

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 December 31, 2009

DATE: February 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 December 31, 2009.

Two last 2 columns report any changes in investments and cash accounts during the quarter. The total amount invested decreased \$3.2 million to a total of \$33,419,474. About \$2.3 million of this decrease is normal for this quarter since the City receives a significant property tax payment near the end of June that will be used to pay salary and expenses during the next few quarters. The balance of \$900,000 decrease is a result of the city's declining sales and income tax revenue in the General Fund. The average yield is 4.2% on fixed investments (CD's and U.S. Treasury) and 0.1% on short-term money market and savings investments (last quarter returns were 4.0 and 0.2% 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 the market changes 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 6 months of this fiscal year of +17%, which is approximately ½ of the losses incurred in FY08 and 09. If the stock market does not continue to show positive market gains over the next 24 months, the City will be required to increase the amounts contributed to these pension funds dramatically.

The City's investment portfolio at December 31, 2009 complies and is in accordance with State laws and the City's investment policies that were approved on November 15, 1999.

Institution	Type of Investment	Maturity Date	Date Purchased	Yield	12/31/09 \$ Market	% Portfolio	09/30/09 \$ Market	% Increase (Decrease)	Reason for Change
Central IL Bank	CD	12/06/09	12/06/08	3.800%	\$ -		\$ 246,714	-100.00%	Maturity
CIBM Bank	CD	08/06/11	12/06/09	2.290%	\$ 233,000		\$ -	100.00%	Purchase
Regions Bank	CD	03/05/13	09/05/09	3.200%	\$ 102,164		\$ 101,353	0.80%	Accrued Interest
National City	CD	01/09/10	01/09/08	4.640%	\$ 96,000		\$ 96,000	0.00%	
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		\$ 100,359	0.00%	
First Federal	CD	11/29/09	11/29/08	2.580%	\$ -		\$ 98,978	-100.00%	Maturity
First Federal	CD	11/29/10	11/29/09	1.000%	\$ 100,035		\$ -	100.00%	Purchase
Chase Bank	CD	11/24/13	11/24/08	4.490%	\$ 99,953		\$ 99,953	0.00%	
Busey Bank	CD	12/10/09	12/15/08	3.200%	\$ -		\$ 1,000,000	-100.00%	Maturity
Busey Bank	CD	10/17/09	05/20/09	1.250%	\$ -		\$ 250,000	-100.00%	Maturity
Busey Bank	CD	11/16/09	05/20/09	1.250%	\$ -		\$ 250,000	-100.00%	Maturity
Busey Bank	CD	12/16/09	05/20/09	1.250%	\$ -		\$ 250,000	-100.00%	Maturity
Busey Bank	CD	01/15/10	05/20/09	1.250%	\$ 250,000		\$ 250,000	0.00%	
Busey Bank	CD	02/14/10	05/20/09	1.250%	\$ 250,000		\$ 250,000	0.00%	
Busey Bank	CD	03/16/10	05/20/09	1.400%	\$ 250,000		\$ 250,000	0.00%	
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		\$ -	100.00%	Purchase
Busey Bank	CD	08/16/10	11/16/09	1.250%	\$ 250,000		\$ -	100.00%	Purchase
Busey Bank	CD	09/10/10	12/10/09	1.250%	\$ 250,000		\$ -	100.00%	Purchase
Busey Bank	CD	10/10/10	12/10/09	1.250%	\$ 250,000		\$ -	100.00%	Purchase
Busey Bank	CD	11/10/10	12/10/09	1.340%	\$ 250,000		\$ -	100.00%	Purchase
Busey Bank	CD	12/10/10	12/10/09	1.340%	\$ 250,000		\$ -	100.00%	Purchase
Busey Bank	CD	01/16/11	12/16/09	1.340%	\$ 250,000		\$ -	100.00%	Purchase
Smith Barney	CD	11/23/10	11/16/05	4.850%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	12/07/09	11/29/06	4.750%	\$ -		\$ 96,000	-100.00%	Maturity
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	10/30/09	10/23/07	4.700%	\$ -		\$ 96,000	-100.00%	Maturity
Smith Barney	CD	12/05/14	12/05/07	5.000%	\$ 96,000		\$ 96,000	0.00%	
Smith Barney	CD	06/13/11	06/06/08	4.150%	\$ -		\$ 96,000	-100.00%	Bank-FDIC
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		\$ -	100.00%	Purchase
Smith Barney	CD	06/30/11	12/11/09	1.350%	\$ 102,000		\$ -	100.00%	Purchase
Stifel, Nicolaus	CD	12/14/09	06/13/07	5.150%	\$ -		\$ 100,000	-100.00%	Maturity
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		\$ 100,000	0.00%	
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	12/07/09	12/06/07	4.550%	\$ -		\$ 99,000	-100.00%	Maturity
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	12/21/09	12/10/07	4.350%	\$ -		\$ 97,000	-100.00%	Maturity
Morgan Stanley	CD	12/18/09	12/10/07	4.500%	\$ -		\$ 97,000	-100.00%	Maturity
Morgan Stanley	CD	12/28/09	12/17/07	4.400%	\$ -		\$ 97,000	-100.00%	Maturity
Morgan Stanley	CD	06/30/11	06/30/08	4.300%	\$ 98,000		\$ 98,000	0.00%	
Morgan Stanley	CD	10/23/09	10/20/08	3.500%	\$ -		\$ 241,000	-100.00%	Maturity
Morgan Stanley	CD	10/29/09	10/20/08	3.650%	\$ -		\$ 241,000	-100.00%	Maturity
Morgan Stanley	CD	10/29/09	10/20/08	3.650%	\$ -		\$ 241,000	-100.00%	Maturity
Morgan Stanley	CD	10/29/09	10/20/08	3.600%	\$ -		\$ 241,000	-100.00%	Maturity
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		\$ 92,000	0.00%	
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			100.00%	Purchase
Morgan Stanley	CD	10/28/11	10/28/09	1.950%	\$ 179,000			100.00%	Purchase
Morgan Stanley	CD	11/14/11	11/13/09	1.950%	\$ 247,000			100.00%	Purchase
Morgan Stanley	CD	02/06/12	11/06/09	2.000%	\$ 247,000			100.00%	Purchase
Morgan Stanley	CD	11/07/11	11/06/09	1.950%	\$ 247,000			100.00%	Purchase
Morgan Stanley	CD	06/29/12	12/30/09	2.000%	\$ 198,000			100.00%	Purchase
Subtotal, CD's					\$ 10,182,204	33.66%	\$ 10,412,049	-2.21%	

Institution	Type of Investment	Maturity Date	Date Purchased	Yield	12/31/09 \$ Market	% Portfolio	09/30/09 \$ Market	% Increase (Decrease)	Reason for Change
Morgan Stanley	US Govt, Agency, FICO	11/2/09	11/03/93	7.010%	-		197,275	-100.00%	Maturity
Morgan Stanley	US Govt, Agency, FICO	11/11/09	11/03/93	7.010%	-		105,581	-100.00%	Maturity
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	11/3/09	05/14/07	4.750%	-		634,569	-100.00%	Maturity
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		177,751	0.00%	
Morgan Stanley	US Govt, Agency, FHLB	12/9/14	12/09/09	2.000%	950,000		-	100.00%	Purchase
Smith Barney	US Govt, Agency, GNMA	10/20/23	11/26/93	6.500%	10,668		12,412	-14.05%	Principal Payment
Smith Barney	US Govt, Agency, GNMA	11/20/23	11/26/93	6.500%	1,006		1,022	-1.58%	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	11/15/09	11/16/05	4.046%	-		949,354	-100.00%	Maturity
Smith Barney	US Govt, Agency, Tstrip	11/15/14	11/16/09	2.005%	949,502		-	100.00%	Purchase
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, FHLMC	6/15/23	06/06/08	5.000%	-		219,344	-100.00%	Called
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		-	100.00%	Purchase
Stifel, Nicolaus	US Govt, Agency, FHLMC	12/15/19	12/24/09	3.000%	155,000		-	100.00%	Purchase
Subtotal, U.S. Govt.					\$ 17,729,783	58.62%	\$ 17,558,164	0.98%	

Institution	Type of Investment	Maturity Date	Date Purchased	Yield	12/31/09 \$ Market	% Portfolio	09/30/09 \$ Market	% Increase (Decrease)	Reason for Change
Morgan Stanley	MM	n/a	n/a	0.200%	\$ 111,927		\$ 124,306	-9.96%	Interest, Various Maturities and Purchases with net (\$75,0000)
Edward Jones	MM	n/a	n/a	0.010%	\$ 201,866		\$ 10,084	1901.85%	Investment Interest and Maturities
Smith Barney	MM	n/a	n/a	0.200%	\$ 102,827		\$ 4,801	2041.83%	Investment Interest, Various Maturities and Purchases
Stifel, Nicolaus	MM			0.050%	\$ 35,097		\$ 22,937	53.01%	Investment Interest
IL Metropolitan Investment Fund	US Govt Pool Fund			0.600%	\$ 253,382		\$ 253,039	0.14%	Investment Interest
Illinois Funds-Money Market	Govt. Pool, IL Funds	n/a	n/a	0.121%	\$ 149,916		\$ 446,217	-66.40%	\$3.36 M Tfr to Busey, Revenue Payments
Illinois Funds-E Pay Account	Govt. Pool, IL Funds	n/a	n/a	0.121%	\$ 35,767		\$ 9,293	284.88%	\$26,000 Tfr to Busey, Credit Card Payments
Busey Bank	Savings	n/a	n/a	0.060%	\$ 1,444,396		\$ 4,578,921	-68.46%	Tfr from IL Funds, Normal Bill Paying
Subtotal, MM, IPTIP, & Savings					\$ 2,335,177	7.72%	\$ 5,449,598	-57.15%	
TOTALS					\$ 30,247,164	100.00%	\$ 33,419,811	-9.49%	
Submitted by: Ronald Eldridge, Comptroller									