

M E M O R A N D U M

TO: Chief Administrative Officer
Mayor Satterthwaite
Members, Urbana City Council

FROM: City Comptroller

RE: Quarterly Investment Report for Quarter Ended Sep. 30, 2002

DATE: October 16, 2002

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 Sep. 30, 2002.

Two last 2 columns report any changes in investments and cash accounts during the quarter.

Investment activity since last report:

- After closing books out at June 30th, I performed cash flow analysis for next 4 years and determined that the City could invest more money at higher interest rates. Thus, I purchased additional U.S. Government investments at the amount of \$6.6 million (including \$1 million for the Il. Metropolitan Investment Fund, which was specifically approved by Council in June). These investments were paid for by withdrawals from the money market investment accounts. This change should earn approximately an additional 3% return (\$198,000 for year). The total amount of cash and investments went down approximately \$2.1 million due to timing of revenue receipts and payments for bills and payroll.

The City's investment portfolio at Sep. 30, 2002 complies and is in accordance with the City's investment policies that were approved on November 15, 1999.

CITY OF URBANA, QUARTERLY INVESTMENT
REPORT
AS OF SEP. 30, 2002

<u>Financial Institution</u>	<u>Type of Investment</u>	<u>Maturity Date</u>	<u>Date Purchased</u>	<u>Yield</u>	<u>09/30/02 \$ Market</u>	<u>% Portfolio</u>	<u>06/30/02 \$ Market</u>	<u>% Increase (Decrease)</u>	<u>Reason for Change</u>
Central IL Bank	CD	12/06/02	12/06/99	6.450%	\$ 99,759		\$ 98,200	1.59%	Accrued Interest
Union Planters Bank	CD	12/02/02	12/02/99	5.830%	\$ 98,392		\$ 98,392	0.00%	
Bank Illinois	CD	12/02/02	12/02/99	6.160%	\$ 108,097		\$ 106,444	1.55%	Accrued Interest
Stifel, Nicolaus	CD	10/11/06	10/10/01	5.000%	\$ 100,000		\$ 100,000	0.00%	
Morgan Stanley	CD	09/01/04	03/23/01	6.650%	\$ 92,076		\$ 92,076	0.00%	
Morgan Stanley	CD	11/14/02	11/14/01	3.000%	\$ 100,000		\$ 100,000	0.00%	
Edward Jones	CD	05/15/02	11/15/00	6.550%	95,000		95,000	0.00%	
Edward Jones	CD	11/17/03	11/15/00	6.650%	77,000		77,000	0.00%	
Edward Jones	CD	05/23/05	05/23/01	5.400%	78,000		78,000	0.00%	
Edward Jones	CD	11/21/02	11/21/01	2.650%	85,000		85,000	0.00%	
Edward Jones	CD	11/21/02	11/21/01	2.650%	85,000		85,000	0.00%	
Edward Jones	CD	11/21/02	11/21/01	2.700%	86,000		86,000	0.00%	
Subtotal, CD's					\$ 1,104,323	3.91%	\$ 1,101,111	0.29%	
Merrill Lynch	US Govt, Agency, FICO	04/06/04	11/03/93	6.380%	73,734		73,734	0.00%	
Merrill Lynch	US Govt, Agency, FICO	05/11/04	11/03/93	6.380%	77,166		77,166	0.00%	
Merrill Lynch	US Govt, Agency, FICO	06/06/04	11/03/93	6.380%	64,745		64,745	0.00%	
Merrill Lynch	US Govt, Agency, FICO	02/08/05	11/03/93	6.390%	119,734		119,734	0.00%	
Merrill Lynch	US Govt, Agency, FICO	03/26/07	11/03/93	6.600%	205,723		205,723	0.00%	
Merrill Lynch	US Govt, Agency, FICO	09/26/07	11/03/93	6.640%	196,682		196,682	0.00%	
Merrill Lynch	US Govt, Agency, FICO	12/27/07	11/03/93	6.750%	132,088		132,088	0.00%	
Merrill Lynch	US Govt, Agency, FICO	03/07/08	11/03/93	6.770%	99,759		99,759	0.00%	
Merrill Lynch	US Govt, Agency, FICO	06/27/09	11/03/93	7.000%	122,029		122,029	0.00%	
Merrill Lynch	US Govt, Agency, FICO	11/02/09	11/03/93	7.010%	134,457		134,457	0.00%	
Merrill Lynch	US Govt, Agency, FICO	11/11/09	11/03/93	7.010%	71,872		71,872	0.00%	
Merrill Lynch	US Govt, Agency, TNote	11/15/08	07/03/02	4.250%	1,292,213			100.00%	Purchase
Merrill Lynch	US Govt, Agency, TNote	05/15/07	07/08/02	4.000%	1,278,783			100.00%	Purchase

AG Edwards	US Govt, Agency, FHLM	02/15/23	11/30/93	6.200%	\$ 675,862	\$ 675,862	0.00%	
Smith Barney	US Govt, Agency, GNMA	10/20/23	11/26/93	6.500%	\$ 195,912	\$ 211,556	-7.39% Principal payments	
Smith Barney	US Govt, Agency, GNMA	11/20/23	11/26/93	6.500%	\$ 13,542	\$ 14,963	-9.50% Principal payments	
Smith Barney	US Govt, Agency,TNote	11/15/05	07/02/02	5.750%	\$ 1,347,266		100.00% Purchase	
Morgan Stanley	US Govt, Agency FHLM	09/15/02	07/10/01	4.230%	\$ -	\$ 376,620	-100.00%	
Smith Barney	US Govt, Agency, FHLM	01/20/14	01/20/99	6.000%	\$ -	\$ 497,425	-100.00% Called early	
Smith Barney	US Govt, Agency, FHLB	03/15/11	03/15/01	6.440%	\$ -	\$ 200,438	-100.00% Called early	
Smith Barney	US Govt, Agency, FHLM	07/26/06	07/16/01	5.700%	\$ -	\$ 100,250	-100.00% Called early	
Smith Barney	US Govt, Agency, FHLM	01/30/17	01/30/02	6.000%	\$ 197,586	\$ 197,586	0.00% Called early	
Edward Jones	US Govt, Agency,TNote	05/15/06	07/03/02	4.630%	\$ 1,304,573	\$ -	100.00% Purchase	
Stifel, Nicolaus	US Govt, Agency, FICO	12/06/03	01/11/02	3.000%	90,572	90,572	0.00%	
Stifel, Nicolaus	US Govt, Agency, FHLM	05/15/12	05/23/02	4.250%	\$ 100,918	\$ 100,918	0.00%	
Stifel, Nicolaus	US Govt, Agency,TNote	11/15/04	07/05/02	2.980%	\$ 1,245,087		100.00% Purchase	
Stifel, Nicolaus	US Govt, Agency,FICO	06/06/07	09/12/02	9.000%	\$ 97,553		100.00% Purchase	
Stifel, Nicolaus	US Govt, Agency,FICO	12/27/05	09/19/02	9.600%	\$ 114,879		100.00% Purchase	
Stifel, Nicolaus	US Govt, Agency,FICO	03/07/06	09/19/02	9.650%	\$ 99,972		100.00% Purchase	
Stifel, Nicolaus	US Govt, Agency,FICO	11/30/08	09/19/02	9.800%	\$ 159,044		100.00% Purchase	
Morgan Stanley	US Govt, Agency	-	10/11/01		\$ -	\$ 93,242	-100.00% Sale of Investment	
Morgan Stanley	US Govt, Agency Bonds				\$ 93,222	\$ 92,538	0.74% Interest, Dividends	
Subtotal, U.S. Govt.					\$ 9,604,972	34.03%	\$ 3,949,960	143.17%
Merrill Lynch	MM	n/a	n/a		\$ 67	\$ 1	6583.00% Interest	
Morgan Stanley	MM	n/a	n/a		-	1,920	-100.00% Check Written	
Merrill Lynch	MM, U.S.Govt.	n/a	n/a		-	1,175,400	-100.00% Sale of Investment	
Edward Jones	MM	n/a	n/a	1.040%	2,515	2,508	0.26% Interest	
Smith Barney	MM	n/a	n/a		-	45	-100.00% Check Written	
AG Edwards	MM	n/a	n/a	1.430%	506,129	504,316	0.36% Interest	
Stifel, Nicolaus	MM				\$ 6,431	\$ -	100.00% Interest (new account)	
IL Metropolitan Investment Fund	US Govt. Pool Fund				\$ 1,000,000	\$ -	100.00% Purchase	
Illinois Funds-Money Market	Govt. Pool, IL Funds	n/a	n/a	1.673%	4,418,412	10,318,529	-57.18% Investments	
Illinois Funds-Prime Funds	Govt. Pool, IL Funds	n/a	n/a	1.777%	3,988,532	3,970,577	0.45% Interest	
Bank One	Savings	n/a	n/a	1.620%	3,203,739	3,189,934	0.43% Interest	
Busey Bank	Savings	n/a	n/a	1.620%	4,390,008	6,394,155	-31.34% Investments	

Subtotal, MM, IPTIP, & Savings	\$ 17,515,832	62.06%	\$ 25,557,385	-31.46%
TOTALS	\$ 28,225,127	100.00%	\$ 30,608,455	-7.79%

Submitted by: Ronald Eldridge, Comptroller