

MEMORANDUM

To: Dana Foster, City Manager

From: Dave Gajda, Finance Director

Date: January 27, 2010

Subject: **The City's Quarterly Investment Report as of December 31, 2009**

Attached you will find the City's Quarterly Investment Report as of December 31, 2009.

In comparison to the quarter ended September 30, 2009, the City's total investment/bank balance has decreased by \$1,716,822 or 19% to \$7,367,984, which is generally indicative of the fact that the majority of the City's tax revenue levied has been collected in the first quarter of the fiscal year, while expenditures are relatively more constant throughout the year. In comparison to the same quarter a year ago, i.e., the quarter ended December 31, 2008, the City's total investment/bank balance has decreased by \$449,258 or 6%, which is reflective of the use of fund balance and working capital to fund expenditures/expenses.

In comparison to the quarter ended September 30, 2009, the City's average rate of return on investments increased from 0.23% to 0.30%, which is reflective of recent market changes in interest rates. The City continues to earn more than the benchmark 3-month Treasury Bill Rate and Fed Funds Rate.

Since September 30, 2009, the City's investment in FDIC insured CD's increased by approximately \$1,646,000, and its share of the overall portfolio increased from 5% to 29%. The City's collateralized deposits/investments with JP Morgan Chase Bank totaled approximately \$3,891,000 or approximately 53% of the City's overall portfolio.

We continue to work within the primary objectives of the City's Investment Policy, which, in priority order, are; safety, liquidity and return on investment.

Let me know if you have any questions.

CITY OF BRIGHTON
 QUARTERLY INVESTMENT REPORT
 AS OF December 31, 2009

<u>Investment Account</u>	<u>Account Balance</u>	<u>Maturity Date</u>	<u>Current % Interest Rate</u>	<u>Average R.O.R.</u>
MBIA - Pool Fund	558,340	Immediate	0.26%	0.02%
JP Morgan Chase & Co. - A/P	2,581,251	Immediate	0.05%	0.02%
JP Morgan Chase & Co. - Payroll	443,570	Immediate	0.05%	0.00%
JP Morgan Chase & Co. - MSHDA	491,006	Immediate	0.00%	0.00%
JP Morgan Chase & Co. - Money Market	<u>375,121</u>	Immediate	0.45%	0.02%
Total Chase Bank	3,890,948			
Michigan Commerce - Police Forfeiture	19,725	Immediate	0.350%	0.00%
Michigan Commerce - Juvenile	1,048	Immediate	0.00%	0.00%
Michigan Commerce - Tax account	<u>143,925</u>	Immediate	0.850%	0.02%
Total Michigan Commerce Bank	164,698			
Comercia - Tax	512,680	Immediate	0.166%	0.01%
Comercia - Utility billing	<u>95,096</u>	Immediate	0.166%	0.00%
Total Comerica Bank	607,775			
First National Bank-tax account	<u>43,651</u>	Immediate	0.00%	0.00%
Total 1st Natl Bank	43,651			
Citizens Bank	250,000	1/4/2010	0.50%	0.02%
LCB	102,554	2/20/2010	0.25%	0.00%
Charter 1	250,017	2/16/2010	0.08%	0.00%
Key Bank	250,000	3/14/2010	0.40%	0.01%
The PrivateBank & Trust Company	250,000	3/31/2010	0.70%	0.02%
Fidelity Bank	250,000	4/15/2010	0.50%	0.02%
Independent Bank	250,000	4/30/2010	0.70%	0.02%
Flagstar Bank	250,000	5/14/2010	0.90%	0.03%
Mercantile Bank of MI	<u>250,000</u>	6/15/2010	2.11%	0.07%
Total CD's invested	2,102,571			
TOTAL	<u>7,367,984</u>			<u>0.30%</u>
Avg. three Month Treasury Bill Rate				0.050%
Average Fed Funds Rate				0.120%
City's Avg. R.O.R. over/(under) the 3-month T-Bill Rate				0.25%
City's Avg. R.O.R. over/(under) the Avg. Fed Funds Rate				0.18%