

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 June 30, 2004

DATE: August 18, 2004

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 June 30, 2004.

Two last 2 columns report any changes in investments and cash accounts during the quarter. Total deposits increased approximately \$4.7 million since the last report. This increase was due mainly to the receipt of the Library Foundation's \$2 million and receipt of \$2.5 million in property tax (approx. ½ received in June). These amounts will be spent later in the year on expenses.

With the rise in interest rates during the quarter, based on advice from the various security firms utilized by the City, I sold approximately \$1.25 million in the short-term Lord Abbott Governmental Bond Fund and purchased various U.S. Government Bonds in order to lock in higher interest rates and avoid any possible short-term losses.

The City's investment portfolio at June 30, 2004 complies and is in accordance with the City's investment policies that were approved on November 15, 1999.

<u>Financial Institution</u>	<u>Type of Investment</u>	<u>Maturity Date</u>	<u>Date Purchased</u>	<u>Yield</u>	<u>06/30/04 \$ Market</u>	<u>% Portf.</u>	<u>03/31/04 \$ Market</u>	<u>% Increase (Decrease)</u>	<u>Reason for Change</u>
Central IL Bank	CD	12/06/05	12/06/02	3.460%	\$ 100,000		\$ 100,000	0.00%	
Union Planters Bank	CD	11/03/05	12/03/02	2.700%	\$ 102,700		\$ 101,657	1.03%	Accrued interest
Bank Illinois	CD	12/02/05	12/02/02	2.750%	\$ 104,200		\$ 103,483	0.69%	Accrued interest
Smith Barney	CD	10/11/06	10/10/01	5.000%	\$ 100,000		\$ 100,000	0.00%	
Smith Barney	CD	06/16/06	06/10/04	3.000%	\$ 86,000		\$ -	100.00%	Purchase
Smith Barney	CD	06/23/06	06/10/04	3.050%	\$ 94,000		\$ -	100.00%	Purchase
First Mid-Illinois Bank	CD	11/29/04	11/19/02	3.200%	\$ 105,197		\$ 101,876	3.26%	Accrued interest
Stifel, Nicolaus	CD	09/01/04	03/23/01	6.650%	\$ 90,297		\$ 92,076	-1.93%	Accrued interest
Edward Jones	CD	05/23/05	05/23/01	5.400%	\$ 78,000		\$ 78,000	0.00%	
Edward Jones	CD	11/22/04	11/20/02	2.250%	\$ 85,000		\$ 85,000	0.00%	
Edward Jones	CD	05/29/04	11/29/02	2.050%	\$ -		\$ 85,000	-100.00%	Maturity
Edward Jones	CD	05/27/05	11/29/02	2.500%	\$ 86,000		\$ 86,000	0.00%	
Edward Jones	CD	12/24/08	12/24/03	3.750%	\$ 98,000		\$ 98,000	0.00%	
Edward Jones	CD	12/26/08	12/26/03	3.750%	\$ 98,000		\$ 98,000	0.00%	
Edward Jones	CD	11/28/07	05/28/04	3.850%	\$ 95,000		\$ -	100.00%	Purchase
Stifel, Nicolaus	CD	12/18/18	12/12/03	3.500%	\$ 94,000		\$ 94,000	0.00%	
Merrill Lynch	CD	06/11/07	06/07/04	3.350%	\$ 69,000		\$ -	100.00%	Purchase
Subtotal, CD's					\$ 1,485,395	5.03%	\$ 1,223,092	21.45%	
Merrill Lynch	US Govt, Agency, FICO	04/06/04	11/03/93	6.380%	\$ -		\$ 77,174	-100.00%	Maturity
Merrill Lynch	US Govt, Agency, FICO	05/11/04	11/03/93	6.380%	\$ -		\$ 81,033	-100.00%	Maturity
Merrill Lynch	US Govt, Agency, FICO	06/06/04	11/03/93	6.380%	\$ -		\$ 68,113	-100.00%	Maturity
Merrill Lynch	US Govt, Agency, FICO	02/08/05	11/03/93	6.390%	\$ 130,438		\$ 128,845	1.24%	Change in Market Value
Merrill Lynch	US Govt, Agency, FICO	03/26/07	11/03/93	6.600%	\$ 232,289		\$ 232,575	-0.12%	Change in Market Value
Merrill Lynch	US Govt, Agency, FICO	09/26/07	11/03/93	6.640%	\$ 222,467		\$ 223,700	-0.55%	Change in Market Value
Merrill Lynch	US Govt, Agency, FICO	12/27/07	11/03/93	6.750%	\$ 150,368		\$ 151,432	-0.70%	Change in Market Value
Merrill Lynch	US Govt, Agency, FICO	03/07/08	11/03/93	6.770%	\$ 114,834		\$ 115,480	-0.56%	Change in Market Value
Merrill Lynch	US Govt, Agency, FICO	06/27/09	11/03/93	7.000%	\$ 142,704		\$ 144,122	-0.98%	Change in Market Value
Merrill Lynch	US Govt, Agency, FICO	11/02/09	11/03/93	7.010%	\$ 157,940		\$ 160,182	-1.40%	Change in Market Value
Merrill Lynch	US Govt, Agency, FICO	11/11/09	11/03/93	7.010%	\$ 84,463		\$ 85,680	-1.42%	Change in Market Value
Merrill Lynch	US Govt, Agency, TNote	11/15/08	07/03/02	4.750%	\$ 1,305,475		\$ 1,385,550	-5.78%	Change in Market Value
Merrill Lynch	US Govt, Agency, TNote	05/15/07	07/08/02	4.375%	\$ 1,292,187		\$ 1,358,200	-4.86%	Change in Market Value

Merrill Lynch	US Govt, Agency, FNMA	11/18/11	05/13/04	4.000%	\$	159,000	\$	-	100.00% Purchase	
Merrill Lynch	US Govt, Agency, Tstrip	05/15/09	05/26/04	3.800%	\$	498,257	\$	-	100.00% Purchase	
Merrill Lynch	US Govt, Agency, Tstrip	05/15/11	05/26/04	4.310%	\$	497,609	\$	-	100.00% Purchase	
AG Edwards	US Govt, Agency, FHLM	02/15/23	11/30/93	6.200%	\$	423,325	\$	593,395	-28.66% Principal payments	
Smith Barney	US Govt, Agency, GNMA	10/20/23	11/26/93	6.500%	\$	65,566	\$	73,893	-11.27% Principal payments	
Smith Barney	US Govt, Agency, GNMA	11/20/23	11/26/93	6.500%	\$	4,191	\$	4,844	-13.49% Principal payments	
Smith Barney	US Govt, Agency, TNote	11/15/05	07/01/02	5.750%	\$	1,307,038	\$	1,374,225	-4.89% Change in Market Value	
Smith Barney	US Govt, Agency, FHLM	03/15/13	05/24/04	5.750%	\$	515,696	\$	-	100.00% Purchase	
Smith Barney	US Govt, Agency, FHLM	07/15/10	05/25/04	4.480%	\$	533,162	\$	-	100.00% Purchase	
Smith Barney	US Govt, Agency, FICO	06/27/11	05/25/04	4.680%	\$	503,111	\$	-	100.00% Purchase	
Smith Barney	US Govt, Agency, FICO	05/30/12	05/25/04	4.900%	\$	508,343	\$	-	100.00% Purchase	
AG Edwards	US Govt, Agency, TNote	05/15/06	07/03/02	4.625%	\$	1,294,138	\$	1,353,125	-4.36% Change in Market Value	
Stifel, Nicolaus	US Govt, Agency, FHLM	05/15/12	05/23/02	4.250%	\$	-	\$	102,469	-100.00% Maturity	
Stifel, Nicolaus	US Govt, Agency, TNote	11/15/04	07/05/02	2.980%	\$	1,327,491	\$	1,314,141	1.02% Change in Market Value	
Stifel, Nicolaus	US Govt, Agency, FICO	06/06/07	09/12/02	9.000%	\$	103,464	\$	104,940	-1.41% Change in Market Value	
Stifel, Nicolaus	US Govt, Agency, FICO	12/27/05	09/19/02	9.600%	\$	119,874	\$	119,823	0.04% Change in Market Value	
Stifel, Nicolaus	US Govt, Agency, FICO	03/07/06	09/19/02	9.650%	\$	104,690	\$	104,875	-0.18% Change in Market Value	
Stifel, Nicolaus	US Govt, Agency, FICO	11/30/08	09/19/02	9.800%	\$	166,628	\$	171,128	-2.63% Change in Market Value	
Stifel, Nicolaus	US Govt, Agency, Tstrip	05/15/14	05/17/04	5.050%	\$	1,008,079	\$	-	100.00% Purchase	
Stifel, Nicolaus	US Govt, Agency, FHLM	05/15/14	05/14/04	4.500%	\$	212,930	\$	-	100.00% Purchase	
Edward Jones	US Govt, Agency, FHLM	05/15/30	05/28/04	5.000%	\$	970,000	\$	-	100.00% Purchase	
Subtotal, U.S. Govt.					\$	14,155,755	47.98%	\$	9,528,945	48.56%
Merrill Lynch	MM	n/a	n/a	n/a	\$	37	\$	1	Interest	
Edward Jones	MM	n/a	n/a	0.240%	\$	6,867	\$	3,723	84.45% Interest	
Smith Barney	MM	n/a	n/a	0.150%	\$	4,672	\$	23,970	-80.51% Purchase Investments	
Stifel, Nicolaus	MM			0.510%	\$	3,360	\$	14,395	-76.66% Purchase Investments	
Stifel, Nicolaus	US Govt, Agency Bonds			0.220%	\$	-	\$	103,324	-100.00% Sale of Investment	
IL Metropolitan Investment Fund	US Govt Pool Fund			4.560%	\$	2,061,468	\$	2,055,582	0.29% Interest	
Smith Barney Lord Abbott	US Govt Pool Fund			3.640%	\$	-	\$	1,250,438	-100.00% Sale of Investment	
Illinois Funds-Money Market	Govt. Pool, IL Funds	n/a	n/a	0.946%	\$	1,453,466	\$	970,309	49.79% State Payments, Interest	
Illinois Funds-Prime Funds	Govt. Pool, IL Funds	n/a	n/a	1.007%	\$	12,287	\$	4,056,609	-99.70% Tfr to Busey	
Bank One	Savings	n/a	n/a	1.040%	\$	2,244,360	\$	2,238,775	0.25% Interest	
Busey Bank	Savings	n/a	n/a	1.040%	\$	8,076,423	\$	3,262,562	\$2 M Library Deposit, Real Estate Tax Deposit, Tfr from 147.55% IL Funds	

Subtotal, MM, IPTIP, & Savings	\$	13,862,939	46.99%	\$	13,979,688	-0.84%
TOTALS	\$	29,504,089	100.0%	\$	24,731,724	19.30%