

**CITY COUNCIL AGENDA**

**Date:** November 9, 2010  
**TO:** City Council  
**FROM:** Kirby Warner, Interim Administrative Services Director  
**SUBJECT:** Report of Investments for September 2010

**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 September 2010. As of September 30, 2010, the City's operating funds totaled \$70,378,720. Included in operating funds is \$3,106,975 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Treasurer's Report. As of September 30, 2010 approximately 42% of the City's unrestricted cash balances were invested in investments other than LAIF.


Presented are three months of Investment Reports. September is a first issue, while July and August 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 0.500 % in September. The average rate for all investments in September was 0.800%.

**RECOMMENDED BY:**

  
\_\_\_\_\_  
Kirby Warner  
Interim Administrative Services Director

**APPROVED BY:**

  
\_\_\_\_\_  
Andy Takata  
City Manager

**Summary Schedule of Cash and Investments**

**Operating Funds**

Petty Cash

Amount

2,305

Bank Accounts

Interest

Rate Amount

Wells Fargo Bank	0.000%	270,776
Wells Fargo Bank-Investment Account	0.100%	2,028,667
Bank of America-Airport	0.300%	5,376
Bank of America-Parking Citations	0.300%	3,895
Bank of America-CNG Station	0.300%	4,217

*Money Market and Bank Account Sub-Total* 2,312,931

Government Pools

Local Agency Investment Fund: Account #1 0.500% 31,330,445

Account #2 Operating Amount 7,377,627

Account #2 CRA Bond Cash Bal 3,106,975

Local Agency Investment Fund: Account #2 0.500% 10,484,602

*Government Pool Sub-Total* 41,815,047

**Operating Cash Balance** 44,130,283

Restricted Operating Funds at Riverside Public Utilities

Highmark U.S. Government Money Market Fund 0.050% 906,774

Other Investments

Investments-US Bank/Piper Jaffray - See Page 2 1.362% 25,341,663

***Operating Funds Total*** 70,378,720

**Fiscal Agent**

Amount

BNY Western Trust Company 539,035

US Bank 44,547,865

***Fiscal Agent Total*** 45,086,901

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**City of Banning Investment Report**  
Operational Portfolio Individual Investments

September 30, 2010

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Purchase Cost	Discount or (Premium) Amortization	Market Value
<u>Bank Accounts</u>								
270,776	Wells Fargo Bank-Operating	n/a	0.00%	daily	varies	270,776	n/a	270,776
2,028,667	Wells Fargo Bank-Investment Acct	n/a	0.10%	daily	varies	2,028,667	n/a	2,028,667
5,376	Bank of America-Airport	n/a	0.30%	daily	varies	5,376	n/a	5,376
3,895	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,895	n/a	3,895
4,217	Bank of America-Parking Citations	n/a	0.30%	daily	varies	4,217	n/a	4,217
Sub-total								
<u>Government Pools</u>								
31,330,445	L.A.I.F. account #1	n/a	0.500%	daily	varies	31,330,445	n/a	31,330,445
10,484,602	L.A.I.F. account #2	n/a	0.500%	daily	varies	10,484,602	n/a	10,484,602
Sub-total								
<u>Investments-US Bank/Piper Jaffray</u>								
2,000,000	FNMA MTN	n/a	1.250%	4/5/2012	4/5/2010	2,000,000		2,000,000
3,000,000	FNMA MTN	n/a	1.550%	10/5/2012	4/5/2010	3,000,000		3,000,000
3,000,000	FNMA MTN	n/a	1.875%	4/8/2013	4/8/2010	3,000,000		3,000,930
2,000,000	Federal Home Loan Banks	n/a	1.625%	1/7/2013	4/7/2010	2,000,000		2,006,260
3,000,000	FHLMC MTN	n/a	1.875%	5/10/2013	5/10/2010	3,000,000		3,004,620
3,000,000	Federal Home Loan Banks	n/a	1.200%	8/5/2013	8/5/2010	3,000,000		3,015,930
4,000,000	FHLMC MTN	n/a	1.150%	4/26/2013	7/26/2010	4,000,000		4,007,360
4,000,000	FHLMC MTN	n/a	1.150%	9/3/2013	9/3/2010	4,000,000		4,005,320
1,301,243	Money Market	n/a	0.000%	daily	varies	1,301,243	0	1,301,243
Sub-total								
<u>US Bank/Piper Jaffray Average Rate=</u>								
							1.362%	25,341,663

**Average Rate All= 0.800%**

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 July 27, 2010. 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 333 days and does not include Bond Reserve Fund Investments.

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City of Banning Investment Report

September 30, 2010

Individual Investments with Fiscal Agent

Bond Maturity Date	Bond Description	Investment Description	Current Yield	Bond Reserve	Bond Maturity Date	Minimum Reserve Requirement	Interest Sep-10	9/30/2010 Market Value	
2020	1997 Admin Building COPs Refunding	Republic Bank Investment Agreement Federated U.S. Treasury Money Mkt	6.270% 0.010%	11/1/2020 daily	522,375	* 16,473	522,562		
<b>US BANK</b>									
2012	1991 Wilson St. Assessment District	AIM U.S. Treasury Money Market	0.150%	daily	265,580	4.78	265,589		
2035	2005 Fair Oaks Ranch Estates	US Bank Mmkt 4-Ct	0.000%	daily	1	1.28	1		
2028	2003 CRA Tax Allocation Bonds	US Bank Mmkt 4-Ct	0.200%	daily	188,943	37.38	189,330		
	Surplus Fund	US Treasury Bill	0.870%	7/29/2010	971,763		990,272		
	Redevelop Fund	US Bank Mmkt 4-Ct	0.200%	daily		8.96	20,738		
	Reserve Fund	US Bank Mmkt 4-Ct	0.200%	daily		3.68	99		
	Special Fund	US Bank Mmkt 4-Ct	0.200%	daily			8		
	Surplus Fund	US Bank Mmkt 4-Ct	0.210%	daily			9		
<b>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007</b>									
2037	Redevelop Fund	US Bank Mmkt 4-Ct	0.200%	daily		2,023.26	11,913,289		
	Reserve Fund	US Bank Mmkt 4-Ct	0.200%	daily	1,880,751	318.63	1,876,046		
	Special Fund	US Bank Mmkt 4-Ct	0.200%	daily		5.39	145		
	Surplus Fund	US Bank Mmkt 4-Ct	0.210%	daily			9		
<b>BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</b>									
	Bond Fund	US Bank Mmkt 4-Ct	0.200%	daily		0.00	25		
	Principal Account	US Bank Mmkt 4-Ct	0.200%	daily		22.52	132,588		
		US Bank Mmkt 4-Ct	0.200%	daily		625.41	3,682,517		
<b>BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</b>									
	Bond Fund	US Bank Mmkt 4-Ct	0.200%	daily		0.02	108		
	Principal Account	US Bank Mmkt 4-Ct	0.200%	daily		58.21	342,727		
	Reserve Fund	US Bank Mmkt 4-Ct	0.200%	daily	2,310,710	393.34	2,316,074		
	Project Fund	US Bank Mmkt 4-Ct	0.200%	daily		711.78	4,191,095		
<b>BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES</b>									
	Reserve Fund	US Bank Mmkt 4-Ct	0.200%	daily		0.03	171		
		Reliance Trust Company # 9AMGGBEZ7	3.650%	11/17/2011	2,961,500		3,016,550		
		US Bank Mmkt 4-Ct	0.190%	daily		0.01	41		
	Acquisition & Construction	US Bank Mmkt 4-Ct	0.200%	daily		1,361.17	7,610,440		
		Reliance Trust Co C D #7AMCD49F7	0.500%	11/18/2010			8,000,000		
<b>Total</b>							<b>5,575.85</b>	<b>45,086,901</b>	

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

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**Summary Schedule of Cash and Investments**

<b>Operating Funds</b>		<u>Amount</u>
<i>Petty Cash</i>		2,305
<i>Bank Accounts</i>		
	Interest	
	Rate      Amount	
Wells Fargo Bank	0.000%	263,597
Wells Fargo Bank-Investment Account	0.100%	894,318
Bank of America-Airport	0.300%	3,671
Bank of America-Parking Citations	0.300%	3,080
Bank of America-CNG Station	0.300%	<u>3,313</u>
<i>Money Market and Bank Account Sub-Total</i>		1,167,979
<i>Government Pools</i>		
Local Agency Investment Fund: Account #1	0.513%	31,330,445
Account #2 Operating Amount		8,366,913
Account #2 CRA Bond Cash Bal		3,117,689
Local Agency Investment Fund: Account #2	0.513%	<u>11,484,602</u>
<i>Government Pool Sub-Total</i>		<u>42,815,047</u>
<b>Operating Cash Balance</b>		<b>43,985,330</b>
<i>Restricted Operating Funds at Riverside Public Utilities</i>		
Highmark U.S. Government Money Market Fund	0.050%	887,303
<i>Other Investments</i>		
Investments-US Bank/Piper Jaffray - See Page 2	1.178%	25,346,683
<b>Operating Funds Total</b>		<b><u>70,219,317</u></b>

**Fiscal Agent**

	<u>Amount</u>
BNY Western Trust Company	539,035
US Bank	<u>45,150,268</u>
<i>Fiscal Agent Total</i>	<b><u>45,689,303</u></b>

**City of Banning Investment Report**  
**Operational Portfolio Individual Investments**

August 31, 2010

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Purchase Cost	Discount or (Premium) Amortization	Market Value
<u>Bank Accounts</u>								
263,597	Wells Fargo Bank-Operating	n/a	0.00%	daily	varies	263,597	n/a	263,597
894,318	Wells Fargo Bank-Investment Acct	n/a	0.10%	daily	varies	894,318	n/a	894,318
3,671	Bank of America-Airport	n/a	0.30%	daily	varies	3,671	n/a	3,671
3,080	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,080	n/a	3,080
3,313	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,313	n/a	3,313
	Sub-total							1,167,979
<u>Government Pools</u>								
31,330,445	L.A.I.F. account #1	n/a	0.513%	daily	varies	31,330,445	n/a	31,330,445
11,484,602	L.A.I.F. account #2	n/a	0.513%	daily	varies	11,484,602	n/a	11,484,602
								42,815,047
<u>Investments-US Bank/Piper Jaffray</u>								
2,000,000	FNMA MTN	n/a	1.250%	4/5/2012	4/5/2010	2,000,000		2,001,260
3,000,000	FNMA MTN	n/a	1.550%	10/5/2012	4/5/2010	3,000,000		3,002,820
3,000,000	FNMA MTN	n/a	1.858%	4/8/2013	4/8/2010	3,000,000		3,003,750
2,000,000	Federal Home Loan Banks	n/a	1.625%	1/7/2013	4/7/2010	2,000,000		2,007,500
3,000,000	FHLMC MTN	n/a	1.875%	5/10/2013	5/10/2010	3,000,000		3,008,130
3,000,000	Federal Home Loan Banks	n/a	1.200%	8/5/2013	8/5/2010	3,000,000		3,013,140
4,000,000	FHLMC MTN	n/a	1.150%	4/26/2013	7/26/2010	4,000,000		4,008,840
5,301,243	Money Market	n/a	0.000%	daily	varies	5,301,243	0	5,301,243
	US Bank/Piper Jaffray Average Rate=		1.178%					25,346,683

**Average Rate All= 0.748%**

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 July 27, 2010. 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 282 days and does not include Bond Reserve Fund Investments.

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City of Banning Investment Report

August 31, 2010

Individual Investments with Fiscal Agent

Bond Maturity Date	Bond Issue Description	Investment Description	Current Yield	Bond Reserve	Bond Maturity Date	Minimum Reserve Requirement	Interest Aug-10	8/31/2010 Market Value
2020	1997 Admin Building COPs Refunding	Republic Bank Investment Agreement Federated U.S. Treasury Money Mkt	6.270% 0.010%	11/1/2020 daily	522,375	*	522,562 16,473	
US BANK								
2012	1991 Wilson St. Assessment District	AIM U.S. Treasury Money Market	0.200%	daily	265,580	4.65	265,585	
		US Bank Mimkt 4-Ct	0.180%	daily			27	
		US Bank Mimkt 4-Ct	0.200%	daily			233,323	
2035	2005 Fair Oaks Ranch Estates	US Bank Mimkt 4-Ct	0.200%	daily	188,943	36.85	309,956	
2028	2003 CRA Tax Allocation Bonds	US Treasury Bill	0.870%	7/29/2010	971,763		990,737	
		US Bank Mimkt 4-Ct	0.200%	daily		19.89	20,729	
		US Bank Mimkt 4-Ct	0.200%	daily		95.19	95	
		US Bank Mimkt 4-Ct	0.025%	daily			8	
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007								
2037	Redevelop Fund	US Bank Mimkt 4-Ct	0.200%	daily		2,022.93	11,911,266	
	Reserve Fund	US Bank Mimkt 4-Ct	0.200%	daily	1,880,751	318.98	1,875,728	
	Special Fund	US Bank Mimkt 4-Ct	0.200%	daily		139.51	140	
	Surplus Fund	US Bank Mimkt 4-Ct	0.210%	daily			9	
BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES								
	Bond Fund	US Bank Mimkt 4-Ct	0.200%	daily		0.00	25	
	Principal Account	US Bank Mimkt 4-Ct	0.200%	daily		22.51	132,565	
		US Bank Mimkt 4-Ct	0.200%	daily		625.31	3,681,891	
BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES								
	Bond Fund	US Bank Mimkt 4-Ct	0.200%	daily		0.02	108	
	Principal Account	US Bank Mimkt 4-Ct	0.200%	daily		58.20	342,669	
	Reserve Fund	US Bank Mimkt 4-Ct	0.200%	daily	2,310,710	393.28	2,315,681	
	Project Fund	US Bank Mimkt 4-Ct	0.200%	daily		711.67	4,190,384	
BEA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES								
	Reserve Fund	US Bank Mimkt 4-Ct	0.200%	daily		0.03	171	
		Reliance Trust Company # 9AMGGBEZ7	3.650%	11/17/2011	2,961,500	0.00	3,016,509	
		US Bank Mimkt 4-Ct	0.190%	daily		0.01	41	
	Acquisition & Construction	US Bank Mimkt 4-Ct	0.200%	daily		1,352.72	7,862,621	
		Reliance Trust Co C D #7AMCD49F7	0.500%	11/18/2010			8,000,000	
							<b>Total</b>	<b>45,689,303</b>

\*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
 <i>Bank Accounts</i>		
	Interest	
	Rate      Amount	
Wells Fargo Bank	0.000%      411,399	
Wells Fargo Bank-Investment Account	0.100%      2,137,724	
Bank of America-Airport	0.300%      7,952	
Bank of America-Parking Citations	0.300%      3,800	
Bank of America-CNG Station	0.300% <u>4,088</u>	
<i>Money Market and Bank Account Sub-Total</i>		2,564,962
 <i>Government Pools</i>		
Local Agency Investment Fund: Account #1	0.531%      31,287,069	
Account #2 Operating Amount	6,787,494	
Account #2 CRA Bond Cash Bal	3,197,109	
Local Agency Investment Fund: Account #2	0.531% <u>9,984,602</u>	
<i>Government Pool Sub-Total</i>		<u>41,271,671</u>
<b>Operating Cash Balance</b>		<b>43,838,939</b>
 <i>Restricted Operating Funds at Riverside Public Utilities</i>		
Highmark U.S. Government Money Market Fund	0.050%	1,045,233
 <i>Other Investments</i>		
Investments-US Bank/Piper Jaffray - See Page 2	1.355%	25,328,213
 <i>Operating Funds Total</i>		 <u><u>70,212,385</u></u>

**Fiscal Agent**

		<u>Amount</u>
BNY Western Trust Company		539,035
US Bank		<u>46,989,262</u>
 <i>Fiscal Agent Total</i>		 <u><u>47,528,298</u></u>

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City of Banning Investment Report

Operational Portfolio Individual Investments

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Purchase Cost	Discount or (Premium) Amortization	Market Value
<i>Bank Accounts</i>								
411,399	Wells Fargo Bank-Operating	n/a	0.00%	daily	varies	411,399	n/a	411,399
2,137,724	Wells Fargo Bank-Investment Acct	n/a	0.10%	daily	varies	2,137,724	n/a	2,137,724
7,952	Bank of America-Airport	n/a	0.30%	daily	varies	7,952	n/a	7,952
3,800	Bank of America-Parking Citations	n/a	0.30%	daily	varies	3,800	n/a	3,800
4,088	Bank of America-Parking Citations	n/a	0.30%	daily	varies	4,088	n/a	4,088
	Sub-total							2,564,962
<i>Government Pools</i>								
31,287,069	L.A.I.F. account #1	n/a	0.531%	daily	varies	31,287,069	n/a	31,287,069
9,984,602	L.A.I.F. account #2	n/a	0.531%	daily	varies	9,984,602	n/a	9,984,602
								41,271,671
<i>Investments-US Bank/Piper Jaffray</i>								
2,000,000	FNMA MTN	n/a	1.250%	4/5/2012	4/5/2010	2,000,000		2,002,500
3,000,000	FNMA MTN	n/a	1.550%	10/5/2012	4/5/2010	3,000,000		3,005,640
3,000,000	FNMA MTN	n/a	1.875%	4/8/2013	4/8/2010	3,000,000		3,006,570
2,000,000	Federal Home Loan Banks	n/a	1.625%	1/7/2013	4/7/2010	2,000,000		2,009,380
3,000,000	FHLMC MTN	n/a	1.875%	5/10/2013	5/10/2010	3,000,000		3,011,880
4,000,000	Federal Home Loan Banks	n/a	2.000%	5/17/2013	5/17/2010	4,000,000		4,002,520
4,000,000	FHLMC MTN	n/a	1.150%	4/26/2013	7/26/2010	4,000,000		4,008,480
4,281,243	Money Market	n/a	0.000%	daily	varies	4,281,243	0	4,281,243
	US Bank/Piper Jaffray Average Rate=		1.355%					25,328,213

Average Rate All= 0.816%

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 July 27, 2010. 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 304 days and does not include Bond Reserve Fund Investments.

City of Banning Investment Report

July 31, 2010

Individual Investments with Fiscal Agent

Bond Maturity Date	Investment Description	Current Yield	Bond Reserve	Minimum Reserve Requirement	Interest Jul-10	7/31/2010 Market Value
2020	Republic Bank Investment Agreement Federated U.S. Treasury Money Mkt	6.270% 0.010%	11/1/2020 daily	522,375	*	522,562 16,473
2012	AIM U.S. Treasury Money Market US Bank Mmkt 4-Ct	0.200% 0.000%	daily daily	265,580	4.50	265,607 0
2035	US Bank Mmkt 4-Ct	0.200%	daily	188,943	35.66	216,993
2028	US Treasury Bill US Bank Mmkt 4-Ct	0.160% 0.200%	7/29/2010 daily	971,763	21,021.68	0 1,013,086
	US Bank Mmkt 4-Ct US Bank Mmkt 4-Ct	0.200% 0.025%	daily daily		0.01	668,137 8
<b>MPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007</b>						
2037	US Bank Mmkt 4-Ct	0.200%	daily		1,957.35	11,909,243
	US Bank Mmkt 4-Ct	0.200%	daily	1,880,751	308.64	1,877,852
	US Bank Mmkt 4-Ct	0.200%	daily		0.02	979,253
	US Bank Mmkt 4-Ct	0.210%	daily			9
<b>TERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</b>						
	US Bank Mmkt 4-Ct	0.200%	daily		0.00	25
	US Bank Mmkt 4-Ct	0.200%	daily		21.78	132,543
	US Bank Mmkt 4-Ct	0.200%	daily		605.04	3,681,266
<b>SE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</b>						
	US Bank Mmkt 4-Ct	0.200%	daily		0.02	108
	US Bank Mmkt 4-Ct	0.200%	daily		56.31	342,611
	US Bank Mmkt 4-Ct	0.200%	daily	2,310,710	380.53	2,315,288
	US Bank Mmkt 4-Ct	0.200%	daily		688.59	4,189,672
<b>REVENUE BONDS 2007 SERIES</b>						
	US Bank Mmkt 4-Ct	0.200%	daily		0.03	171
	Reliance Trust Company # 9AMGGBEZ7	3.650%	11/17/2011	2,961,500	0.01	3,016,550
	US Bank Mmkt 4-Ct	0.190%	daily		0.00	41
	US Bank Mmkt 4-Ct	0.200%	daily		0.00	8,380,799
	Reliance Trust Co C D #7AMCD5063	0.400%	11/26/2010		819.23	0
	Reliance Trust Co C D #7AMCD49F7	0.500%	11/18/2010			8,000,000
Total					25,902.98	47,528,298

Invested into Money Mkt Account