



# Treasurer's Report

November 8, 2011

---

**TO:** Honorable Mayor and Town Council  
**FROM:** Roger Carroll, Treasurer/Finance Officer  
**DATE:** November 1, 2011  
**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:**

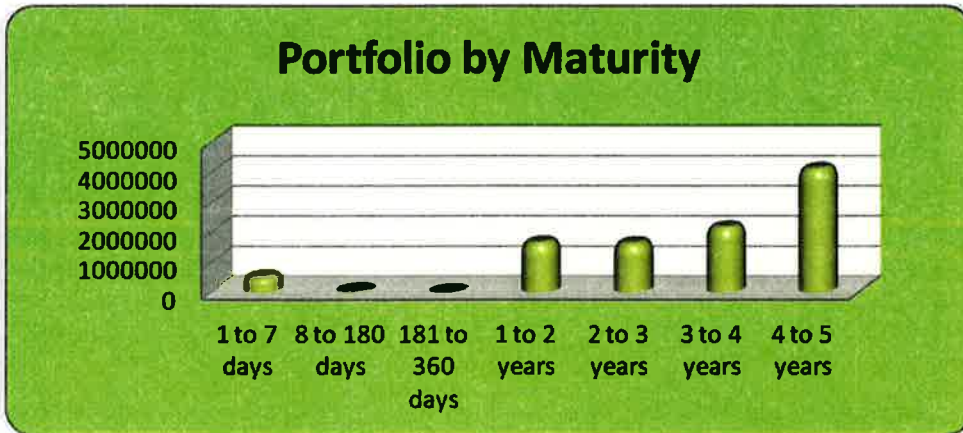
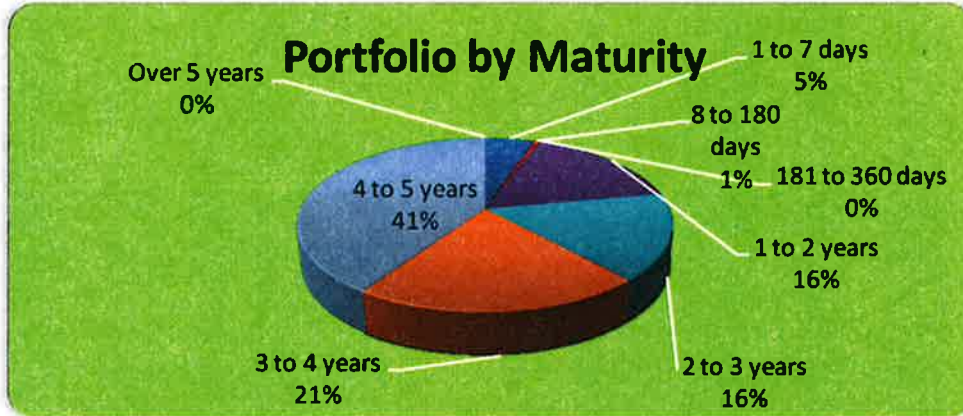
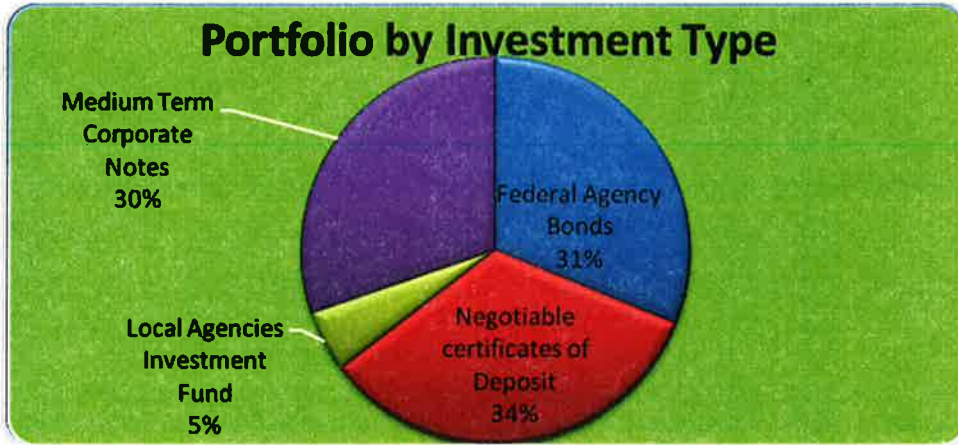
Although the Town's portfolio currently exceeds the allowable limit on Negotiable Certificates of Deposit (CD's), the CD's were purchased when the current volume was allowable, and therefore is in compliance with its investment policy. All CD's are Federally insured and pose no risk of loss. Over the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

### **Other Information**

Benchmarks as of October 31, 2011:

Federal Lending Rate:	0.25%
Two Year T-Bill Rate:	0.25%
LAIF daily Rate	0.35%

Town of Loomis Weighted Average Rate, excluding LAIF investments: 2.92%  
 Average Maturity is 3.35 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 October 31, 2011

**Current Portfolio Balance: \$ 10,413,486**

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/local agency bonds, etc	100.00%	50.00%	5.13%	Yes
d Local agency bonds, etc	100.00%	50.00%		Yes
e Federal Agency Bonds	100.00%	100.00%	29.61%	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%	31.63%	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%	4.93%	Yes
h Time Deposits	30.00%	25.00%		Yes
j Medium Term Corporate Notes	30.00%	30.00%	28.69%	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%	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 %	Actual \$
Range	Not Less Than	Not More Than		
1 to 7 days	5%	70%	5%	513,357
8 to 180 days	0%	30%	1%	64,115
181 to 360 days	0%	30%	0%	-
1 to 2 years	0%	40%	16%	1,661,968
2 to 3 years		40%	16%	1,639,959
3 to 4 years		30%	21%	2,164,614
4 to 5 years		30%	41%	4,119,473
Over 5 years		0%	0%	
<b>Total</b>				10,163,486

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 Looms  
Transaction Ledger  
10/01/11 to 10/31/11**

<u>Trans Date</u>	<u>Quantity</u>	<u>Description</u>	<u>Price</u>	<u>Amount Int Purch/Sold</u>	<u>Premium/Gain (Discount)/(Loss)</u>
10/3/2011 Interest Received	0.17	Highmark Treas Fund 0.00% floating 7 day	1.000	0.17	0.17
10/3/2011 Interest Received	2,975.00	CA GOBs 5.95% due 4/1/16	1.000	2,975.00	2,975.00
10/6/2011 Interest Received	703.13	FNMA 1.125% due 10/6/14	1.000	703.13	703.13
10/6/2011 Bond Purchased	250,000.00	FHLB 1.2% due 1/06/16	1.000	250,000.00	-
10/11/2011 CD Purchased	250,000.00	GE Cap Retail 2.0% due 10/7/16	1.000	250,000.00 54.79	-
10/11/2011 CD Sold	50,000.00	GE Money Bank 2.4% due 11/13/12	1.015	50,750.00 496.44	1,246.44
10/11/2011 CD Sold	100,000.00	GE Money Bank 4.75% due 12/18/13	1.071	107,100.00 1,498.58	8,598.58
10/11/2011 CD Sold	100,000.00	GE Money Bank 2.05% due 8/6/14	1.010	101,000.00 370.68	1,370.68
10/14/2011 CD Sold	100,000.00	Goldman Sac Bnk 4.45% due 4/30/13	1.049	104,900.00 2,036.03	6,936.03
10/14/2011 CD Sold	150,000.00	GE Cap Fin 1.8% due 6/10/15	1.000	150,000.00 932.05	932.05
10/14/2011 CD Sold	100,000.00	Firstbank 2.15% due /14/13	1.007	100,718.08 176.71	894.79
10/14/2011 Interest Received	1,604.38	Barclays Bank 3.2% due 10/14/14	1.000	1,604.38	1,604.38
10/14/2011 Interest Received	176.71	Doral Bank 2.125% due 5/14/13	1.000	176.71	176.71
10/17/2011 Interest Received	7,500.00	HSBC 6.0% due 4/15/13	1.000	7,500.00	7,500.00

10/17/2011	328.77	Merrick Bank	1.000	328.77	328.77
Interest Received		2.0% due 6/15/16			
10/19/2011	250,000.00	FHLMC	1.000	250,000.00	250,000.00
Interest Received		1.5% due 10/19/16		-	
10/24/2011	426.26	Goldman	1.000	426.26	426.26
Interest Received		FR% due 7/22/15		-	
10/25/2011	2,506.85	Capmark Ban k	1.000	2,506.85	2,506.85
Interest Received		5.0% due 10/22/13		-	
10/26/2011	93,287.56	Transfer to Wells Fargo	1.000	93,287.56	-
Transfer				-	
10/28/2011	100,000.00	GE Cap Fin	1.045	104,500.43	6,236.05
CD Sold		3.5% due 4/30/14		1,735.62	
10/28/2011	100,000.00	Doral Bank	1.008	100,835.37	917.84
CD Sold		2.15% due 5/14/13		82.47	
10/28/2011	250,000.00	GE Cap Fin	1.000	250,000.00	-
CD Purchased		2.15% due 5/14/13		-	
10/31/2011	2,525.00	Morgan Stanley	1.000	2,525.00	2,525.00
Interest Received		5.05% due 10/29/13		-	
10/24/2011	6,718.75	Allstate	1.000	6,718.75	6,718.75
Interest Received		5.375% due 4/30/13		-	
10/31/2011	9,243.75	Transfer to Wells Fargo	1.000	9,243.75	-
Month end Transfer				-	
<b>Local Agency Investment Fund</b>					
10/26/2011	(150,000.00)	Local Agency Investment	1.000	(150,000.00)	
Withdrawal		Fund State Pool			
10/27/2011	(25,000.00)	Local Agency Investment	1.000	(25,000.00)	
Withdrawal		Fund State Pool			