

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, 2004

DATE: January 28, 2005

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, 2004.

Two last 2 columns report any changes in investments and cash accounts during the quarter. Because interest rates on CD's and Treasuries increased this last quarter, I invested an additional \$3.5 million from the City's savings accounts. The average return on these new investments was 3.3% as contrasted to the 1.8% being earned on the savings accounts. Extra interest on the \$3.5 million will earn an additional \$69,000 over a 12 month period. Total cash and investments decreased \$2.1 million due to normal timing of bill paying and revenue receipts. This total can be expected to continue to decrease until June 2005.

The City's investment portfolio at December 31, 2004 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, 2004

<u>Institution</u>	<u>Type of Investment</u>	<u>Maturity Date</u>	<u>Date Purchased</u>	<u>Yield</u>	<u>12/31/04 \$ Market</u>	<u>% Portfolio</u>	<u>09/30/04 \$ 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		\$ 102,700	0.00%	
Bank Illinois	CD	12/02/05	12/02/02	2.750%	\$ 105,632		\$ 104,923	0.68%	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		\$ 86,000	0.00%	
Smith Barney	CD	06/23/06	06/10/04	3.050%	\$ 94,000		\$ 94,000	0.00%	
First Mid-Illinois Bank	CD	11/29/04	11/19/02	3.200%	\$ -		\$ 105,197	-100.00%	Maturity
Stifel, Nicolaus	CD	08/31/09	09/01/04	3.855%	\$ 82,630		\$ 82,630	0.00%	
Stifel, Nicolaus	CD	12/18/18	12/12/03	3.500%	\$ 94,000		\$ 94,000	0.00%	
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	-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		\$ 95,000	0.00%	
Edward Jones	CD	12/03/07	12/03/04	3.500%	\$ 99,000		\$ -	100.00%	Purchase
Merrill Lynch	CD	06/11/07	06/07/04	3.350%	\$ 69,000		\$ 69,000	0.00%	Purchase
Merrill Lynch	CD	12/17/07	11/29/04	3.350%	\$ 100,000		\$ -	100.00%	Purchase
Merrill Lynch	CD	12/10/07	11/29/04	3.300%	\$ 100,000		\$ -	100.00%	Purchase
Merrill Lynch	CD	12/10/07	11/29/04	3.400%	\$ 100,000		\$ -	100.00%	Purchase
Merrill Lynch	CD	12/15/06	12/06/04	3.050%	\$ 100,000		\$ -	100.00%	Purchase
Merrill Lynch	CD	12/18/06	12/06/04	3.000%	\$ 100,000		\$ -	100.00%	Purchase
Centrue Bank	CD	11/24/07	11/23/04	3.230%	\$ 100,000		\$ -	100.00%	Purchase
Main St. Bank and Trust	CD	11/23/07	11/23/04	3.090%	\$ 100,000		\$ -	100.00%	Purchase
Bank One	CD	11/23/07	11/23/04	2.760%	\$ 97,000		\$ -	100.00%	Purchase
Subtotal, CD's					\$ 2,184,962	7.71%	\$ 1,478,450	47.79%	

Merrill Lynch	US Govt, Agency, FICO	02/08/05	11/03/93	6.390%	\$ 130,438	\$ 130,438	0.00%
Merrill Lynch	US Govt, Agency, FICO	03/26/07	11/03/93	6.600%	\$ 232,289	\$ 232,289	0.00%
Merrill Lynch	US Govt, Agency, FICO	09/26/07	11/03/93	6.640%	\$ 222,467	\$ 222,467	0.00%
Merrill Lynch	US Govt, Agency, FICO	12/27/07	11/03/93	6.750%	\$ 150,368	\$ 150,368	0.00%
Merrill Lynch	US Govt, Agency, FICO	03/07/08	11/03/93	6.770%	\$ 114,834	\$ 114,834	0.00%
Merrill Lynch	US Govt, Agency, FICO	06/27/09	11/03/93	7.000%	\$ 142,704	\$ 142,704	0.00%
Merrill Lynch	US Govt, Agency, FICO	11/02/09	11/03/93	7.010%	\$ 157,940	\$ 157,940	0.00%
Merrill Lynch	US Govt, Agency, FICO	11/11/09	11/03/93	7.010%	\$ 84,463	\$ 84,463	0.00%
Merrill Lynch	US Govt, Agency, TNote	11/15/08	07/03/02	4.750%	\$ 1,305,475	\$ 1,305,475	0.00%
Merrill Lynch	US Govt, Agency, TNote	05/15/07	07/08/02	4.375%	\$ 1,292,187	\$ 1,292,187	0.00%
Merrill Lynch	US Govt, Agency, FNMA	11/18/11	05/13/04	4.000%	\$ 159,000	\$ 159,000	0.00%
Merrill Lynch	US Govt, Agency, Tstrip	05/15/09	05/26/04	3.800%	\$ 498,257	\$ 498,257	0.00%
Merrill Lynch	US Govt, Agency, Tstrip	05/15/11	05/26/04	4.310%	\$ 497,609	\$ 497,609	0.00%
Merrill Lynch	US Govt, Agency, FHLM	05/28/13	11/23/04	4.250%	\$ 491,507		100.00% Purchase
AG Edwards	US Govt, Agency, FHLM	02/15/23	11/30/93	6.200%	\$ 252,673	\$ 330,418	-23.53% Principal payments
Smith Barney	US Govt, Agency, GNMA	10/20/23	11/26/93	6.500%	\$ 48,769	\$ 57,029	-14.48% Principal payments
Smith Barney	US Govt, Agency, GNMA	11/20/23	11/26/93	6.500%	\$ 3,085	\$ 3,761	-17.98% Principal payments
Smith Barney	US Govt, Agency, TNote	11/15/05	07/01/02	5.750%	\$ 1,307,038	\$ 1,307,038	0.00%
Smith Barney	US Govt, Agency, FHLM	03/15/13	05/24/04	5.750%	\$ 515,696	\$ 515,696	0.00%
Smith Barney	US Govt, Agency, FHLM	07/15/10	05/24/04	4.480%	\$ 533,162	\$ 533,162	0.00%
Smith Barney	US Govt, Agency, FICO	06/27/11	05/25/04	4.680%	\$ 503,111	\$ 503,111	0.00%
Smith Barney	US Govt, Agency, FICO	05/30/12	05/25/04	4.900%	\$ 508,343	\$ 508,343	0.00%
Edward Jones	US Govt, Agency, TNote	05/15/06	07/03/02	4.625%	\$ 1,294,138	\$ 1,294,138	0.00%
Stifel, Nicolaus	US Govt, Agency, TNote	11/15/04	07/05/02	2.980%	\$ -	\$ 1,327,491	-100.00% Maturity
Stifel, Nicolaus	US Govt, Agency, FICO	06/06/07	09/12/02	9.000%	\$ 103,464	\$ 103,464	0.00%
Stifel, Nicolaus	US Govt, Agency, FICO	12/27/05	09/19/02	9.600%	\$ 119,874	\$ 119,874	0.00%
Stifel, Nicolaus	US Govt, Agency, FICO	03/07/06	09/19/02	9.650%	\$ 104,690	\$ 104,690	0.00%
Stifel, Nicolaus	US Govt, Agency, FICO	11/30/08	09/19/02	9.800%	\$ 166,628	\$ 166,628	0.00%
Stifel, Nicolaus	US Govt, Agency, Tstrip	05/15/14	05/17/04	5.050%	\$ -	\$ 1,008,079	-100.00% Called Early
Stifel, Nicolaus	US Govt, Agency, FHLM	05/15/14	05/14/04	4.500%	\$ 212,930	\$ 212,930	0.00%
Stifel, Nicolaus	US Govt, Agency, FHLM	11/02/07	11/18/04	3.375%	\$ 450,891		100.00% Purchase
Stifel, Nicolaus	US Govt, Agency, FHLM	06/06/08	11/19/04	3.750%	\$ 452,255		100.00% Purchase
Stifel, Nicolaus	US Govt, Agency, FNMA	05/28/09	11/19/04	4.290%	\$ 451,974		100.00% Purchase
Stifel, Nicolaus	US Govt, Agency, TNote	11/15/07	11/29/04	3.000%	\$ 499,222		100.00% Purchase
Stifel, Nicolaus	US Govt, Agency, Tnote	11/30/06	11/29/04	2.8750%	\$ 500,790		100.00% Purchase

Stifel, Nicolaus	US Govt, Agency,Tstrip	11/15/09	12/07/04	3.500%	\$ 1,072,598		100.00%	Purchase
Edward Jones	US Govt, Agency,FHLM	05/15/30	05/28/04	5.000%	\$ 970,000	\$ 970,000	0.00%	
Edward Jones	US Govt, Agency,FNMA	12/15/09	12/15/04	3.000%	\$ 1,613,000	\$ -	100.00%	Purchase
Subtotal, U.S. Govt.					\$ 17,163,867	60.59%	\$ 14,053,881	22.13%
Merrill Lynch	MM	n/a	n/a	n/a	\$ 37	\$ 37	0.00%	
Edward Jones	MM	n/a	n/a	0.790%	\$ 10,597	\$ 22,254	-52.38%	Rec'd Inv. Interest, purchased inv. (partial)
Smith Barney	MM	n/a	n/a	0.940%	\$ 46,496	\$ 15,953	191.47%	Investment Interest
Stifel, Nicolaus	MM			0.580%	\$ 5,144	\$ 14,586	-64.73%	Rec'd Inv. Interest, purchased inv. (partial)
IL Metropolitan Investment Fund	US Govt Pool Fund			2.610%	\$ 2,061,468	\$ 2,061,468	0.00%	
Illinois Funds-Money Market	Govt. Pool, IL Funds	n/a	n/a	1.903%	\$ 2,649,743	\$ 3,949,611	-32.91%	State Payments, Interest, \$4M Tfr to Busey
Illinois Funds-Prime Funds	Govt. Pool, IL Funds	n/a	n/a	2.000%	\$ 12,387	\$ 12,330	0.46%	Interest
Bank One	Savings	n/a	n/a	1.480%	\$ 2,162,318	\$ 2,250,983	-3.94%	Interest, \$97K CD Purchase
Busey Bank	Savings	n/a	n/a	1.480%	\$ 2,029,133	\$ 6,611,862	-69.31%	Normal Bill Paying, Purchased Approx \$3.5 in Investments
Subtotal, MM, IPTIP, & Savings					\$ 8,977,321	31.69%	\$ 14,939,082	-39.91%
TOTALS					\$ 28,326,150	100.00%	\$ 30,471,413	-7.04%