



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Accept the Quarterly Investment Account report as required by law SB564

MEETING DATE: August 7, 2002

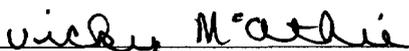
PREPARED BY: Deputy Treasurer

RECOMMENDED ACTION: That the City Council by motion/action accept the quarterly report of the City of Lodi pooled money investment account as required by SB564.

BACKGROUND INFORMATION: The investment report is currently included in the monthly executive report distributed to Council. SB564 required local agency treasurers to submit a report on investments at a public meeting. The City of Lodi has an investment policy, which is submitted to council for approval on an annual basis. Copies of the policy are available in the Finance Department. In addition to the quarterly report on investments in the City of Lodi pooled money investment account, a breakdown Treasury Inventory by type has been included in a chart format. Also included is the most current report of the Local Agency Summary of Investment Data and the State of California pooled money investment account market valuation.

The City of Lodi maintains membership in the California Municipal Treasurers Association and conforms to guide lines set forth by the CMTA investment report committee. The Finance Department will continue to include the investment report monthly as part of the executive report.

FUNDING: None.


Vicky McAthie
Finance Director/Treasurer

APPROVED: 
Dr. Dixon Flynn -- City Manager



**City of Lodi
Portfolio Management
Portfolio Summary
June 30, 2002**

City of Lodi
212 W. Pine St.
Lodi, CA 95240
(209)333-6800

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Local Agency Investment Funds	11,700,000.00	11,700,000.00	11,700,000.00	69.19	1	1	2.722	2.760
Certificates of Deposit - Bank	1,300,000.00	1,300,000.00	1,300,000.00	7.69	197	124	2.130	2.160
Passbook/Checking Accounts	1,900,617.39	1,900,617.39	1,900,617.39	11.24	1	1	0.000	0.000
Corporate Medium Term Note	1,020,000.00	1,049,702.40	1,009,033.39	5.97	1,056	322	7.151	7.250
Federal Agency Issues - Coupon	1,000,000.00	1,001,560.00	1,000,000.00	5.91	1,095	749	4.981	5.050
Investments	16,920,617.39	16,951,879.79	16,909,650.78	100.00%	144	74	2.769	2.807

Total Earnings	June 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	43,632.99	719,484.37	719,484.37
Average Daily Balance	19,736,952.23	20,694,331.09	
Effective Rate of Return	2.69%	3.48%	

Based on the approved budget and to the extent the budget is adhered to, liquidity is available for the next 30 days. Union Bank of California is the source of market valuation.

M. Maxine Cadwallader 7-11-02
 Marcella Maxine Cadwallader, Revenue Manager/Deputy Treas.

**City of Lodi
Portfolio Management
Portfolio Details - Investments
June 30, 2002**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Local Agency Investment Funds												
LAIF	1000	Local Agency Invest. Fund			9,500,000.00	9,500,000.00	9,500,000.00	2.760		2.722	1	
LPIC	1001	Local Agency Inv Fund (LPIC)			2,200,000.00	2,200,000.00	2,200,000.00	2.760		2.722	1	
Subtotal and Average			13,315,493.97		11,700,000.00	11,700,000.00	11,700,000.00			2.722	1	
Certificates of Deposit - Bank												
WEST	52	Bank of the West		04/17/2002	100,000.00	100,000.00	100,000.00	2.220		2.220	290	04/17/2003
FM11	53	Farmers and Merchants Bank		05/01/2002	1,000,000.00	1,000,000.00	1,000,000.00	2.150		2.150	119	10/28/2002
GUAR	50	Guaranty Federal Bank		01/14/2002	100,000.00	100,000.00	100,000.00	1.990		1.990	44	08/14/2002
LODI	51	Bank of Lodi		04/06/2002	100,000.00	100,000.00	100,000.00	1.980		1.980	94	10/03/2002
Subtotal and Average			1,300,000.00		1,300,000.00	1,300,000.00	1,300,000.00			2.130	124	
Passbook/Checking Accounts												
BACK	4003	Bank of America		07/01/2001	355,588.59	355,588.59	355,588.59			0.000	1	
	4000	Farmers & Merchants			1,545,028.80	1,545,028.80	1,545,028.80			0.000	1	
Subtotal and Average			3,112,924.92		1,900,617.39	1,900,617.39	1,900,617.39			0.000	1	
Corporate Medium Term Note												
36962GSY1	35	Higgins Capital Management, In		06/27/2000	1,020,000.00	1,049,702.40	1,009,033.39	5.880	AAA	7.151	322	05/19/2003
Subtotal and Average			1,008,533.36		1,020,000.00	1,049,702.40	1,009,033.39			7.151	322	
Federal Agency Issues - Coupon												
31331LMN5060	46	Federal Farm Credit Bank		07/20/2001	1,000,000.00	1,001,560.00	1,000,000.00	5.050		4.981	749	07/19/2004
Subtotal and Average			1,000,000.00		1,000,000.00	1,001,560.00	1,000,000.00			4.981	749	
Total Investments and Average			19,736,952.23		16,920,617.39	16,951,879.79	16,909,650.78			2.769	74	

Portfolio CITY

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**City of Lodi
Portfolio Management
Portfolio Details - Cash
June 30, 2002**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity
Total Cash and Investments			19,736,952.23		16,920,617.39	16,951,879.79	16,909,650.78			2.769	74

City of Lodi
Portfolio Management
Investment Activity By Type
June 1, 2002 through June 30, 2002

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Balance
Local Agency Investment Funds (Monthly Summary)							
LAIF	1000	Local Agency Invest. Fund	2.760		0.00	2,939,107.00	
LPIC	1001	Local Agency Inv Fund (LPIC)	2.760		1,500,000.00	0.00	
		Subtotal			<u>1,500,000.00</u>	<u>2,939,107.00</u>	<u>11,700,000.00</u>
Certificates of Deposit - Bank							
		Subtotal					<u>1,300,000.00</u>
Passbook/Checking Accounts (Monthly Summary)							
BACK	4003	Bank of America			409,083.37	384,006.56	
	4000	Farmers & Merchants			11,329,039.90	12,608,227.95	
		Subtotal			<u>11,738,123.27</u>	<u>12,992,234.51</u>	<u>1,900,617.39</u>
Corporate Medium Term Note							
		Subtotal					<u>1,009,033.39</u>
Federal Agency Issues - Coupon							
		Subtotal					<u>1,000,000.00</u>
		Total			<u>13,238,123.27</u>	<u>15,931,341.51</u>	<u>16,909,650.78</u>

**City of Lodi
Portfolio Management
Investment Activity Summary
June 2001 through June 2002**

Month End	Year	Number of Securities	Total Invested	Yield to Maturity		Managed Pool Rate	Number of Securities Purchased	Number of Securities Matured / Sold	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
June	2001	15	23,627,373.10	5.734	5.814	6.160	1	4	222	61
July	2001	15	20,008,838.21	5.670	5.748	6.160	2	1	289	115
August	2001	15	18,036,820.89	5.674	5.753	6.160	0	0	321	113
September	2001	11	15,757,753.71	4.914	4.982	6.160	0	4	212	115
October	2001	12	21,981,813.67	3.294	3.340	3.750	3	2	153	94
November	2001	12	22,224,005.67	3.672	3.723	3.750	0	0	151	86
December	2001	12	17,081,531.00	3.693	3.744	3.785	0	0	197	102
January	2002	12	21,305,388.93	3.171	3.215	3.070	1	1	158	75
February	2002	12	21,321,231.39	3.036	3.078	3.070	0	0	158	68
March	2002	11	17,216,235.36	3.071	3.114	2.990	0	1	153	76
April	2002	10	23,765,461.75	2.328	2.360	2.861	2	3	103	54
May	2002	10	19,601,834.44	2.655	2.691	2.861	1	1	124	69
June	2002	10	16,909,650.78	2.769	2.807	2.760	0	0	144	74
Average		12	19,910,610.68	3.821%	3.875%	4.118	1	1	183	85

City of Lodi
Portfolio Management
Distribution of Investments By Type
June 2001 through June 2002

Investment Type	June 2001	July 2001	August 2001	September 2001	October 2001	November 2001	December 2001	January 2002	February 2002	March 2002	April 2002	May 2002	June 2002	Average by Period
Local Agency Investment Funds	59.7	50.6	46.0	52.7	56.5	67.0	57.4	63.9	59.5	66.1	58.8	67.0	69.2	59.6%
Certificates of Deposit - Bank	9.7	11.5	12.8	8.3	10.5	10.4	13.5	10.8	10.8	13.4	5.5	6.6	7.7	10.1%
Certificates of Deposit - S & L														
Passbook/Checking Accounts	7.3	7.9	8.0	20.0	19.4	9.1	11.6	11.2	15.7	8.9	27.3	16.1	11.2	13.4%
Corporate Medium Term Note	4.2	5.0	5.5	6.3	4.6	4.5	5.9	4.7	4.7	5.8	4.2	5.1	6.0	5.1%
Commercial Paper - Interest Bearing														
Repurchase Agreements														
Federal Agency Issues - Coupon	14.8	20.0	22.2	12.7	9.1	9.0	11.7	9.4	9.4	5.8	4.2	5.1	5.9	10.7%
Treasury Securities - Coupon	4.2	5.0	5.5											1.1%
Mortgage Backed Securities														
Bankers Acceptances -Amortizing														
Commercial Paper Disc. -Amortizing														
Federal Agency Disc. -Amortizing														
Treasury Discounts -Amortizing														
Miscellaneous Discounts -Amortizing														

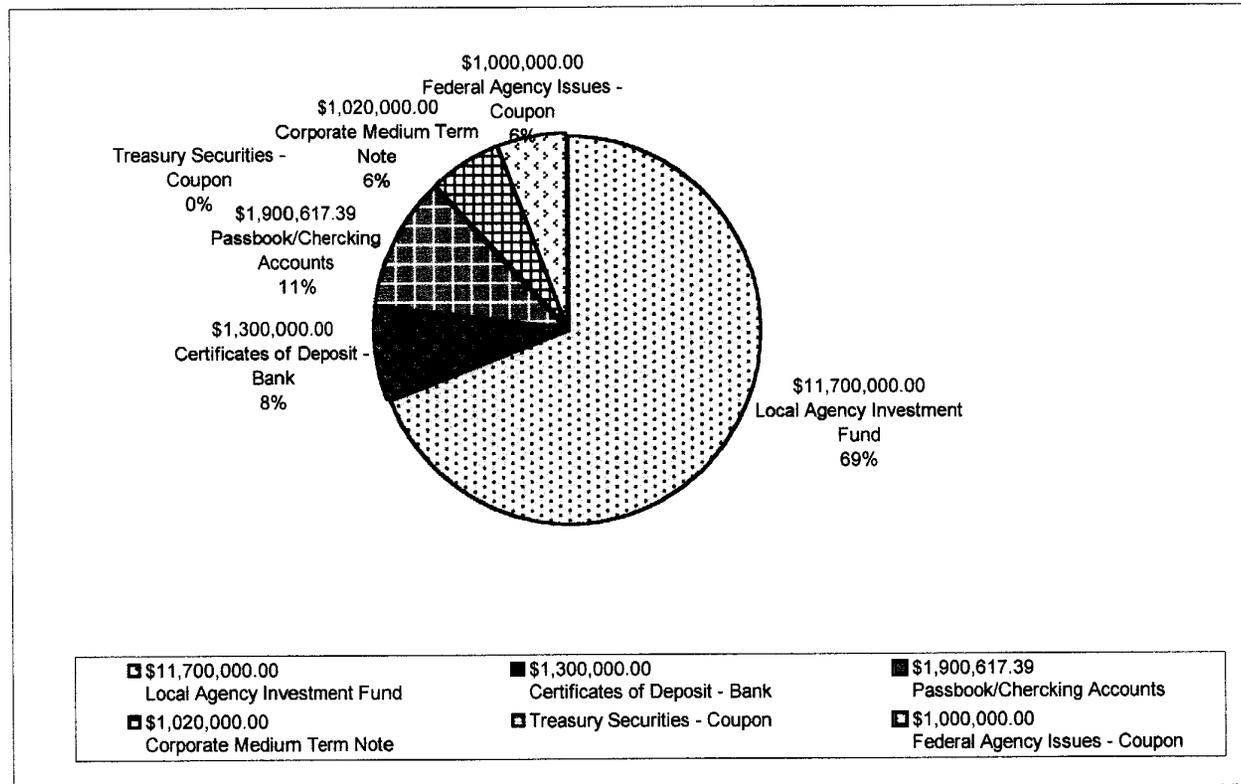
**City of Lodi
Portfolio Management
Interest Earnings Summary
June 30, 2002**

	June 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	354.02	373,324.77
Plus Accrued Interest at End of Period	-5,683.07	-5,683.07
Less Accrued Interest at Beginning of Period	(-16,842.89)	(87,163.75)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	11,513.84	280,477.95
Adjusted by Premiums and Discounts	1,034.58	12,561.84
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Period	12,548.42	293,039.79
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Period	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	0.00	528,505.62
Plus Accrued Interest at End of Period	104,919.36	104,919.36
Less Accrued Interest at Beginning of Period	(73,834.79)	(206,980.40)
Interest Earned during Period	31,084.57	426,444.58
Total Interest Earned during Period	42,598.41	706,922.53
Total Adjustments from Premiums and Discounts	1,034.58	12,561.84
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	43,632.99	719,484.37

BREAKDOWN OF TREASURY INVENTORY BY TYPE

June 30, 2002

<u>Type of Security</u>	<u>Amount</u>	<u>Percent of Portfolio</u>	<u>Maximum Maturity</u>
Local Agency Investment Fund	\$11,700,000.00	69.146413%	Indefinite
Certificates of Deposit - Bank	\$1,300,000.00	7.682935%	5 years
Passbook/Checking Accounts	\$1,900,617.39	11.232553%	Indefinite
Corporate Medium Term Note	\$1,020,000.00	6.028149%	5 years
Treasury Securities - Coupon	\$1,000,000.00	0.000000%	5 years
Federal Agency Issues - Coupon	\$1,000,000.00	5.909950%	5 years
	<u>\$16,920,617.39</u>	<u>100.00%</u>	



**PHILIP ANGELIDES
TREASURER
STATE OF CALIFORNIA**

**INVESTMENT DIVISION SELECTED INVESTMENT DATA
ANALYSIS OF THE POOLED MONEY INVESTMENT ACCOUNT PORTFOLIO
(000 OMITTED)**

March 31, 2002

<u>TYPE OF SECURITY</u>	AMOUNT	PERCENT	PERCENTAGE CHANGE FROM PRIOR MONTH
Government			
Bills	\$ 792,848	1.68	-0.47
Bonds	0	0	0
Notes	5,994,691	12.71	+1.45
Strips	<u>0</u>	<u>0</u>	<u>0</u>
Total Governments	\$ 6,787,539	14.39	+0.98
Federal Agency Coupons	\$ 4,930,444	10.45	+0.93
Certificate of Deposits	5,835,098	12.37	+0.69
Bank Notes	625,006	1.33	-0.68
Bankers' Acceptances	17,877	0.04	+0.01
Repurchases	0	0	0
Federal Agency Discount Notes	9,100,703	19.30	-4.34
Time Deposits	5,204,195	11.03	+0.74
GNMAs	804	0	0
Commerical Paper	9,341,293	19.81	+0.06
FHLMC	7,875	0.02	0
Corporate Bonds	2,450,024	5.19	+0.36
Pooled Loans	2,674,838	5.67	-0.35
GF Loans	1,188,200	2.52	+2.52
Reversed Repurchases	<u>-1,002,512</u>	<u>-2.12</u>	<u>+0.92</u>
Total (All Types)	\$ 47,161,384	100.00	

Average Life of Portfolio as of March 31, 2002 is 188 Days

**State of California
Pooled Money Investment Account
Market Valuation
3/31/02**

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch. Amortized Cost		
United States Treasury:				
Bills	\$ 792,847,736.18	\$ 797,508,166.69	\$ 797,410,000.00	NA
Notes	\$ 5,994,690,909.66	\$ 5,979,081,386.85	\$ 5,992,553,000.00	\$ 70,057,147.50
Federal Agency:				
SBA	\$ 248,945,284.47	\$ 248,945,284.47	\$ 248,461,311.15	\$ 965,308.68
MBS	\$ 572,948,501.57	\$ 572,948,501.57	\$ 573,892,783.96	\$ 2,894,343.26
Bonds	\$ 4,108,550,641.95	\$ 4,108,227,375.29	\$ 4,122,779,769.55	\$ 53,796,087.70
Floater	\$ -	\$ -	\$ -	\$ -
Discount Notes	\$ 9,100,703,490.18	\$ 9,225,187,190.83	\$ 9,235,613,038.00	NA
FHLMC PC	\$ 7,874,878.28	\$ 7,874,878.28	\$ 8,584,490.79	\$ 126,619.49
GNMA	\$ 804,484.67	\$ 804,484.67	\$ 927,378.41	\$ 7,977.90
Bankers Acceptances				
Bank Notes	\$ 17,877,221.82	\$ 17,966,729.96	\$ 17,965,727.63	NA
CDs	\$ 625,005,667.97	\$ 625,005,667.97	\$ 625,701,502.00	\$ 18,161,872.50
Commercial Paper	\$ 5,835,097,928.23	\$ 5,835,054,664.34	\$ 5,834,416,391.30	\$ 30,545,308.32
Corporate:				
Floater	\$ 944,302,925.76	\$ 944,302,925.76	\$ 937,705,938.48	\$ 2,429,722.97
Bonds	\$ 1,505,720,786.85	\$ 1,504,513,130.61	\$ 1,508,250,326.90	\$ 26,353,858.55
Repurchase Agreements				
Reverse Repurchase	\$ -	\$ -	\$ -	NA
Reverse Repurchase	\$ (1,002,512,500.00)	\$ (1,002,512,500.00)	\$ (1,002,512,500.00)	\$ (4,810,529.43)
Time Deposits				
AB 55 & GF Loans *	\$ 5,204,195,000.00	\$ 5,204,195,000.00	\$ 5,204,195,000.00	NA
AB 55 & GF Loans *	\$ 3,863,037,686.53	\$ 3,863,037,686.53	\$ 3,863,037,686.53	NA
TOTAL	\$ 47,161,384,138.55	\$ 47,290,263,122.44	\$ 47,327,334,469.70	\$ 200,527,717.44

Fair Value Including Accrued Interest

\$ 47,527,862,187.14

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

* Updated after the initial Market Valuation.

The value of each participating dollar equals the fair value divided by the amortized cost (1.000783911).

As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,015,678.22 or \$20,000,000.00 x 1.000783911.