

Treasurer's Report

November 10, 2009

TO: Honorable Mayor and Town Council
FROM: Roger Carroll, Treasurer/Finance Officer
DATE: November 3, 2009
RE: Monthly Treasurer's Report

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:

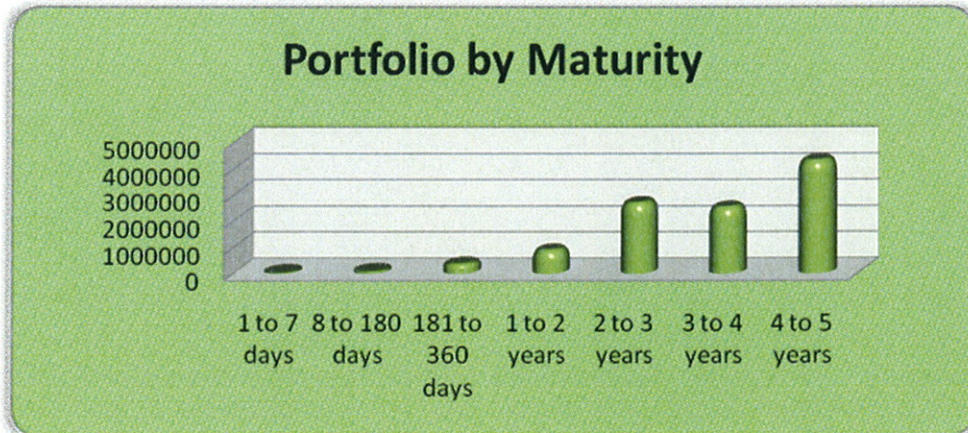
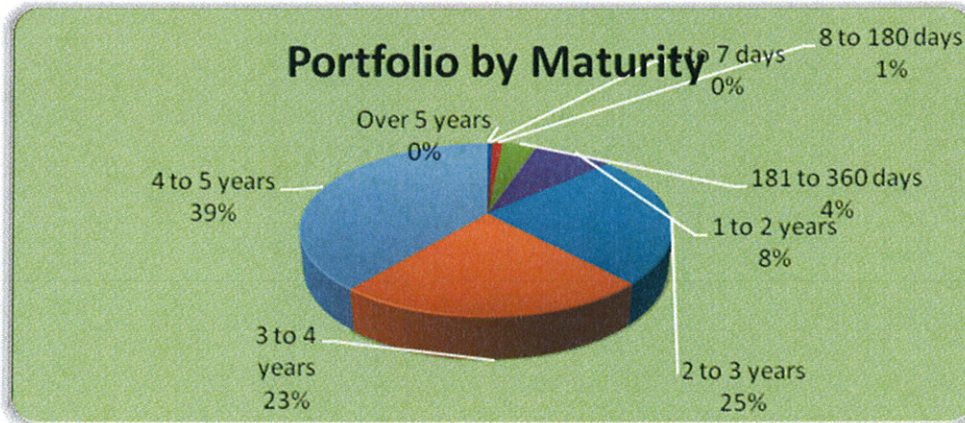
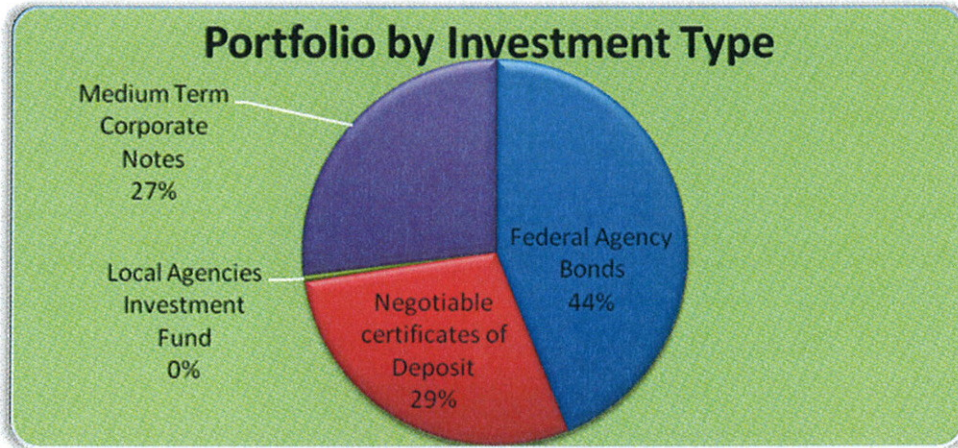
The Town is in compliance with its investment policy. The Lehman Brothers bonds have been downgraded to below investment level. The Town's investment policy does not require immediate liquidation of such bonds, but allows some discretion. As these bonds went suddenly from AA investment grade to below investment grade the day that Lehman Brother's declared bankruptcy, the majority of the resale value was gone before markets opened. Union bank is currently reporting the value of the \$500,000 par value bonds at \$78,750, but conservative estimates report that at liquidation in bankruptcy court, the bonds will return between \$210,000 at the low end and \$350,000 at the high end. The Treasurer recommends waiting for the bankruptcy proceedings.

Other Information

Benchmarks as of October 31, 2009:

Federal Lending Rate: 0.25%
 Two Year T-Bill Rate: 0.90%
 LAIF daily Rate 0.70%

Town of Loomis Weighted Average Rate, excluding LAIF investments: 4.13%
 Average Maturity is 3.21 years



Strategy

The Treasurer's current practice is:

- Sell lower yielding bonds if they can be combined with sales of profitable bonds to protect the overall corpus of the portfolio.
- Reinvest in certificates of deposits at values below the federally insured levels and in Federal Agency bonds.

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 October 31, 2009

Current Portfolio Balance: \$ 11,088,237

Ca Government Code Section 53601	Govt Code Maximum %	Loomis Maximum %	Loomis Actual %	Complies
a Bonds issued by Loomis		5.00%		Yes
b Federal Treasury notes, bonds, bills	100.00%	100.00%		Yes
c State agency bonds, etc	100.00%	50.00%		Yes
d Local agency bonds, etc	100.00%	50.00%		Yes
e Federal Agency Bonds	100.00%	100.00%	43.80%	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%	28.77%	Yes
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%	0.51%	Yes
h Time Deposits	30.00%	25.00%		Yes
j Medium Term Corporate Notes	30.00%	30.00%	26.92%	Yes
k Shares of Beneficial Interest	20.00%	0.00%		Yes
l Local agency Certificates of Participation, security pledges, lease installments, etc.		0.00%		Yes
m Local agency notes, bonds, etc.		0.00%		Yes
n Mortgage pass through security bonds	20.00%	0.00%		Yes
Total			100.00%	

Target Share of Portfolio per Investment Policy			Actual %	Actual \$
Range	Not Less Than	Not More Than		
1 to 7 days	5%	70%	1%	56,948
8 to 180 days	0%	30%	1%	115,928
181 to 360 days	0%	30%	4%	399,000
1 to 2 years	0%	40%	8%	910,555
2 to 3 years		40%	25%	2,721,803
3 to 4 years		30%	23%	2,549,688
4 to 5 years		30%	39%	4,334,315
Over 5 years		0%	0%	
Total				11,088,237

Note: The Town holds \$500,000 in senior unsecured bonds in Lehman Brothers, which, due to bankruptcy have fallen below investment grade. See the narrative for further details.

Town of Loomis
Quality Analysis Report

10/31/2009			SETTLEMENT	NEXT	MATURITY		DISCOUNT	BOOK	7/31/2008	UNREALIZED
Cusip	NAME	RATE	DATE	COUPON	DATE	UNITS	OR PREMIUM	VALUE	MARKET	MARKET
									VALUE	GAIN/LOSS
31331GRN1	AGY FFCB	2.900%	4/15/2009	10/15/2009	4/7/2014	500,000.00	(110.44)	499,889.56	501,720.00	1,830.44
31331GX80	AGY FFCB	3.000%	7/2/2009	11/28/2007	5/28/2014	500,000.00	(4,241.68)	495,758.32	500,155.00	4,396.68
3133XSXW9	AGY FHFB	2.875%	2/5/2009	2/5/2010	2/5/2014	250,000.00		250,000.00	250,937.50	937.50
3133XUSX7	AGY FHFB	3.125%	7/29/2009	1/29/2010	7/29/2014	250,000.00	(712.50)	249,287.50	250,937.50	1,650.00
3133XUCA9	AGY FHFB	3.500%	8/10/2009	2/4/2010	8/4/2014	500,000.00	(1,425.00)	498,575.00	500,155.00	1,580.00
3133XMFZ9	AGY FHFB	5.000%	10/1/2007	10/1/2009	10/1/2012	500,000.00		500,000.00	520,155.00	20,155.00
3128X8G22	AGY FHLMC	2.850%	6/26/2009	11/12/2009	5/12/2014	250,000.00	(2,330.52)	247,669.48	250,187.50	2,518.02
3128X8HR6	AGY FHLMC	3.000%	2/13/2009	2/5/2010	2/4/2014	250,000.00	(106.28)	249,893.72	251,370.00	1,476.28
3128X8MY5	AGY FHLMC	3.250%	3/16/2009	3/3/2010	3/3/2014	500,000.00	(650.00)	499,350.00	503,165.00	3,815.00
3136F8XV2	AGY FNMA	4.300%	12/3/2007	12/3/2009	12/3/2012	500,000.00		500,000.00	518,125.00	18,125.00
31398AVC3	AGY FNMA	3.150%	3/11/2009	3/11/2010	2/18/2014	250,000.00	(108.36)	249,891.64	251,797.50	1,905.86
3136F8RZ0	AGY FNMA	5.150%	8/26/2007	2/27/2010	8/27/2012	500,000.00		500,000.00	518,280.00	18,280.00
00759TMS5	CD Advanta Bnk	4.950%	10/29/2008	4/29/2009	10/29/2013	100,000.00		100,000.00	106,885.00	6,885.00
02003MBQ6	AA Astate LF GLB	5.375%	5/1/2009	10/30/2009	4/30/2013	250,000.00		250,000.00	268,415.00	18,415.00
02580VBJ3	CD Amex Bank FSB	5.000%	11/26/2008	5/26/2009	11/26/2013	100,000.00		100,000.00	107,115.00	7,115.00
02586TBJ2	CD Amex Bank	5.000%	11/26/2008	5/26/2009	11/26/2013	100,000.00		100,000.00	107,115.00	7,115.00
06740KCB1	CD Barclays Bank	3.200%	10/14/2009	4/14/2009	10/14/2014	100,000.00		100,000.00	99,371.00	(629.00)
094147AU9	CD BLOOMFIELD ST BK	3.750%	5/5/2008	11/6/2009	5/6/2010	99,000.00		99,000.00	100,436.49	1,436.49
05568PPD3	CD BMW Bank	3.550%	3/31/2009	9/30/2009	3/31/2014	97,000.00		97,000.00	98,365.76	1,365.76
14041AXS3	CD CAP 1	4.400%	1/24/2008	7/23/2009	1/23/2012	100,000.00		100,000.00	104,472.00	4,472.00
14042EDU1	CD CAP1	4.400%	1/24/2008	7/23/2009	1/23/2012	100,000.00		100,000.00	104,472.00	4,472.00
140653TSS	CD CAPMARK BANK	5.000%	10/22/2008	4/22/2009	10/22/2013	100,000.00		100,000.00	107,061.00	7,061.00
17284ADC9	CD CIT Bank	3.650%	5/22/2009	11/22/2009	5/22/2014	100,000.00		100,000.00	101,720.00	1,720.00
25469J5W5	CD DISCOVER BANK	3.550%	5/20/2009	11/20/2009	5/20/2014	100,000.00		100,000.00	101,305.00	1,305.00
25811LBV0	CD Doral Bank	3.050%	3/30/2009	9/30/2009	3/30/2012	97,000.00		97,000.00	98,455.97	1,455.97
29870UG29	CD EUROBANK	4.000%	4/23/2008	10/25/2009	4/25/2011	100,000.00		100,000.00	103,426.00	3,426.00
3191404X4	CD Firstbank Highland	3.400%	5/20/2009	11/20/2009	5/20/2014	100,000.00		100,000.00	100,677.00	677.00
337629K65	CD Firstbank PR	3.850%	12/10/2008	11/12/2009	12/10/2010	100,000.00		100,000.00	102,779.00	2,779.00
35039UBE3	CD Foundation Bank	3.300%	2/27/2009	8/27/2009	2/27/2013	100,000.00		100,000.00	100,155.00	155.00
36185ASE9	CD GMAC BANK	3.800%	3/28/2008	11/29/2009	3/28/2011	100,000.00		100,000.00	103,085.00	3,085.00
36160XFJ1	CD GE Cap in dc	3.500%	4/30/2009	10/30/2009	4/30/2014	100,000.00		100,000.00	101,142.00	1,142.00
36160XCH8	CD GE Cap fin	4.150%	10/3/2008	10/4/2009	10/4/2010	100,000.00		100,000.00	102,716.00	2,716.00
36159SEJ6	CD GE Money Bnk	4.750%	12/18/2008	12/18/2009	12/18/2013	100,000.00		100,000.00	106,198.00	6,198.00
36962G2L7	AA GECC	5.000%	10/1/2007	10/7/2009	4/10/2012	250,000.00		250,000.00	264,155.00	14,155.00
381426HR9	CD GOLDMAN SACHS BA	4.450%	4/30/2008	10/30/2009	4/30/2013	100,000.00		100,000.00	104,940.00	4,940.00
38141GBU7	A GOLDMAN SACHS	6.600%	1/15/2008	8/15/2009	1/15/2012	250,000.00	12,610.19	262,610.19	272,247.50	9,637.31
441812KA1	AA- HSBC	6.375%	11/9/2007	11/27/2009	11/27/2012	250,000.00	7,896.04	257,896.04	271,770.00	13,873.96
45974VB31	A1 AIG	5.300%	5/22/2007	11/1/2009	5/1/2012	250,000.00		250,000.00	207,342.50	(42,657.50)
46625HHB9	AA- JP Morgan	4.750%	5/26/2009	11/1/2009	5/1/2013	250,000.00	6,600.00	256,600.00	264,975.00	8,375.00
493065FQ4	CD Key Bank	4.700%	10/1/2008	11/1/2009	10/1/2012	100,000.00		100,000.00	105,702.00	5,702.00
52517PKS9	A2 LEHMAN BRO	5.750%	10/6/2006		7/18/2011	500,000.00	10,554.78	510,554.78	78,750.00	(431,804.78)
59018YM40	A2 MERIL LYNCH	5.450%	3/28/2008	10/5/2009	2/5/2013	250,000.00		250,000.00	261,427.50	11,427.50
59156RAC2	A2 MET LIFE	6.125%	6/8/2009	12/1/2009	12/1/2011	200,000.00	9,666.65	209,666.65	215,494.00	5,827.35
61746BCW4	AA3 MORGAN STANLEY	5.625%	5/3/2007	8/9/2009	1/9/2012	250,000.00	2,526.00	252,526.00	266,202.50	13,676.50
61747MQF1	CD MORGAN STANLEY CI	5.050%	10/29/2008	10/29/2009	10/29/2013	100,000.00		100,000.00	107,257.00	7,257.00
695349FE8	CD NATL CITY BANK	4.000%	3/31/2008	10/2/2009	4/2/2012	100,000.00		100,000.00	103,695.00	3,695.00
760310MP4	CD Republic Bnk	3.950%	9/29/2008	11/1/2009	9/29/2010	100,000.00		100,000.00	102,509.00	2,509.00
785907AV8	CD Saehan Bank	3.400%	3/31/2009	9/27/2009	3/24/2014	97,000.00		97,000.00	98,265.85	1,265.85
7954550HP3	CD Sallie Mae Bk	3.500%	2/19/2009	8/19/2009	2/19/2014	100,000.00		100,000.00	101,284.00	1,284.00
84603MD52	CD Sovereign Bnk	3.850%	12/10/2008	12/10/2009	2/10/2010	100,000.00		100,000.00	102,768.00	2,768.00
92979HFG6	CD WACHOVIA BANK	5.000%	7/25/2008	7/25/2009	7/25/2013	100,000.00		100,000.00	106,913.00	6,913.00
92977BQA2	CD WACHOVIA BANK	5.000%	7/25/2008	7/25/2009	7/25/2013	100,000.00		100,000.00	106,913.00	6,913.00
92976WBA3	A WACHOVIA BANK	5.700%	3/19/2009	8/1/2009	8/1/2013	250,000.00	(14,807.68)	235,192.32	266,680.00	31,487.68
929781FF4	CD WACHOVIA BANK	5.000%	7/25/2008	7/25/2009	7/25/2013	100,000.00		100,000.00	106,913.00	6,913.00
95989QCL9	CD WESTERNBANK	4.000%	4/23/2008	11/28/2009	4/25/2011	100,000.00		100,000.00	103,426.00	3,426.00
ACCRUED INT	AGY					115,928.09		115,928.09		
Sub- total						11,005,928.09	25,361.20	11,031,289.29	10,761,982.07	(153,379.13)
Balance on account with LAIF						56,947.88		56,947.88	56,947.88	
Total Portfolio						11,062,875.97		11,088,237.17		

Town of Looms
Transaction Ledger
10/01/09 to 10/31/09

<u>Trans Date</u>	<u>Quantity</u>	<u>Description</u>	<u>Price</u>	<u>Amount</u> <u>Int Purch/Sold</u>	<u>Premium/Gain</u> <u>(Discount)/(Loss)</u>
10/1/2009 Interest Received	0.34	Highmark Treas Fund 0.02% floating 7 day	1.000	0.34	0.34
10/1/2009 Interest Received	2,005.48	Natl City Bnk 4.0% 0 due 4/02/12	1.000	2,005.48	2,005.48
10/1/2009 Interest Received	12,500.00	FHLB 5.0% due 10/01/12	1.000	12,500.00	12,500.00
10/2/2009 Interest Received	324.66	Republic Bank 3.95% due 9/29/10	1.000	324.66	324.66
10/2/2009 Interest Received	386.30	Key Bank 4.7% due 10/01/12	1.000	386.30	386.30
10/7/2009 Interest Received	7,250.00	FFCB 2.9 % due 04/07/14	1.000	7,250.00	7,250.00
10/7/2009 Interest Received	305.14	Bloomfield bank 3.75% due 5/06/10	1.000	305.14 -	305.14
10/8/2009 Bond called	250,000.00	FFCB 3.1 % due 01/30/14	1.000	250,000.00 1,463.89	1,463.89
10/13/2009 Interest Received	6,250.00	GECC 5.0% due 4/10/12	1.000	6,250.00	6,250.00
10/14/2009 Interest Received	316.44	Firstbank PR 3.85% due 12/10/10	1.000	316.44	316.44
10/14/2009 CD purchased	100,000.00	Barclays Bank 3.2% due 10/14/14	1.000	100,000.00 -	100,000.00
10/22/2009 Bond Called	2,506.85	Capmark Bank 5.0% due 10/22/13	1.000	2,506.85	2,506.85
10/23/2009 Interest Received	2,005.48	Eurobank 4.0% due 4/25/11	1.000	2,005.48 -	2,005.48
10/23/2009 Interest Received	2,005.48	Westernbank P/R 4.0% due 4/25/11	1.000	2,005.48 -	2,005.48

10/29/2009	312.33	GMAC Bank	1.000	312.33	312.33
Interest Received		3.80% due 3/28/11		-	
10/29/2009	2,481.78	Advanta Bank	1.000	2,481.78	2,481.78
Interest Received		4.95% due 10/29/13			
10/29/2009	2,531.92	Morgan Stanley CD	1.000	2,531.92	2,531.92
Interest Received		5.05% due 10/29/13			
10/30/2009	243.16	Doral Bank	1.000	243.16	243.16
Interest Received		3.05% due 3/30/12		-	
10/30/2009	1,754.80	GE Cap Fin CD	1.000	1,754.80	1,754.80
Interest Received		3.5% due 4/30/14		-	
10/30/2009	6,718.75	Allstate LF	1.000	6,718.75	6,718.75
Interest Received		5.375% due 4/30/13		-	
Local Agency Investment Fund					
10/1/2009	175,000.00	Local Agency Investment	1.000	175,000.00	
Deposit		Fund State Pool			
10/7/2009	(360,000.00)	Local Agency Investment	1.000	(360,000.00)	
Withdrawal		Fund State Pool			
10/15/2009	(75,000.00)	Local Agency Investment	1.000	(75,000.00)	
Withdrawal		Fund State Pool			
10/15/2009	820.66	Local Agency Investment	1.000	820.66	
Quarterly interest		Fund State Pool			