CITY OF LODI

COUNCIL COMMUNICATION

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

MEETING DATE: February 5, 2003

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
Vicky McAthie
Finance Director/Treasurer

APPROVED: Janet Keeter
~~H. Dixon~~ Flynn -- City Manager

City of Lodi
Portfolio Management
Portfolio Summary
December 31, 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	7,366,732.42	7,366,732.42	7,366,732.42	52.07	1	1	2.594	2.630
Certificates of Deposit - Bank	1,300,000.00	1,300,000.00	1,300,000.00	9.19	208	130	1.815	1.841
Passbook/Checking Accounts	4,465,634.79	4,465,634.79	4,465,634.79	31.56	1	1	0.000	0.000
Corporate Medium Term Note	1,020,000.00	1,036,911.60	1,015,240.91	7.18	1,056	138	7.151	7.250
Investments	**14,152,367.21**	**14,169,278.81**	**14,147,608.12**	**100.00%**	**96**	**23**	**2.031**	**2.059**

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	22,476.22	160,933.69
Average Daily Balance	**12,141,034.80**	**14,493,318.01**
Effective Rate of Return	**2.18%**	**2.20%**

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 1-20-03

Marcella Maxine Cadwallader, Revenue Manager/Deputy Treas.

City of Lodi
Portfolio Management
Portfolio Details - Investments
December 31, 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			5,126,013.32	5,126,013.32	5,126,013.32	2.630		2.594	1	
LPIC	1001	Local Agency Inv Fund (LPIC)			2,240,719.10	2,240,719.10	2,240,719.10	2.630		2.594	1	
		Subtotal and Average	7,366,732.42		7,366,732.42	7,366,732.42	7,366,732.42			2.594	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	106	04/17/2003
BA	57	Bank of America		12/17/2002	100,000.00	100,000.00	100,000.00	1.300		1.300	350	12/17/2003
FM	56	Farmers & Merchants		10/28/2002	1,000,000.00	1,000,000.00	1,000,000.00	1.800		1.800	115	04/26/2003
LODI	55	Bank of Lodi		10/03/2002	100,000.00	100,000.00	100,000.00	2.080		2.080	90	04/01/2003
		Subtotal and Average	1,248,387.10		1,300,000.00	1,300,000.00	1,300,000.00			1.815	130	
Passbook/Checking Accounts												
BACK	4003	Bank of America		07/01/2002	217,839.01	217,839.01	217,839.01			0.000	1	
	4000	Farmers & Merchants			4,247,795.78	4,247,795.78	4,247,795.78			0.000	1	
		Subtotal and Average	2,611,158.30		4,465,634.79	4,465,634.79	4,465,634.79			0.000	1	
Corporate Medium Term Note												
36962GSY1	35	Higgins Capital Management, In		06/27/2000	1,020,000.00	1,036,911.60	1,015,240.91	5.880	AAA	7.151	138	05/19/2003
		Subtotal and Average	1,014,756.99		1,020,000.00	1,036,911.60	1,015,240.91			7.151	138	
		Total Investments and Average	12,141,034.80		14,152,367.21	14,169,278.81	14,147,608.12			2.031	23	

City of Lodi
Portfolio Management
Portfolio Details - Cash
December 31, 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	12,141,034.80		14,152,367.21	14,169,278.81	14,147,808.12			2.031	23

City of Lodi
Portfolio Management
Investment Activity By Type
December 1, 2002 through December 31, 2002

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Balance
Local Agency Investment Funds (Monthly Summary)							
		Subtotal					7,366,732.42
Certificates of Deposit - Bank							
BA	57	Bank of America	1.300	12/17/2002	100,000.00	0.00	
		Subtotal			100,000.00	0.00	1,300,000.00
Passbook/Checking Accounts (Monthly Summary)							
BACK	4003	Bank of America			354,074.90	398,798.89	
	4000	Farmers & Merchants			11,517,157.78	9,452,808.08	
		Subtotal			11,871,232.68	9,851,606.97	4,465,634.79
Corporate Medium Term Note							
		Subtotal					1,015,240.91
		Total			11,971,232.68	9,851,606.97	14,147,608.12

City of Lodi
Portfolio Management
Investment Activity Summary
December 2001 through December 2002

Month End	Year	Number of Securities	Total Invested	Yield to Maturity 360 Equivalent	Yield to Maturity 365 Equivalent	Managed Pool Rate	Number of Securities Purchased	Number of Securities Matured / Sold	Average Term	Average Days to Maturity
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
July	2002	8	15,114,380.20	2.407	2.440	2.750	1	1	87	28
August	2002	8	17,709,502.46	2.054	2.083	2.750	0	0	74	20
September	2002	8	12,183,102.24	2.430	2.464	2.750	0	0	108	24
October	2002	8	14,537,636.82	1.966	1.994	2.630	2	2	91	29
November	2002	8	12,026,947.82	2.377	2.410	2.630	0	0	109	29
December	2002	9	14,147,608.12	2.031	2.059	2.630	1	0	96	23
	Average	**10**	**17,147,731.64**	**2.614%**	**2.651%**	**2.887**	**1**	**1**	**123**	**52**

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

Investment Type	December 2001	January 2002	February 2002	March 2002	April 2002	May 2002	June 2002	July 2002	August 2002	September 2002	October 2002	November 2002	December 2002	Average by Period
Local Agency Investment Funds	57.4	63.9	59.5	66.1	58.8	67.0	69.2	64.8	55.3	59.9	50.7	61.3	52.1	60.5%
Certificates of Deposit - Bank	13.5	10.8	10.8	13.4	5.5	6.6	7.7	7.9	6.8	9.9	8.3	10.0	9.2	9.3%
Certificates of Deposit - S & L														
Passbook/Checking Accounts	11.6	11.2	15.7	8.9	27.3	16.1	11.2	20.5	32.2	21.9	34.1	20.3	31.6	20.2%
Corporate Medium Term Note	5.9	4.7	4.7	5.8	4.2	5.1	6.0	6.7	5.7	8.3	7.0	8.4	7.2	6.1%
Commercial Paper - Interest Bearing														
Repurchase Agreements														
Federal Agency Issues - Coupon	11.7	9.4	9.4	5.8	4.2	5.1	5.9							4.0%
Treasury Securities - Coupon														
Mortgage Backed Securities														
Bankers Acceptances -Amortizing														
Commercial Paper Disc. -Amortizing														
Federal Agency Disc. -Amortizing														
Treasury Discounts -Amortizing														
Miscellaneous Discounts -Amortizing														

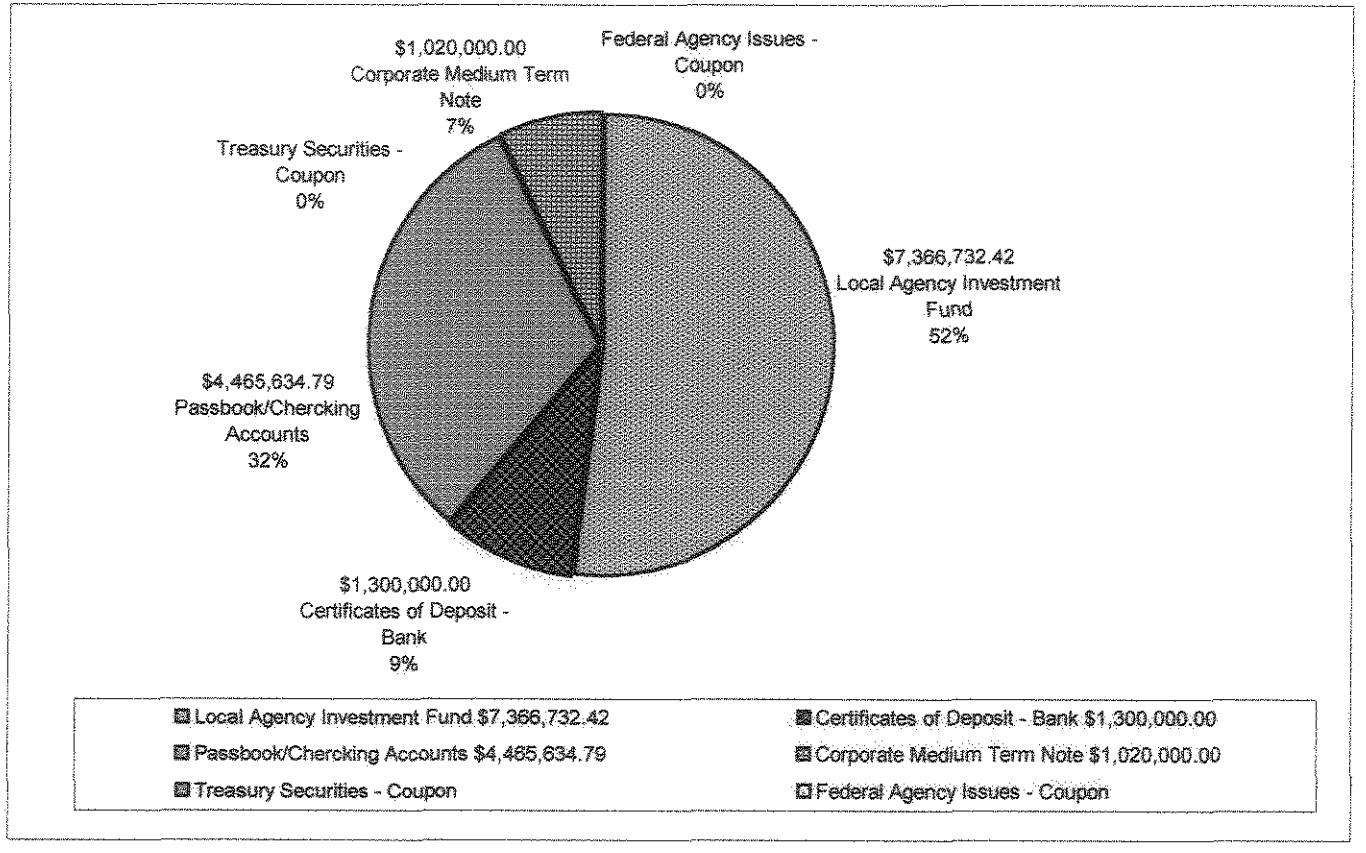
City of Lodi
Portfolio Management
Interest Earnings Summary
December 31, 2002

	December 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	586.78	68,401.22
Plus Accrued Interest at End of Period	21,119.93	21,119.93
Less Accrued Interest at Beginning of Period	(14,734.26)	(44,359.29)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	6,972.45	45,161.86
Adjusted by Premiums and Discounts	1,034.59	6,207.52
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Period	8,007.04	51,369.38
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	166,732.42
Plus Accrued Interest at End of Period	42,762.53	42,762.53
Less Accrued Interest at Beginning of Period	(28,293.35)	(99,930.64)
Interest Earned during Period	14,469.18	109,564.31
Total Interest Earned during Period	**21,441.63**	**154,726.17**
Total Adjustments from Premiums and Discounts	**1,034.59**	**6,207.52**
Total Capital Gains or Losses	**0.00**	**0.00**
Total Earnings during Period	**22,476.22**	**160,933.69**

BREAKDOWN OF TREASURY INVENTORY
BY TYPE

December 31, 2002

Type of Security	Amount	Percent of Portfolio	Maximum Maturity
Local Agency Investment Fund	$7,366,732.42	52.053005%	Indefinite
Certificates of Deposit - Bank	$1,300,000.00	9.185742%	5 years
Passbook/Chercking Accounts	$4,465,634.79	31.553978%	Indefinite
Corporate Medium Term Note	$1,020,000.00	7.207275%	5 years
Treasury Securities - Coupon		0.000000%	5 years
Federal Agency Issues - Coupon		0.000000%	5 years
	$14,152,367.21	100.00%	



PHILIP ANGELIDES
TREASURER
STATE OF CALIFORNIA

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

September 30, 2002

TYPE OF SECURITY		AMOUNT	PERCENT	PERCENTAGE CHANGE FROM PRIOR MONTH
Government				
Bills	$	991,399	2.22	-0.12
Bonds		0	0	0
Notes		5,923,896	13.25	+0.29
Strips		0	0	0
Total Governments	$	6,915,295	15.47	+0.17
Federal Agency Coupons	$	4,877,776	10.91	+0.35
Certificate of Deposits		4,870,056	10.90	+0.79
Bank Notes		865,088	1.94	-1.21
Bankers' Acceptances		0	0	0
Repurchases		0	0	0
Federal Agency Discount Notes		3,459,672	7.74	-1.96
Time Deposits		5,094,290	11.40	+0.48
GNMAs		728	0	0
Commerical Paper		10,455,514	23.40	+3.03
FHLMC		6,655	0.01	0
Corporate Bonds		2,384,630	5.34	-0.01
Pooled Loans		3,004,937	6.72	+0.75
GF Loans		2,858,500	6.40	-2.39
Reversed Repurchases		(105,625)	(0.23)	0
Total (All Types)	$	44,687,516	100.00	

Average Life of Portfolio as of September 30, 2002 is 188 Days

Revised September 30, 2002

State of California
Pooled Money Investment Account
Market Valuation
9/30/02

Description	Carrying Cost Plus Accrued Interest Purch.	Amortized Cost	Fair Value	Accrued Interest
United States Treasury:				
Bills	$ 991,399,138.04	$ 996,134,444.06	$ 996,560,000.00	NA
Notes	$ 5,923,896,093.11	$ 5,919,553,545.83	$ 6,039,332,500.00	$ 61,281,826.50
Federal Agency:				
SBA	$ 312,691,268.99	$ 312,634,357.04	$ 312,139,714.96	$ 1,173,281.58
MBS	$ 559,693,310.49	$ 559,693,310.49	$ 566,237,836.10	$ 2,848,483.44
Bonds	$ 4,005,391,754.99	$ 4,003,177,692.48	$ 4,077,694,737.50	$ 53,624,640.79
Floaters	$ -	$ -	$ -	$ -
Discount Notes	$ 3,459,672,442.73	$ 3,477,135,427.42	$ 3,479,143,531.60	NA
FHLMC PC	$ 6,654,726.10	$ 6,654,726.10	$ 7,280,327.53	$ 106,988.70
GNMA	$ 728,439.82	$ 728,439.82	$ 857,497.20	$ 7,227.27
Bankers Acceptances	$ -	$ -	$ -	NA
Bank Notes	$ 865,088,464.26	$ 864,985,890.65	$ 865,063,425.35	$ 3,933,247.23
CDs	$ 4,870,054,820.26	$ 4,870,054,820.26	$ 4,870,249,794.90	$ 21,544,219.40
Commercial Paper	$ 10,455,514,095.90	$ 10,481,377,565.41	$ 10,482,699,117.94	NA
Corporate:				
Floaters	$ 445,639,752.78	$ 445,639,752.78	$ 439,338,258.34	$ 1,029,920.18
Bonds	$ 1,938,989,410.81	$ 1,936,422,476.53	$ 1,962,123,561.31	$ 33,894,119.48
Repurchase Agreements	$ -	$ -	$ -	NA
Reverse Repurchase	$ (105,625,000.00)	$ (105,625,000.00)	$ (105,625,000.00)	$ (800,989.58)
Time Deposits	$ 5,094,290,000.00	$ 5,094,290,000.00	$ 5,094,290,000.00	NA
AB 55 & GF Loans	$ 5,863,437,090.22	$ 5,863,437,090.22	$ 5,863,437,090.22	NA
TOTAL	$ 44,687,515,808.50	$ 44,726,294,539.09	$ 44,950,822,392.95	$ 178,642,964.99

Fair Value Including Accrued Interest $ 45,129,465,357.94

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

The value of each participating dollar equals the fair value divided by the amortized cost (1.005020041). 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 $20,100,400.83 or $20,000,000.00 x 1.005020041.