



CITY OF GLENDALE CALIFORNIA
REPORT TO CITY COUNCIL

November 4, 2008

AGENDA ITEM

The City Treasurer's Quarterly Investment Review as of September 30, 2008.

COUNCIL ACTION

Public Hearing [] Ordinance [] Consent Calendar [] Action Item [X] Report Only []

Approved for December 4, 2008 calendar

ADMINISTRATIVE ACTION

Signature

Submitted

Ronald T. Borucki, City Treasurer

Prepared

Guia Murray, Assistant City Treasurer

Approved

James E. Starbird, City Manager

Reviewed

Scott Howard, City Attorney

RECOMMENDATION

City Council to note and file the City Treasurer's Quarterly Investment Review as of September 30, 2008.

SUMMARY

These are extraordinary times. It's difficult to pause, reflect and comment on events when the financial markets are so volatile, dynamic, and unpredictable. So, rather than give a stale report when received, we will take a look at the composition of our City Portfolio and see how it's positioned to meet the immediate challenges.

FISCAL IMPACT

No fiscal impact.

BACKGROUND

This Quarterly Review provides a brief update of the status of the City Portfolio as of the end of September 2008. Historical detailed information can be viewed on the City Treasurer's web page on the City's website or by contacting the City Treasurer's Office.

EXHIBITS

1. September 2008 Quarterly Report of City Investments
2. Motion

MOTION

Moved by Council Member _____,
seconded by Council Member _____,
that the Quarterly Report of
City Investments for the quarter ending September 30, 2008, is hereby noted and filed in
the office of the City Treasurer.

Vote as follows:

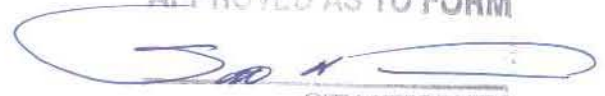
Ayes:

Noes:

Absent:

Abstain:

APPROVED AS TO FORM



CITY ATTORNEY

DATE 10-27-08

To: Mayor Drayman and City Council Members
Re: September 2008 Quarterly Report of City Investments

From: Ronald T. Borucki, City Treasurer
Date: October 17, 2008

CITY PORTFOLIO OVERVIEW

The City Portfolio ended the first quarter of the fiscal year at \$440 million, down \$29 million from the \$469 million at the end of the last quarter. \$22 million of that difference was the pre-payment of the annual PERS assessment. Interest earning for the quarter decreased \$297,000 to \$3.945 million, reflecting the slipping of the average rate of return for the quarter by 15 basis points to 3.56% from 3.71% last quarter. Incidentally, the rate of return for the State Fund, LAIF, fell 34 basis points to 2.77% for this quarter end.

MARKET OUTLOOK

These are extraordinary times. It's difficult to pause, reflect, and comment on events when the financial markets are so volatile, dynamic and unpredictable. These truly are uncharted times. So, rather than give a report that might be stale news when received, let's take a look at our City Portfolio and see how it's positioned to meet the immediate challenges.

At the end of September the portfolio totaled \$440 million. \$325 million (74%) is at the longer end of our portfolio and consists of \$286 million in federal agencies (65%), and \$38 million in corporate notes (9%). Our federal agency holdings are primarily Federal Home Loans, Fannie Maes, and Freddie Macs. With the Federal Government takeover of Fannie and Freddie, our federal agency position is actually stronger than before the takeover as the government "guarantee" is now more explicit than implicit. The remaining \$38 million at the longer end of our portfolio is in AAA and AA rated corporate notes, and is comprised of the following names; General Electric Capital, Bank of America, Toyota Credit, US Bank, Credit Suisse, Wal-Mart, and Wells Fargo. These are all sound today, but some require regular monitoring because of the unstable conditions that exist in our credit markets.

The remainder of the portfolio totals \$115 million (26%) and is the shorter/cash end of the portfolio dominated by our \$80 million in the State Fund, LAIF, followed by \$16 million in Bankers Acceptances, \$14 million in negotiable Certificates of Deposit, \$5 million in Commercial Paper, and a smidge in Money Market Funds. There are no concerns at this end of the portfolio.

In summary the City Portfolio is safe, sound, and very liquid. In "normal times" this portfolio would take minimal maintenance. But with the financial landscape as fractured and fragile as it is right now, even a portfolio as sound as ours needs additional vigilance. And we will continue to do just that.



**Investment Reports
Portfolio Management
Portfolio Summary
September 30, 2008**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Federal Agency Term Notes	12,500,000.00	12,628,594.97	12,500,000.00		1,314	201	4.604
Federal Agency Callable Bonds	273,875,000.00	273,250,720.05	273,811,838.50		1,075	902	3.667
Corporate Medium Term Notes	33,150,000.00	31,900,398.68	32,985,270.50		1,359	869	4.851
Corporate Med.Term Notes (Callable)	5,000,000.00	4,995,559.69	5,000,000.00		730	574	2.850
Bankers Acceptances	16,000,000.00	15,812,845.83	15,812,845.83		145	129	3.312
Commercial Paper	5,000,000.00	4,992,638.89	4,992,638.89		166	20	2.720
Certificates of Deposit(Negotiable)	14,000,000.00	13,948,028.41	14,000,000.00		173	134	3.357
Money Market Mutual Funds	500,000.00	500,000.00	500,000.00		1	1	2.202
LAIF (City)	40,000,000.00	40,000,000.00	40,000,000.00		1	1	2.770
LAIF (GRA)	40,000,000.00	40,000,000.00	40,000,000.00		1	1	2.770
Investments	440,025,000.00	438,028,786.52	439,602,593.72	100.00%	830	649	3.575
Cash and Accrued Interest							
Accrued Interest at Purchase		6,069.44	6,069.44				
Subtotal		6,069.44	6,069.44				
Total Cash and Investments	440,025,000.00	438,034,855.96	439,608,663.16		830	649	3.575

Total Earnings	September 30 Month Ending	Fiscal Year To Date
Current Year	1,285,008.54	3,945,575.00
Average Daily Balance	432,571,791.61	439,688,122.60
Effective Rate of Return	3.61%	3.56%

I certify that this report reflects the complete investment portfolio of the City of Glendale, with the exception of Tax Allocation Bonds that are handled by the GRA Treasurer/Director of Finance. It is in full compliance with the City's Investment Policy. A copy of the investment policy is available in the office of the City Treasurer. The City Treasurer hereby certifies that sufficient investment liquidity and anticipated revenues are available to meet the City's expenditure requirements for the next six months.

City Treasurer, *M. J. Sanchez* 10.17.08

Investment Reports
Portfolio Management
Portfolio Details - Investments
September 30, 2008

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Federal Agency Term Notes												
3128X4QL8	11398	Federal Home Loan Mtg. Corp.		10/06/2005	2,500,000.00	2,500,469.97	2,500,000.00	4.700	AAA	4.700	5	10/06/2008
3133X5SL3	11285	Federal Home Loan Bank		04/23/2004	5,000,000.00	5,050,000.00	5,000,000.00	5.000	AAA	4.000	204	04/23/2009
3133XJLG1	11644	Federal Home Loan Bank		01/23/2007	5,000,000.00	5,078,125.00	5,000,000.00	5.160	AAA	5.160	295	07/23/2009
Subtotal and Average			13,966,646.96		12,500,000.00	12,628,594.97	12,500,000.00			4.604	201	
Federal Agency Callable Bonds												
31315PJJ9	12031	Federal Agricultural Mtg. Corp		07/21/2008	3,000,000.00	2,998,997.96	3,000,000.00	3.200	AAA*	3.200	292	07/20/2009
3133XPXN9	11918	Federal Home Loan Bank		03/03/2008	5,000,000.00	4,992,187.50	4,999,231.48	3.000	AAA	3.017	337	09/03/2009
3133XQQ96	11980	Federal Home Loan Bank		04/21/2008	5,000,000.00	4,965,625.00	5,000,000.00	2.500	AAA	2.500	385	10/21/2009
3128X7ND2	11988	Federal Home Loan Mtg. Corp.		04/28/2008	5,000,000.00	4,986,560.06	5,000,000.00	3.000	AAA	3.000	392	10/28/2009
3128X7TF1	12010	Federal Home Loan Mtg. Corp.		05/27/2008	5,000,000.00	4,985,755.15	5,000,000.00	3.000	AAA	3.000	422	11/27/2009
3133XRF96	12019	Federal Home Loan Bank		06/16/2008	5,000,000.00	4,995,312.50	5,000,000.00	3.150	AAA	3.150	441	12/16/2009
3133XRK74	12028	Federal Home Loan Bank		06/30/2008	5,000,000.00	5,006,250.00	5,000,000.00	3.500	AAA	3.500	455	12/30/2009
3128X7JZ8	11986	Federal Home Loan Mtg. Corp.		04/28/2008	5,000,000.00	4,967,050.17	5,000,000.00	2.750	AAA	2.751	484	01/28/2010
3133XR4E7	12007	Federal Home Loan Bank		05/22/2008	2,500,000.00	2,489,843.75	2,500,000.00	3.000	AAA	3.002	509	02/22/2010
3128X7QR8	12008	Federal Home Loan Mtg. Corp.		05/22/2008	3,000,000.00	2,988,213.04	3,000,000.00	3.000	AAA	3.002	509	02/22/2010
3128X7QR8	12009	Federal Home Loan Mtg. Corp.		05/22/2008	3,000,000.00	2,988,213.04	3,000,000.00	3.000	AAA	3.002	509	02/22/2010
3128X65V4	11921	Federal Home Loan Mtg. Corp.		03/04/2008	5,000,000.00	4,980,274.97	5,000,000.00	3.350	AAA	3.350	519	03/04/2010
31398APK2	11930	Federal Nat'l Mtg. Associa ion		03/11/2008	5,000,000.00	4,981,250.00	5,000,000.00	3.050	AAA	3.050	520	03/05/2010
3136F9CN1	11933	Federal Nat'l Mtg. Associa ion		03/12/2008	5,000,000.00	4,989,062.50	5,000,000.00	3.250	AAA	3.250	527	03/12/2010
31331YYL8	11938	Federal Farm Credit Bank		03/18/2008	5,000,000.00	4,982,812.50	5,000,000.00	3.120	AAA	3.120	533	03/18/2010
3136F9EJ8	11969	Federal Nat'l Mtg. Associa ion		04/07/2008	3,000,000.00	2,985,937.50	3,000,000.00	3.000	AAA	3.000	553	04/07/2010
3136F9EJ8	11970	Federal Nat'l Mtg. Associa ion		04/07/2008	5,000,000.00	4,976,562.50	4,998,483.33	3.000	AAA	3.021	553	04/07/2010
3133XQNC2	11984	Federal Home Loan Bank		04/23/2008	4,000,000.00	3,981,250.00	4,000,000.00	3.000	AAA	3.000	569	04/23/2010
3128X7MZ4	11996	Federal Home Loan Mtg. Corp.		05/12/2008	5,000,000.00	4,979,205.32	5,000,000.00	3.350	AAA	3.350	588	05/12/2010
3128X7RH9	12004	Federal Home Loan Mtg. Corp.		05/19/2008	5,000,000.00	4,994,390.11	5,000,000.00	3.250	AAA	3.250	595	05/19/2010
31398ARK0	12006	Federal Nat'l Mtg. Associa ion		05/21/2008	3,000,000.00	2,985,937.50	3,000,000.00	3.250	AAA	3.250	597	05/21/2010
3136F9TU7	12020	Federal Nat'l Mtg. Associa ion		06/16/2008	5,000,000.00	5,003,125.00	4,986,888.54	3.350	AAA	3.510	623	06/16/2010
3133XQEP3	11946	Federal Home Loan Bank		03/24/2008	4,000,000.00	3,981,250.00	4,000,000.00	3.100	AAA	3.101	631	06/24/2010
3136F9XF5	12030	Federal Nat'l Mtg. Associa ion		07/14/2008	5,000,000.00	5,003,125.00	5,000,000.00	4.050	AAA	4.050	651	07/14/2010
3128X6Y59	11900	Federal Home Loan Mtg. Corp.		02/12/2008	5,000,000.00	4,981,884.76	5,000,000.00	3.050	AAA	3.050	680	08/12/2010
3133XQ2A9	11927	Federal Home Loan Bank		03/10/2008	5,000,000.00	5,000,000.00	5,000,000.00	3.500	AAA	3.500	709	09/10/2010
3128X6ML7	11809	Federal Home Loan Mtg. Corp.		10/01/2007	3,000,000.00	3,000,000.00	3,000,000.00	5.000	AAA	5.000	730	10/01/2010
3133XNVQ9	11859	Federal Home Loan Bank		01/07/2008	4,000,000.00	4,001,250.00	4,000,000.00	4.375	AAA	4.377	736	10/07/2010
31331YAS9	11818	Federal Farm Credit Bank		10/22/2007	3,000,000.00	3,003,750.00	3,000,000.00	5.000	AAA	5.000	751	10/22/2010
3133XPWH3	11916	Federal Home Loan Bank		02/26/2008	5,000,000.00	4,995,312.50	5,000,000.00	3.400	AAA	3.401	786	11/26/2010

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Investment Reports
Portfolio Management
Portfolio Details - Investments
September 30, 2008

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Federal Agency Callable Bonds												
3133XRK66	12027	Federal Home Loan Bank		06/30/2008	5,000,000.00	5,026,562.50	5,000,000.00	4.000	AAA	4 000	820	12/30/2010
3133XLNT6	11784	Federal Home Loan Bank		07/26/2007	3,000,000.00	3,022,500.00	3,000,000.00	5.500	AAA	5 500	847	01/26/2011
3128X6J72	11878	Federal Home Loan Mtg. Corp.		01/29/2008	4,000,000.00	3,982,736.21	4,000,000.00	3.600	AAA	3.600	849	01/28/2011
3128X6Y34	11902	Federal Home Loan Mtg. Corp.		02/13/2008	5,000,000.00	4,982,160.18	4,992,115.03	3.375	AAA	3.446	863	02/11/2011
3133XPSC9	11914	Federal Home Loan Bank		02/22/2008	5,000,000.00	4,984,375.00	5,000,000.00	3.500	AAA	3 500	874	02/22/2011
3133XPPM0	11939	Federal Home Loan Bank		03/18/2008	5,000,000.00	4,971,875.00	4,997,956.48	3.375	AAA	3 392	877	02/25/2011
3128X63X2	11920	Federal Home Loan Mtg. Corp.		03/04/2008	5,000,000.00	4,996,444.70	5,000,000.00	3.625	AAA	3.625	884	03/04/2011
3133XQC75	11948	Federal Home Loan Bank		03/25/2008	3,000,000.00	2,987,812.50	3,000,000.00	3.500	AAA	3 500	905	03/25/2011
3133XQF23	11949	Federal Home Loan Bank		03/25/2008	4,000,000.00	3,966,250.00	3,996,688.89	3.250	AAA	3 285	905	03/25/2011
3133XQA93	11961	Federal Home Loan Bank		04/01/2008	3,000,000.00	2,983,125.00	3,000,000.00	3.375	AAA	3 375	912	04/01/2011
3128X7PC2	11994	Federal Home Loan Mtg. Corp.		05/08/2008	4,000,000.00	4,002,227.78	3,997,571.77	3.625	AAA	3.650	946	05/05/2011
3128X7VB7	12012	Federal Home Loan Mtg. Corp.		06/09/2008	4,000,000.00	4,005,031.74	4,000,000.00	4.000	AAA	4 000	981	06/09/2011
3133XRFE5	12021	Federal Home Loan Bank		06/17/2008	4,000,000.00	4,006,250.00	4,000,000.00	4.000	AAA	4 000	989	06/17/2011
3128X7F58	12026	Federal Home Loan Mtg. Corp.		06/30/2008	5,000,000.00	5,032,064.82	5,000,000.00	4.250	AAA	4 250	1,002	06/30/2011
3136F9UE1	12025	Federal Natl Mtg. Associa ion		06/30/2008	5,000,000.00	5,010,937.50	5,000,000.00	4.000	AAA	4 000	1,002	06/30/2011
3133XQRM6	11981	Federal Home Loan Bank		04/21/2008	5,000,000.00	4,942,187.50	5,000,000.00	3.150	AAA	3.151	1,023	07/21/2011
3128X62J4	11905	Federal Home Loan Mtg. Corp.		02/15/2008	5,000,000.00	4,974,590.30	4,985,638.89	3.500	AAA	3.607	1,048	08/15/2011
3128X6MK9	11811	Federal Home Loan Mtg. Corp.		10/03/2007	3,000,000.00	3,000,057.22	3,001,487.75	5.050	AAA	5 032	1,097	10/03/2011
3133XNWF2	11860	Federal Home Loan Bank		01/07/2008	3,000,000.00	3,000,937.50	3,000,000.00	4.375	AAA	4 373	1,101	10/07/2011
31331YGH7	11849	Federal Farm Credit Bank		12/12/2007	1,375,000.00	1,377,148.44	1,373,902.30	4.625	AAA	4.653	1,160	12/05/2011
3128X6YG5	11862	Federal Home Loan Mtg. Corp.		01/09/2008	3,000,000.00	3,008,741.91	3,000,000.00	4.250	AAA	4 250	1,195	01/09/2012
3128X7UZ5	12011	Federal Home Loan Mtg. Corp.		06/02/2008	5,000,000.00	4,992,434.69	5,000,000.00	4.000	AAA	4 000	1,339	06/01/2012
3133XRFD7	12016	Federal Home Loan Bank		06/11/2008	4,000,000.00	4,018,750.00	4,000,000.00	4.250	AAA	4 250	1,349	06/11/2012
3128X7WX8	12015	Federal Home Loan Mtg. Corp.		06/11/2008	3,000,000.00	2,999,268.04	3,000,000.00	4.000	AAA	4 000	1,349	06/11/2012
3133XQ6G2	11936	Federal Home Loan Bank		03/18/2008	5,000,000.00	4,982,812.50	5,000,000.00	4.250	AAA	4 250	1,629	03/18/2013
3133XQCX8	11937	Federal Home Loan Bank		03/18/2008	4,000,000.00	3,973,750.00	4,000,000.00	4.100	AAA	4.100	1,629	03/18/2013
3128X7EX8	11962	Federal Home Loan Mtg. Corp.		04/01/2008	5,000,000.00	4,895,424.65	5,000,000.00	4.125	AAA	4.125	1,643	04/01/2013
3133XQTE2	11983	Federal Home Loan Bank		04/22/2008	3,000,000.00	2,944,687.50	3,000,000.00	4.000	AAA	4 000	1,664	04/22/2013
3133XQP30	11985	Federal Home Loan Bank		04/23/2008	4,000,000.00	3,957,500.00	3,997,810.67	4.000	AAA	4 013	1,665	04/23/2013
31331YJ76	11990	Federal Farm Credit Bank		05/01/2008	5,000,000.00	4,981,250.00	5,000,000.00	4.250	AAA	4 250	1,673	05/01/2013
3128X7MG6	11993	Federal Home Loan Mtg. Corp.		05/06/2008	4,000,000.00	4,000,687.87	4,000,000.00	4.375	AAA	4 375	1,678	05/06/2013
3128X7RY2	12005	Federal Home Loan Mtg. Corp.		05/20/2008	5,000,000.00	4,995,014.96	4,984,063.37	4.170	AAA	4 247	1,692	05/20/2013
3133XRFF2	12014	Federal Home Loan Bank		06/10/2008	4,000,000.00	4,017,500.00	4,000,000.00	4.500	AAA	4 500	1,713	06/10/2013
3128X7VZ4	12013	Federal Home Loan Mtg. Corp.		06/10/2008	4,000,000.00	3,999,588.01	4,000,000.00	4.400	AAA	4.400	1,713	06/10/2013
3128X7J70	12029	Federal Home Loan Mtg. Corp.		07/01/2008	4,000,000.00	4,057,647.70	4,000,000.00	5.000	AAA	5 000	1,734	07/01/2013

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**Investment Reports
Portfolio Management
Portfolio Details - Investments
September 30, 2008**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Subtotal and Average			281,707,508.84		273,875,000.00	273,250,720.05	273,811,838.50			3.667	902	
Corporate Medium Term Notes												
36962GN83	11360	General Electric Cap Corp		05/24/2005	2,000,000.00	1,980,184.02	1,998,393.92	4.000	AAA	4.207	139	02/17/2009
90331HJK0	11342	U. S. Bank		01/28/2005	4,650,000.00	4,605,224.88	4,639,291.50	3.400	AA	3.947	152	03/02/2009
22541LAN3	11815	Credit Suisse		10/18/2007	4,000,000.00	3,955,579.83	3,991,552.66	4.700	AA	5.030	243	06/01/2009
36962GK78	11816	General Electric Cap Corp		10/19/2007	3,000,000.00	2,866,988.98	2,959,534.14	4.250	AAA	5.000	712	09/13/2010
36962G2S2	11808	General Electric Cap Corp		09/28/2007	3,000,000.00	2,898,101.81	2,999,774.80	5.000	AAA	5.000	791	12/01/2010
931142BV4	11813	Wal-Mart Stores		10/12/2007	3,000,000.00	3,014,820.10	2,939,176.46	4.125	AA	5.063	867	02/15/2011
36962GG57	12033	General Electric Cap Corp		09/19/2008	2,500,000.00	2,324,610.14	2,420,152.73	4.375	AAA	5.410	1,249	03/03/2012
060505DK7	11803	Bank of America		09/19/2007	3,000,000.00	2,792,064.06	2,997,503.91	5.375	AA	5.399	1,441	09/11/2012
949746NW7	11819	Wells Fargo Company		10/23/2007	3,000,000.00	2,879,550.02	2,997,246.57	5.250	AA+	5.276	1,483	10/23/2012
060505AX2	12000	Bank of America		05/15/2008	5,000,000.00	4,583,274.84	5,042,643.81	4.875	AA	4.650	1,567	01/15/2013
Subtotal and Average			31,529,801.32		33,150,000.00	31,900,398.68	32,985,270.50			4.851	869	
Corporate Med.Term Notes (Callable)												
89233PV60	11987	Toyota Motor Credit		04/28/2008	5,000,000.00	4,995,559.69	5,000,000.00	2.850	AAA	2.850	574	04/28/2010
Subtotal and Average			5,000,000.00		5,000,000.00	4,995,559.69	5,000,000.00			2.850	574	
Bankers Acceptances												
06422RL39	11999	Bank of America-Banker's Accep		05/14/2008	1,000,000.00	997,616.67	997,616.67			2.669	33	11/03/2008
06422RP27	12034	Bank of America-Banker's Accep		09/23/2008	5,000,000.00	4,944,027.78	4,944,027.78	3.250		3.335	124	02/02/2009
06422RP92	12035	Bank of America-Banker's Accep		09/24/2008	5,000,000.00	4,940,868.05	4,940,868.05	3.250		3.337	131	02/09/2009
06422RQ26	12036	Bank of America-Banker's Accep		09/24/2008	5,000,000.00	4,930,333.33	4,930,333.33	3.300		3.395	152	03/02/2009
Subtotal and Average			4,617,199.08		16,000,000.00	15,812,845.83	15,812,845.83			3.312	129	
Commercial Paper												
90485JKM4	11995	Union Banc Funding		05/08/2008	5,000,000.00	4,992,638.89	4,992,638.89	2.650	A1,P1	2.720	20	10/21/2008
Subtotal and Average			4,987,302.08		5,000,000.00	4,992,638.89	4,992,638.89			2.720	20	
Certificates of Deposit(Negotiable)												
90531CYC0	12037	Union Bank of California		09/26/2008	5,000,000.00	5,000,000.00	5,000,000.00	3.630	A1,P1	3.680	55	11/25/2008
90531CXL1	12032	Union Bank of California		09/17/2008	5,000,000.00	4,977,480.31	5,000,000.00	3.000	A1,P1	3.042	112	01/21/2009
90531CSA1	12017	Union Bank of California		06/12/2008	4,000,000.00	3,970,548.10	4,000,000.00	3.300	A1,P1	3.346	261	06/19/2009
Subtotal and Average			9,833,333.33		14,000,000.00	13,948,028.41	14,000,000.00			3.357	134	
Money Market Mutual Funds												
SYS11646	11646	AIM-Prime			0.00	0.00	0.00	2.160	AAA	2.160	1	
SYS11931	11931	AIM Government & Agency			100,000.00	100,000.00	100,000.00	1.970	AAA	1.970	1	

**Investment Reports
Portfolio Management
Portfolio Details - Investments
September 30, 2008**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Money Market Mutual Funds												
SYS12002	12002	Columbia Government Plus Res			100,000.00	100,000.00	100,000.00	2.260	AAA	2.260	1	
SYS12003	12003	Fidelity Institutional US Govt			100,000.00	100,000.00	100,000.00	2.270	AAA	2.270	1	
SYS11997	11997	Goldman Financial Square Gover			100,000.00	100,000.00	100,000.00	2.250	AAA	2.250	1	
SYS12001	12001	J. P. Morgan US Government			100,000.00	100,000.00	100,000.00	2.260	AAA	2.260	1	
		Subtotal and Average	3,696,666.67		500,000.00	500,000.00	500,000.00			2.202	1	
LAIF (City)												
SYS10093	10093	CA Local Agency Inv. Fund		07/01/2008	40,000,000.00	40,000,000.00	40,000,000.00	2.770	***	2.770	1	
		Subtotal and Average	38,066,666.67		40,000,000.00	40,000,000.00	40,000,000.00			2.770	1	
LAIF (GRA)												
SYS10094	10094	CA Local Agency Inv. Fund			40,000,000.00	40,000,000.00	40,000,000.00	2.770	***	2.770	1	
		Subtotal and Average	39,166,666.67		40,000,000.00	40,000,000.00	40,000,000.00			2.770	1	
		Total and Average	432,571,791.61		440,025,000.00	438,028,786.52	439,602,593.72			3.575	649	

**Investment Reports
Portfolio Management
Portfolio Details - Cash
September 30, 2008**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase		6,069.44	6,069.44				0
		Subtotal				6,069.44	6,069.44				
		Total Cash and Investments	432,571,791.61		440,025,000.00	438,034,865.96	439,608,663.16			3.575	649

**Investment Reports
Portfolio Management
Activity By Type**

September 1, 2008 through September 30, 2008

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Federal Agency Term Notes							
3133XEZP7	11560	Federal Home Loan Bank	5.000	09/12/2008	0.00	4,000,000.00	
		Subtotal			0.00	4,000,000.00	12,500,000.00
Federal Agency Callable Bonds							
31331YRF9	11890	Federal Farm Credit Bank	3.500	09/16/2008	0.00	4,000,000.00	
3133XQJK9	11956	Federal Home Loan Bank	2.500	09/29/2008	0.00	5,000,000.00	
3128X66H4	11928	Federal Home Loan Mtg. Corp.	3.250	09/10/2008	0.00	4,100,000.00	
		Subtotal			0.00	13,100,000.00	273,811,838.50
Corporate Medium Term Notes							
36962GG57	12033	General Electric Cap Corp	4.375	09/19/2008	2,419,375.00	0.00	
		Subtotal			2,419,375.00	0.00	32,985,270.50
Corporate Med.Term Notes (Callable)							
		Subtotal					5,000,000.00
Bankers Acceptances							
06422RP27	12034	Bank of America-Banker's Accep	3.250	09/23/2008	4,940,416.67	0.00	
06422RP92	12035	Bank of America-Banker's Accep	3.250	09/24/2008	4,937,708.33	0.00	
06422RQ26	12036	Bank of America-Banker's Accep	3.300	09/24/2008	4,927,125.00	0.00	
		Subtotal			14,805,250.00	0.00	15,812,845.83
Commercial Paper							
		Subtotal					4,992,638.89
Certificates of Deposit(Negotiable)							
90531CMR0	11977	Union Bank of California	2.750	09/17/2008	0.00	5,000,000.00	
90531CXL1	12032	Union Bank of California	3.000	09/17/2008	5,000,000.00	0.00	
90531CYC0	12037	Union Bank of California	3.630	09/26/2008	5,000,000.00	0.00	
		Subtotal			10,000,000.00	5,000,000.00	14,000,000.00
Money Market Mutual Funds (Monthly Summary)							
SYS12002	12002	Columbia Government Plus Res	2.260		1,000,000.00	1,000,000.00	
SYS12003	12003	Fidelity Institutional US Govt	2.270		7,100,000.00	7,000,000.00	
SYS11997	11997	Goldman Financial Square Gover	2.250		5,000,000.00	5,000,000.00	
SYS12001	12001	J. P. Morgan US Government	2.260		5,000,000.00	5,000,000.00	

**Investment Reports
Portfolio Management
Activity By Type
September 1, 2008 through September 30, 2008**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
		Subtotal			18,100,000.00	18,000,000.00	500,000.00
LAIF (City) (Monthly Summary)							
SYS10093	10093	CA Local Agency Inv. Fund	2.770		11,000,000.00	9,000,000.00	
		Subtotal			11,000,000.00	9,000,000.00	40,000,000.00
LAIF (GRA) (Monthly Summary)							
SYS10094	10094	CA Local Agency Inv. Fund	2.770		5,000,000.00	5,000,000.00	
		Subtotal			5,000,000.00	5,000,000.00	40,000,000.00
		Total			61,324,625.00	54,100,000.00	439,602,593.72

**Investment Reports
Portfolio Management
Activity Summary
September 2007 through September 2008**

Month End	Year	Number of Securities	Total Invested	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
September		96	473,702,789.37	4.422	4.483	5.240	11	16	1,031	371
October		95	465,747,524.37	4.435	4.497	5.050	17	16	1,025	385
November		87	448,262,888.71	4.400	4.461	4.620	14	22	981	353
December		89	453,803,515.78	4.396	4.457	4.740	16	14	943	349
January		93	460,968,671.50	4.361	4.422	4.390	30	26	843	387
February		89	473,906,827.52	3.925	3.980	3.330	32	36	677	371
March		86	457,703,773.40	3.820	3.873	2.750	43	46	744	493
April		88	448,668,117.17	3.572	3.622	2.391	29	27	742	564
May		97	469,216,433.98	3.556	3.605	2.286	21	12	785	619
June		99	468,976,396.60	3.505	3.553	2.244	18	16	796	671
July		96	442,521,355.35	3.502	3.550	2.166	3	6	844	696
August		94	432,345,130.86	3.523	3.571	2.220	0	2	862	687
September		95	439,602,593.72	3.526	3.575	2.202	6	5	830	649
	Average	93	456,571,232.18	3.919%	3.973%	3.356	18	19	854	507

Investment Reports
Portfolio Management
Distribution of Investments By Type
September 2007 through September 2008

Security Type	September 2007	October 2007	November 2007	December 2007	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	July 2008	August 2008	September 2008	Average by Period
U.S. Treasury Notes														
U.S. Treasury Bills														
Federal Agency Discount Notes														
Federal Agency Term Notes	13.4	21.2	27.2	21.8	15.6	12.5	10.6	7.9	6.5	4.2	3.7	3.8	2.8	11.6%
Federal Agency Callable Bonds	64.1	52.3	39.2	43.6	44.9	37.5	49.2	52.6	57.0	60.8	64.8	66.4	62.3	53.4%
Corporate Medium Term Notes	2.7	5.5	5.7	5.6	5.5	5.4	5.6	5.7	6.5	6.5	6.9	7.1	7.5	5.9%
Corporate Med.Term Notes (Callable)	1.9	1.9	2.0	2.0	2.0	1.1		1.1	1.1	1.1	1.1	1.2	1.1	1.4%
Bankers Acceptances					0.7	0.6	0.7	0.7	0.6	0.2	0.2	0.2	3.6	0.6%
Certificates of Deposit														
Commercial Paper	1.7	2.2	1.5	3.7	5.9	15.6	7.0	5.8	3.2	4.3	3.4	1.2	1.1	4.3%
Certificates of Deposit(Negotiable)			3.1	4.2	3.3	5.9	4.4	4.5	3.2	3.0	2.0	2.1	3.2	3.0%
Money Market Mutual Funds	1.5	1.1	3.4	1.4	4.9	4.6	5.2	3.9	4.9	3.0	0.6	0.1	0.1	2.7%
LAIF (City)	7.7	8.1	8.9	8.8	8.7	8.4	8.7	8.9	8.5	8.5	8.8	8.8	9.1	8.6%
LAIF (GRA)	7.1	7.8	8.9	8.8	8.7	8.4	8.7	8.9	8.5	8.5	8.4	9.3	9.1	8.6%

**Investment Reports
Portfolio Management
Interest Earnings Summary
September 30, 2008**

September 30 Month Ending

Fiscal Year To Date

	September 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	1,400,730.56	2,812,028.48
Plus Accrued Interest at End of Period	3,266,965.82	3,266,965.82
Less Accrued Interest at Beginning of Period	(3,599,286.72)	(2,830,026.92)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	1,068,409.66	3,248,967.38
Adjusted by Premiums and Discounts	32,837.86	101,572.12
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	1,101,247.52	3,350,539.50
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 Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	4,989.07	680,692.72
Plus Accrued Interest at End of Period	530,764.34	530,764.34
Less Accrued Interest at Beginning of Period	(351,992.39)	(616,421.56)
Interest Earned during Period	183,761.02	595,035.50
Total Interest Earned during Period	1,252,170.68	3,844,002.88
Total Adjustments from Premiums and Discounts	32,837.86	101,572.12
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	1,285,008.54	3,945,575.00