

CITY OF CORVALLIS

Investment Council

Treasury Report

January 2010

CITY OF CORVALLIS, OREGON
INVESTMENT COUNCIL
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**CITY OF CORVALLIS
INVESTMENT COUNCIL MEETING**

The City of Corvallis Investment Council meeting was called to order at 7:30 am on February 4, 2010, in the Madison Avenue Meeting Room, 500 SW Madison Avenue, Corvallis, Oregon.

ROLL CALL

Present: Jon Nelson, Bill Mercer, Rhyan Van Horn, Nancy Brewer, Julian Contreras, Scott Fewel, Michael Dohn (recorder)

Excused:

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held Over for Further Review	Recommendations
I. Approval of November 5, 2009 Minutes			Approved as submitted.
II. FY 09-10 Second Quarter Review			Approved as submitted.
III. Open Discussion	X		
IV. Adjournment			Adjourned at 8:17am

City Manager Jon Nelson called the meeting to order at 7:32am.

I. APPROVAL OF NOVEMBER 5th, 2009 MINUTES

City Manager Nelson asked if there were any corrections. Scott Fewel moved to approve the minutes and Bill Mercer seconded. The minutes were unanimously approved.

II. FY 09-10 SECOND QUARTER REVIEW

- Treasury Account Rhyan Van Horn presented a summary of the Fiscal Year 2009-2010 Second Quarter Treasury Review. In the review Ms. Van Horn referred to a summary sheet (attachment A) of data reported from September 30, 2009 to December 31, 2009. Ms. Van Horn then gave a brief presentation (attachment B) on the state of the economy and the outlook going forward.

Mr. Fewel asked what the balance of our long term portfolio was. Ms. Van Horn stated it was the \$2.1 million, listed under investments in the quarterly portfolio summary. Mr. Fewel then inquired about the Treasury rate, Ms. Van Horn stated that Treasuries were yielding around 0.35 percent. Ms. Van Horn went on to state that the City's portfolio is close to one-hundred percent liquid with very

little in investments. She stated she would be speaking about potential changes to the investment strategy later.

Mr. Mercer moved to approve the FY 09-10 Second Quarterly Report, Mr. Fewel seconded. The report was approved unanimously.

III. OPEN DISCUSSION

A. Changes in Bank Ratings

Ms. Van Horn presented updated bank ratings (attachment C) for Bank of America, Umpqua Bank, and US Bank. The ratings were comparing June 30, 2009 data to September 30, 2009, which was the most current rating information available.

Mr. Nelson noted that all of the September 30, 2009 ratings were above the threshold that would have raised concern at prior meetings.

Mr. Fewel asked why Staff used the three ratings that were presented. Ms. Van Horn stated that the ratings were a free and easily available source of rating information. Mr. Fewel then asked if we had funds with the three banks that were listed on the bank rating sheet. Ms. Van Horn stated US Bank was used as a comparator for Bank of America. Ms. Brewer added that the City has had investments with US Bank in the past, but currently had none.

B. Investment Strategy / Investment Policy Updates

Ms. Van Horn stated she recently attended a Government Finance Officers Association (GFOA) seminar on Investing Public Funds and came away with an understanding of GFOA best practice investment principles. Ms. Van Horn went on to present a suggested course of action to the Investment Council for their approval (attachment D).

Discussion followed on each of the different proposed ideas and presented by Ms Van Horn. The following decisions were made about each:

- With no objections, the Investment Policy review was moved to the May meeting. Members of the Council requested to have any documents before the meeting . Mr. Nelson suggested a strikeout and/or shaded approach when making any changes with the Investment Policy to draw attention to the areas that have changed.
- With regard to the Oregon Collateral Pool and investing with Umpqua, there was discussion about the theory and history of the Oregon Collateral Pool. This topic led to conversations about the security of public funds invested in the Umpqua Money Market Account (MMA). The Council requested staff provide further information via e-mail on public fund balances held at participating banks in the Collateral Pool, and if the information confirmed the discussion at this meeting, staff could consider returning to the previous practice of investing funds in the Umpqua MMA due to increases in the amount of collateral required by the Collateral Pool.

- In reference to obtaining a custody account for investment safekeeping purposes, there was some concern regarding the custody account bank and the consequences to the City of a potential custody bank failure. The Council asked how many banks provided this service and if there were any requirements from the State of Oregon to have a custody account. Ms. Van Horn stated there were no State requirements at this time and that a handful of banks offered a custody account service. After the discussion, it was decided that staff would research this topic and bring the findings to the next Investment Council meeting.
- It was also agreed that a presentation of the theory behind the GFOA recommended investment strategies and policies would be presented by Ms. Van Horn at the May Investment Council meeting.

Mr. Fewel stated he will be missing the May meeting and asked if he needed to name an individual to act in his capacity for the meeting. City Manager Nelson suggested attempting to move the date of the May meeting to accommodate Mr. Fewel and any others. He felt attendance was important for the next meeting. Staff said they would work with the Investment Council and determine a new meeting date for May.

IV. ADJOURNMENT

With no further questions, the meeting adjourned at 8:17am.

ATTACHMENTS

- A. FY 09-10 Second Quarter Treasury Summary Sheet
- B. Economic Data and Forecast
- C. GFOA Notes
- D. Bank Ratings

Attachment A

Investment Council – February 4, 2010

Quarterly Portfolio Summary

Balances:	Sept, 2009 (page 4 of Treasury Report)	December, 2009 (page 4 of Treasury Report)	Difference
Cash	\$28,897,762	40,469,176	11,571,414
Investments	\$1,207,091	2,165,050	957,959
Total	\$30,104,853	42,634,226	12,529,373

Returns:	Sept, 2009 (page 4 of Treasury Report)	December, 2009 (page 4 of Treasury Report)	Difference
Short Term Portfolio	0.81	0.69	-0.12
Long Term Portfolio	0	0.72	0.72
Total to Call Date	0	0	-
LGIP	0.78	0.68	-0.10

LGIP:	Sept, 2009 (page 5 of Treasury Report)	December, 2009 (page 5 of Treasury Report)	Difference
Cap: \$42,523,082	27,836,000	40,090,469	12,254,469

	Sept, 2009 (page 4 of Treasury Report)	December, 2009 (page 4 of Treasury Report)	Difference
Treasury's 2 Year - Historical 12 Week Average:	0.94	0.86	-0.08

	Sept, 2009 (page 4 of Treasury Report)	December, 2009 (page 4 of Treasury Report)	Difference
379 day Agency historical 12 week average	0.44	0.38	-0.06

Attachment B

Economic Data and Forecast

There have been signs of economic improvement since we last met. Fourth quarter 2009 GDP growth has been estimated at 5.7%. The previous quarter's GDP grew at 2.2%. Business investment has begun to show signs of improvement with expansion in equipment and software purchases, although structural investment remains weak and businesses remain reluctant to increase payrolls. That being said, the deterioration of labor markets seems to have slowed as recent job reports show marked improvements from those released in previous quarters. Financial market conditions remain supportive of growth but bank lending continues to contract. Excess supply is expected to keep inflation under control for the foreseeable future. As a result, the FOMC is expected to keep the Federal Funds rate at the current 0.25-0% range for an extended period of time. Market expectations show the FOMC rate remaining at its current level through late 2010.

Attachment C

	TheStreet.Com		BankRate.com		Bauer Financial	
	6/30/2009	9/30/2009	6/30/2009	9/30/2009	6/30/2009	9/30/09
B of A	D+(Weak Financial Strength)	C	4 Stars (Sound)	3 Stars (Performing)	3 Stars (Adequate)	3.5 Stars
Umpqua	C- (Fair Financial Strength)	C-	2 stars (Below Peer Group)	3 Stars (Performing)	3.5 Stars (Good)	3.5 Stars
US Bank	C+ (Fair Financial Strength)	C	5 Stars (Superior)	5 Stars (Superior)	4 Stars (Excellent)	3.5 Stars

Bank of America, NA:

- Based on 9/30/09 data, TheStreet.com rated Bank of America, NA at C (Fair Financial Strength) an upgrade from D+ (Weak Financial Strength).
- Based on 9/30/09 data, BankRate.com rated Bank of America, NA at 3 Stars (Performing) a downgrade from 4 Stars (Sound).
- Based on 9/30/09 data, Bauer Financial rated Bank of America, NA 3.5 Stars (Good), an upgrade from 3 stars (Adequate).

Umpqua:

- Based on 9/30/09 data TheStreet.com rated Umpqua at C- (Fair Financial Strength), leaving their previous rating unchanged.
- Based on 9/30/09 data BankRate.com rated Umpqua at 3 Stars (Performing), an upgrade from 2 Stars (Below Peer Group).
- Based on 9/30/09, Bauer Financial rated Umpqua 3.5 Stars (Good), leaving their previous rating unchanged.

US Bank, NA:

- Based on 9/30/09 data, TheStreet.com rated US Bank, NA at C (Fair Financial Strength), a decrease from their previous rating of C+ (Fair Financial Strength).
- Based on 9/30/09 data, BankRate.com rated US Bank, NA at 5 Stars (Superior), leaving their previous rating unchanged.
- Based on 9/30/09 data, Bauer Financial rated US Bank, NA at 3.5 Stars (Good), a decrease from their previous rating of 4 Stars (Excellent).

Attachment D

GFOA Notes

In January, I had the opportunity to attend a GFOA seminar on Investing Public Funds. I came away with an understanding of GFOA best practice investment principles. I would like to explore applying these principals to our portfolio to increase both our yield and diversification. For example, I would like to identify our liquidity needs and the target duration for our investment portfolio. This information would allow us to invest a target percentage of our portfolio in the 18 month -2 year range which would allow us to take advantage of some higher yields without overexposing our portfolio to longer term market risk.

In light of this, I would like to suggest the following course of action:

- 1) We postpone the review of the Investment Policy to our May meeting. This will allow me to do some research on our investment policy and verify that it is inline with both ORS and GFOA best practices. If there are changes to be made, I can incorporate them and present them for your review.
- 2) For the time being, I would like to suggest that we consider investing some of the portfolio in the Umpqua MMA which guarantees a return of 10 basis points higher than the LGIP. Given the recent bank ratings and the fact that all public depositories (including Umpqua) are currently collateralized at 110% with the Oregon State Collateral Pool, I feel that this would allow us to increase our yield without additional risk to principal or liquidity.
- 3) I would like to explore the benefits of having a third party custody account provider. Currently, when we purchase an investment, the broker we have purchased from holds our security for us and sends statements to us each month. This exposes us somewhat to the credit risk of each of our Brokers. This practice also requires us to consolidate our various investments into a single report. A third party custody account would consolidate our investment holdings into one account as well as mitigate the custodial credit risk of individual broker/dealers holdings. This is a GFOA best practice. Additionally, there is the possibility that we could utilize the reporting capabilities of this new banking provider in place of Sympro, the City's investment software. Replacing SymPro with the custody account reports could offset the annual fee charged by the custodial bank and would likely offer some savings to the City.
- 4) Come the May Investment Council meeting, I will be able to provide more detailed information regarding these ideas. I hope to give a brief presentation on the theory behind the GFOA recommended investment strategies/policies and how we could see them applied to our portfolio.

less than 10%. Unemployment remains a challenge for the Oregon economy. Oregon's initial jobless claims have been static for four months. This is in stark contrast to the nation as a whole where consistent reductions in initial jobless claims have been seen.

The City's January 31st total portfolio balance was \$42,588,008.64 as compared to the December 31st balance of \$42,634,226.92, a decrease of \$42,218.28.

The short-term portfolio performance for January was 0.59% as compared to December's 0.69 % return. The City currently has no long term investments. On December 15th staff purchased \$1 million of a FHLB security maturing 8/5/2011 yielding 0.72%. On December 15th, staff purchased another FHLB security, maturing 5/13/11 and yielding 0.78%. 94.08% of the City's portfolio is invested in the Local Government Investment Pool (LGIP). As of January 31st the LGIP rate was .55% with a total monthly yield of 0.62%. During this period of historically low interest rates the City has chosen to keep the vast majority of its investment portfolio in the LGIP. The reasons for this strategy are 1) the LGIP has had higher rates of return than other short term allowable investments. 2)

LGIP staff spend the majority of their time analyzing the market and investments. Thus they have a greater understanding of the unique risks of the current investment environment, where City staff has many other duties to perform, and 3) diversification within the pool is much greater than what the City could achieve by purchasing investments directly.

January receipts were lower than projected (by \$660 thousand). \$350 thousand is due to an unanticipated decrease in Franchise Fee receipts. \$200 thousand can be attributed to System Development Charges coming in lower than budgeted. The final portion of the difference can be attributed to the receipt State funded grants being received in different periods than expected. Disbursements were lower than expected (by \$570 thousand). The disbursement difference is due to capital project expenditures occurring differently than budgeted. The combination of receipts and disbursements left the City with a negative net difference of \$88 thousand.

Staff will continue to evaluate interest rates, analyze cash flow needs, and select investments as appropriate.

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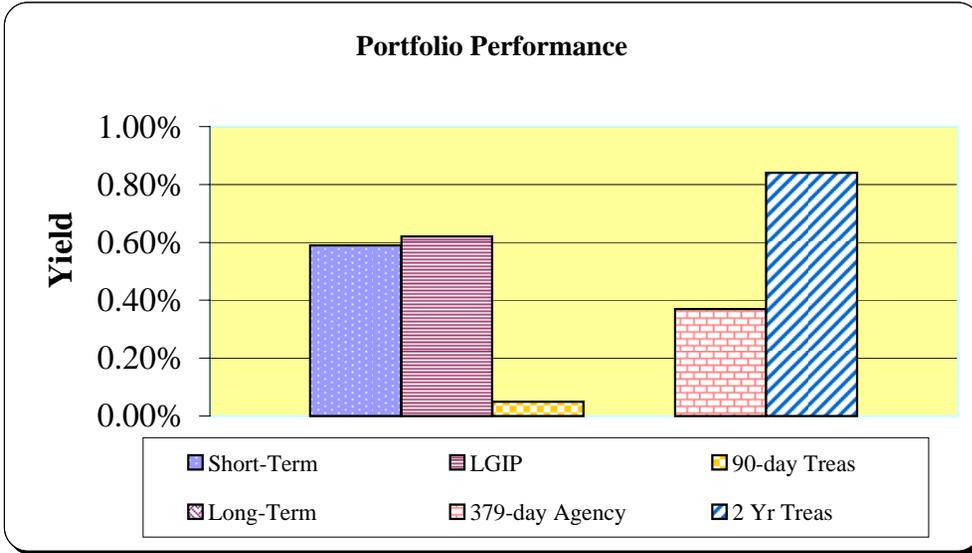
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Staff will continue to evaluate interest rates, analyze cash flow needs, and select investments as appropriate.

**City of Corvallis
Investment Portfolio Summary
January 31, 2010**



Total Cash (1)	40,422,958.64
Total Investments (2)	2,165,050.00
Total Cash & Investments	42,588,008.64
Prepaid Interest (3)	-
Total Book Value of Cash & Investments	42,588,008.64

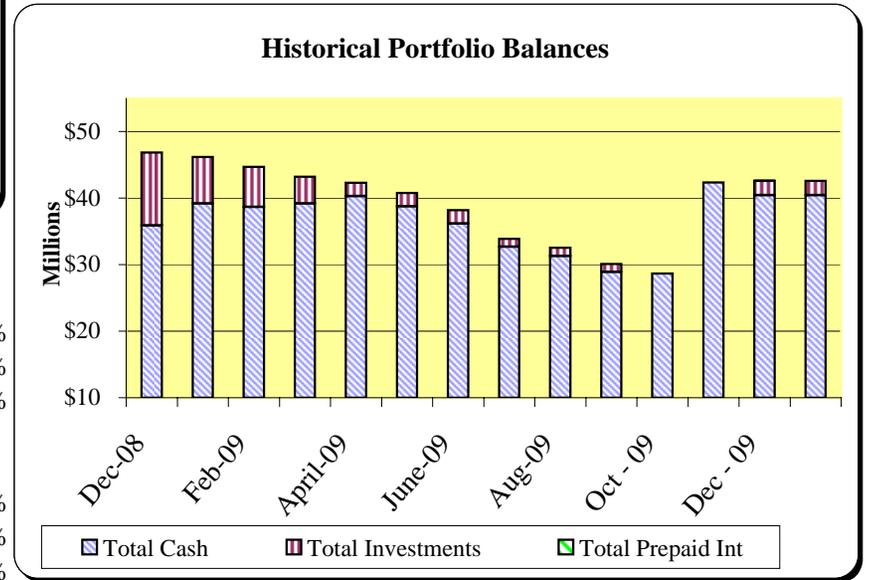
Portfolio Performance

Short-term Investment Portfolio (less than 548 days to maturity)
Local Government Investment Pool
90-day Treasury Note - Historical 12 week average

0.59%
0.62%
0.05%

Long-term Investment Portfolio (greater than 548 days to maturity)
379-day Agency Discount Note
2 Year Treasury Note - Historical 12 week average

0.00%
0.37%
0.84%



- (1) All balances are unaudited and represent month-end bank balances. Reconciliations are done for each bank statement to tie to the City's general ledger balance.
- (2) Securities are valued at the original cost of investment.
- (3) The portion of interest prepaid at security purchase for the income accumulation since the last coupon.



MONTHLY TREASURY REPORT
Portfolio Management
Portfolio Summary
January 31, 2010

City of Corvallis
 500 SW Madison
 P.O. Box 1083
 Corvallis, OR 97339-1083
 (541)766-6738

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
General Checking Account	2,420,387.21	2,420,387.21	2,420,387.21	5.68	1	1	0.148	0.150
Local Government Investment Pool	37,753,746.10	37,753,746.10	37,753,746.10	88.67	1	1	0.609	0.618
Money Market Account	238,893.33	238,893.33	238,893.33	0.56	1	1	0.710	0.720
Federal Agency Coupon Securities	2,090,000.00	2,159,347.90	2,165,050.00	5.08	556	505	0.746	0.756
Investments	42,503,026.64	42,572,374.54	42,578,076.64	100.00%	29	27	0.591	0.599
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	9,932.00	9,932.00	9,932.00		1	1	0.000	0.000
Accrued Interest at Purchase		9,277.78	9,277.78					
Subtotal		19,209.78	19,209.78					
Total Cash and Investments	42,512,958.64	42,591,584.32	42,597,286.42		29	27	0.591	0.599

Total Earnings	January 31	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	29,046.23		163,576.85	
Current Budget	75,380.00		457,520.00	876,120.00
Last Year Actual	59,032.00		558,802.00	1,257,298.00
Average Daily Balance		42,623,757.51	35,535,550.07	
Effective Rate of Return		0.80%	0.78%	

Rhyan Schaub, Treasury Accountant

MONTHLY TREASURY REPORT
Portfolio Management
Portfolio Details - Investments
January 31, 2010

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
General Checking Account												
SYS1004	1004	Bank of America			2,420,387.21	2,420,387.21	2,420,387.21	0.150		0.150	1	
Subtotal and Average			194,923.91		2,420,387.21	2,420,387.21	2,420,387.21			0.150	1	
Local Government Investment Pool												
SYS4031	4031	State of Oregon LGIP			37,753,746.10	37,753,746.10	37,753,746.10	0.618		0.618	1	
Subtotal and Average			40,015,090.89		37,753,746.10	37,753,746.10	37,753,746.10			0.618	1	
Money Market Account												
SYS1003	1003	Umpqua Bank			238,893.33	238,893.33	238,893.33	0.720		0.720	1	
Subtotal and Average			238,760.71		238,893.33	238,893.33	238,893.33			0.720	1	
Federal Agency Coupon Securities												
3133XUJX2	1505	Federal Home Loan Bank		12/09/2009	1,000,000.00	1,009,060.00	1,010,740.00	1.375	Aaa	0.721	550	08/05/2011
3133X7C69	1507	Federal Home Loan Bank		12/15/2009	1,090,000.00	1,150,287.90	1,154,310.00	5.000	Aaa	0.787	466	05/13/2011
Subtotal and Average			2,165,050.00		2,090,000.00	2,159,347.90	2,165,050.00			0.756	505	
Total and Average			42,623,757.51		42,503,026.64	42,572,374.54	42,578,076.64			0.599	27	

MONTHLY TREASURY REPORT
Portfolio Management
Portfolio Details - Cash
January 31, 2010

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
Petty Cash & Change Funds											
SYS1001	1001	City of Corvallis - Petty Cash			9,932.00	9,932.00	9,932.00			0.000	1
		Average Balance	0.00	Accrued Interest at Purchase		9,277.78	9,277.78				1
				Subtotal		19,209.78	19,209.78				
Total Cash and Investments			42,623,757.51		42,512,958.64	42,591,584.32	42,597,286.42			0.599	27

MONTHLY TREASURY REPORT
Portfolio Management
Activity By Type
January 1, 2010 through January 31, 2010

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
General Checking Account (Monthly Summary)								
SYS1004	1004	Bank of America		0.150		8,285,095.31	5,985,449.90	
		Subtotal	120,741.80			8,285,095.31	5,985,449.90	2,420,387.21
Petty Cash & Change Funds (Monthly Summary)								
		Subtotal	9,932.00					9,932.00
Local Government Investment Pool (Monthly Summary)								
SYS4031	4031	State of Oregon LGIP		0.618		2,288,288.67	4,625,011.62	
		Subtotal	40,090,469.05			2,288,288.67	4,625,011.62	37,753,746.10
Money Market Account (Monthly Summary)								
SYS1003	1003	Umpqua Bank		0.720		137.04	0.00	
		Subtotal	238,756.29			137.04	0.00	238,893.33
Federal Agency Coupon Securities								
		Subtotal	2,165,050.00					2,165,050.00
		Total	42,624,949.14			10,573,521.02	10,610,461.52	42,588,008.64

MONTHLY TREASURY REPORT
Portfolio Management
Activity Summary
January 2009 through January 2010

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					
January	2009	8	46,164,644.93	1.952	1.979	1.954	0	3	18	7
February	2009	7	44,682,172.65	1.531	1.553	1.510	1	2	16	5
March	2009	6	43,203,007.74	1.415	1.434	1.385	0	1	12	2
April	2009	6	42,283,237.00	1.129	1.144	1.160	2	2	8	7
May	2009	6	40,759,372.04	1.019	1.033	1.029	0	0	8	6
June	2009	6	38,203,008.24	0.976	0.990	0.988	0	0	8	5
July	2009	5	33,878,416.38	0.929	0.942	0.930	0	1	7	4
August	2009	5	32,519,513.58	0.833	0.845	0.830	0	0	8	3
September	2009	5	30,094,946.21	0.781	0.792	0.778	0	0	8	2
October	2009	4	28,638,818.42	0.730	0.740	0.750	0	1	1	1
November	2009	4	42,342,522.95	0.688	0.697	0.702	0	0	1	1
December	2009	6	42,615,017.14	0.677	0.687	0.684	2	0	29	28
January	2010	6	42,578,076.64	0.591	0.599	0.618	0	0	29	27
Average		6	39,074,057.99	1.019%	1.033%	1.024	0	1	12	8

MONTHLY TREASURY REPORT
Portfolio Management
Distribution of Investments By Type
January 2009 through January 2010

Security Type	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	January 2010	Average by Period
General Checking Account	0.4	1.8	2.9	3.2	1.8	2.0	1.3	1.7	2.7	1.8	0.9	0.3	5.7	2.0%
Petty Cash & Change Funds														
Local Government Investment Pool	83.9	84.3	87.3	91.5	92.7	92.2	94.4	93.9	92.5	97.4	98.5	94.1	88.7	91.6%
Piper Jaffray Funds Held by Others														
Money Market Account	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.8	0.8	0.6	0.6	0.6	0.6%
Certificates of Deposit - Bank	8.7	9.0	4.6											1.7%
Certificates of Deposit - S & L														
Medium Term Notes														
Bankers Acceptances -At Cost				4.7	4.9	5.3	3.6	3.7	4.0					2.0%
Commercial Paper - Interest Bearing														
Commercial Paper Disc. -At Cost	2.1													0.2%
Repurchase Agreements														
Federal Agency Coupon Securities	4.3	4.5	4.6									5.1	5.1	1.8%
Federal Agency Disc. -At Cost														
Treasury Coupon Securities														
Treasury Discounts -At Cost														
Miscellaneous Coupon Securities														
Municipal Bonds - Disco - At Cost														
Municipal Bonds														
Rolling Repurchase Agreements														



MONTHLY TREASURY REPORT
Inventory by Maturity Report
January 31, 2010

City of Corvallis
 500 SW Madison
 P.O. Box 1083
 Corvallis, OR 97339-1083
 (541)766-6738

CUSIP	Investment #	Fund	Sec. Type	Issuer	Purchase Date	Book Value	Current Rate	Maturity Date	Maturity Amount	Total Days	Par Value	YTM		Days to Maturity
												360	365	
3133X7C69	1507	990	FAC	Federal Home Loan Bank	12/15/2009	1,154,310.00	5.000	05/13/2011	1,090,000.00	514	1,090,000.00	0.776	0.787	466
3133XUJX2	1505	990	FAC	Federal Home Loan Bank	12/09/2009	1,010,740.00	1.375	08/05/2011	1,000,000.00	604	1,000,000.00	0.711	0.721	550
Subtotal and Average						2,165,050.00			2,090,000.00		2,090,000.00	0.746	0.756	505
Net Maturities and Average						2,165,050.00			2,090,000.00		2,090,000.00	0.746	0.756	505



MONTHLY TREASURY REPORT
Activity Report
Sorted By Issuer
January 1, 2010 - January 31, 2010

City of Corvallis
 500 SW Madison
 P.O. Box 1083
 Corvallis, OR 97339-1083
 (541)766-6738

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
Issuer: Bank of America									
General Checking Account									
SYS1004	1004	Bank of America			0.150		8,285,095.31	5,985,449.90	
		Subtotal and Balance		120,741.80			8,285,095.31	5,985,449.90	2,420,387.21
		Issuer Subtotal	5.693%	120,741.80			8,285,095.31	5,985,449.90	2,420,387.21
Issuer: City of Corvallis - Petty Cash									
Petty Cash & Change Funds									
		Subtotal and Balance		9,932.00					9,932.00
		Issuer Subtotal	0.023%	9,932.00			0.00	0.00	9,932.00
Issuer: Federal Home Loan Bank									
Federal Agency Coupon Securities									
		Subtotal and Balance		2,090,000.00					2,090,000.00
		Issuer Subtotal	4.916%	2,090,000.00			0.00	0.00	2,090,000.00
Issuer: State of Oregon LGIP									
Local Government Investment Pool									
SYS4031	4031	State of Oregon LGIP			0.618		2,288,288.67	4,625,011.62	
		Subtotal and Balance		40,090,469.05			2,288,288.67	4,625,011.62	37,753,746.10
		Issuer Subtotal	88.805%	40,090,469.05			2,288,288.67	4,625,011.62	37,753,746.10
Issuer: Umpqua Bank									
Money Market Account									
SYS1003	1003	Umpqua Bank			0.720		137.04	0.00	
		Subtotal and Balance		238,756.29			137.04	0.00	238,893.33

MONTHLY TREASURY REPORT
Activity Report
January 1, 2010 - January 31, 2010

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value			Par Value		
				Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
		Issuer Subtotal	0.562%	238,756.29			137.04	0.00	238,893.33
		Total	100.000%	42,549,899.14			10,573,521.02	10,610,461.52	42,512,958.64



MONTHLY TREASURY REPORT
Aging Report
By Maturity Date
As of January 31, 2010

City of Corvallis
 500 SW Madison
 P.O. Box 1083
 Corvallis, OR 97339-1083
 (541)766-6738

				Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value	
Aging Interval:	0 days	(01/31/2010 - 01/31/2010)	4 Maturities	0 Payments	40,459,899.14	95.09%	40,459,899.14	40,459,899.14
Aging Interval:	1 - 30 days	(02/01/2010 - 03/02/2010)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	31 - 60 days	(03/03/2010 - 04/01/2010)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	61 - 90 days	(04/02/2010 - 05/01/2010)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	91 - 180 days	(05/02/2010 - 07/30/2010)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	181 - 270 days	(07/31/2010 - 10/28/2010)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	271 - 364 days	(10/29/2010 - 01/30/2011)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	365 - 545 days	(01/31/2011 - 07/30/2011)	1 Maturities	0 Payments	1,090,000.00	2.56%	1,154,310.00	1,150,287.90
Aging Interval:	546 - 730 days	(07/31/2011 - 01/31/2012)	1 Maturities	0 Payments	1,000,000.00	2.35%	1,010,740.00	1,010,740.00
Aging Interval:	731 days and after	(02/01/2012 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			6 Investments	0 Payments		100.00	42,624,949.14	42,620,927.04

**City of Corvallis
Cash Flow Summary
January 31, 2010**

	<u>Receipts (1)</u>	<u>Disbursements (2)</u>	<u>Net</u>
Actual Activity	4,912,143	6,821,430	(1,909,287)
Projected Activity	<u>5,578,224</u>	<u>7,399,256</u>	<u>(1,821,032)</u>
Difference	<u><u>(666,081)</u></u>	<u><u>(577,826)</u></u>	<u><u>(88,255)</u></u>

(1) Receipts include deposits and interest received.

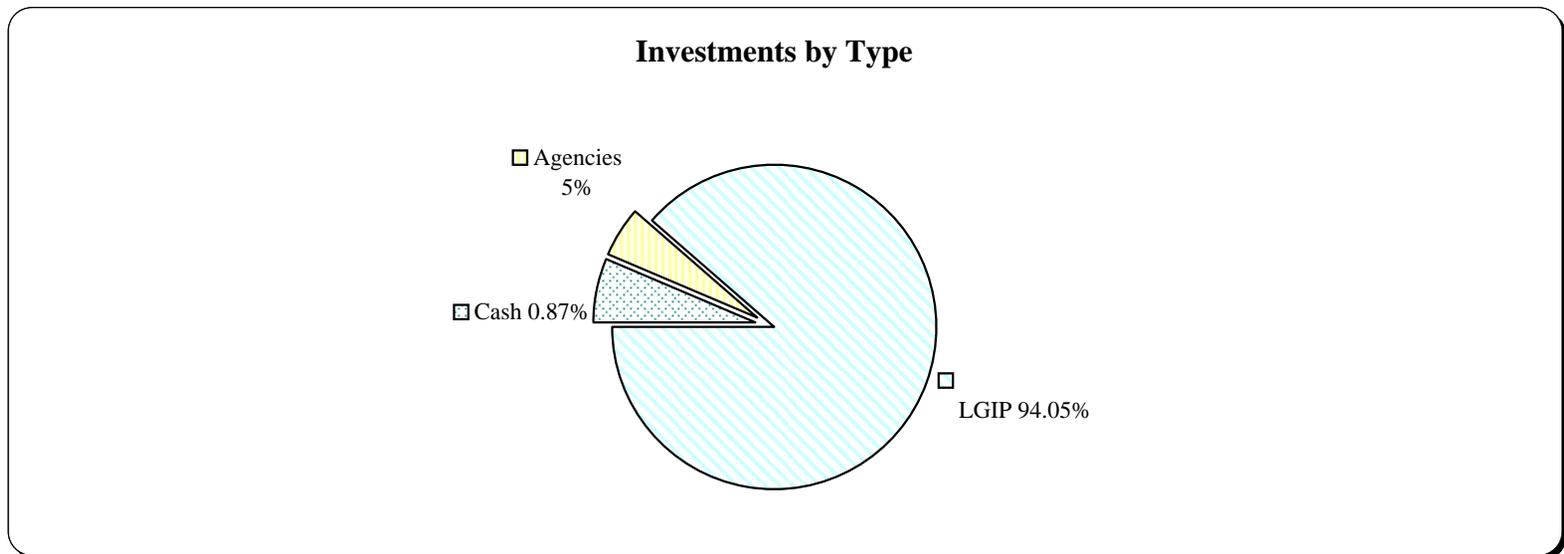
(2) Disbursements include accounts payable checks, payroll checks, other payments made through wire transfers and LGIP fees

Intrafund and interfund transfers, and investment purchases and maturities are movements between cash in different accounting funds or investment securities. The net effect on cash is zero, therefore they are not included.

**City of Corvallis
Treasury Report
Investment Type Compliance Test**

		Maximum Allowed	Current Month			Previous Month	
			Percent of Portfolio	Amount of Portfolio	Met Compliance	Percent of Portfolio	Amount of Portfolio
Cash	100%	42,588,009	6.27%	2,669,213	Yes	0.87%	369,430
U.S. Treasury Obligations	100%	42,588,009	0.00%	-	Yes	0.00%	-
U.S. Gov't Agencies	75%	31,941,006	5.08%	2,165,050	Yes	5.08%	2,165,050
Local Government Investment Pool	100%	42,588,009	88.65%	37,753,746	Yes	94.05%	40,090,469
Repurchase Agreements	25%	10,647,002	0.00%	-	Yes	0.00%	-
Banker's Acceptances	25%	10,647,002	0.00%	-	Yes	0.00%	-
Certificates of Deposit	25%	10,647,002	0.00%	-	Yes	0.00%	-
Commercial Paper	25%	10,647,002	0.00%	-	Yes	0.00%	-
Municipal Bonds	25%	10,647,002	0.00%	-	Yes	0.00%	-
Total Portfolio		-	100.00%	42,588,009	(a)	100.00%	42,624,949

(a) Excludes prepaid interest.



City of Corvallis
Investment Purchase
Financial Institution Compliance Test
January 31, 2010

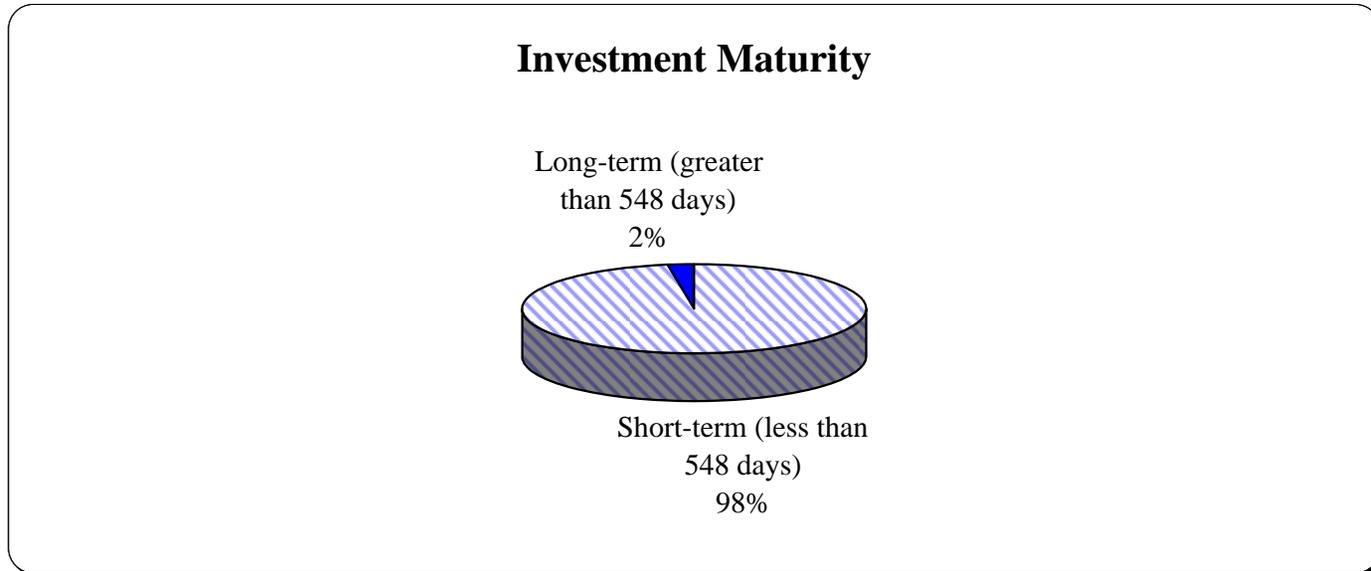
Institutions	Maximum Allowed	Current Month			Previous Month			
		Percent of Portfolio	Amount of Portfolio	Met Compliance	Percent of Portfolio	Amount of Portfolio	Met Compliance	
US Bank								
Banker's Acceptance	25%	10,647,002	0.00%	-	0.00%	-		
			0.00%	-	0.00%	-	Yes	
General Electric								
Commercial Paper	5%	2,129,400	0.00%	-	0.00%	-		
			0.00%	-	0.00%	-	Yes	
Toytoa								
Commercial Paper	5%	2,129,400	0.00%	-	0.00%	-		
			0.00%	-	0.00%	-	Yes	
Federal Home Loan Bank								
Government Agency	40%	17,035,203	5.08%	2,165,050	5.08%	2,165,050		
			5.08%	2,165,050	5.08%	2,165,050	Yes	
Umpqua Bank								
Money Market Account	15%	6,388,201	0.56%	238,893	0.56%	238,756		
			0.56%	238,893	0.56%	238,756	Yes	
Citizen's Bank								
Certificate of Deposit	25%	10,647,002	0.00%	-	0.00%	-		
			0.00%	-	0.00%	-	Yes	
Local Government Investment Pool								
LGIP 4031	100%	42,588,009	88.65%	37,753,746	94.05%	40,090,469		
			88.65%	37,753,746	94.05%	40,090,469	Yes	
Checking Account								
	n/a	n/a	5.68%	2,420,387	0.28%	120,742	Yes	
Petty Cash								
	n/a	n/a	0.02%	9,932	0.02%	9,932	Yes	
			Portfolio Total	100.00%	42,588,009	(a)	100.00%	42,624,949

(a) Excludes prepaid interest.

**City of Corvallis
Treasury Report
Investment Maturity Compliance Test**

	Minimum/ Maximum Allowed	Current Month			Previous Month		
		Percent of Portfolio	Amount of Portfolio	Met Compliance	Percent of Portfolio	Amount of Portfolio	
Short-term (less than 548 days)	75% min	30,317,219	97.63%	41,577,269	Yes	97.63%	41,614,209
Long-term (greater than 548 days)	25% max	10,105,740	2.37%	1,010,740	Yes	2.37%	1,010,740
Portfolio Total		40,422,959	100.00%	42,588,009 (a)		100.00%	42,624,949
Local Government Investment Pool	Minimum Target Options						
-15% of the overall portfolio	15% min	6,063,444		41,577,269	Yes		
-10% of the overall portfolio plus an	10%	4,042,296					
-additional 5% maturing within 60 days	5%	2,021,148					
	min	6,063,444		41,577,269	Yes		

(a) Excludes prepaid interest.



City of Corvallis
Monthly Revenue Allocations
Distributed in January 2010

Fund	Fund Name	Month's Avg Cash Balance	Interest Distributed	Fund	Fund Name	Month's Avg Cash Balance	Interest Distributed
101	General	2,113,828.74	1,060.24	460	Davidson Library	6,088.53	3.04
201	Street	569,123.26	284.33	501	Water	1,124,832.10	563.62
208	Street SDC	944,827.28	473.25	502	Water Timber	(21,040.99)	(10.54)
210	Parks & Recreation	2,522,145.40	1,263.82	508	Water SDC	4,374,096.42	28.22
211	Parks & Recreation - Aquatics	30,122.24	15.13	509	Water Construction	56,347.51	2,191.19
212	Open Space	93,023.02	46.59	520	Wastewater	4,038,018.60	2,022.98
218	Parks SDC	7,378.11	3.69	528	Wastewater SDC	7,242,528.73	3,628.10
220	911	688,276.33	344.76	529	Wastewater Construction	116,943.40	58.58
230	Development Services	892,820.22	445.85	540	Storm Water	1,557,706.74	780.37
240	Fire & Rescue	4,819,229.96	2,415.40	548	Storm Water SDC	(27,046.60)	(13.53)
250	Comm Dev Revolving	1,126,875.68	564.44	549	Storm Water Construction	24,366.78	12.17
260	Parking	847,557.61	424.57	560	Airport	739,408.95	370.43
270	Transit	1,070,977.39	536.68	569	Airport Construction	(4,485.10)	(2.22)
290	Library	2,479,600.08	1,243.38	610	Fleet Maintenance	56,966.17	28.55
291	Library 2010	456,414.34	228.63	615	Facility Maintenance	155,211.75	77.83
301	Capital Improvement	650,312.68	325.93	620	Technology & Communications	663,288.40	332.32
401	General Obligation Debt Service	1,311,330.72	656.91	625	Administrative Services	416,894.44	208.87
				630	Risk Management	804,042.16	402.56
Total						41,948,011.04	21,016.14

The interest distributed is the net of the previous fiscal year interest accrual, interest received and the previous fiscal year's GASB 31 Fair Value Adjustment reversal.

The distribution is based on the average cash balance for the period in which interest is earned.

The interest distributed to sub-funds 509, 529, 549, & 569 is distributed to the operations fund.

City of Corvallis
Glossary of SymPro Report Acronyms and Terms

Investment Types

BCD	Bank Certificate of Deposit
BAC	Bankers Acceptance
COM	Commercial Paper
FAC	Federal Agency - Coupon Security
FAD	Federal Agency - Discount Note
PA1	General Checking Account
LA1	Local Government Investment Pool
MUN	Municipal Bond
MD1	Municipal Bond - Discount Note
PA2	Petty Cash
TRC	Treasury Note

Issuers

FHLB	Federal Home Loan Bank
FNMA	Federal National Mortgage Association
FFCR	Federal Farm Credit Bank
FHLMC	Federal Home Loan Mortgage Corporation
SLMA	Student Loan Marketing Association
TVA	Tennessee Valley Authority
US TRE	Treasury Note
OR SBD	Oregon School Boards
LGIP	Local Government Investment Pool

Dealers*

BOA	Bank of America
DAD	DA Davidson & Co.
DR	RBC Dain Rauscher
PPJ	Piper Jaffray
PW	UBS Paine Webber
SNW	Seattle Northwest
UMP	Umpqua Bank
US	US Bank
WELLS	Wells Fargo

* All investments are safekept with the purchasing dealer.

Accrued Interest at Purchase - number of days interest between last coupon date and purchase date that is paid for at time of investment purchase.

Book Value - the cost of the principal at the time of the security purchase.

Days to Maturity - (weighted average) number of days from the report date to the maturity date of a security (or group of securities).

Market Value - Par value time the price at which the security could theoretically have been sold at month end per Interactive Data Corp. (IDC) and independent third-party security pricing firm.

Par Value - the face value of a security. This is the value to which the coupon rate is applied for interest payments.

Term - (weighted average) number of days from the purchase date to the maturity date of a security (or group of securities).

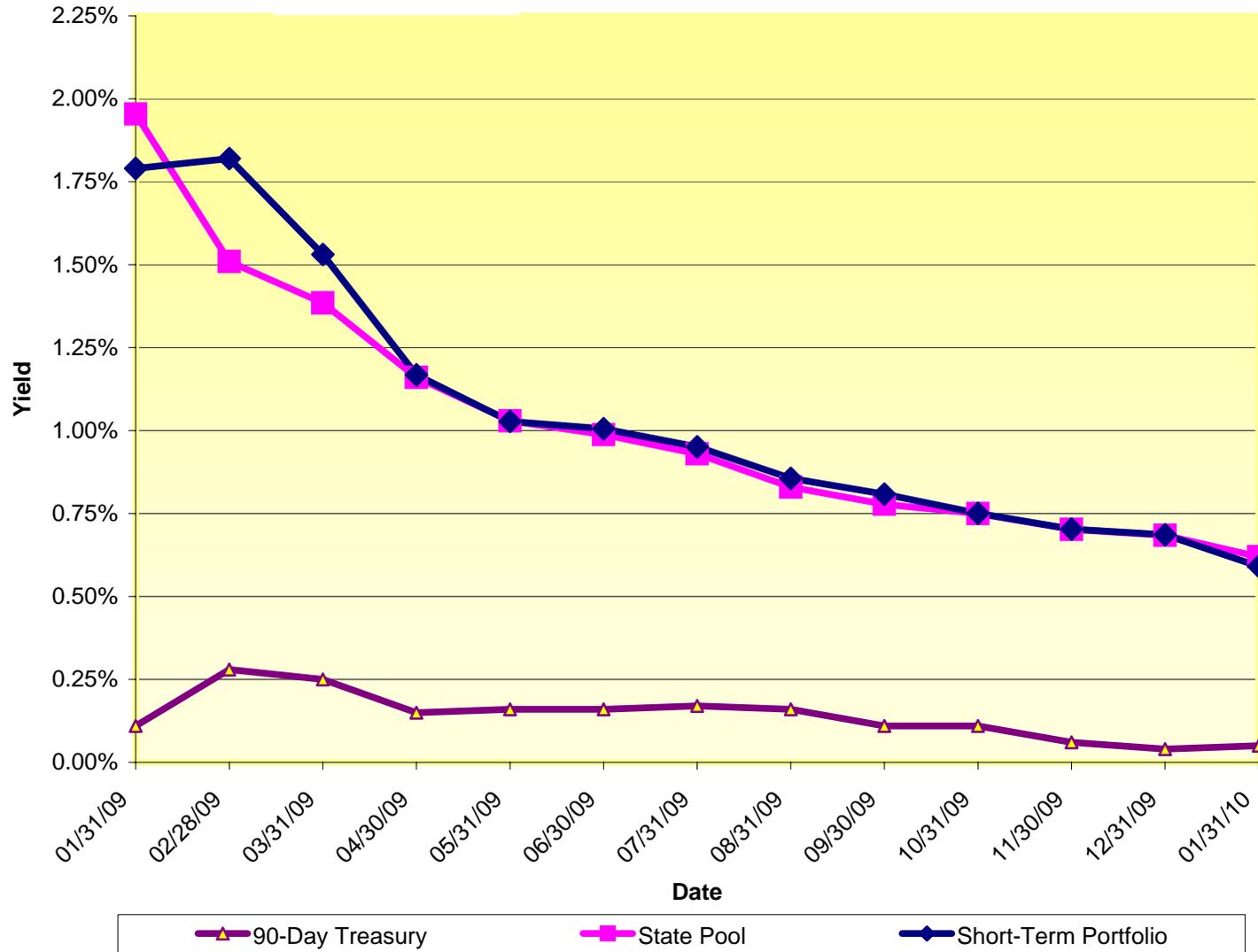
YTM - yield to maturity. YTM is normally calculated on a 365-day basis (except for long-term TRC's which are done on a 360-day basis). FAC, TRC and MUN securities are reflected in SymPro at their "Bond Equivalent-Yield". Shorter-term securities, such as BCD, FAD, COM and BAC, are quoted in SymPro on a simple interest basis.



City of Corvallis

Short-Term Yields

January 2009 - January 2010

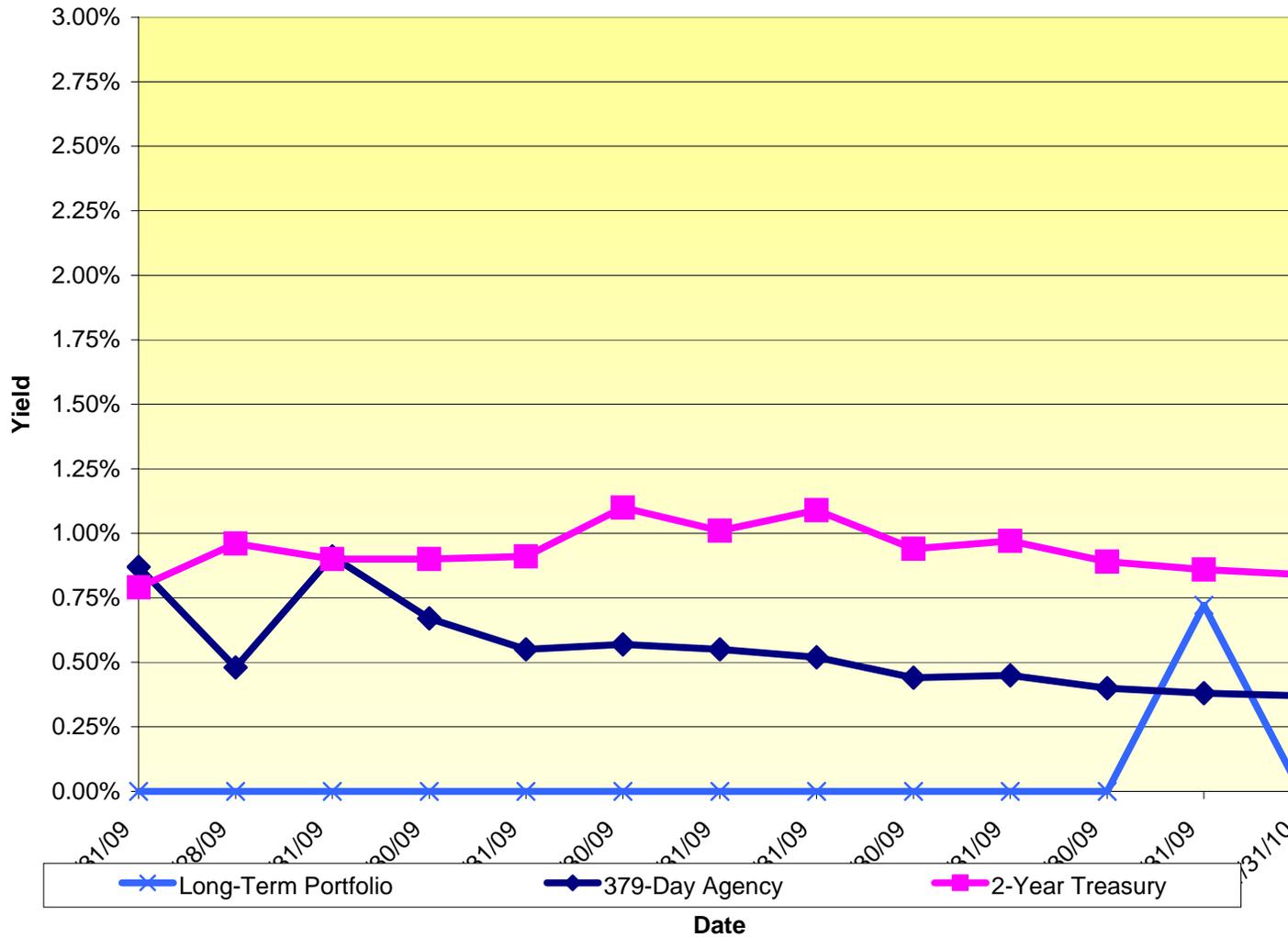




City of Corvallis

Long-Term Yields

January 2009 - January 2010





City of Corvallis Cash & Investments

