



AGENDA REPORT

Agenda Item 7

Reviewed:

City Manager

Finance Director

Handwritten signatures of the City Manager and Finance Director, with the Finance Director's signature circled.

MEETING DATE: August 4, 2009

TO: Honorable Mayor and Members of the City Council

FROM: G. W. Jeffries, City Treasurer

SUBJECT: QUARTERLY INVESTMENT REPORT

SUMMARY:

Government Code Section 53646 requires that the Treasurer make an Investment Report to the City Council at least quarterly showing balances by authorized investment and certifying its compliance with the adopted Investment Policy.

RECOMMENDATION:

Receive and file.

DISCUSSION:

In compliance with Government Code Section 53646, the attached Investment Report for the quarter ending June 30, 2009 is rendered.

Handwritten signature of G. W. Jeffries.

G. W. Jeffries
Treasurer

Attachment

CITY OF TUSTIN INVESTMENT REPORT
INVESTMENT SUMMARY
 JUNE 30, 2009

DESCRIPTION	PAR VALUE	Maximum Maturity	Allowable Portion of Portfolio	Original Purchase Total	Current Book Value	Current Market Value	Current Concentration
U. S. Treasuries	\$35,000,000	5 yrs	No Limit	\$34,952,737	\$34,952,737	\$35,027,445	16.53%
Federal Agencies	\$10,000,000	5 yrs	50%	\$9,993,833	\$9,993,833	\$9,999,000	4.73%
Corporate Bonds	\$5,000,000	5 yrs	10%	\$4,609,580	\$4,609,580	\$4,570,092	2.18%
Cash	N/A	N/A	N/A	7,617,319	7,617,319	7,617,319	3.60%
Restricted Cash with Fiscal Agents *	N/A	N/A	N/A	91,732,191	91,732,191	91,732,191	43.39%
Deposits in JP Morgan US Govt Money Market Fund	N/A	N/A	N/A	14,305,576	14,305,576	14,305,576	6.77%
Deposits in Orange County Commingled Pool	N/A	N/A	N/A	5,115,669	5,115,669	5,115,669	2.42%
Local Agency Investment Fund-City	N/A	N/A	N/A	25,240,934	25,240,934	25,240,934	11.94%
Local Agency Investment Fund-RDA	N/A	N/A	N/A	17,859,227	17,859,227	17,859,227	8.45%
				\$211,427,066	\$211,427,066	\$211,467,453	100.00%

PERFORMANCE MEASUREMENT:	
Weighted Average Portfolio Life (Days):	81.30
Weighted Average Portfolio Yield:	0.78%
Current 3 mo Treasury Equivalent:	0.35%

* Cash with Fiscal Agents are the Reserve and Construction funds held by Trustees for various City and RDA bond issues. Investment options are limited to those specifically permitted by bond documents.

Total City funds available for effective active management are:

\$119,694,875

**CITY OF TUSTIN INVESTMENT REPORT
INVESTMENT SCHEDULE AS OF:
JUNE 30, 2009**

DESCRIPTION-LIMITS (1)	CUSIP	PAR VALUE (2)	COUPON/ Dollar Price	YIELD TO MATURITY	PURCHASE DATE	MATURITY DATE	ORIGINAL BOOK PRICE (3)	CURRENT BOOK VALUE (4)	CURRENT MARKET VALUE (5)
US TREASURY BILLS/NOTES-No Limit:									
US Treasury Bill	912795N31	\$5,000,000	\$99.94	0.33%	01/22/09	07/23/09	\$4,991,911	\$4,991,911	\$4,999,635
US Treasury Bill	912795P39	5,000,000	99.76	0.45%	03/19/09	09/17/09	4,998,751	4,998,751	4,998,030
US Treasury Bill	912795S28	5,000,000	99.88	0.50%	02/26/09	08/27/09	4,987,488	4,987,488	4,998,875
US Treasury Bill	912795S44	5,000,000	99.93	0.33%	04/23/09	10/22/09	4,991,658	4,991,658	4,996,860
US Treasury Bill	912795Q53	5,000,000	99.88	0.30%	05/21/09	11/22/09	4,992,375	4,992,375	4,994,310
US Treasury Bill	912795R52	5,000,000	99.83	0.33%	06/25/09	12/24/09	4,991,531	4,991,531	4,991,690
US Treasury Note	912828HU7	5,000,000	1.75%	1.76%	04/02/08	03/31/10	4,999,023	4,999,023	5,048,045
Current Totals:							\$34,952,737	\$34,952,737	\$35,027,445
Federal Agencies - 50% Limit									
Federal Home Loan	313385KF2	\$10,000,000	\$99.99	0.20%	04/21/09	08/10/09	\$9,993,833	\$9,993,833	\$9,999,000
Corporate Bonds - 10% Limit									
Wachovia Corp Global Senior Unsecured	929903CG5	\$2,000,000	\$89.78	2.21%	06/25/09	10/15/11	\$1,914,675	\$1,914,675	\$1,899,654
Merrill Lynch & Co Global Sr. Unsecured	59018YET2	\$3,000,000	\$95.49	4.16%	06/25/09	06/05/12	\$2,694,905	\$2,694,905	\$2,670,438
		\$5,000,000					\$4,609,580	\$4,609,580	\$4,570,092
Current Daily-No Limit Total:							\$70,138,725	\$70,138,725	\$70,138,725
Total:							\$119,694,875	\$119,735,262	\$119,735,262
DAILY-No Limit									
General Checking Account			0.00%				\$7,598,923	\$7,598,923	\$7,598,923
RDA - Overland Pacific Rental Account			0.00%				\$18,396	\$18,396	\$18,396
Deposits In Orange Co. Commingled Investment Pool			1.43%				5,115,669	5,115,669	5,115,669
Deposits In JP Morgan US Govt Money Market Fund			0.21%				14,305,576	14,305,576	14,305,576
Local Agency Investment Fund-City			1.51%				25,240,934	25,240,934	25,240,934
Local Agency Investment Fund-RDA			1.51%				17,859,227	17,859,227	17,859,227
Current Daily-No Limit Total:							\$70,138,725	\$70,138,725	\$70,138,725
Restricted Deposits with Fiscal Agents:									
2003 Water refunding Bonds			N/A				\$1,191,694	\$1,191,694	\$1,191,694
95-1 Assessment District			N/A				34,139,294	34,139,294	34,139,294
95-2 Assessment District			N/A				2,764,645	2,764,645	2,764,645
1998 RDA Tax Allocation Refunding Bonds			N/A				1,677,130	1,677,130	1,677,130
CFD 04-1			N/A				2,806,524	2,806,524	2,806,524
CFD 06-1			N/A				47,525,535	47,525,535	47,525,535
CFD 07-1			N/A				1,627,369	1,627,369	1,627,369
Restricted Total:							\$91,732,191	\$91,732,191	\$91,732,191

TOTAL CITY INVESTMENTS

\$211,427,066 \$211,467,453

PERFORMANCE MEASUREMENT:	
Weighted Average Portfolio Maturity (Days):	81.30
Weighted Average Portfolio Yield:	0.78%
Current 3 mo Treasury Equivalent:	0.35%

FOOTNOTES:

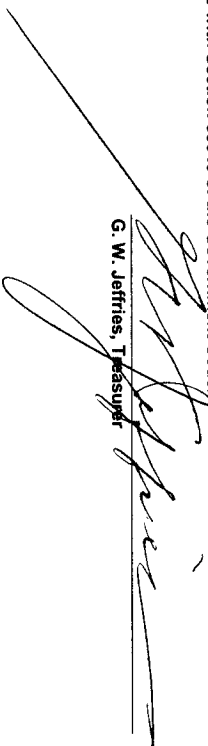
- (1) DESCRIPTION-LIMITS reflects the various authorized investments as documented in the most current adopted investment policy and the allowable percentage of total portfolio per investment type.
- (2) PAR VALUE is the full value of the security before any discount or premium is paid at purchase.
- (3) Original Purchase Price is the amount paid for securities less any discount plus any premium.
- (4) Current Book Value is original cost of securities less receipt of principal payments, net of amortized premiums/discounts.
- (5) Current Market Value is the price at which similar securities are currently trading. Current market values are provided by Bank of America and the State Treasurer's Office on all securities or deposits held in safekeeping for the City and RDA. Market value differences are only booked at year end.
- (6) Earnings allowance on compensating bank balances to offset bank activity charges. Allowance is included in the Average Yield calculation. The cash balances include amounts "swept" from account for overnight investments.
- (7) Investments and earnings on monies held by fiscal agents generally are limited as to type and yield by the bond documents or current IRS codes.
- (8) Corporate Bonds are floating rate notes that are now obligations of Wells Fargo and Bank of America. Current coupon subject to quarterly changes (resets) based on 3 months London Interbank Borrowing Rate (LIBOR). Calculations of estimated cash-on-cash yields to maturity filed in investment folder, Finance Department.

CERTIFICATION:

I certify that this report reflects all City and RDA pooled investments. The investments represented in this report are in conformity with the current adopted investment policy of the City of Tustin. The market values represented in this report are provided by Custodians and Trustees currently holding securities for the City and Agency.
The investment program herein shown provides sufficient cash flow liquidity to meet the next six (6) months estimated expenditures.

This statement is prepared in conformance with Section 53646 of the Government Code.

Signed:


G. W. Jeffries, Treasurer