

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** SEPT 27, 2011
FROM: CITY MANAGER - FINANCE **ITEM NO:** 27
WARD: ALL
SUBJECT: INVESTMENT SUMMARY AND FINANCIAL REPORTS - AUGUST 31, 2011

ISSUE:

The City Manager's Office prepares monthly financial reports and an investment summary for City Council review.

RECOMMENDATIONS:

That the City Council receive and file these reports.

BACKGROUND:

Sound investment practices are essential to good fiscal management. The Assistant City Manager/CFO/Treasurer is responsible for managing the City's investment portfolio. Cash flow is monitored on a daily basis and unexpended cash is directed towards investments that exhibit first safety, then liquidity and an appropriate return on investment. The investment results are summarized and reported to the City Council at each month-end.

Sound management practices include monitoring revenue and expenditures against the City Council approved budget. Financial reporting is suspended pending the closing of the accounts for the fiscal year and completion of the independent audit.

FISCAL IMPACT:

None.

Prepared by: Paul C. Sundeen, Assistant City Manager/CFO/Treasurer
Certified as to availability of funds: Paul C. Sundeen, Assistant City Manager/CFO/Treasurer
Approved by: Paul C. Sundeen, Assistant City Manager/CFO/Treasurer
for Scott C. Barber, Interim City Manager
Approved as to form: Gregory P. Priamos, City Attorney

Attachments: Investment Report(s)




CITY OF RIVERSIDE
Schedule of Cash and Investments
August 31, 2011

FACE VALUE	DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	COST BASIS	YIELD TO MATURITY	ESTIMATED MKT VALUE
<u>MONEY MARKET ACCOUNTS</u>								
\$ 88,270,479	Local Agency Investment Fund	Varies	Varies	NR	Varies	\$ 88,270,479	0.39%	\$ 88,270,479
14,407,941	Bank of America	Varies	Varies	Aaa	Varies	14,407,941	0.35%	14,407,941
15,206,237	CalTRUST Short Term Fund	Varies	Varies	Aa	Varies	15,206,237	0.51%	15,206,237
14,957,787	Heritage Money Market Fund	Varies	Varies	Aaa	Varies	14,957,787	0.10%	14,957,787
1,787,848	CNI Charter Gov't MMF	Varies	Varies	Aaa	Varies	1,787,848	2.00%	1,787,848
<u>CERTIFICATES OF DEPOSIT</u>								
248,000	Medallion Bank	0.80%	04/15/13	AAA	10/15/10	247,556	0.90%	249,213
247,000	GE Money Bank	1.75%	07/23/13	AAA	08/06/10	246,346	1.88%	250,549
247,000	Ally Bank	1.80%	08/06/13	AAA	08/06/10	246,481	1.90%	250,275
162,000	Cache Valley Bank	1.30%	08/12/13	AAA	08/10/10	161,315	1.50%	164,181
249,000	Enterprise Bank & Trust	1.55%	08/12/13	AAA	08/12/10	248,297	1.69%	252,342
248,000	BMW Bank of North America	1.60%	08/13/13	AAA	08/13/10	247,474	1.70%	251,274
249,000	Farm Bureau Bank	0.90%	10/15/13	AAA	10/15/10	248,429	1.00%	250,815
248,000	Franklin Security Bank	0.95%	10/15/13	AAA	10/15/10	247,716	1.00%	250,168
248,000	Essa Bank & Trust	1.00%	10/21/13	AAA	10/20/10	248,000	1.00%	248,342
249,000	Headwaters State Bank	1.00%	10/25/13	AAA	10/25/10	249,000	1.00%	250,233
245,000	Wilmington Trust	1.35%	10/29/13	AAA	10/29/10	245,000	1.35%	246,235
249,000	Middleton Community Bank	1.00%	11/27/13	AAA	10/27/10	248,417	1.10%	250,422
246,000	CIT Bank	2.30%	05/12/14	AAA	09/30/10	250,968	1.57%	251,621
248,000	Aurora Bank, FSB	1.50%	05/23/14	AAA	05/23/11	248,000	1.50%	247,730
247,000	GE Capital Financial	1.45%	06/10/14	AAA	06/10/11	246,636	1.50%	246,264
247,000	Discover Bank	1.35%	06/16/14	AAA	06/15/11	246,635	1.40%	246,348
248,000	Transportation Alliance Bank	1.15%	07/07/14	AAA	08/01/11	247,380	1.24%	247,293
248,000	American Express Centurion Bk	1.20%	08/11/14	AAA	08/11/11	247,256	1.30%	246,874
248,000	Goldman Sachs Bank USA	1.15%	08/25/14	AAA	08/24/11	247,256	1.25%	246,748
249,000	Flushing Savings Bank	1.60%	10/07/14	AAA	10/07/10	248,206	1.70%	251,931
200,000	Enerbank USA	2.45%	07/07/15	AAA	09/29/10	202,675	2.10%	204,516
249,000	Nat'l Republic Bank of Chicago	1.40%	08/05/15	AAA	08/05/11	248,502	1.80%	248,714
247,000	Wells Fargo Bank, N.A.	1.75%	04/29/16	AAA	04/29/11	247,000	1.75%	238,973
<u>MEDIUM TERM NOTES</u>								
10,000,000	GE Capital Corp	3.00%	12/09/11	Aaa	12/19/08	10,030,973	2.27%	10,072,400
10,000,000	GE Capital Corp	5.25%	10/19/12	Aa2	07/25/08	9,995,008	5.29%	10,471,100
5,000,000	GE Capital Corp	2.80%	01/08/13	Aa2	10/25/10	5,111,259	1.31%	5,112,200
5,000,000	GE Capital Corp	1.88%	09/16/13	Aa2	10/25/10	5,038,653	1.52%	5,047,700
5,000,000	GE Capital Corp	1.88%	09/16/13	Aa2	10/25/10	5,038,653	1.52%	5,047,700
5,000,000	Rabobank	4.20%	05/13/14	Aaa	07/10/09	5,050,663	3.81%	5,372,400
10,000,000	Wells Fargo	4.75%	02/09/15	Aa3	05/17/10	10,374,588	3.61%	10,607,900
<u>U.S. GOVT AGENCY</u>								
3,880,000	Fed Home Loan Bank	4.88%	11/15/11	Aaa	01/07/08	3,897,299	3.59%	3,917,481
1,275,000	Fed Home Loan Mtg Corp	4.50%	11/15/11	Aaa	01/07/08	1,279,025	3.59%	1,286,424
3,000,000	Fed Natl Mtg Assn	5.00%	02/16/12	Aaa	01/07/08	3,024,364	3.60%	3,065,970
8,000,000	Fed Home Loan Bank	4.38%	06/08/12	Aaa	01/07/08	8,049,127	3.66%	8,253,520
2,000,000	Fed Farm Credit Bank	5.25%	08/01/12	Aaa	01/07/08	2,030,851	3.69%	2,091,500
5,000,000	Fed Home Loan Mtg Corp	5.00%	08/15/12	Aaa	01/07/08	5,064,999	3.70%	5,220,850
10,000,000	Fed Home Loan Bank	1.63%	09/26/12	Aaa	04/19/10	10,035,843	1.33%	10,145,000
5,000,000	Fed Home Loan Bank**	4.88%	12/14/12	Aaa	01/07/08	5,072,382	3.78%	5,289,850
4,286,185	Fed Natl Mtg Assn 555162	5.02%	01/01/13	Aaa	05/29/09	4,389,420	3.17%	4,434,058
10,000,000	Fed Natl Mtg Assn	4.38%	03/15/13	Aaa	12/20/10	10,585,969	0.90%	10,622,600
4,833,406	Fed Natl Mtg Assn 386309	4.85%	06/01/13	Aaa	06/26/09	4,981,531	3.14%	5,074,255
15,405,908	Fed Natl Mtg Assn 555648	4.54%	06/01/13	Aaa	10/21/09	15,960,321	2.56%	15,989,022
2,392,680	Fed Home Loan Mtg E99428	4.00%	09/01/13	Aaa	12/16/08	2,400,422	3.85%	2,436,897
8,094,756	Fed Natl Mtg Assn 555806	5.10%	10/01/13	Aaa	07/15/09	8,597,755	2.92%	8,617,515
10,000,000	Fed Home Loan Bank**	3.63%	10/18/13	Aaa	02/23/09	10,224,999	2.58%	10,680,400
10,000,000	Fed Natl Mtg Assn**	2.88%	12/11/13	Aaa	03/12/09	10,045,873	2.67%	10,559,200
10,000,000	Fed Home Loan Mtg Corp	1.38%	02/25/14	Aaa	02/17/11	9,952,250	1.56%	10,226,300
10,000,000	Fed Home Loan Bank	2.38%	03/14/14	Aaa	03/04/11	10,232,474	1.49%	10,481,200
15,000,000	Fed Home Loan Mtg Corp	4.50%	04/02/14	Aaa	08/24/09	15,590,473	2.96%	16,506,150
5,000,000	Fed Home Loan Bank	5.38%	06/13/14	Aaa	08/24/09	5,327,046	2.98%	5,670,750
10,000,000	Fed Home Loan Mtg Corp	1.10%	08/08/14	Aaa	07/15/11	9,998,500	1.11%	10,042,800
8,000,000	Fed Natl Mtg Assn	3.00%	09/16/14	Aaa	02/17/11	8,277,598	1.88%	8,602,800
12,000,000	Fed Home Loan Mtg Corp	1.27%	01/26/15	Aaa	07/26/11	12,000,000	1.27%	12,073,440
10,000,000	Fed Natl Mtg Assn	1.63%	10/26/15	Aaa	04/11/11	9,733,624	2.28%	10,298,100
10,000,000	Fed Home Loan Mtg Corp	4.75%	01/19/16	Aaa	08/29/11	11,594,100	1.03%	11,608,900
SUBTOTAL INVESTMENTS						389,180,881		
<u>RDA TAX ALLOCATION BONDS</u>								
17,300,000	Downtown/Airport/Hunter Park	5.00%	11/1/2041	NR	03/08/11	17,300,000	5.00%	\$ 17,300,000
1,000,000	Magnolia Center	5.00%	11/1/2041	NR	03/08/11	1,000,000	5.00%	1,000,000
5,000,000	La Sierra/Arlanza	5.00%	11/1/2041	NR	03/08/11	5,000,000	5.00%	5,000,000
10,000,000	University Corridor/Sycamore	5.00%	11/1/2037	NR	03/08/11	10,000,000	5.00%	10,000,000
SUBTOTAL RDA BONDS						33,300,000		
TOTAL ALL INVESTMENTS						\$ 422,480,881		\$ 428,447,731
MISCELLANEOUS CASH						55,000		
TOTAL CASH & INVESTMENTS						\$ 422,535,881		

It has been verified that this investment portfolio is in conformity, exclusive of items identified, with the City of Riverside's investment policy which was approved by City Council on March 01, 2011. The Treasurer's cash management program and cash flow analysis indicates that sufficient liquidity is on hand to meet estimated future expenditures for a period of six months. The weighted average maturity of the pooled investment portfolio is 1.30 years. Market prices of securities are obtained directly through Union Bank. Weighted average yield on cost is 1.977%.

Verified by: 
Brent A. Mason, Finance Director

Approved by: 
Paul C. Sundeen, Assistant City Manager/CFO/Treasurer

**CITY OF RIVERSIDE
POOLED CASH AND INVESTMENTS BY FUND
AUGUST 31, 2011**

Electric Fund	197,118,353
Sewer Fund	13,540,489
Transportation Funds	8,053,250
General Fund	18,030,178
Redevelopment Agency	48,108,986
RDA Bond Proceeds 2011	31,205,581
Trust Funds	26,882,488
Water Fund	67,257,078
Park and Recreation Capital Improvement Funds	2,960,208
Internal Service Liability and Workers' Compensation Funds	1,136,832
Other Miscellaneous Funds	8,242,439
Total Cash and Investments	<u><u>422,535,881</u></u>

INTERFUND LOANS – NEW LOANS DURING THE MONTH

Date of Change	Date of City Council Approval	Loan Purpose	Payable Fund	Receivable Fund	Current Amount
None					

INTERFUND LOANS – FISCAL YEAR END RECEIVABLE FUND CHANGES

Date of Change	Date of City Council Approval	Loan Purpose	Payable Fund	Receivable Fund	Current Amount
None					