



# Treasurer's Report

January 10, 2012

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**TO:** Honorable Mayor and Town Council  
**FROM:** Roger Carroll, Treasurer/Finance Officer  
**DATE:** January 2, 2012  
**RE:** Monthly Treasurer's Report

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## RECOMMENDED ACTION:

Receive and file.

## ISSUE STATEMENT AND DISCUSSION:

California Government Code and Town Municipal Code require monthly Treasurer's reports. The reports attached are as follows:

- Investment Policy Compliance Report - lists the types of investments allowable by the State and the Town and whether our investments comply.
- Quality Analysis Report - groups the investments by Moody Rating Group.
- Transaction Ledger Report – shows the purchases, sales, interest payments and redemptions during the report period.

### **Other Information**

## COMPLIANCE WITH INVESTMENT POLICY:

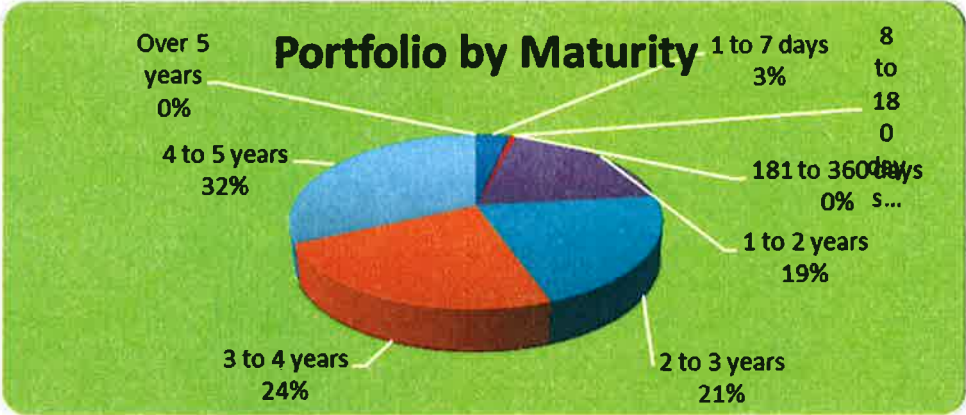
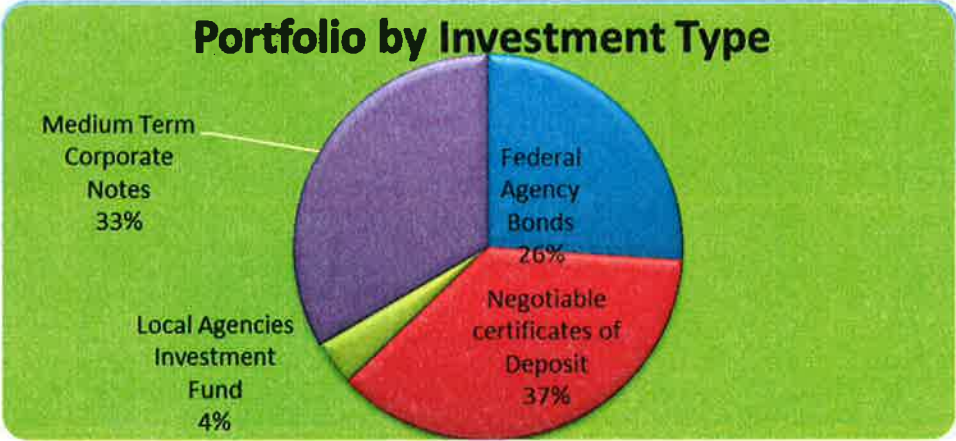
Although the Town's portfolio currently exceeds the allowable limit on Negotiable Certificates of Deposit (CD's), the CD's were purchased when the current volume was allowable, and therefore is in compliance with its investment policy. All CD's are Federally insured and pose no risk of loss. Over the next few months, the Treasurer will sell some of the CD's as values allow.

### **Other Information**

Benchmarks as of November 30, 2011:

|                       |       |
|-----------------------|-------|
| Federal Lending Rate: | 0.25% |
| Two Year T-Bill Rate: | 0.24% |
| LAIF daily Rate       | 0.37% |

Town of Loomis Weighted Average Rate, excluding LAIF investments: 3.00%  
 Average Maturity is 3.11 years.



## **Strategy**

The Treasurer's current practice is:

- Sell bonds with higher interest rates to capture the market gain before it evaporates, but only if replacement earnings plus the market gain exceed the current projected earnings.
- Approximate a "barbell" strategy by investing in higher earning investments in the four to five year maturity range, and shorter term investments to be in position for as rates start to climb.

## **POLICY AND/OR FINANCIAL IMPLICATIONS:**

None.

Attachments: Investment Policy Compliance Report  
Quality Analysis Report  
Transaction Ledger Report

**Town of Loomis**  
**Investment Policy Compliance**  
**with Government Code Standards, and the Town of Loomis Investment Plan Standards**  
**As of December 31, 2011**

**Current Portfolio Balance: \$ 9,742,454**

| Ca Government Code Section 53601  | Govt Code<br>Maximum<br>% | Loomis<br>Maximum<br>% | Loomis<br>Actual<br>% | Complies |
|---|---------------------------|------------------------|-----------------------|----------|
| a Bonds issued by Loomis  |                           | 5.00%                  |                       | Yes      |
| b Federal Treasury notes, bonds, bills  | 100.00%                   | 100.00%                |                       | Yes      |
| c State/local agency bonds, etc   | 100.00%                   | 50.00%                 | 8.06%                 | Yes      |
| d Local agency bonds, etc   | 100.00%                   | 50.00%                 |                       | Yes      |
| e Federal Agency Bonds  | 100.00%                   | 100.00%                | 23.98%                | Yes      |
| f Bankers Acceptances   | 40.00%                    | 40.00%                 |                       | Yes      |
| g Commercial Paper  | 30.00%                    | 15.00%                 |                       | Yes      |
| h Negotiable certificates of Deposit  | 30.00%                    | 30.00%                 | 33.81%                | No       |
| l(1) Repurchase Agreements  | 20.00%                    | 20.00%                 |                       | Yes      |
| l(3) Reverse Repurchase Agreements  | 20.00%                    | 20.00%                 |                       | Yes      |
| Local Agencies Investment Fund  |                           | 100.00%                | 3.47%                 | Yes      |
| h Time Deposits   | 30.00%                    | 25.00%                 |                       | Yes      |
| j Medium Term Corporate Notes   | 30.00%                    | 30.00%                 | 30.67%                | No       |
| k Shares of Beneficial Interest   | 20.00%                    | 0.00%                  |                       | Yes      |
| l Local agency Certificates of Participation,<br>security pledges, lease installments, etc. |                           | 0.00%                  |                       | Yes      |
| m Local agency notes, bonds, etc.   | 0.00%                     | 0.00%                  |                       | Yes      |
| n Mortgage pass through security bonds  | 20.00%                    | 0.00%                  |                       | Yes      |
| <b>Total</b>  |                           |                        | 100.00%               |          |

| Target Share of Portfolio per Investment Policy |                  |                  | Actual<br>% | Actual<br>\$ |
|---|------------------|------------------|-------------|--------------|
| Range   | Not Less<br>Than | Not More<br>Than |             |              |
| 1 to 7 days                                     | 5%               | 70%              | 3%          | 338,357      |
| 8 to 180 days                                   | 0%               | 30%              | 1%          | 66,693       |
| 181 to 360 days                                 | 0%               | 30%              | 0%          | -            |
| 1 to 2 years                                    | 0%               | 40%              | 19%         | 1,861,467    |
| 2 to 3 years                                    |                  | 40%              | 15%         | 1,440,204    |
| 3 to 4 years                                    |                  | 30%              | 28%         | 2,687,895    |
| 4 to 5 years                                    |                  | 30%              | 34%         | 3,347,839    |
| Over 5 years                                    |                  | 0%               | 0%          |              |
| <b>Total</b>                                    |                  |                  |             | 9,742,454    |

Town of Loomis  
Quality Analysis Report

| 12/31/2011                                |                       |        | SETTLEMENT | NEXT       | MATURITY   |              | DISCOUNT    | BOOK         | MARKET       | UNREALIZED       |
|---|-----------------------|--------|------------|------------|------------|--------------|-------------|--------------|--------------|------------------|
| Cusip                                     | NAME                  | RATE   | DATE       | COUPON     | DATE       | UNITS        | OR PREMIUM  | VALUE        | VALUE        | MARKET GAIN/LOSS |
| 313375SK4                                 | AGY FHLB              | 1.200% | 10/6/2011  | 1/6/2012   | 1/6/2016   | 250,000.00   |             | 250,000.00   | 250,020.00   | 20.00            |
| 313371NW2                                 | AGY FHLB              | 1.375% | 12/28/2010 | 6/11/2012  | 12/11/2015 | 280,000.00   | (8,288.08)  | 271,711.92   | 284,944.80   | 13,232.88        |
| 3133XWX95                                 | AGY FHLB              | 2.750% | 3/25/2010  | 3/13/2012  | 3/13/2015  | 500,000.00   | (234.48)    | 499,765.52   | 532,220.00   | 32,454.48        |
| 3134G2V66                                 | AGY FHLMC             | 1.500% | 10/19/2011 | 4/19/2012  | 10/16/2016 | 250,000.00   |             | 250,000.00   | 250,995.00   | 995.00           |
| 3136FRWL3                                 | AGY FNMA              | 1.125% | 7/28/2011  | 10/6/2011  | 10/6/2014  | 250,000.00   |             | 250,000.00   | 250,017.50   | 17.50            |
| 3136FTHU6                                 | AGY FNMA              | 1.800% | 11/16/2011 | 5/16/2012  | 11/16/2016 | 250,000.00   |             | 250,000.00   | 250,700.00   | 700.00           |
| 3136FRUM3                                 | AGY FNMA              | 2.000% | 6/29/2011  | 12/29/2011 | 6/29/2016  | 250,000.00   |             | 250,000.00   | 251,777.50   | 1,777.50         |
| 3136FP6L6                                 | AGY FNMA              | 2.450% | 2/22/2011  | 5/22/2012  | 2/22/2016  | 250,000.00   | (1,531.25)  | 248,468.75   | 250,795.00   | 2,326.25         |
| 13034AAP4                                 | A- CA Infra Econ      | 3.314% | 12/16/2011 | 4/1/2012   | 10/1/2015  | 250,000.00   | 1,407.55    | 251,407.55   | 252,850.00   | 1,442.45         |
| 13063ASD2                                 | A1 CA State GOB       | 5.950% | 9/21/2011  | 3/21/2012  | 4/1/2016   | 100,000.00   | 13,378.72   | 113,378.72   | 112,574.00   | (804.72)         |
| 4521518V8                                 | A1 Illinois GOB       | 4.421% | 8/3/2010   | 1/1/2012   | 1/1/2015   | 100,000.00   |             | 100,000.00   | 103,511.00   | 3,511.00         |
| 452151LC5                                 | A1 Illinois GOB       | 4.050% | 8/24/2010  | 12/1/2011  | 6/1/2015   | 150,000.00   | 674.46      | 150,674.46   | 153,640.50   | 2,966.04         |
| 913366ET3                                 | A1 UCD                | 2.875% | 11/18/2010 | 1/15/2012  | 5/15/2015  | 170,000.00   |             | 170,000.00   | 173,736.60   | 3,736.60         |
| 02003MBQ6                                 | AA Alstate LF GLB     | 5.375% | 5/1/2009   | 10/30/2011 | 4/30/2013  | 250,000.00   |             | 250,000.00   | 263,982.50   | 13,982.50        |
| 02005QQD8                                 | CD Ally Bank          | 2.150% | 6/2/2011   | 12/2/2011  | 6/2/2016   | 250,000.00   |             | 250,000.00   | 251,507.50   | 1,507.50         |
| 02580VBJ3                                 | CD Amex Bank FSB      | 5.000% | 11/26/2008 | 11/26/2011 | 11/26/2013 | 100,000.00   |             | 100,000.00   | 107,103.00   | 7,103.00         |
| 02586TBJ2                                 | CD Amex Bank          | 5.000% | 11/26/2008 | 11/26/2011 | 11/26/2013 | 100,000.00   |             | 100,000.00   | 107,103.00   | 7,103.00         |
| 05155THC5                                 | CD Aurora Bank        | 1.500% | 5/23/2011  | 11/23/2011 | 5/23/2014  | 200,000.00   |             | 200,000.00   | 200,612.00   | 612.00           |
| 05967EGY9                                 | CD Banco Popular      | 1.200% | 8/24/2011  | 2/24/2012  | 8/24/2014  | 200,000.00   |             | 200,000.00   | 199,966.00   | (34.00)          |
| 06740KCB1                                 | CD Barclays Bank      | 3.200% | 10/14/2009 | 11/14/2011 | 10/14/2014 | 100,000.00   |             | 100,000.00   | 104,476.00   | 4,476.00         |
| 05568PPD3                                 | CD BMW Bank           | 3.550% | 3/31/2009  | 9/30/2011  | 3/31/2014  | 97,000.00    |             | 97,000.00    | 101,736.51   | 4,736.51         |
| 140653TS5                                 | CD CAPMARK BANK       | 5.000% | 10/22/2008 | 10/22/2011 | 10/22/2013 | 100,000.00   |             | 100,000.00   | 106,880.00   | 6,880.00         |
| 17284ADC9                                 | CD CIT Bank           | 3.650% | 5/22/2009  | 11/22/2011 | 5/22/2014  | 100,000.00   |             | 100,000.00   | 105,321.00   | 5,321.00         |
| 17284ARS9                                 | CD CIT Bank SLC       | 2.250% | 5/27/2011  | 11/11/2011 | 5/11/2016  | 100,000.00   | (210.23)    | 99,789.77    | 100,194.00   | 404.23           |
| 254670F49                                 | CD DISCOVER BANK      | 2.150% | 6/3/2011   | 12/1/2011  | 5/31/2016  | 150,000.00   |             | 150,000.00   | 150,912.00   | 912.00           |
| 25469JSW5                                 | CD DISCOVER BANK      | 3.550% | 5/20/2009  | 11/20/2011 | 5/20/2014  | 100,000.00   |             | 100,000.00   | 105,080.00   | 5,080.00         |
| 3191404X4                                 | CD Firstbank Highland | 3.400% | 5/20/2009  | 11/20/2011 | 5/20/2014  | 100,000.00   |             | 100,000.00   | 104,731.00   | 4,731.00         |
| 36160XLY5                                 | CD GE Cap Financial   | 2.050% | 10/28/2011 | 4/28/2012  | 10/28/2016 | 250,000.00   |             | 250,000.00   | 251,055.00   | 1,055.00         |
| 36159S2H3                                 | CD GE Cap Ret Bnk     | 2.000% | 10/11/2011 | 4/7/2012   | 10/7/2016  | 250,000.00   |             | 250,000.00   | 249,512.50   | (487.50)         |
| 36962G3Z5                                 | AA GECC (F)           | 1.570% | 8/3/2010   | 9/23/2011  | 9/23/2013  | 150,000.00   | (2,635.25)  | 147,364.75   | 148,765.50   | 1,400.75         |
| 36962GK94                                 | AA GECC (F)           | 0.810% | 6/28/2010  | 9/15/2011  | 9/15/2014  | 100,000.00   | (3,796.08)  | 96,203.92    | 95,932.00    | (271.92)         |
| 38141EKF5                                 | A GOLDMAN SACHS       | 0.729% | 7/16/2010  | 1/22/2012  | 7/22/2015  | 250,000.00   | (13,125.00) | 236,875.00   | 218,810.00   | (18,065.00)      |
| 3814264E2                                 | CD GOLDMAN SACHS BAI  | 1.850% | 8/24/2011  | 2/24/2012  | 8/24/2016  | 100,000.00   |             | 100,000.00   | 100,385.00   | 385.00           |
| 428236BC6                                 | A2 Hewlett Packard    | 2.125% | 9/21/2011  | 3/13/2012  | 9/13/2015  | 250,000.00   | (1,420.84)  | 248,579.16   | 245,600.00   | (2,979.16)       |
| 40429XUJ3                                 | AA- HSBC              | 6.000% | 11/16/2009 | 10/15/2011 | 4/15/2013  | 250,000.00   | 10,622.00   | 260,622.00   | 255,112.50   | (5,509.50)       |
| 46625HHB9                                 | AA- JP Morgan         | 4.750% | 5/26/2009  | 11/1/2011  | 5/1/2013   | 250,000.00   | 3,480.00    | 253,480.00   | 261,355.00   | 7,875.00         |
| 46625HHP8                                 | AA- JP Morgan         | 3.700% | 8/23/2011  | 1/20/2012  | 1/20/2015  | 250,000.00   | 8,881.25    | 258,881.25   | 259,200.00   | 318.75           |
| 59012YG43                                 | CD Merrick Bank       | 2.000% | 6/15/2011  | 1/15/2012  | 6/15/2016  | 200,000.00   |             | 200,000.00   | 201,150.00   | 1,150.00         |
| 59018YM40                                 | A2 MERIL LYNCH        | 5.450% | 3/28/2008  | 1/5/2012   | 2/5/2013   | 250,000.00   |             | 250,000.00   | 251,817.50   | 1,817.50         |
| 61747MQF1                                 | CD MORGAN STANLEY CC  | 5.050% | 10/29/2008 | 10/29/2011 | 10/29/2013 | 100,000.00   |             | 100,000.00   | 107,017.00   | 7,017.00         |
| 61745EG70                                 | A2 MORGAN STANLEY     | 4.500% | 8/31/2011  | 3/2/2012   | 8/31/2015  | 225,000.00   |             | 225,000.00   | 204,345.00   | (20,655.00)      |
| 61747YCL7                                 | A2 MORGAN STANLEY     | 4.100% | 1/29/2010  | 2/26/2011  | 1/26/2015  | 275,000.00   |             | 275,000.00   | 261,032.75   | (13,967.25)      |
| 785907AV8                                 | CD Saehan Bank        | 3.400% | 3/31/2009  | 2/27/2011  | 3/24/2014  | 97,000.00    |             | 97,000.00    | 101,629.81   | 4,629.81         |
| 7954550HP3                                | CD Sallie Mae Bk      | 3.500% | 2/19/2009  | 2/19/2011  | 2/19/2014  | 100,000.00   |             | 100,000.00   | 104,608.00   | 4,608.00         |
| 856283RL2                                 | CD State Bnk India    | 2.000% | 8/12/2011  | 2/12/2012  | 8/12/2016  | 200,000.00   |             | 200,000.00   | 200,834.00   | 834.00           |
| 92979HFG6                                 | CD WACHOVIA BANK      | 5.000% | 7/25/2008  | 1/25/2012  | 7/25/2013  | 100,000.00   |             | 100,000.00   | 105,440.00   | 5,440.00         |
| 92977BQA2                                 | CD WACHOVIA BANK      | 5.000% | 7/25/2008  | 1/25/2012  | 7/25/2013  | 100,000.00   |             | 100,000.00   | 105,440.00   | 5,440.00         |
| 92976GAF8                                 | AA WACHOVIA Bank      | 0.883% | 7/6/2011   | 3/15/2012  | 3/15/2016  | 250,000.00   | (12,222.28) | 237,777.72   | 223,797.50   | (13,980.22)      |
| 929781FF4                                 | CD WACHOVIA MTG       | 5.000% | 7/25/2008  | 1/25/2012  | 7/25/2013  | 100,000.00   |             | 100,000.00   | 105,440.00   | 5,440.00         |
| 949746QU8                                 | AA Wells Fargo        | 3.676% | 7/6/2011   | 3/15/2012  | 6/15/2016  | 240,000.00   | 8,424.00    | 248,424.00   | 250,800.00   | 2,376.00         |
| ACCRUED INT                               | AGY                   |        |            |            |            | 66,692.58    |             | 66,692.58    |              |                  |
| Sub- total                                |                       |        |            |            |            | 9,400,692.58 | 3,404.49    | 9,404,097.07 | 9,436,465.47 | 99,060.98        |
| Balance on account with LAIF/Money market |                       |        |            |            |            | 338,356.66   |             | 338,356.66   | 338,356.66   |                  |
| Total Portfolio                           |                       |        |            |            |            | 9,739,049.24 |             | 9,742,453.73 |              |                  |

**Town of Looms  
Transaction Ledger  
12/01/11 to 12/31/11**

| <u>Trans Date</u>                   |                 |   |              | <u>Amount</u>          | <u>Premium/Gain</u>      |
|-------------------------------------|-----------------|---|--------------|------------------------|--------------------------|
| <u>Trans Type</u>                   | <u>Quantity</u> | <u>Description</u>                          | <u>Price</u> | <u>Int Purch/Sold</u>  | <u>(Discount)/(Loss)</u> |
| 12/1/2011<br>Interest Received      | 0.12            | Highmark Treas Fund<br>0.00% floating 7 day | 1.000        | 0.12                   | 0.12                     |
| 12/1/2011<br>Interest Received      | 3,037.50        | Illinois St GOB<br>4.05% due 6/1/15         | 1.000        | 3,037.50               | 3,037.50                 |
| 12/2/2011<br>Interest Received      | 2,694.86        | Ally Bank<br>2.15% due 6/2/16               | 1.000        | 2,694.86               | 2,694.86                 |
| 12/15/2011<br>Interest Received     | 153.46          | GECC<br>FR% due 2/11/15                     | 1.000        | 153.46                 | 153.46                   |
| 12/15/2011<br>Interest Received     | 328.77          | Merrick Bank<br>2.0% due 6/15/16            | 1.000        | 328.77                 | 328.77                   |
| 12/16/2011<br>Interest Received     | 427.90          | Wachovia<br>FR% due 3/15/16                 | 1.000        | 427.90                 | 427.90                   |
| 12/16/2011<br>Bond Purchased        | 250,000.00      | CA Infra/Econ<br>3.314% due 10/1/15         | 1.006        | 251,437.50<br>690.42   | 251,437.50               |
| 12/27/2011<br>Interest Received     | 513.98          | GECC<br>FR% due 9/23/13                     | 1.000        | 513.98                 | 513.98                   |
| 12/27/2011<br>Interest Received     | 813.21          | Saehan Bank<br>3.4% due 3/27/14             | 1.000        | 813.21                 | 813.21                   |
| 12/29/2011<br>Interest Received     | 2,500.00        | FNMA<br>2.0% due 6/29/16                    | 1.000        | 2,500.00               | 2,500.00                 |
| 12/30/2011<br>Bond called           | 250,000.00      | FNMA<br>1.5% due 6/30/16                    | 1.000        | 250,000.00<br>1,875.00 | 1,875.00                 |
| 12/30/2011<br>Month end Transfer    | 264,825.91      | Transfer to Wells Fargo                     | 1.000        | 264,825.91             | -                        |
| <b>Local Agency Investment Fund</b> |                 |   |              |                        |                          |
| 12/8/2011<br>Withdrawal             | (75,000.00)     | Local Agency Investment<br>Fund State Pool  | 1.000        | (75,000.00)            |                          |