Meeting Date: 1/24/12

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-4

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

DATE: January 11, 2012

TO: City Council

FROM: Danielle M. Navas, City Treasurer

SUBJECT: **Quarterly Investment Report for the Second Quarter F/Y 2011-2012**

RECOMMENDATION

That City Council accept the quarterly Investment Report for the Second Quarter F/Y 2011-2012.

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 27, 2011. The City of Oxnard Treasurer's Office Market Report as of December 31, 2011 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 December 31, 2011:

Original cost of investments	$ 120,001,732	Book Value
Total to be received at maturity	$ 120,000,000	Par Value
If sold on December 31, 2011	$ 120,739,688	Market Value
Gain/ (Loss) if sold on December 31, 2011	$ 737,956*	

*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 (2nd quarter)	$ 466,837	
Average yield (2nd quarter)	1.46%	(for the month 1.42%)
Average days to maturity (2nd quarter)	792	(for the month 754 days)

The quarterly average yield on the portfolio was 1.46 percent compared with the Local Agency Investment Fund (LAIF) yield of .38 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 December 31, 2011
Attachment #2 – Benchmark Rate Comparison

Inventory by Market Value

CITY OF OXNARD
TREASURER'S OFFICE
AS OF DATE: 12/31/11

Run Date: 1/10/2012 10:37:55 AM

Inv. No.	Description	CUSIP	Purchase / Maturity	Coupon / YTM TR	Current Par /Share / Current Book	Market Value / Market Price	Curr Accr Int / Price Source
Inv Type: 12 FEDERAL HOME LOAN BANK BONDS							
16782	FHLB	3133XTXE1	06/26/2009	2.000000	2,000,000.00	2,005,625.00	14,111.11
			02/24/2012	2.000000	2,000,000.00	100.281250	SUNGARD
16849	FHLB	313370KU1	08/16/2010	1.500000	2,000,000.00	2,049,375.00	2,750.00
			11/28/2014	1.500000	2,000,000.00	102.468750	SUNGARD
16862	FHLB	313370ZX9	09/20/2010	1.125000	2,000,000.00	2,026,875.00	6,312.50
			12/30/2013	1.125000	2,000,000.00	101.343750	SUNGARD
16867	FHLB	3133716T8	10/15/2010	1.500000	2,000,000.00	2,015,625.00	6,333.33
			04/15/2015	1.500000	2,000,000.00	100.781250	SUNGARD
16878	FHLB	313372QK3	02/17/2011	2.600000	2,000,000.00	2,113,750.00	21,955.56
			01/29/2016	2.600000	2,000,000.00	105.687500	SUNGARD
16891	FHLB	313373YB2	06/13/2011	1.150000	2,000,000.00	2,006,875.00	1,150.00
			06/13/2014	1.150000	2,000,000.00	100.343750	SUNGARD
16893	FHLB	313374FC9	06/29/2011	1.220000	2,000,000.00	2,006,875.00	135.56
			12/29/2014	1.220000	2,000,000.00	100.343750	SUNGARD
16897	FHLB	313374T42	07/29/2011	1.500000	2,000,000.00	2,023,750.00	12,666.67
			07/29/2015	1.500000	2,000,000.00	101.187500	SUNGARD
			Subtotal	**1.574375**	**16,000,000.00**	**16,248,750.00**	**65,414.73**
				1.574375	**16,000,000.00**	**101.554688**	
Inv Type: 13 FEDERAL NATIONAL MORTGAGE ASSN							
16773	FNMA	3136FHDB8	03/20/2009	3.000000	2,000,000.00	2,009,375.00	16,833.33
			03/20/2014	3.000000	2,000,000.00	100.468750	SUNGARD
16774	FNMA	3136FHDB8	03/20/2009	3.000000	2,000,000.00	2,009,375.00	16,833.33
			03/20/2014	3.000000	2,000,000.00	100.468750	SUNGARD
16854	FNMA	31398A3G5	09/08/2010	1.500000	2,000,000.00	2,040,000.00	9,416.67
			09/08/2014	1.500000	2,000,000.00	102.000000	SUNGARD
16858	FNMA	3136FPEW3	09/16/2010	1.500000	2,000,000.00	2,043,750.00	1,250.00
			12/16/2014	1.500000	2,000,000.00	102.187500	SUNGARD
16860	FNMA	3136FPEX1	09/17/2010	1.125000	2,000,000.00	2,023,750.00	875.00
			12/17/2013	1.125000	2,000,000.00	101.187500	SUNGARD
16874	FNMA	3136FPYC5	11/30/2010	1.450000	2,000,000.00	2,008,750.00	2,497.22
			11/30/2015	1.450000	2,000,000.00	100.437500	SUNGARD
16885	FNMA	3136FRGM9	04/27/2011	2.250000	2,000,000.00	2,014,375.00	8,000.00
			04/27/2016	2.250000	2,000,000.00	100.718750	SUNGARD
16886	FNMA	3136FRGM9	04/27/2011	2.250000	2,000,000.00	2,014,375.00	8,000.00
			04/27/2016	2.250000	2,000,000.00	100.718750	SUNGARD
16895	FNMA	3136FRXU2	07/18/2011	2.100000	2,000,000.00	2,001,875.00	19,016.67
			07/18/2016	2.195523	1,991,000.00	100.093750	SUNGARD
16899	FNMA	3136FRP80	08/26/2011	1.050000	2,000,000.00	2,003,750.00	7,408.34

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CITY OF OXNARD
TREASURER'S OFFICE
AS OF DATE: 12/31/11

Run Date: 1/10/2012 10:37:55 AM

Inv. No.	Description	CUSIP	Purchase Maturity	Coupon YTM TR	Current Par/Share Current Book	Market Value Market Price	Curr Accr Int Price Source
			08/24/2015	1.050000	2,000,116.67	100.187500	SUNGARD
16900	FNMA	3136FRZ97	08/29/2011	1.000000	2,000,000.00	2,007,500.00	6,777.78
			08/24/2016	1.000000	2,000,000.00	100.375000	SUNGARD
16903	FNMA	3136FRY98	09/19/2011	1.000000	2,000,000.00	2,000,000.00	666.67
			06/19/2015	1.000000	2,000,000.00	100.000000	SUNGARD
16904	FNMA	3136FTBJ7	09/30/2011	1.050000	2,000,000.00	2,002,500.00	5,308.33
			09/30/2015	1.050000	2,000,000.00	100.125000	SUNGARD
16907	FNMA	3136FTFH7	10/26/2011	1.250000	2,000,000.00	2,011,250.00	4,513.89
			10/26/2015	1.250000	2,000,000.00	100.562500	SUNGARD
16910	FNMA	3136FTVJ5	12/28/2011	1.125000	2,000,000.00	2,001,875.00	187.50
			12/28/2016	1.125000	2,000,000.00	100.093750	SUNGARD
			Subtotal	**1.643194**	**30,000,000.00**	**30,192,500.00**	**107,584.73**
				1.649535	**29,991,116.67**	**100.641667**	
Inv Type: 17 FEDERAL FARM CREDIT BANK BONDS							
16623	FFCB	31331XMN9	02/05/2007	5.040000	2,000,000.00	2,005,625.00	43,960.00
			01/24/2012	5.135260	1,999,162.68	100.281250	SUNGARD
16642	FFCB	31331XVH2	05/25/2007	4.875000	2,000,000.00	2,026,250.00	21,395.83
			04/12/2012	5.070151	1,998,286.10	101.312500	SUNGARD
16879	FFCB	31331KEB2	03/16/2011	2.180000	2,000,000.00	2,006,250.00	12,716.67
			03/16/2015	2.180000	2,000,000.00	100.312500	SUNGARD
16880	FFCB	31331KEB2	03/16/2011	2.180000	2,000,000.00	2,006,250.00	12,716.67
			03/16/2015	2.180000	2,000,000.00	100.312500	SUNGARD
16883	FFCB	31331KHF0	04/25/2011	1.620000	2,000,000.00	2,007,500.00	5,940.00
			04/25/2014	1.620000	2,000,000.00	100.375000	SUNGARD
16888	FFCB	31331KLP3	06/06/2011	1.180000	2,000,000.00	2,006,250.00	1,638.89
			06/06/2014	1.180000	2,000,000.00	100.312500	SUNGARD
16889	FFCB	31331KLP3	06/06/2011	1.180000	2,000,000.00	2,006,250.00	1,638.89
			06/06/2014	1.180000	2,000,000.00	100.312500	SUNGARD
16901	FFCB	31331KXC9	09/06/2011	1.500000	2,000,000.00	2,011,875.00	9,583.33
			09/06/2016	1.500000	2,000,000.00	100.593750	SUNGARD
16902	FFCB	31331KXC9	09/06/2011	1.500000	2,000,000.00	2,011,875.00	9,583.33
			09/06/2016	1.500000	2,000,000.00	100.593750	SUNGARD
16905	FFCB	31331KG61	10/19/2011	1.290000	2,000,000.00	2,008,750.00	5,160.00
			10/19/2015	1.290000	2,000,000.00	100.437500	SUNGARD
16908	FFCB	31331KL24	10/26/2011	1.540000	2,000,000.00	2,012,500.00	5,561.11
			10/26/2016	1.540000	2,000,000.00	100.625000	SUNGARD
			Subtotal	**2.189228**	**22,000,000.00**	**22,109,375.00**	**129,894.72**
				2.215613	**21,997,448.78**	**100.497159**	
Inv Type: 23 OTHER GOVERNMENT AGENCIES							

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Inventory by Market Value

CITY OF OXNARD
TREASURER'S OFFICE
AS OF DATE: 12/31/11

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Inv. No.	Description	CUSIP	Purchase Maturity	Coupon YTM TR	Current Par /Share Current Book	Market Value Market Price	Curr Accr Int Price Source
16906	FHLMC	3134G2Y89	10/24/2011	1.000000	2,000,000.00	2,000,625.00	3,722.22
			04/24/2015	1.000000	2,000,000.00	100.031250	SUNGARD
16909	FHLMC	3134G22G6	11/09/2011	1.750000	2,000,000.00	2,007,500.00	5,055.56
			11/09/2016	1.750000	2,000,000.00	100.375000	SUNGARD
			Subtotal	**1.375000**	**4,000,000.00**	**4,008,125.00**	**8,777.78**
				1.375000	**4,000,000.00**	**100.203125**	
Inv Type: 81 MUNICIPAL BONDS							
16873	MUNI	544587US5	11/23/2010	3.185000	1,000,000.00	1,000,000.00	5,308.33
			11/01/2013	3.185000	1,000,000.00	100.000000	BOOK
			Subtotal	**3.185000**	**1,000,000.00**	**1,000,000.00**	**5,308.33**
				3.185000	**1,000,000.00**	**100.000000**	
Inv Type: 85 DEPOSIT NOTES							
16692	MTN	36962G2L7	03/17/2008	5.000000	2,000,000.00	2,024,687.50	22,500.00
			04/10/2012	4.100229	2,008,172.23	101.234375	SUNGARD
16706	MTN	084670AS7	01/15/2008	4.750000	2,000,000.00	2,027,812.50	12,138.89
			05/15/2012	4.104863	2,005,793.83	101.390625	SUNGARD
16844	MTN	36962G4L5	07/08/2010	3.500000	2,000,000.00	2,097,187.50	388.89
			06/29/2015	3.500000	2,000,000.00	104.859375	SUNGARD
16868	MTN	931142CX9	10/25/2010	1.500000	2,000,000.00	2,031,250.00	5,500.00
			10/25/2015	1.510420	1,999,200.44	101.562500	SUNGARD
			Subtotal	**3.689825**	**8,000,000.00**	**8,180,937.50**	**40,527.78**
				3.305448	**8,013,166.50**	**102.261719**	
Inv Type: 99 PASSBOOK INTEREST							
16434	LOCAL AGENCY INVEST		07/01/2002	.390000	39,000,000.00	39,000,000.00	38,870.05
			01/01/2012	.390000	39,000,000.00	100.000000	BOOK
			Subtotal	**.390000**	**39,000,000.00**	**39,000,000.00**	**38,870.05**
				.390000	**39,000,000.00**	**100.000000**	
Grand Total			**Count 42**	1.467402	120,000,000.00	120,739,687.50	396,378.12
				1.448157	120,001,731.95	100.616406	

***Includes Accrued Discount:** **$22,749.22**
Earned Interest Yield This Period: **1.44%**

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

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Inventory by Market Value

CITY OF OXNARD
TREASURER'S OFFICE
AS OF DATE: 12/31/11

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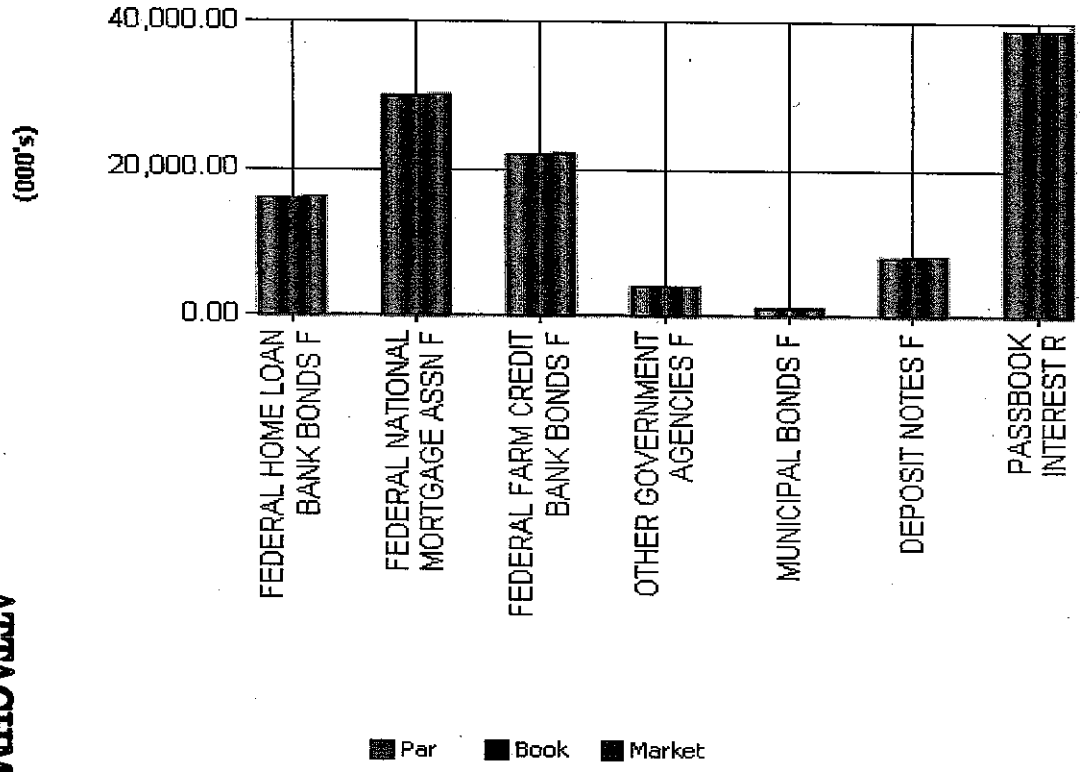
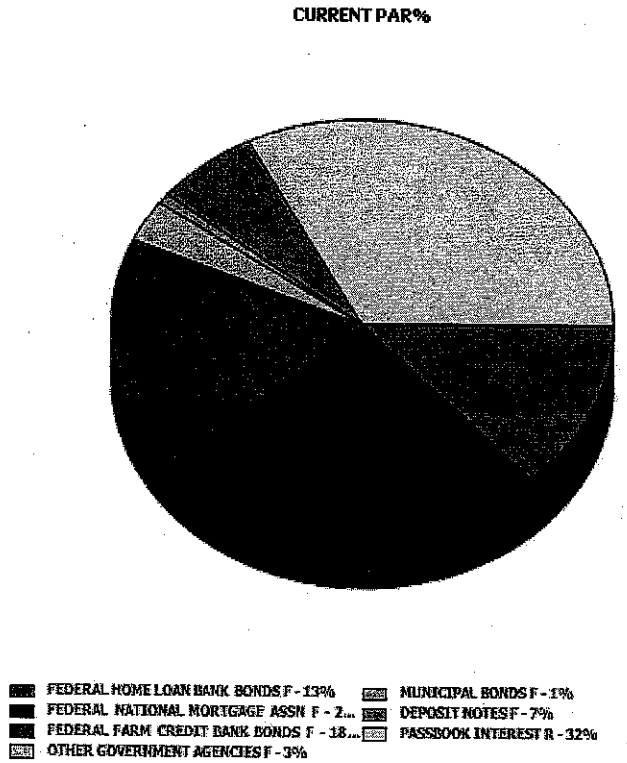
Asset Allocation

Assets (000's)	Current Par	Current Book	Market	MKT/Book	Yield
FEDERAL HOME LOAN BANK BONDS F	16,000,000.00	16,000,000.00	16,248,750.00	101.55%	1.57%
FEDERAL NATIONAL MORTGAGE ASSN F	30,000,000.00	29,991,116.67	30,192,500.00	100.67%	1.65%
FEDERAL FARM CREDIT BANK BONDS F	22,000,000.00	21,997,448.78	22,109,375.00	100.51%	2.22%
OTHER GOVERNMENT AGENCIES F	4,000,000.00	4,000,000.00	4,008,125.00	100.20%	1.38%
MUNICIPAL BONDS F	1,000,000.00	1,000,000.00	1,000,000.00	100.00%	3.19%
DEPOSIT NOTES F	8,000,000.00	8,013,166.50	8,180,937.50	102.09%	3.31%
PASSBOOK INTEREST R	39,000,000.00	39,000,000.00	39,000,000.00	100.00%	0.39%
Totals(000's)	120,000,000.00	120,001,731.95	120,739,687.50	100.61%	1.45%





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CITY OF OXNARD BENCHMARK COMPARISON
VS. LAIF AND 2-YR TREASURIES
as of December 31, 2011

FISCAL YEAR		CITY	LAIF	2 YR TREASURY	
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	
2009/10	12 mo avg	2.34	0.65	0.86	
2010/11	12 mo avg	2.02	0.49	0.55	
SUBTOTAL - 7 Years		**23.55**	**17.53**	**18.35**	
Annual Average (7 years)		**3.36**	**2.50**	**2.62**	

Quarterly Average FY 2011-12	*CITY*	*LAIF*	*2 YR TREAS*
First Quarter	*1.50*	*0.38*	*0.28*
Second Quarter	*1.46*	*0.38*	*0.26*
Third Quarter			
Fourth Quarter			

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