

M E M O R A N D U M

TO: Mayor Prussing
Members, Urbana City Council

FROM: Ronald Eldridge, City Comptroller

RE: Quarterly Investment Report for Quarter Ended March 31, 2010

DATE: April 15, 2010

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 March 31, 2010.

Two last 2 columns report any changes in investments and cash accounts during the quarter. The total amount invested decreased \$260,214 to a total of \$29,986,950. This decrease is normal for this quarter. The average yield is 3.5% on fixed investments (CD's and U.S. Treasury) and 0.1% on short-term money market and savings investments (last quarter returns were 4.2 and 0.1% respectively). The average outstanding length of maturity time for the fixed investments is 6.0 years. I have purchased a few U.S. securities that mature in approximately 20 years, in order to obtain a higher yield. These securities can be sold if needed to.

This portfolio of city investment's is not affected by fluctuations in the stock market since this portfolio has no investments in the stock market. However, the City's three employee pension funds have 45% to 60% of their assets invested in the stock market. The stock market has had a return for the 1st 9 months of this fiscal year of +23%. This return is very encouraging and will help mitigate losses that occurred in 2008 and 2009. If this return can continue through June 2010, this will help pension funding requirements.

The City's investment portfolio at March 31, 2010 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>03/31/10 \$ Market</u>	<u>% Portfolio</u>	<u>12/31/09 \$ Market</u>	<u>% Increase (Decrease)</u>	<u>Reason for Change</u>
CIBM Bank	CD	08/06/11	12/06/09	2.290%	\$ 234,317		\$ 233,000	0.57%	Accrued Interest
Regions Bank	CD	03/05/13	09/05/09	3.200%	\$ 102,974		\$ 102,164	0.79%	Accrued Interest
National City	CD	01/09/10	01/09/08	4.640%	\$ -		\$ 96,000	-100.00%	Maturity
National City	CD	12/11/10	01/11/10	1.640%	\$ 100,560		\$ -	100.00%	Purchase
Centrue Bank	CD	05/30/11	05/30/09	2.390%	\$ 100,574		\$ 100,574	0.00%	
Chase Bank	CD	11/23/10	11/23/07	4.630%	\$ 100,000		\$ 100,000	0.00%	
Freestar Bank	CD	01/23/10	02/23/09	2.720%	\$ -		\$ 100,359	-100.00%	Maturity
First Federal	CD	11/29/10	11/29/09	1.000%	\$ 100,035		\$ 100,035	0.00%	
Chase Bank	CD	11/24/13	11/24/08	4.490%	\$ 99,953		\$ 99,953	0.00%	
Busey Bank	CD	01/15/10	05/20/09	1.250%	\$ -		\$ 250,000	-100.00%	Maturity
Busey Bank	CD	02/14/10	05/20/09	1.250%	\$ -		\$ 250,000	-100.00%	Maturity
Busey Bank	CD	03/16/10	05/20/09	1.400%	\$ -		\$ 250,000	-100.00%	Maturity
Busey Bank	CD	04/16/10	07/13/09	2.340%	\$ 438,039		\$ 438,039	0.00%	
Busey Bank	CD	05/12/10	08/12/09	1.750%	\$ 438,579		\$ 438,579	0.00%	
Busey Bank	CD	06/15/10	09/11/09	1.750%	\$ 437,500		\$ 437,500	0.00%	
Busey Bank	CD	07/17/10	10/17/09	1.250%	\$ 250,000		\$ 250,000	0.00%	
Busey Bank	CD	08/16/10	11/16/09	1.250%	\$ 250,000		\$ 250,000	0.00%	
Busey Bank	CD	09/10/10	12/10/09	1.250%	\$ 250,000		\$ 250,000	0.00%	
Busey Bank	CD	10/10/10	12/10/09	1.250%	\$ 250,000		\$ 250,000	0.00%	
Busey Bank	CD	11/10/10	12/10/09	1.340%	\$ 250,000		\$ 250,000	0.00%	
Busey Bank	CD	12/10/10	12/10/09	1.340%	\$ 250,000		\$ 250,000	0.00%	
Busey Bank	CD	01/16/11	12/16/09	1.340%	\$ 250,000		\$ 250,000	0.00%	
Smith Barney	CD	11/23/10	11/16/05	4.850%	\$ 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	12/05/14	12/05/07	5.000%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	02/04/11	02/04/09	2.500%	\$ 69,000		\$ 69,000	0.00%	
Smith Barney	CD	02/06/12	02/06/09	3.000%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	04/16/12	04/14/09	3.000%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	11/07/11	11/06/09	1.750%	\$ 104,000		\$ 104,000	0.00%	
Smith Barney	CD	06/10/11	12/11/09	1.350%	\$ 102,000		\$ 102,000	0.00%	
Stifel, Nicolaus	CD	12/12/13	12/12/08	4.850%	\$ 100,000		\$ 100,000	0.00%	
Stifel, Nicolaus	CD	12/10/13	12/10/08	4.750%	\$ 98,000		\$ 98,000	0.00%	
Stifel, Nicolaus	CD	12/30/11	12/30/08	3.650%	\$ 100,000		\$ 100,000	0.00%	
Stifel, Nicolaus	CD	06/20/11	12/19/08	3.750%	\$ -		\$ 100,000	-100.00%	FDIC Takeover
Stifel, Nicolaus	CD	05/28/13	05/27/09	3.350%	\$ 245,000		\$ 245,000	0.00%	
Stifel, Nicolaus	CD	06/30/14	06/29/09	4.000%	\$ 95,000		\$ 95,000	0.00%	
Stifel, Nicolaus	CD	06/15/10	06/18/09	1.050%	\$ 245,000		\$ 245,000	0.00%	
Stifel, Nicolaus	CD	06/27/11	06/26/09	2.250%	\$ 250,000		\$ 250,000	0.00%	
Stifel, Nicolaus	CD	09/04/12	09/02/09	2.500%	\$ 250,000		\$ 250,000	0.00%	
Edward Jones	CD	03/05/12	09/04/09	1.950%	\$ 249,000		\$ 249,000	0.00%	
Edward Jones	CD	08/31/12	08/31/09	2.050%	\$ 249,000		\$ 249,000	0.00%	
Edward Jones	CD	09/10/12	09/09/09	2.150%	\$ 249,000		\$ 249,000	0.00%	
Edward Jones	CD	09/03/13	09/03/09	2.600%	\$ 246,000		\$ 246,000	0.00%	
Morgan Stanley	CD	06/30/11	06/30/08	4.300%	\$ 98,000		\$ 98,000	0.00%	
Morgan Stanley	CD	01/03/11	12/31/08	3.000%	\$ 98,000		\$ 98,000	0.00%	
Morgan Stanley	CD	01/03/11	12/31/08	3.000%	\$ 98,000		\$ 98,000	0.00%	
Morgan Stanley	CD	01/24/11	01/23/09	2.200%	\$ -		\$ 92,000	-100.00%	FDIC Takeover
Morgan Stanley	CD	12/27/11	06/24/09	2.500%	\$ 247,000		\$ 247,000	0.00%	
Morgan Stanley	CD	12/27/10	06/24/09	1.500%	\$ 250,000		\$ 250,000	0.00%	
Morgan Stanley	CD	10/28/11	10/28/09	2.000%	\$ 200,000		\$ 200,000	0.00%	
Morgan Stanley	CD	10/28/11	10/28/09	1.950%	\$ 179,000		\$ 179,000	0.00%	
Morgan Stanley	CD	11/14/11	11/13/09	1.950%	\$ 247,000		\$ 247,000	0.00%	
Morgan Stanley	CD	02/06/12	11/06/09	2.000%	\$ 247,000		\$ 247,000	0.00%	
Morgan Stanley	CD	11/07/11	11/06/09	1.950%	\$ 247,000		\$ 247,000	0.00%	
Morgan Stanley	CD	06/29/12	12/30/09	2.000%	\$ 198,000		\$ 198,000	0.00%	
Morgan Stanley	CD	07/16/12	01/15/10	1.900%	\$ 112,000		\$ -	100.00%	Purchase
Subtotal, CD's					\$ 9,258,531	30.88%	\$ 10,182,204	-9.07%	

Institution	Type of Investment	Maturity Date	Date Purchased	Yield	03/31/10 \$ Market	% Portfolio	12/31/09 \$ Market	% Increase (Decrease)	Reason for Change
Morgan Stanley	US Govt, Agency,Tstrip	5/15/11	05/26/04	4.310%	661,201		661,201	0.00%	
Morgan Stanley	US Govt, Agency,FHLM	7/6/10	11/22/06	4.500%	166,227		166,227	0.00%	
Morgan Stanley	US Govt, Agency,FHLM	1/30/14	05/15/09	5.000%	596,750		596,750	0.00%	
Morgan Stanley	US Govt, Agency,FHLM	11/24/14	01/27/09	3.210%	489,677		489,677	0.00%	
Morgan Stanley	US Govt, Agency,FHLB	10/22/10	09/25/07	4.375%	261,485		261,485	0.00%	
Morgan Stanley	US Govt, Agency,Tstrip	11/15/16	11/17/08	4.220%	1,499,809		1,499,809	0.00%	
Morgan Stanley	US Govt, Agency,FHLM	2/15/10	06/29/09	3.875%	-		177,751	-100.00%	Maturity
Morgan Stanley	US Govt, Agency,FHLB	12/9/14	12/09/09	2.000%	-		950,000	-100.00%	Called
Smith Barney	US Govt, Agency, GNMA	10/20/23	11/26/93	6.500%	10,017		10,668	-6.11%	Principal Payment
Smith Barney	US Govt, Agency, GNMA	11/20/23	11/26/93	6.500%	990		1,006	-1.60%	Principal Payment
Smith Barney	US Govt, Agency,FHLM	3/15/13	05/24/04	5.750%	705,816		705,816	0.00%	
Smith Barney	US Govt, Agency,FHLM	7/15/10	05/24/04	4.480%	691,229		691,229	0.00%	
Smith Barney	US Govt, Agency,FICO	6/27/11	05/25/04	4.680%	667,408		667,408	0.00%	
Smith Barney	US Govt, Agency,FICO	5/30/12	05/25/04	4.900%	688,650		688,650	0.00%	
Smith Barney	US Govt, Agency, Tstrip	11/15/14	11/16/09	2.005%	949,502		949,502	0.00%	
Edward Jones	US Govt, Agency, FNMA	10/12/22	10/12/07	5.500%	1,020,940		1,020,940	0.00%	
Edward Jones	US Govt, Agency, TNote	4/30/11	05/19/06	4.875%	444,891		444,891	0.00%	
Edward Jones	US Govt, Agency, FHLMC	5/15/26	05/25/06	6.000%	423,551		423,551	0.00%	
Edward Jones	US Govt, Agency, TVA	10/15/23	10/17/08	5.000%	1,376,403		1,376,403	0.00%	
Edward Jones	US Govt, Agency, TVA	5/15/29	05/21/09	4.500%	960,970		960,970	0.00%	
Edward Jones	US Govt, Agency, FHLB	1/14/14	01/14/09	2.850%	687,413		687,413	0.00%	
Edward Jones	US Govt, Agency, FHLMC	9/15/19	09/03/09	4.150%	41,000		41,000	0.00%	
Stifel, Nicolaus	US Govt, Agency, FICO	9/26/19	05/11/09		144,902		144,902	0.00%	
Stifel, Nicolaus	US Govt, Agency, FNMA	10/29/27	11/02/07	5.250%	458,418		458,418	0.00%	
Stifel, Nicolaus	US Govt, Agency, FNMA	11/5/27	11/09/07	5.250%	214,260		214,260	0.00%	
Stifel, Nicolaus	US Govt, Agency, FNMA	12/24/27	12/28/07	5.250%	1,186,128		1,186,128	0.00%	
Stifel, Nicolaus	US Govt, Agency, FNMA	2/11/28	02/15/08	4.750%	181,332		181,332	0.00%	
Stifel, Nicolaus	US Govt, Agency, FNMA	2/25/28	02/29/08	5.000%	929,813		929,813	0.00%	
Stifel, Nicolaus	US Govt, Agency, Tstrip	11/15/12	06/06/08	3.020%	280,857		280,857	0.00%	
Stifel, Nicolaus	US Govt, Agency, Tstrip	11/15/18	12/01/08	3.550%	293,164		293,164	0.00%	
Stifel, Nicolaus	US Govt, Agency, FHLMC	4/15/24	04/30/09	3.500%	188,562		188,562	0.00%	
Stifel, Nicolaus	US Govt, Agency, FHLMC	10/15/19	10/16/09	3.000%	225,000		225,000	0.00%	
Stifel, Nicolaus	US Govt, Agency, FHLMC	12/15/19	12/24/09	3.000%	155,000		155,000	0.00%	
Subtotal, U.S. Govt.					\$ 16,601,365	55.36%	\$ 17,729,783	-6.36%	

Institution	Type of Investment	Maturity Date	Date Purchased	Yield	03/31/10 \$ Market	% Portfolio	12/31/09 \$ Market	% Increase (Decrease)	Reason for Change
Morgan Stanley	MM	n/a	n/a	0.170%	\$ 587		\$ 111,927	-99.48%	Interest, 1 maturity, 2 purchases, check issued to City for \$1.246 M
Edward Jones	MM	n/a	n/a	0.010%	\$ 239,096		\$ 201,866	18.44%	Investment Interest
Smith Barney	MM	n/a	n/a	0.070%	\$ 5,091		\$ 102,827	-95.05%	Investment Interest, check issued to City for \$102,827
Stifel, Nicolaus	MM			0.050%	\$ 27,728		\$ 35,097	-21.00%	Investment Interest, 1 maturity, check issued to City for \$141,873
IL Metropolitan Investment Fund	US Govt Pool Fund			0.500%	\$ 254,830		\$ 253,382	0.57%	Investment Interest
Illinois Funds-Money Market	Govt. Pool, IL Funds	n/a	n/a	0.106%	\$ 57,009		\$ 149,916	-61.97%	\$3.28 M Tfr to Busey, Revenue Payments
Illinois Funds-E Pay Account	Govt. Pool, IL Funds	n/a	n/a	0.106%	\$ 22,671		\$ 35,767	-36.61%	\$87,000 Tfr to Busey, Credit Card Payments
Busey Bank	Savings	n/a	n/a	0.100%	\$ 3,520,040		\$ 1,444,396	143.70%	Tfr from IL Funds, Tfr From Brokerage Accounts, Normal Bill Paying
Subtotal, MM, IPTIP, & Savings					\$ 4,127,053	13.76%	\$ 2,335,177	76.73%	
TOTALS					\$ 29,986,950	100.00%	\$ 30,247,164	-0.86%	