

M E M O R A N D U M

TO: Mayor Prussing  
Members, Urbana City Council

FROM: City Comptroller

RE: Quarterly Investment Report for Quarter Ended June 30, 2008

DATE: August 27, 2008

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, 2008.

Two last 2 columns report any changes in investments and cash accounts during the quarter. The total amount invested increased approximately \$3.3 million to a total of \$32,550,440 due to the recognition at June 30 of increases in the market values of the fixed investments in the amount of \$658,000 and the receipt of property taxes in June of approximately \$2.6 million. These property taxes will be used to finance bills throughout the rest of the fiscal year. The average yield is 4.8% on fixed investments (CD's and U.S. Treasury) and 2.0% on short-term money market and savings investments (last quarter returns were 4.8 and 2.5% respectively). The average outstanding length of maturity time for the fixed investments is 6.3 years (although the US securities are all easily sellable at any time.

The City's investment portfolio at June 30, 2008 complies and is in accordance with State laws and the City's investment policies that were approved on November 15, 1999.

<u>Institution</u>	<u>Type of Investment</u>	<u>Maturity Date</u>	<u>Date Purchased</u>	<u>Yield</u>	<u>06/30/08 \$ Market</u>	<u>% Portfolio</u>	<u>03/31/08 \$ Market</u>	<u>% Increase (Decrease)</u>	<u>Reason for Change</u>
Central IL Bank	CD	12/06/08	12/06/06	4.720%	\$ 107,293		\$ 106,035	1.19%	Accrued interest
Regions Bank	CD	07/05/08	11/05/07	4.651%	\$ 100,428		\$ 100,428	0.00%	
National City	CD	01/09/10	01/09/08	4.640%	\$ 96,000		\$ 96,000	0.00%	
Centrue Bank	CD	04/27/08	11/27/07	4.750%	\$ -		\$ 98,000	-100.00%	Maturity
Centrue Bank	CD	05/30/09	04/30/08	3.370%	\$ 97,000		\$ -	100.00%	Purchase
Chase Bank	CD	11/23/10	11/23/07	4.630%	\$ 100,000		\$ 100,000	0.00%	
Freestar Bank	CD	02/23/09	11/23/07	4.420%	\$ 95,000		\$ 95,000	0.00%	
First Federal	CD	11/29/08	11/30/07	4.670%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	11/23/10	11/16/05	4.850%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	06/06/08	05/30/06	5.250%	\$ -		\$ 96,000	-100.00%	Maturity
Smith Barney	CD	06/20/08	06/14/06	5.250%	\$ -		\$ 96,000	-100.00%	Maturity
Smith Barney	CD	12/07/09	11/29/06	4.750%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	07/13/10	07/06/07	5.300%	\$ 50,000		\$ 50,000	0.00%	
Smith Barney	CD	07/13/10	07/06/07	5.300%	\$ 50,000		\$ 50,000	0.00%	
Smith Barney	CD	04/01/09	09/17/07	4.900%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	10/30/09	10/23/07	4.700%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	12/05/14	11/27/07	5.000%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	06/13/11	06/06/08	4.150%	\$ 96,000		\$ -	100.00%	Purchase
Stifel, Nicolaus	CD	08/31/09	09/01/04	3.855%	\$ 92,050		\$ 88,478	4.04%	Accrued interest
Stifel, Nicolaus	CD	06/22/09	12/22/06	4.900%	\$ 100,000		\$ 100,000	0.00%	
Stifel, Nicolaus	CD	12/14/09	06/05/07	5.150%	\$ 100,000		\$ 100,000	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	07/13/09	07/11/07	5.200%	\$ 94,000		\$ 94,000	0.00%	
Edward Jones	CD	12/07/09	12/06/07	4.550%	\$ 99,000		\$ 99,000	0.00%	
Edward Jones	CD	12/07/09	12/07/07	4.550%	\$ 99,000		\$ 99,000	0.00%	
Merrill Lynch	CD	12/22/08	12/11/06	4.800%	\$ 100,000		\$ 100,000	0.00%	
Merrill Lynch	CD	12/22/08	12/11/06	4.800%	\$ 100,000		\$ 100,000	0.00%	
Merrill Lynch	CD	06/20/08	06/11/07	5.000%	\$ -		\$ 69,000	-100.00%	Maturity
Merrill Lynch	CD	12/21/09	12/10/07	4.350%	\$ 97,000		\$ 97,000	0.00%	
Merrill Lynch	CD	12/18/09	12/10/07	4.500%	\$ 97,000		\$ 97,000	0.00%	
Merrill Lynch	CD	12/28/09	12/17/07	4.400%	\$ 97,000		\$ 97,000	0.00%	
Merrill Lynch	CD	07/13/09	12/31/07	4.250%	\$ 91,000		\$ 91,000	0.00%	
Merrill Lynch	CD	01/12/09	12/31/07	4.200%	\$ 92,000		\$ 92,000	0.00%	
Merrill Lynch	CD	06/30/11	06/16/08	4.300%	\$ 98,000			100.00%	Purchase
Subtotal, CD's					\$ 2,919,771	8.97%	\$ 2,982,941	-2.12%	

Institution	Type of Investment	Maturity Date	Date Purchased	Yield	\$ Market	% Portfolio	\$ Market	% Increase (Decrease)	Reason for Change
Merrill Lynch	US Govt, Agency, FICO	6/27/09	11/03/93	7.000%	171,438		159,113	7.75%	Market Value Adjust
Merrill Lynch	US Govt, Agency, FICO	11/2/09	11/03/93	7.010%	190,786		175,877	8.48%	Market Value Adjust
Merrill Lynch	US Govt, Agency, FICO	11/11/09	11/03/93	7.010%	102,064		94,041	8.53%	Market Value Adjust
Merrill Lynch	US Govt, Agency, TNote	11/15/08	07/03/02	4.750%	1,262,013		1,246,000	1.29%	Market Value Adjust
Merrill Lynch	US Govt, Agency, Tstrip	5/15/09	05/26/04	3.800%	590,418		550,613	7.23%	Market Value Adjust
Merrill Lynch	US Govt, Agency, Tstrip	5/15/11	05/26/04	4.310%	621,472		562,498	10.48%	Market Value Adjust
Merrill Lynch	US Govt, Agency, FHLM	5/28/13	11/23/04	4.250%	497,635		470,705	5.72%	Market Value Adjust
Merrill Lynch	US Govt, Agency, FHLM	7/6/10	11/22/06	4.500%	163,976		156,914	4.50%	Market Value Adjust
Merrill Lynch	US Govt, Agency, FHLM	10/15/08	05/14/07	5.125%	624,650		619,808	0.78%	Market Value Adjust
Merrill Lynch	US Govt, Agency, FHLM	11/3/09	05/14/07	4.750%	639,650		618,944	3.35%	Market Value Adjust
Merrill Lynch	US Govt, Agency, FHLB	8/14/08	03/28/07	5.250%	250,783		249,923	0.34%	Market Value Adjust
Merrill Lynch	US Govt, Agency, FHLB	10/22/10	09/25/07	4.375%	255,625		249,564	2.43%	Market Value Adjust
Merrill Lynch	US Govt, Agency, T/Bill	9/18/08	06/24/08	1.520%	235,073			100.00%	Purchase
Smith Barney	US Govt, Agency, GNMA	10/20/23	11/26/93	6.500%	17,813		18,955	-6.03%	Principal Payments
Smith Barney	US Govt, Agency, GNMA	11/20/23	11/26/93	6.500%	1,252		1,406	-10.92%	Principal Payments
Smith Barney	US Govt, Agency, FHLM	3/15/13	05/24/04	5.750%	671,168		596,288	12.56%	Market Value Adjust
Smith Barney	US Govt, Agency, FHLM	7/15/10	05/24/04	4.480%	659,785		599,921	9.98%	Market Value Adjust
Smith Barney	US Govt, Agency, FICO	6/27/11	05/25/04	4.680%	637,217		574,154	10.98%	Market Value Adjust
Smith Barney	US Govt, Agency, FICO	5/30/12	05/25/04	4.900%	656,047		588,405	11.50%	Market Value Adjust
Smith Barney	US Govt, Agency, Tstrip	11/15/09	11/16/05	4.046%	918,660		848,227	8.30%	Market Value Adjust
Smith Barney	US Govt, Agency T/Note	1/31/09	06/24/08	4.875%	140,189		-	100.00%	Purchase
Edward Jones	US Govt, Agency, FHLM	5/15/30	05/28/04	5.000%	999,790		959,190	4.23%	Market Value Adjust
Edward Jones	US Govt, Agency, FNMA	10/12/22	10/12/07	5.500%	1,005,940		1,000,000	0.59%	Market Value Adjust
Edward Jones	US Govt, Agency, Tstrip	8/15/09	12/05/05	4.200%	794,925		737,939	7.72%	Market Value Adjust
Edward Jones	US Govt, Agency, TNote	4/30/11	05/19/06	4.875%	438,264		415,384	5.51%	Market Value Adjust
Edward Jones	US Govt, Agency, Tnote	4/30/08	05/19/06	4.875%	-		415,447	-100.00%	Maturity
Edward Jones	US Govt, Agency, FHLMC	5/15/26	05/19/06	6.000%	421,227		405,698	3.83%	Market Value Adjust
Edward Jones	US Govt, Agency, FHLMC	12/15/12	12/20/07	4.500%	435,654		434,000	0.38%	Market Value Adjust
Edward Jones	US Govt, Agency, FHLB	9/17/10	12/21/07	4.250%	817,551		815,385	0.27%	Market Value Adjust
Edward Jones	US Govt, Agency, FHLB	12/18/08	12/21/07	4.250%	-		490,174	-100.00%	Called early
Edward Jones	US Govt, Agency, T/Bill	9/25/08	06/30/08	1.630%	550,860			100.00%	Purchase
Stifel, Nicolaus	US Govt, Agency, FICO	11/30/08	09/19/02	9.800%	198,068		186,006	6.48%	Market Value Adjust
Stifel, Nicolaus	US Govt, Agency, FICO	5/11/09	06/06/07	5.030%	122,277		113,770	7.48%	Market Value Adjust
Stifel, Nicolaus	US Govt, Agency, FHLB	6/6/08	11/19/04	3.750%	-		443,700	-100.00%	Maturity
Stifel, Nicolaus	US Govt, Agency, FHLMC	11/15/11	11/29/07	4.500%	250,630		250,000	0.25%	Market Value Adjust
Stifel, Nicolaus	US Govt, Agency, FHLMC	11/15/12	11/29/07	4.600%	250,170		250,000	0.07%	Market Value Adjust
Stifel, Nicolaus	US Govt, Agency, FNMA	8/14/23	10/01/07	6.000%	125,079		125,984	-0.72%	Market Value Adjust
Stifel, Nicolaus	US Govt, Agency, FNMA	10/29/27	11/02/07	5.250%	456,693		460,000	-0.72%	Market Value Adjust
Stifel, Nicolaus	US Govt, Agency, FNMA	11/5/27	11/09/07	5.250%	213,454		215,000	-0.72%	Market Value Adjust
Stifel, Nicolaus	US Govt, Agency, FNMA	12/24/27	12/28/07	5.250%	1,182,372		1,200,000	-1.47%	Market Value Adjust
Stifel, Nicolaus	US Govt, Agency, FNMA	2/11/28	02/15/08	4.750%	180,679		190,000	-4.91%	Market Value Adjust
Stifel, Nicolaus	US Govt, Agency, FNMA	2/25/28	02/29/08	5.000%	921,795		950,000	-2.97%	Market Value Adjust
Stifel, Nicolaus	US Govt, Agency, FHLMC	6/15/23	06/06/08	5.000%	216,029		-	100.00%	Purchase
Stifel, Nicolaus	US Govt, Agency, Tstrip	11/15/08	06/06/08	4.750%	34,739		-	100.00%	Purchase
Stifel, Nicolaus	US Govt, Agency, Tstrip	11/15/12	06/06/08	3.020%	259,887		-	100.00%	Purchase
Subtotal, U.S. Govt.					\$ 19,183,797	58.94%	\$ 18,439,033	4.04%	

Institution	Type of Investment	Maturity Date	Date Purchased	Yield	\$ Market	% Portfolio	\$ Market	% Increase (Decrease)	Reason for Change
Merrill Lynch	MM	n/a	n/a	0.000%	\$ 1,087		\$ 264,718	-99.59%	Investment interest, purchases
Edward Jones	MM	n/a	n/a	1.540%	\$ 6,676		\$ 42,578	-84.32%	Investment interest, purchases
Smith Barney	MM	n/a	n/a	2.380%	\$ 131		\$ 28,865	-99.55%	Investment interest, purchases, and sales
Stifel, Nicolaus	MM			2.080%	\$ 58		\$ 120,365	-99.95%	Investment interest, purchases, and sales
IL Metropolitan Investment Fund	US Govt Pool Fund			2.000%	\$ 353,888		\$ 352,058	0.52%	Investment Interest State Payments, Interest. \$1 M Tfr from Prime Funds,
Illinois Funds-Money Market	Govt. Pool, IL Funds	n/a	n/a	2.049%	\$ 1,839,054		\$ 129,020	1325.40%	\$3.4 M Tfr to Busey \$1 M transfer to
Illinois Funds-Prime Funds	Govt. Pool, IL Funds	n/a	n/a	2.280%	\$ 2,880,241		\$ 3,861,542	-25.41%	MM, interest Revenue Payments, Transfer to IL Funds
Illinois Funds-E Pay Account	Govt. Pool, IL Funds	n/a	n/a	2.280%	\$ 30,753		\$ 33,944	-9.40%	MM \$38,000
Chase Bank	Savings	n/a	n/a	0.800%	\$ 100,649		\$ 100,428	0.22%	Interest Normal Bill Paying, \$3.4 Tfr from IL Funds, \$1.5 M real estate tax revenue
Busey Bank	Savings	n/a	n/a	1.790%	\$ 5,234,336		\$ 2,869,419	82.42%	
Subtotal, MM, IPTIP, & Savings					\$ 10,446,872	32.09%	\$ 7,802,936	33.88%	
TOTALS					\$ 32,550,440	100.00%	\$ 29,224,911	11.38%	