Semi-Annually-Deposited into Money Mkt Account

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Summary Schedule of Cash and Investments

Operating Funds

		<u>Amount</u>
<i>Petty Cash</i>		2,305
		Interest
		Rate Amount
<i>Bank Accounts</i>		
Wells Fargo Bank	0.000%	42,179
Wells Fargo Bank-Investment Account	0.100%	2,868,834
Bank of America-Airport	0.300%	15,891
Bank of America-Parking Citations	0.300%	3,875
Bank of America-CNG Station	0.300%	<u>5,879</u>
<i>Money Market and Bank Account Sub-Total</i>		2,936,658
 <i>Government Pools</i>		
Local Agency Investment Fund: Account #1	0.401%	31,513,738
Account #2 Operating Amount		404,740
Account #2 CRA Bond Cash Bal		1,567,596
Local Agency Investment Fund: Account #2	0.401%	<u>1,972,335</u>
<i>Government Pool Sub-Total</i>		<u>33,486,074</u>
Operating Cash Balance		36,425,037
 <i>Restricted Operating Funds at Riverside Public Utilities</i>		
Highmark U.S. Government Money Market Fund	0.000%	1,206,019
 <i>Other Investments</i>		
Investments-US Bank/Piper Jaffray - See Page 2	0.240%	25,589,800
 <i>Operating Funds Total</i>		 <u><u>63,220,856</u></u>

Fiscal Agent

		<u>Amount</u>
US Bank		<u>44,480,980</u>
<i>Fiscal Agent Total</i>		<u><u>44,480,980</u></u>

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City of Banning Investment Report

November 30, 2011

Operational Portfolio Individual Investments

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Purchase Price	Discount or (Premium) Amortization	Market Value
<u>Bank Accounts</u>								
42,179	Wells Fargo Bank-Operating	n/a	0.00%	daily	varies	42,179	n/a	42,179
2,868,834	Wells Fargo Bank-Investment Acct	n/a	0.10%	daily	varies	2,868,834	n/a	2,868,834
15,891	Bank of America-Airport	n/a	0.30%	daily	varies	15,891	n/a	15,891
3,875	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,875	n/a	3,875
5,879	Bank of America-Parking Citations	n/a	0.30%	daily	varies	5,879	n/a	5,879
Sub-total								
								2,936,658
<u>Government Pools</u>								
31,513,738	L.A.I.F. account #1	n/a	0.401%	daily	varies	31,513,738	n/a	31,513,738
1,972,335	L.A.I.F. account #2	n/a	0.401%	daily	varies	1,972,335	n/a	1,972,335
Sub-total								
								33,486,074
<u>Investments-US Bank/Piper Jaffray</u>								
1,000,000	FHLMC MTN	n/a	0.600%	6/28/2013	6/16/2011	1,000,000		1,000,140
1,000,000	Federal Home Loan Banks	n/a	1.000%	6/27/2014	6/16/2011	1,000,000		1,003,310
2,000,000	Federal Home Loan Banks	n/a	1.125%	6/30/2014	6/16/2011	2,000,000		2,000,860
2,000,000	FHLMC MTN	n/a	0.650%	7/18/2013	7/18/2011	2,000,000		2,000,780
1,000,000	FHLMC MTN	n/a	1.000%	4/11/2014	7/11/2011	1,000,000		1,000,550
18,584,160	Money Market	n/a	0.000%	daily	varies	18,584,160	0	18,584,160
Sub-total								
								25,589,800

US Bank/Piper Jaffray Average Rate= 0.240%

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 95 days and does not include Bond Reserve Fund Investments.

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City of Banning Investment Report

November 30, 2011

Individual Investments with Fiscal Agent

Bond Maturity Date	Bond Description	Investment Description	Current Yield	Bond Reserve	Minimum Reserve Requirement	Interest Nov-11	11/30/2011 Market Value	
COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A								
2035	US Bank Mmkt 4-Ct		0.500%	daily	188,943	7.99	188,049	
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003								
2028	U S Treasury Bill		75.00%	7/28/2011	971,763	3,682.50	988,392	
	US Bank Mmkt 4-Ct		0.500%	daily		0.86	21,836	
	US Bank Mmkt 4-Ct		0.300%	daily			29	
	US Bank Mmkt 4-Ct		0.000%	daily			8	
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007								
2037	US Bank Mmkt 4-Ct		0.500%	daily		506.67	11,931,858	
	US Bank Mmkt 4-Ct		0.500%	daily	1,880,751	79.64	1,875,493	
	US Bank Mmkt 4-Ct		0.400%	daily			47	
	US Bank Mmkt 4-Ct		0.000%	daily			9	
BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES								
	US Bank Mmkt 4-Ct		0.000%	daily		4.04	4	
	US Bank Mmkt 4-Ct		0.000%	daily		2.87	6	
	US Bank Mmkt 4-Ct		0.500%	daily		156.62	3,688,256	
BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES								
	US Bank Mmkt 4-Ct		0.040%	daily		23.71	24	
	US Bank Mmkt 4-Ct		0.500%	daily		15.19	30	
	US Bank Mmkt 4-Ct		0.500%	daily	2,310,710	98.16	2,310,931	
	US Bank Mmkt 4-Ct		0.500%	daily		178.25	4,197,628	
BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES								
	US Bank Mmkt 4-Ct		0.500%	daily			873,547	
	Reliance Trust Company # 9AMGGBEZ7		3.650%	11/17/2011	2,961,500	41,032.69	3,026,111	
	US Bank Mmkt 4-Ct		0.500%	daily		653.04	15,378,723	
Total							46,442.23	44,480,980

*Paid Semi-Annually-Deposited into Money Mkt Account

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Summary Schedule of Cash and Investments

Operating Funds

		<u>Amount</u>
<u>Petty Cash</u>		2,305
<u>Bank Accounts</u>	Interest	
	Rate Amount	
Wells Fargo Bank	0.000%	-
Wells Fargo Bank-Investment Account	0.100%	2,281,036
Bank of America-Airport	0.300%	16,183
Bank of America-Parking Citations	0.300%	4,551
Bank of America-CNG Station	0.300%	<u>5,879</u>
<i>Money Market and Bank Account Sub-Total</i>		2,307,649
<u>Government Pools</u>		
Local Agency Investment Fund: Account #1	0.385%	31,513,738
Account #2 Operating Amount		405,894
Account #2 CRA Bond Cash Bal		1,566,441
Local Agency Investment Fund: Account #2	0.385%	<u>1,972,335</u>
<i>Government Pool Sub-Total</i>		<u>33,486,074</u>
Operating Cash Balance		35,796,028
<u>Restricted Operating Funds at Riverside Public Utilities</u>		
Highmark U.S. Government Money Market Fund	0.000%	995,449
<u>Other Investments</u>		
Investments-US Bank/Piper Jaffray - See Page 2	0.240%	25,591,960
<i>Operating Funds Total</i>		<u><u>62,383,437</u></u>

Fiscal Agent

	<u>Amount</u>
US Bank	<u>45,333,855</u>
<i>Fiscal Agent Total</i>	<u><u>45,333,855</u></u>

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City of Banning Investment Report

October 31, 2011

Operational Portfolio Individual Investments

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Purchase Price	Discount or (Premium) Amortization	Market Value
<u>Bank Accounts</u>								
-	Wells Fargo Bank-Operating	n/a	0.00%	daily	varies	-	n/a	-
2,281,036	Wells Fargo Bank-Investment Acct	n/a	0.10%	daily	varies	2,281,036	n/a	2,281,036
16,183	Bank of America-Airport	n/a	0.30%	daily	varies	16,183	n/a	16,183
4,551	Bank of America-Parking Citations	n/a	0.30%	daily	varies	4,551	n/a	4,551
5,879	Bank of America-Parking Citations	n/a	0.30%	daily	varies	5,879	n/a	5,879
	Sub-total							2,307,649
<u>Government Pools</u>								
31,513,738	L.A.I.F. account #1	n/a	0.385%	daily	varies	31,513,738	n/a	31,513,738
1,972,335	L.A.I.F. account #2	n/a	0.385%	daily	varies	1,972,335	n/a	1,972,335
								33,486,074
<u>Investments-US Bank/Piper Jaffray</u>								
1,000,000	FHLMC MTN	n/a	0.600%	6/28/2013	6/16/2011	1,000,000		1,000,370
1,000,000	Federal Home Loan Banks	n/a	1.000%	6/27/2014	6/16/2011	1,000,000		1,003,550
2,000,000	Federal Home Loan Banks	n/a	1.125%	6/30/2014	6/16/2011	2,000,000		2,001,560
2,000,000	FHLMC MTN	n/a	0.650%	7/18/2013	7/18/2011	2,000,000		2,001,420
1,000,000	FHLMC MTN	n/a	1.000%	4/11/2014	7/11/2011	1,000,000		1,000,900
18,584,160	Money Market	n/a	0.000%	daily	varies	18,584,160	0	18,584,160
	US Bank/Piper Jaffray Average Rate=		0.240%					25,591,960

Average Rate All= 0.314%

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 95 days and does not include Bond Reserve Fund Investments.

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Individual Investments with Fiscal Agent

Bond Maturity Date	Investment Description	Current Yield	Bond Maturity Date	Minimum Reserve Requirement	Interest Oct-11	10/31/2011 Market Value
2012	AIM U.S. Treasury Money Market US Bank Mmkt 4-Ct	0.200% 0.070%	daily daily	265,580	0.53	
2035	US Bank Mmkt 4-Ct	0.500%	daily	188,943	7.90	188,041
2028	U S Treasury Bill	75.00%	7/28/2011	971,763		982,540
	US Bank Mmkt 4-Ct	0.500%	daily		0.83	20,301
	US Bank Mmkt 4-Ct	0.300%	daily			29
	US Bank Mmkt 4-Ct	0.000%	daily			8
OPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007						
2037	US Bank Mmkt 4-Ct	0.500%	daily		490.31	11,931,351
	US Bank Mmkt 4-Ct	0.500%	daily	1,880,751	77.07	1,875,414
	US Bank Mmkt 4-Ct	0.400%	daily			47
	US Bank Mmkt 4-Ct	0.000%	daily			9
TERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES						
	US Bank Mmkt 4-Ct	0.500%	daily		2.77	196,594
	US Bank Mmkt 4-Ct	0.500%	daily		151.56	67,517
	US Bank Mmkt 4-Ct	0.500%	daily			3,688,100
SE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES						
	US Bank Mmkt 4-Ct	0.500%	daily			1,154,072
	US Bank Mmkt 4-Ct	0.500%	daily		14.69	357,589
	US Bank Mmkt 4-Ct	0.500%	daily	2,310,710	94.99	2,311,555
	US Bank Mmkt 4-Ct	0.500%	daily		172.49	4,197,449
REVENUE BONDS 2007 SERIES						
	US Bank Mmkt 4-Ct	0.600%	daily			90
	Reliance Trust Company # 9AMGGBEZ7	3.650%	11/17/2011	2,961,500		2,931,509
	US Bank Mmkt 4-Ct	0.500%	daily		1.17	53,570
	US Bank Mmkt 4-Ct	0.500%	daily		631.95	15,378,070
Total					1,646.26	45,333,855

Invested into Money Mkt Account