Meeting Date: 7/27/10

ACTION	TYPE OF ITEM
☐ Approved Recommendation	■ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Danielle M. Navas Agenda Item No. I-2

Reviewed By: City Manager City Attorney Finance Other *(Specify)*

DATE: July 2, 2010

TO: City Council

FROM: Danielle M. Navas, City Treasurer

SUBJECT: **Quarterly Investment Report for the Fourth Quarter F/Y 2009-2010**

RECOMMENDATION

That City Council accept the quarterly Investment Report for the Fourth Quarter F/Y 2009-2010.

DISCUSSION

The City Treasurer will continue to provide this quarterly report to keep you informed of the status of the investment portfolio, however, it is no longer required by state law. This is one of many previously reimbursable state mandated items not required due to lack of state funding. The Investment Policy was presented to City Council with the Annual Report of Investment Policy on September 22, 2009. The City of Oxnard Treasurer's Office Market Report as of June 30, 2010 is provided as Attachment 1. The source of the market values is Sungard, the vendor of the City's investment reporting system. Investments in the City's portfolio meet the requirements of the City of Oxnard's adopted investment policy. Detailed information regarding individual investments is maintained in the City Treasurer's Office.

The following statistics provide a summary on the status of the portfolio as of June 30, 2010:

Original cost of investments	$ 164,584,345	Book Value
Total to be received at maturity	$ 164,560,000	Par Value
If sold on June 30, 2010	$ 165,805,500	Market Value
Gain/ (Loss) if sold on June 30, 2010	$ 1,221,165*	

*All investments purchased are held to maturity. Sufficient liquidity is maintained for unexpected needs so that sale of an investment is not necessary. Any gain or loss related to changing market value is only a "paper" gain or loss, not an increase or decrease in the funds of the City.

Total earnings (4th quarter)	$ 821,746.00	
Average yield (4th quarter)	1.95%	(for the month 1.97%)
Average days to maturity (4th quarter)	707	(for the month 690 days)

The quarterly yield on the portfolio was 1.95 percent compared with the Local Agency Investment Fund (LAIF) yield of .52 percent for the same period. The LAIF portfolio is comprised of public funds invested on a short-term basis with priority of safety first followed by need for liquidity and yield, the priorities of the City Treasurer's Investment Policy.

The federal funds rate remains unchanged at .00 to .25 percent.

In compliance with California Government Code section 53646, I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted and anticipated expenditure requirements for the next six months.

FINANCIAL IMPACT

None at this time.

Attachment #1 –Investment Inventory as of June 30, 2010
Attachment #2 – Benchmark Rate Comparison

(WRRPT)

CITY OF OXNARD
TREASURER'S OFFICE
MARKET REPORT
REPORT WRITER
AS OF DATE: 06/30/10
SORTING ORDER: ICC# MATD

RUN: 07/01/10 17:43:07

DESCRIPTION	PURCHASE SET DATE	MATURITY DATE	INTEREST RATE	YTM TRADING	CURRENT PAR VALUE	CURRENT BOOK VALUE	MARKET VALUE
FHLB	04/13/06	02/04/11	4.8500 %	5.230	2,000,000.00	1,993,354.41	2,051,875.00
FHLB	11/23/09	11/23/11	1.2500 %	1.250	2,000,000.00	2,000,000.00	2,005,625.00
FHLB	06/26/09	02/24/12	2.0000 %	2.000	2,000,000.00	2,000,000.00	2,044,375.00
FHLB	09/15/09	03/15/12	1.7000 %	1.700	2,000,000.00	2,000,000.00	2,005,000.00
FHLB	08/10/09	08/10/12	2.0500 %	2.050	2,000,000.00	2,000,000.00	2,028,125.00
FHLB	08/24/09	08/24/12	2.1500 %	2.150	2,000,000.00	2,000,000.00	2,005,000.00
FHLB	10/05/07	10/05/12	5.0000 %	5.000	2,000,000.00	2,000,000.00	2,023,750.00
FHLB	03/24/10	12/24/12	1.5500 %	1.550	2,000,000.00	2,000,000.00	2,015,000.00
FHLB	01/28/10	01/28/13	1.8750 %	1.875	2,000,000.00	2,000,000.00	2,001,875.00
FHLB	03/04/10	03/04/13	1.8500 %	1.850	2,000,000.00	2,000,000.00	2,014,375.00
FHLB	09/15/09	03/15/13	2.3500 %	2.350	2,000,000.00	2,000,000.00	2,007,500.00
FHLB	08/26/09	08/26/13	2.8500 %	2.850	2,000,000.00	2,000,000.00	2,006,875.00
FHLB	08/26/09	08/26/13	2.8500 %	2.850	2,000,000.00	2,000,000.00	2,006,875.00
FHLB	03/03/10	09/03/13	2.1250 %	2.125	2,000,000.00	2,000,000.00	2,006,250.00
FHLB	03/10/10	09/10/13	2.0000 %	2.000	1,560,000.00	1,560,000.00	1,577,062.50
FHLB	03/10/10	09/10/13	2.0000 %	2.000	2,000,000.00	2,000,000.00	2,021,875.00
FHLB	02/25/10	11/25/13	2.1250 %	2.125	2,000,000.00	2,000,000.00	2,023,125.00
FHLB	03/30/10	12/30/13	2.1500 %	2.150	2,000,000.00	2,000,000.00	2,025,000.00
FHLB	06/30/09	06/30/14	2.0000 %	2.000	2,000,000.00	2,000,000.00	2,033,750.00
FHLB	08/26/09	08/26/14	2.0500 %	2.050	2,000,000.00	2,000,000.00	2,036,875.00
FHLB	11/24/09	11/24/14	1.2500 %	1.250	2,000,000.00	2,000,000.00	2,005,000.00
FHLB	03/24/10	03/24/15	3.0000 %	3.000	2,000,000.00	2,000,000.00	2,011,875.00
SUBTOTAL (Inv Type) 12 FEDERAL HOME LOAN BANK BONDS					43,560,000.00	43,553,354.41	43,957,062.50
FNMA	05/25/10	05/25/12	1.3000 %	1.300	2,000,000.00	2,000,000.00	2,011,250.00
FNMA	02/27/09	08/27/12	2.6250 %	2.625	2,000,000.00	2,000,000.00	2,005,625.00
FNMA	03/10/10	09/10/12	1.5000 %	1.500	2,000,000.00	2,000,000.00	2,003,125.00
FNMA	03/18/09	09/18/12	2.5000 %	2.500	2,000,000.00	2,000,000.00	2,028,750.00
FNMA	05/24/10	06/24/13	2.0000 %	2.000	2,000,000.00	2,000,000.00	2,021,250.00
FNMA	03/20/09	03/20/14	3.0000 %	3.000	2,000,000.00	2,000,000.00	2,075,000.00
FNMA	03/20/09	03/20/14	3.0000 %	3.000	2,000,000.00	2,000,000.00	2,075,000.00
FNMA	01/28/10	01/28/15	2.5000 %	2.500	2,000,000.00	2,000,000.00	2,002,500.00
FNMA	05/27/10	05/27/15	2.7500 %	2.750	2,000,000.00	2,000,000.00	2,006,250.00
SUBTOTAL (Inv Type) 13 FEDERAL NATIONAL MORTGAGE ASSN					18,000,000.00	18,000,000.00	18,228,750.00
FFCB	05/25/07	05/25/11	5.0500 %	5.050	2,000,000.00	2,000,000.00	2,082,500.00
FFCB	02/05/07	01/24/12	5.0400 %	5.135	2,000,000.00	1,996,664.44	2,137,500.00

ATTACHMENT 1
PAGE 1 OF 2

(WRRPT)

CITY OF OXNARD
TREASURER'S OFFICE
MARKET REPORT
REPORT WRITER
AS OF DATE: 06/30/10
SORTING ORDER: ICC# MATD

RUN: 07/01/10 17:43:07

DESCRIPTION	PURCHASE SET DATE	MATURITY DATE	INTEREST RATE	YTM TRADING	CURRENT PAR VALUE	CURRENT BOOK VALUE	MARKET VALUE
FFCB	05/25/07	04/12/12	4.8750 %	5.070	2,000,000.00	1,993,125.56	2,148,125.00
FFCB	05/17/10	05/17/12	1.1400 %	1.140	2,000,000.00	2,000,000.00	2,012,500.00
FFCB	05/17/10	05/17/12	1.1400 %	1.140	2,000,000.00	2,000,000.00	2,012,500.00
FFCB	01/14/10	01/14/13	2.0000 %	2.000	2,000,000.00	2,000,000.00	2,013,750.00
FFCB	05/21/10	05/21/13	1.7500 %	1.750	2,000,000.00	2,000,000.00	2,018,750.00
FFCB	04/07/10	04/07/14	2.4500 %	2.450	2,000,000.00	2,000,000.00	2,000,625.00
FFCB	04/07/10	04/07/14	2.4500 %	2.450	2,000,000.00	2,000,000.00	2,000,625.00
FFCB	01/13/10	01/13/15	3.1800 %	3.180	2,000,000.00	2,000,000.00	2,030,625.00
FFCB	05/18/10	05/18/15	2.9700 %	2.970	2,000,000.00	2,000,000.00	2,026,875.00
FFCB	05/18/10	05/18/15	2.9700 %	2.970	2,000,000.00	2,000,000.00	2,026,875.00
SUBTOTAL (Inv Type) 17 FEDERAL FARM CREDIT BANK BONDS					24,000,000.00	23,989,790.00	24,511,250.00
FHLMC	05/18/10	11/18/11	1.0000 %	1.000	2,000,000.00	2,000,000.00	2,003,750.00
FHLMC	01/29/10	10/29/12	1.6000 %	1.600	2,000,000.00	2,000,000.00	2,006,875.00
FHLMC	05/23/08	11/23/12	3.7000 %	4.002	2,000,000.00	1,986,309.45	2,024,375.00
FHLMC	02/26/10	08/26/13	2.1250 %	2.125	2,000,000.00	2,000,000.00	2,005,625.00
FHLMC	03/24/09	03/24/14	2.3750 %	2.375	2,000,000.00	2,000,000.00	2,032,500.00
FHLMC	06/30/10	06/30/14	2.0500 %	2.058	2,000,000.00	1,999,375.00	2,009,375.00
FHLMC	06/30/10	06/30/14	2.0500 %	2.058	2,000,000.00	1,999,375.00	2,009,375.00
FHLMC	01/29/10	01/29/15	2.5000 %	2.500	2,000,000.00	2,000,000.00	2,003,125.00
SUBTOTAL (Inv Type) 23 OTHER GOVERNMENT AGENCIES					16,000,000.00	15,985,059.45	16,095,000.00
MTN	02/15/07	02/01/11	5.2000 %	5.200	2,000,000.00	1,999,984.60	1,920,000.00
MTN	03/17/08	04/10/12	5.0000 %	4.100	2,000,000.00	2,032,778.72	1,970,000.00
MTN	01/15/08	05/15/12	4.7500 %	4.105	2,000,000.00	2,023,367.38	2,123,437.50
SUBTOTAL (Inv Type) 85 DEPOSIT NOTES					6,000,000.00	6,056,130.70	6,013,437.50
LOCAL AGENCY INVEST.	07/01/02	07/01/10	.5500 %	.550	57,000,000.00	57,000,000.00	57,000,000.00
SUBTOTAL (Inv Type) 99 PASSBOOK INTEREST					57,000,000.00	57,000,000.00	57,000,000.00
GRAND TOTALS					164,560,000.00	164,584,334.56	165,805,500.00

*Includes Accrued Discount: $51,335.68
Earned Interest Yield This Period: 1.967 %

"Per Government Requirements, there are adequate funds available to meet budgeted and actual expenses for the next thirty days"

ATTACHMENT 1
PAGE 2 OF 2

CITY OF OXNARD BENCHMARK COMPARISON
VS. LAIF AND 2-YR TREASURIES
as of June 30, 2010

FISCAL YEAR		CITY	LAIF	2 YR TREASURY	
2002/03	12 mo avg	3.35	2.06	1.95	FY
2003/04	12 mo avg	2.32	1.54	1.93	FY
				1.63	Calendar
2004/05	12 mo avg	2.78	2.17	3.08	FY
				2.38	Calendar
2005/06	12 mo avg	3.70	3.84	4.46	FY
				3.85	Calendar
2006/07	12 mo avg	4.24	5.11	4.81	
2007/08	12 mo avg	4.68	3.11	3.08	
2008/09	12 mo avg	3.79	2.16	1.51	
SUBTOTAL - 7 Years		**24.86**	**19.99**	**20.82**	
Annual Average (7 years)		**3.56**	**2.86**	**2.98**	

Quarterly Average FY 2009-10	*CITY*	*LAIF*	*2 YR TREAS*
First Quarter	*2.77*	*0.91*	*1.03*
Second Quarter	*2.50*	*0.61*	*0.88*
Third Quarter	*2.11*	*0.56*	*0.65*
Fourth Quarter	*1.95*	*0.52*	*0.87*

CITY = CITY OF OXNARD
LAIF = STATE LOCAL AGENCY INVESTMENT FUND
2 YR TREASURY = U S GOVERNMENT TREASURY BILLS - 2 YR MATURITY