

M E M O R A N D U M

TO: Chief Administrative Officer
Mayor Satterthwaite
Members, Urbana City Council

FROM: City Comptroller

RE: Quarterly Investment Report for Quarter Ended Dec. 31, 2002

DATE: January 22, 2002

The City's investment policy requires that a quarterly investment report be submitted to the City Council. Attached please find the city's investment report as of Dec. 31, 2002.

Two last 2 columns report any changes in investments and cash accounts during the quarter.

Investment activity since last report:

- A \$100,000 CD at Central Illinois Bank matured on 12/6/02. A new CD was purchased at CIB with a 3 year maturity.
- A \$100,000 CD at Union Planter's Bank matured on 12/02/02. A new CD was purchased at Union Planters with a 35 month maturity.
- A \$100,000 CD at Bank Illinois matured on 12/02/02. A new CD was purchased at Bank Illinois with a 3 year maturity.
- 3 CD's at Edward D. Jones (2 at \$85,000 and one at \$86,000) matured on 11/21/02. 3 new CD's at Edward Jones (same value) were purchased, with maturities of 1.5 years, 2 years and 2.5 years.
- Invested \$1 million in the Lord Abbot U.S. Government Securities Fund. Monies can be withdrawn after 30 days notice. Current rate is 4.1%.

Total cash and investments went down approximately \$2.6 million due to normal bill paying and timing of revenues. In the period December through April, the City will normally spend down cash to pay bills.

The City's investment portfolio at Dec. 31, 2002 complies and is in accordance with the City's investment policies that were approved on November 15, 1999.

CITY OF URBANA, QUARTERLY INVESTMENT REPORT
AS OF DECEMBER 31, 2002

<u>Financial Institution</u>	<u>Type of Investment</u>	<u>Maturity Date</u>	<u>Date Purchased</u>	<u>Yield</u>	<u>12/31/02 \$ Market</u>	<u>% Portfolio</u>	<u>09/30/02 \$ Market</u>	<u>% Increase (Decrease)</u>	<u>Reason for Change</u>
Central IL Bank	CD	12/06/02	12/06/99	6.450%	\$ -		\$ 99,759	-100.00%	Maturity
Central IL Bank	CD	12/06/05	12/06/02	3.460%	\$ 100,000		\$ -	100.00%	Purchase
Union Planters Bank	CD	12/02/02	12/02/99	5.830%	\$ -		\$ 98,392	-100.00%	Maturity
Union Planters Bank	CD	11/03/05	12/03/02	2.700%	\$ 100,000		\$ -	100.00%	Purchase
Bank Illinois	CD	12/02/02	12/02/99	6.160%	\$ -		\$ 108,097	-100.00%	Maturity
Bank Illinois	CD	12/02/05	12/02/02	2.750%	\$ 100,000		\$ -	100.00%	Purchase
Smith Barney	CD	10/11/06	10/10/01	5.000%	\$ 100,000		\$ 100,000	0.00%	
Stifel, Nicolaus	CD	09/01/04	03/23/01	6.650%	\$ 92,076		\$ 92,076	0.00%	
Morgan Stanley	CD	11/14/02	11/14/01	3.000%	\$ 100,000		\$ 100,000	0.00%	
Edward Jones	CD	05/15/02	11/15/00	6.550%	95,000		95,000	0.00%	
Edward Jones	CD	11/17/03	11/15/00	6.650%	77,000		77,000	0.00%	
Edward Jones	CD	05/23/05	05/23/01	5.400%	78,000		78,000	0.00%	
Edward Jones	CD	11/21/02	11/21/01	2.650%	-		85,000	-100.00%	Maturity
Edward Jones	CD	11/21/02	11/21/01	2.650%	-		85,000	-100.00%	Maturity
Edward Jones	CD	11/21/02	11/21/01	2.700%	-		86,000	-100.00%	Maturity
Edward Jones	CD	11/22/04	11/26/02	2.500%	85,031		-	100.00%	Purchase
Edward Jones	CD	05/29/04	11/29/02	2.050%	85,000		-	100.00%	Purchase
Edward Jones	CD	05/27/05	11/29/02	2.500%	86,000		-	100.00%	Purchase
Subtotal, CD's					\$ 1,098,107	4.28%	\$ 1,104,323	-0.56%	

Merrill Lynch	US Govt, Agency, FICO	04/06/04	11/03/93	6.380%		73,734	73,734	0.00%	
Merrill Lynch	US Govt, Agency, FICO	05/11/04	11/03/93	6.380%		77,166	77,166	0.00%	
Merrill Lynch	US Govt, Agency, FICO	06/06/04	11/03/93	6.380%		64,745	64,745	0.00%	
Merrill Lynch	US Govt, Agency, FICO	02/08/05	11/03/93	6.390%		119,734	119,734	0.00%	
Merrill Lynch	US Govt, Agency, FICO	03/26/07	11/03/93	6.600%		205,723	205,723	0.00%	
Merrill Lynch	US Govt, Agency, FICO	09/26/07	11/03/93	6.640%		196,682	196,682	0.00%	
Merrill Lynch	US Govt, Agency, FICO	12/27/07	11/03/93	6.750%		132,088	132,088	0.00%	
Merrill Lynch	US Govt, Agency, FICO	03/07/08	11/03/93	6.770%		99,759	99,759	0.00%	
Merrill Lynch	US Govt, Agency, FICO	06/27/09	11/03/93	7.000%		122,029	122,029	0.00%	
Merrill Lynch	US Govt, Agency, FICO	11/02/09	11/03/93	7.010%		134,457	134,457	0.00%	
Merrill Lynch	US Govt, Agency, FICO	11/11/09	11/03/93	7.010%		71,872	71,872	0.00%	
Merrill Lynch	US Govt, Agency, TNote	11/15/08	07/03/02	4.250%		1,292,213	1,292,213	0.00%	
Merrill Lynch	US Govt, Agency, TNote	05/15/07	07/08/02	4.000%		1,278,783	1,278,783	0.00%	
AG Edwards	US Govt, Agency, FHLM	02/15/23	11/30/93	6.200%	\$	675,862	\$ 675,862	0.00%	
Smith Barney	US Govt, Agency, GNMA	10/20/23	11/26/93	6.500%	\$	160,557	\$ 195,912	-18.05% Principal payments	
Smith Barney	US Govt, Agency, GNMA	11/20/23	11/26/93	6.500%	\$	11,735	\$ 13,542	-13.34% Principal payments	
Smith Barney	US Govt, Agency, TNote	11/15/05	07/02/02	5.750%	\$	1,347,266	\$ 1,347,266	0.00%	
Smith Barney	US Govt, Agency, FHLM	01/30/17	01/30/02	6.000%	\$	197,586	\$ 197,586	0.00%	
Edward Jones	US Govt, Agency, TNote	05/15/06	07/03/02	4.630%	\$	1,304,573	\$ 1,304,573	0.00%	
Stifel, Nicolaus	US Govt, Agency, FICO	12/06/03	01/11/02	3.000%		90,572	90,572	0.00%	
Stifel, Nicolaus	US Govt, Agency, FHLM	05/15/12	05/23/02	4.250%	\$	100,918	\$ 100,918	0.00%	
Stifel, Nicolaus	US Govt, Agency, TNote	11/15/04	07/05/02	2.980%	\$	1,245,087	\$ 1,245,087	0.00%	
Stifel, Nicolaus	US Govt, Agency, FICO	06/06/07	09/12/02	9.000%	\$	97,553	\$ 97,553	0.00%	
Stifel, Nicolaus	US Govt, Agency, FICO	12/27/05	09/19/02	9.600%	\$	114,879	\$ 114,879	0.00%	
Stifel, Nicolaus	US Govt, Agency, FICO	03/07/06	09/19/02	9.650%	\$	99,972	\$ 99,972	0.00%	
Stifel, Nicolaus	US Govt, Agency, FICO	11/30/08	09/19/02	9.800%	\$	159,044	\$ 159,044	0.00%	
Subtotal, U.S. Govt.						\$ 9,474,588	36.96%	\$ 9,511,750	-0.39%
Merrill Lynch	MM	n/a	n/a	1.220%	\$	67	\$ 67	0.00%	
Edward Jones	MM	n/a	n/a	0.620%		2,861	2,515	13.75% Interest, Dividends	
Smith Barney	MM	n/a	n/a	0.940%		36,553	-	100.00% Interest on Investments	
AG Edwards	MM	n/a	n/a			-	506,129	-100.00% Check Written	
Stifel, Nicolaus	MM			0.650%	\$	10,740	\$ 6,431	67.01% Interest on Investments	
Stifel, Nicolaus	MM, U.S. Govt.	n/a	n/a	3.690%	\$	93,222	\$ 93,222	0.00%	
I.M.E.T.	US Govt Pool Fund	n/a	n/a	5.870%	\$	1,000,000	\$ 1,000,000	0.00%	
Smith Barney Lord Abbott	US Govt Pool Fund	n/a	n/a	4.100%	\$	1,000,000	\$ -	100.00% Purchase	

Illinois Funds-MM	Govt. Pool, IL Funds	n/a	n/a	1.238%	1,970,140	4,418,412	-55.41%	\$4.5M transfer to Busey
Illinois Funds-PRIME	Govt. Pool, IL Funds	n/a	n/a	1.326%	4,003,758	3,988,532	0.38%	Interest
Bank One	Savings	n/a	n/a	1.260%	3,215,141	3,203,739	0.36%	Interest
Busey Bank	Savings	n/a	n/a	1.260%	3,729,518	4,390,008	-15.05%	Normal bill paying. Purchase Investment
Subtotal, MM, IPTIP, & Savings					\$ 15,061,998	58.76%	\$ 17,609,054	-14.46%
TOTALS					\$ 25,634,693	100.00%	\$ 28,225,127	-9.18%

Submitted by: Ronald Eldridge, Comptroller