

Treasurer's Report

December 13, 2011

TO: Honorable Mayor and Town Council
FROM: Roger Carroll, Treasurer/Finance Officer *e*
DATE: December 6, 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:

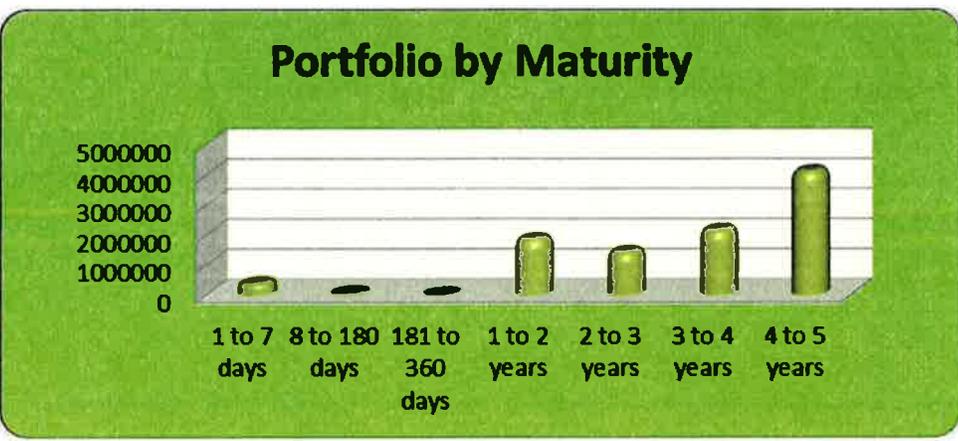
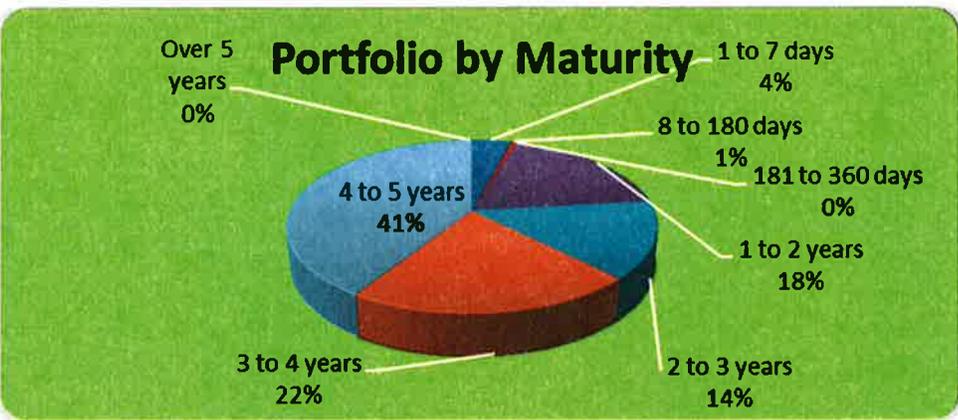
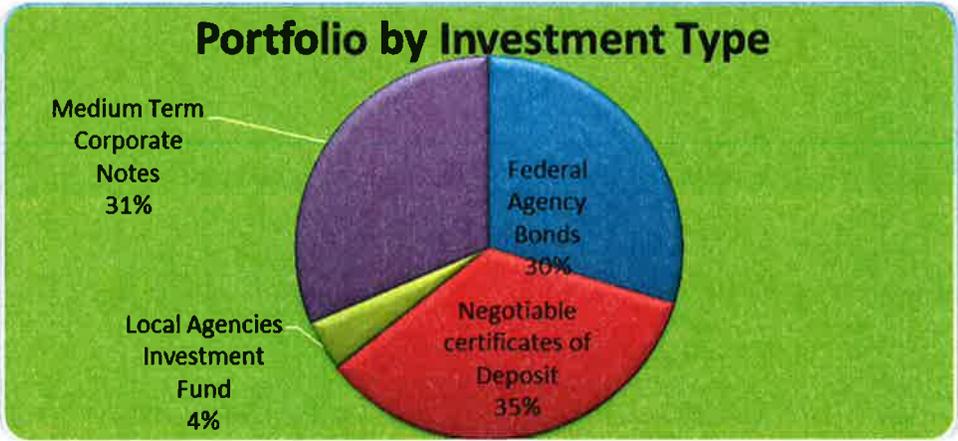
Although the Town's portfolio currently exceeds the allowable limit on Negotiable Certificates of Deposit (CD's), the CD's were purchased when the current volume was allowable, and therefore is in compliance with its investment policy. All CD's are Federally insured and pose no risk of loss. Over the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

Other Information

Benchmarks as of November 30, 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: 2.94%
 Average Maturity is 3.24 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 November 30, 2011

Current Portfolio Balance: \$ 10,059,006

| 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% | 5.31% | Yes |
| d Local agency bonds, etc | 100.00% | 50.00% | | Yes |
| e Federal Agency Bonds | 100.00% | 100.00% | 28.13% | 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% | 32.74% | 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% | 4.11% | Yes |
| h Time Deposits | 30.00% | 25.00% | | Yes |
| j Medium Term Corporate Notes | 30.00% | 30.00% | 29.71% | 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 |
| 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% | 4% | 413,357 |
| 8 to 180 days | 0% | 30% | 1% | 59,643 |
| 181 to 360 days | 0% | 30% | 0% | - |
| 1 to 2 years | 0% | 40% | 19% | 1,861,718 |
| 2 to 3 years | | 40% | 14% | 1,440,081 |
| 3 to 4 years | | 30% | 22% | 2,164,695 |
| 4 to 5 years | | 30% | 41% | 4,119,512 |
| Over 5 years | | 0% | 0% | |
| Total | | | | 10,059,006 |

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

| | | | | | | | | | | | UNREALIZED |
|---|-----------------------|--------|------------|------------|------------|---------------|-------------|---------------|--------------|-------------|------------|
| | | | | | | | | | | | MARKET |
| 11/30/2011 | | | SETTLEMENT | NEXT | MATURITY | | DISCOUNT | BOOK | MARKET | | |
| Cusip | NAME | RATE | DATE | COUPON | DATE | UNITS | OR PREMIUM | VALUE | VALUE | GAIN/LOSS | |
| 31331KNJ5 | AGY FFCB | 2.140% | 6/15/2011 | 12/12/2011 | 6/15/2016 | 250,000.00 | | 250,000.00 | 250,155.00 | 155.00 | |
| 3133755K4 | AGY FHLB | 1.200% | 10/6/2011 | 1/6/2012 | 1/6/2016 | 250,000.00 | | 250,000.00 | 249,055.00 | (945.00) | |
| 313371NW2 | AGY FHLB | 1.375% | 12/28/2010 | 12/11/2001 | 12/11/2015 | 280,000.00 | (8,633.40) | 271,366.60 | 282,268.00 | 10,901.40 | |
| 3133XWX95 | AGY FHLB | 2.750% | 3/25/2010 | 3/13/2012 | 3/13/2015 | 500,000.00 | (246.80) | 499,753.20 | 532,215.00 | 32,461.80 | |
| 3134G2V66 | AGY FHLMC | 1.500% | 10/19/2011 | 4/19/2012 | 10/16/2016 | 250,000.00 | | 250,000.00 | 250,327.50 | 327.50 | |
| 3136FRWL3 | AGY FNMA | 1.125% | 7/28/2011 | 10/6/2011 | 10/6/2014 | 250,000.00 | | 250,000.00 | 250,165.00 | 165.00 | |
| 3136FTHU6 | AGY FNMA | 1.800% | 11/16/2011 | 5/16/2012 | 11/16/2016 | 250,000.00 | | 250,000.00 | 250,130.00 | 130.00 | |
| 3136FRUM3 | AGY FNMA | 2.000% | 6/29/2011 | 12/29/2011 | 6/29/2016 | 250,000.00 | | 250,000.00 | 251,782.50 | 1,782.50 | |
| 3136FP6L6 | AGY FNMA | 2.450% | 2/22/2011 | 5/22/2012 | 2/22/2016 | 250,000.00 | (1,593.75) | 248,406.25 | 251,307.50 | 2,901.25 | |
| 3136FRTD5 | AGY FNMA s/u | 1.500% | 6/30/2011 | 12/30/2011 | 6/30/2016 | 250,000.00 | | 250,000.00 | 250,165.00 | 165.00 | |
| 13063A5D2 | A1 CA State GOB | 5.950% | 9/21/2011 | 3/21/2012 | 4/1/2016 | 100,000.00 | 13,913.86 | 113,913.86 | 112,331.00 | (1,582.86) | |
| 4521518V8 | A1 Illinois GOB | 4.421% | 8/3/2010 | 1/1/2012 | 1/1/2015 | 100,000.00 | | 100,000.00 | 103,336.00 | 3,336.00 | |
| 452151LC5 | A1 Illinois GOB | 4.050% | 8/24/2010 | 12/1/2011 | 6/1/2015 | 150,000.00 | 707.34 | 150,707.34 | 152,983.50 | 2,276.16 | |
| 913366ET3 | A1 UCD | 2.875% | 11/18/2010 | 1/15/2012 | 5/15/2015 | 170,000.00 | | 170,000.00 | 173,146.70 | 3,146.70 | |
| 02003MBQ6 | AA Alstate LF GLB | 5.375% | 5/1/2009 | 10/30/2011 | 4/30/2013 | 250,000.00 | | 250,000.00 | 263,522.50 | 13,522.50 | |
| 02005QQD8 | CD Ally Bank | 2.150% | 6/2/2011 | 12/2/2011 | 6/2/2016 | 250,000.00 | | 250,000.00 | 251,317.50 | 1,317.50 | |
| 02580VBJ3 | CD Amex Bank FSB | 5.000% | 11/26/2008 | 11/26/2011 | 11/26/2013 | 100,000.00 | | 100,000.00 | 107,303.00 | 7,303.00 | |
| 02586TBJ2 | CD Amex Bank | 5.000% | 11/26/2008 | 11/26/2011 | 11/26/2013 | 100,000.00 | | 100,000.00 | 107,303.00 | 7,303.00 | |
| 05155THC5 | CD Aurora Bank | 1.500% | 5/23/2011 | 11/23/2011 | 5/23/2014 | 200,000.00 | | 200,000.00 | 200,516.00 | 516.00 | |
| 05967EY9 | CD Banco Popular | 1.200% | 8/24/2011 | 2/24/2012 | 8/24/2014 | 200,000.00 | | 200,000.00 | 199,744.00 | (256.00) | |
| 06740KCB1 | CD Barclays Bank | 3.200% | 10/14/2009 | 11/14/2011 | 10/14/2014 | 100,000.00 | | 100,000.00 | 104,492.00 | 4,492.00 | |
| 05568PPD3 | CD BMW Bank | 3.550% | 3/31/2009 | 9/30/2011 | 3/31/2014 | 97,000.00 | | 97,000.00 | 101,857.76 | 4,857.76 | |
| 140653T55 | CD CAPMARK BANK | 5.000% | 10/22/2008 | 10/22/2011 | 10/22/2013 | 100,000.00 | | 100,000.00 | 107,091.00 | 7,091.00 | |
| 17284ADC9 | CD CIT Bank | 3.650% | 5/22/2009 | 11/22/2011 | 5/22/2014 | 100,000.00 | | 100,000.00 | 105,447.00 | 5,447.00 | |
| 17284ARS9 | CD CIT Bank SLC | 2.250% | 5/27/2011 | 11/11/2011 | 5/11/2016 | 100,000.00 | (218.17) | 99,781.83 | 100,335.00 | 553.17 | |
| 254670F49 | CD DISCOVER BANK | 2.150% | 6/3/2011 | 12/1/2011 | 5/31/2016 | 150,000.00 | | 150,000.00 | 150,798.00 | 798.00 | |
| 25469J5W5 | CD DISCOVER BANK | 3.550% | 5/20/2009 | 11/20/2011 | 5/20/2014 | 100,000.00 | | 100,000.00 | 105,198.00 | 5,198.00 | |
| 3191404X4 | CD Firstbank Highland | 3.400% | 5/20/2009 | 11/20/2011 | 5/20/2014 | 100,000.00 | | 100,000.00 | 104,837.00 | 4,837.00 | |
| 36160XLY5 | CD GE Cap Financial | 2.050% | 10/28/2011 | 4/28/2012 | 10/28/2016 | 250,000.00 | | 250,000.00 | 250,835.00 | 835.00 | |
| 3615952H3 | CD GE Cap Ret Bnk | 2.000% | 10/11/2011 | 4/7/2012 | 10/7/2016 | 250,000.00 | | 250,000.00 | 249,270.00 | (730.00) | |
| 36962G3Z5 | AA GECC (F) | 1.360% | 8/3/2010 | 9/23/2011 | 9/23/2013 | 150,000.00 | (2,898.75) | 147,101.25 | 150,088.50 | 2,987.25 | |
| 36962GK94 | AA GECC (F) | 0.598% | 6/28/2010 | 9/15/2011 | 9/15/2014 | 100,000.00 | (4,040.96) | 95,959.04 | 95,523.00 | (436.04) | |
| 38141EFK5 | CD GOLDMAN SACHS | 0.729% | 7/16/2010 | 1/22/2012 | 7/22/2015 | 250,000.00 | (13,750.00) | 236,250.00 | 223,467.50 | (12,782.50) | |
| 3814264E2 | A GOLDMAN SACHS BAI | 1.850% | 8/24/2011 | 2/24/2012 | 8/24/2016 | 100,000.00 | | 100,000.00 | 100,299.00 | 299.00 | |
| 428236BC6 | A2 Hewlett Packard | 2.125% | 9/21/2011 | 3/13/2012 | 9/13/2015 | 250,000.00 | (1,485.42) | 248,514.58 | 251,635.00 | 3,120.42 | |
| 40429XUJ3 | AA- HSBC | 6.000% | 11/16/2009 | 10/15/2011 | 4/15/2013 | 250,000.00 | 11,147.24 | 261,147.24 | 257,460.00 | (3,687.24) | |
| 46625HHB9 | AA- JP Morgan | 4.750% | 5/26/2009 | 11/1/2011 | 5/1/2013 | 250,000.00 | 3,720.00 | 253,720.00 | 261,562.50 | 7,842.50 | |
| 46625HHP8 | AA- JP Morgan | 3.700% | 8/23/2011 | 1/20/2012 | 1/20/2015 | 250,000.00 | 9,388.75 | 259,388.75 | 255,072.50 | (4,316.25) | |
| 59012YG43 | CD Merrick Bank | 2.000% | 6/15/2011 | 12/15/2011 | 6/15/2016 | 200,000.00 | | 200,000.00 | 200,992.00 | 992.00 | |
| 59018YM40 | A2 MERIL LYNCH | 5.450% | 3/28/2008 | 1/5/2012 | 2/5/2013 | 250,000.00 | | 250,000.00 | 249,300.00 | (700.00) | |
| 61747MQF1 | CD MORGAN STANLEY CC | 5.050% | 10/29/2008 | 10/29/2011 | 10/29/2013 | 100,000.00 | | 100,000.00 | 107,230.00 | 7,230.00 | |
| 61745EG70 | A2 MORGAN STANLEY | 4.500% | 8/31/2011 | 3/2/2012 | 8/31/2015 | 225,000.00 | | 225,000.00 | 201,753.00 | (23,247.00) | |
| 61747YCL7 | A2 MORGAN STANLEY | 4.100% | 1/29/2010 | 2/26/2011 | 1/26/2015 | 275,000.00 | | 275,000.00 | 254,116.50 | (20,883.50) | |
| 785907AV8 | CD Saehan Bank | 3.400% | 3/31/2009 | 2/27/2011 | 3/24/2014 | 97,000.00 | | 97,000.00 | 101,749.12 | 4,749.12 | |
| 7954550HP3 | CD Sallie Mae Bk | 3.500% | 2/19/2009 | 2/19/2011 | 2/19/2014 | 100,000.00 | | 100,000.00 | 104,734.00 | 4,734.00 | |
| 856283RL2 | CD State Bnk India | 2.000% | 8/12/2011 | 2/12/2012 | 8/12/2016 | 200,000.00 | | 200,000.00 | 200,666.00 | 666.00 | |
| 92979HFG6 | CD WACHOVIA BANK | 5.000% | 7/25/2008 | 1/25/2012 | 7/25/2013 | 100,000.00 | | 100,000.00 | 105,637.00 | 5,637.00 | |
| 92977BQA2 | CD WACHOVIA BANK | 5.000% | 7/25/2008 | 1/25/2012 | 7/25/2013 | 100,000.00 | | 100,000.00 | 105,637.00 | 5,637.00 | |
| 92976GAF8 | AA WACHOVIA Bank | 0.578% | 7/6/2011 | 3/15/2012 | 3/15/2016 | 250,000.00 | (12,731.52) | 237,268.48 | 232,907.50 | (4,360.98) | |
| 929781FF4 | CD WACHOVIA MTG | 5.000% | 7/25/2008 | 1/25/2012 | 7/25/2013 | 100,000.00 | | 100,000.00 | 105,637.00 | 5,637.00 | |
| 949746QU8 | AA Wells Fargo | 3.676% | 7/6/2011 | 3/15/2012 | 6/15/2016 | 240,000.00 | 8,736.00 | 248,736.00 | 251,234.40 | 2,498.40 | |
| ACCRUED INT | AGY | | | | | 64,114.82 | | 64,114.82 | | | |
| Sub- total | | | | | | 9,648,114.82 | 2,014.42 | 9,650,129.24 | 9,685,935.98 | 99,921.56 | |
| Balance on account with LAIF/Money market | | | | | | 413,356.66 | | 413,356.66 | 413,356.66 | | |
| Total Portfolio | | | | | | 10,061,471.48 | | 10,063,485.90 | | | |

Town of Looms
Transaction Ledger
11/01/11 to 11/30/11

| <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> |
|---------------------------------|-----------------|---|--------------|--|---|
| 11/1/2011 Interest Received | 0.31 | Highmark Treas Fund 0.00% floating 7 day | 1.000 | 0.31 | 0.31 |
| 11/1/2011 Interest Received | 5,937.50 | JP Morgan 4.75% due 5/1/13 | 1.000 | 5,937.50 | 5,937.50 |
| 11/10/2011 Bond called | 250,000.00 | FHLB 2.125% due 8/10/16 | 1.000 | 250,000.00 1,328.13 | 1,328.13 |
| 11/14/2011 Interest Received | 1,134.25 | CIT 2.25% due 5/11/16 | 1.000 | 1,134.25 | 1,134.25 |
| 11/15/2011 Interest Received | 339.73 | Merrick Bank 2.0% due 6/15/16 | 1.000 | 339.73 | 339.73 |
| 11/15/2011 Interest Received | 2,443.75 | Univ Calif Rev Bnds 2.875% due 5/15/15 | 1.000 | 2,443.75 | 2,443.75 |
| 11/16/2011 Bond Purchased | 250,000.00 | FNMA 1.8% due 11/16/16 | 1.000 | 250,000.00 | 250,000.00 |
| 11/21/2011 Interest Received | 1,789.59 | Discover Bank 3.55% due 5/20/14 | 1.000 | 1,789.59 | 1,789.59 |
| 11/21/2011 Interest Received | 1,713.97 | First Bank 3.4% due 5/20/14 | 1.000 | 1,713.97 | 1,713.97 |
| 11/22/2011 Interest Received | 1,840.00 | CIT Bank 3.65% due 5/22/14 | 1.000 | 1,840.00 | 1,840.00 |
| 1/23/2011 Interest Received | 1,512.33 | Aurora Bank 1.5% due 5/23/14 | 1.000 | 1,512.33 | 1,512.33 |
| 1/28/2011 Interest Received | 2,520.55 | American Express 5.0% due 11/26/13 | 1.000 | 2,520.55 | 2,520.55 |
| 1/28/2011 Interest Received | 2,520.55 | American Express 5.0% due 11/26/13 | 1.000 | 2,520.55 | 2,520.55 |
| 1/30/2011 Interest Received | 1,616.92 | Discover Bank 2.15% due 5/31/16 | 1.000 | 1,616.92 | 1,616.92 |

| | | | | | |
|-------------------|----------|------------------|-------|----------|----------|
| 1/30/2011 | 2,531.25 | Merrick Bank | 1.000 | 2,531.25 | 2,531.25 |
| Interest Received | | 2.0% due 6/15/16 | | | |

| | | | | | |
|--------------------|-----------|-------------------------|-------|-----------|---|
| 11/30/2011 | 27,235.75 | Transfer to Wells Fargo | 1.000 | 27,235.75 | - |
| Month end Transfer | | | | - | |

Local Agency Investment Fund

| | | | | | |
|------------|-------------|-------------------------|-------|-------------|--|
| 11/9/2011 | (50,000.00) | Local Agency Investment | 1.000 | (50,000.00) | |
| Withdrawal | | Fund State Pool | | | |

| | | | | | |
|------------|-------------|-------------------------|-------|-------------|--|
| 11/16/2011 | (50,000.00) | Local Agency Investment | 1.000 | (50,000.00) | |
| Withdrawal | | Fund State Pool | | | |