JOHN COOK
MAYOR

Joyce Wilson
CITY MANAGER

CARMEN ARRIETA-CANDELARIA
CHIEF FINANCIAL OFFICER

CITY COUNCIL
ANN MORGAN LILLY, DISTRICT 1
SUSANNAH M. BYRD, DISTRICT 2
J. ALEXANDRO LOZANO, DISTRICT 3
MELINA CASTRO, DISTRICT 4
PRESI ORTEGA, JR., DISTRICT 5
EDDIE HOLGUIN JR., DISTRICT 6
STEVE ORTEGA, DISTRICT 7
BETO O'ROURKE, DISTRICT 8

FINANCIAL SERVICES DEPARTMENT

September 28, 2005

To: Joyce Wilson, City Manager
Through: William Studer, Deputy City Manager
Carmen Arrieta-Candelaria, Chief Financial Officer
From: Blanca B. Lorkowski, Treasury Services Manager

Subject: Quarterly Investment Report for the Period Ending August 31, 2005

Submitted for your review and acceptance is the City of El Paso fourth quarter investment report including documentation of investments held and evaluation of investment performance. The investment Officers have complied with the Public Funds Investment Act, the City's Investment Policy, and adopted Investment Strategies. All funds were invested to meet cash flow requirements for operations, capital projects, and debt service payments.

During this quarter all investments were made to satisfy portfolio diversity requirements. The remaining cash available was placed into investment pools in order to take advantage of superior yields in the pools compared to the yields of investments currently available. The five investment pools used by the City – TexStar, TexPool, Logic, Wells Fargo and MBIA – yielded 3.33% for the quarter ended August 31, 2005. The City did not purchase nor divest any securities during this quarter.

The following is a summary comparison of selected information as of May 31, 2005 and August 31, 2005:

	4th Quarter 2005 August 31, 2005	3rd Quarter 2005 May 31, 2005
Principal Invested	$124,637,095.00	$188,540,617.55
Portfolio Book Value	$124,454,453.34	$188,319,259.22
Portfolio Fair Value	$124,637,095.00	$188,540,617.55
Weighted Average Maturity	18 Days	21 Days

BBL \ quarterly report –August 31, 2005

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The yields on portfolio investments and representative market securities are:

	August 31, 2005
Investment Pools	3.409%
U. S. Agency Securities	3.030%
Average 3-month T-bill Rate	3.495%
Average 6-month T-bill Rate	3.705%
Average 6-month CD Rate	4.010%
City Average Portfolio Yield	3.144%

Attached are additional charts and tables portraying the City's portfolio and summarized reports of portfolio position required by the Texas Public Funds Investment Act.

The change in the average portfolio yield for the quarter was 44 basis points higher at the end of quarter compared to the beginning of the quarter. This increase is due to the increase in the yields of the investment market in general. The City's current average portfolio yield was lower than the 3-month T-bill rate by 35 basis points.

c: Mayor John Cook and Council Members
City Clerk

ATTACHMENTS:

- Chart - City Portfolio by Investment Type
- Chart - Portfolio Maturity
- Chart - Treasury Benchmark Yield Analysis
- Chart - Portfolio Performance Comparison
- Report - Total Return
- Report - Texas Compliance Summary
- Report - Texas Compliance Details

BBL \ quarterly report –August 31, 2005

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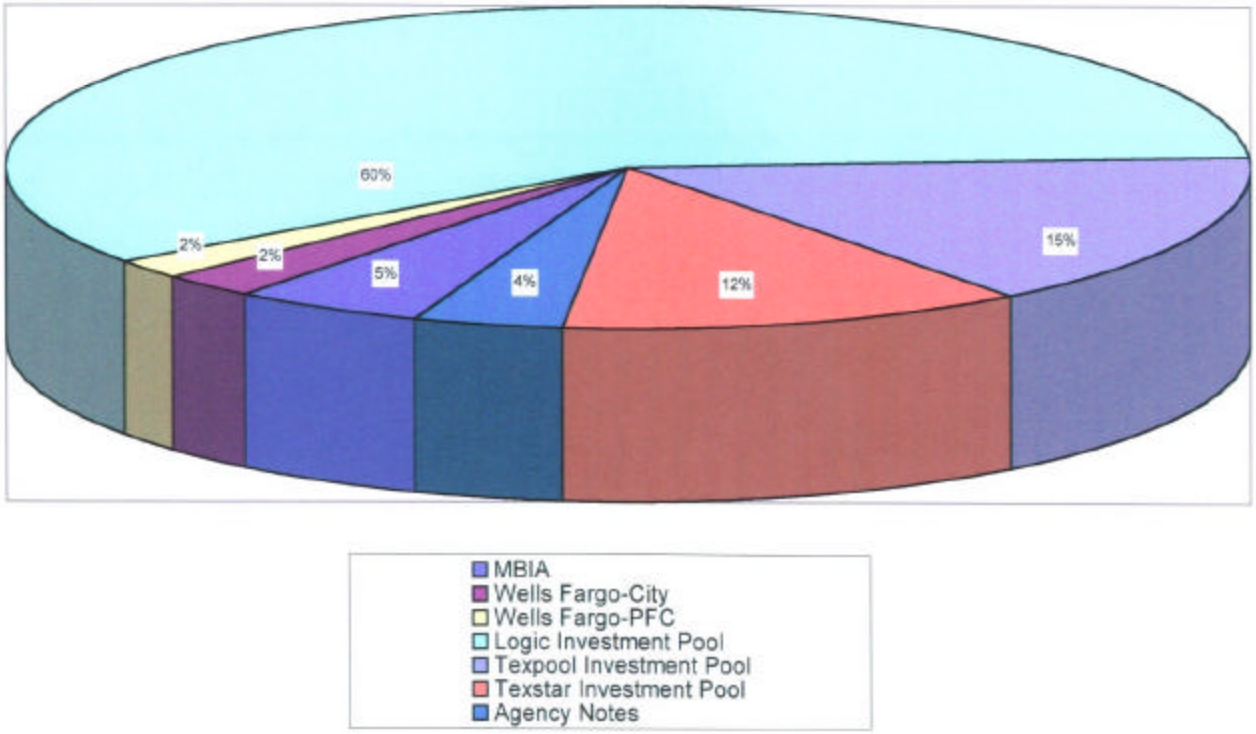
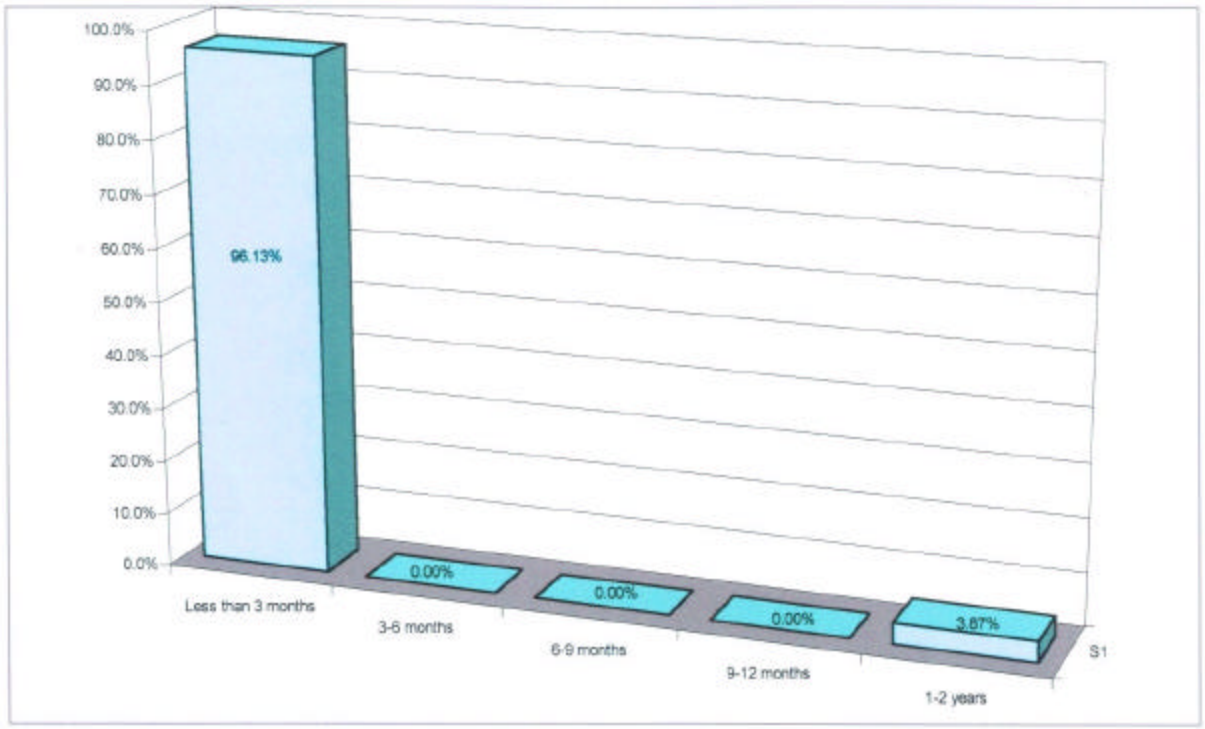
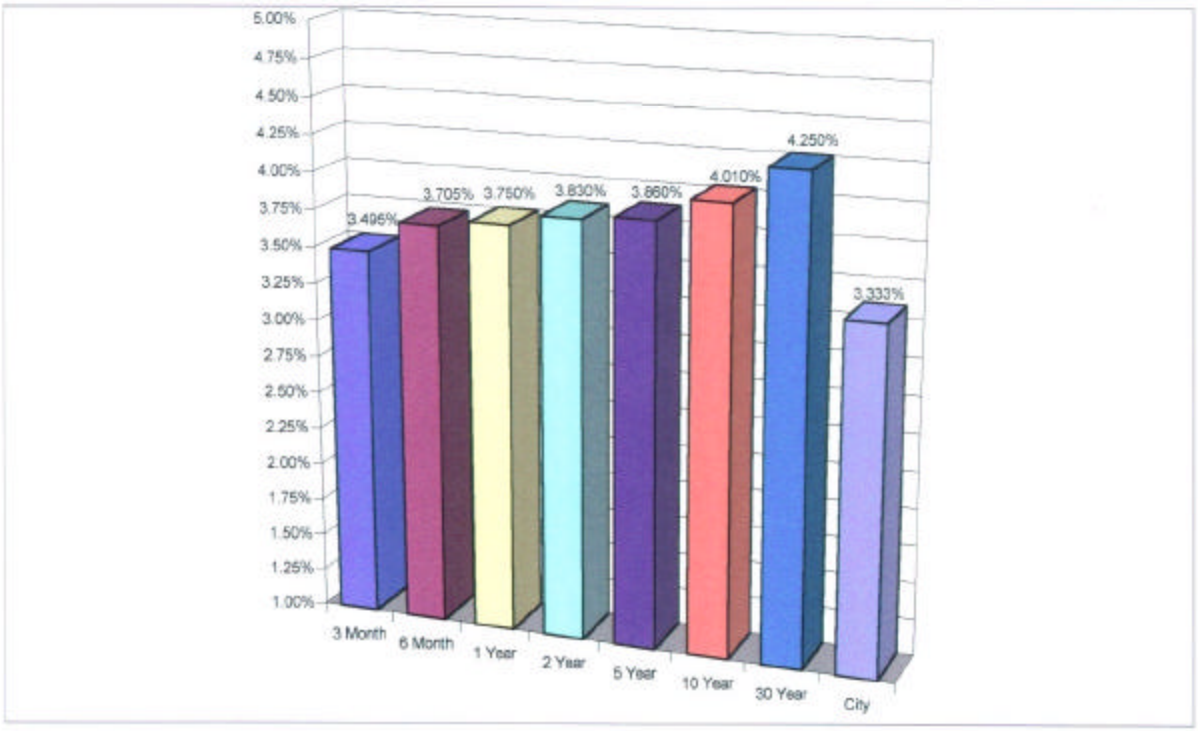
City Portfolio by Investment Type
As of August 31, 2005

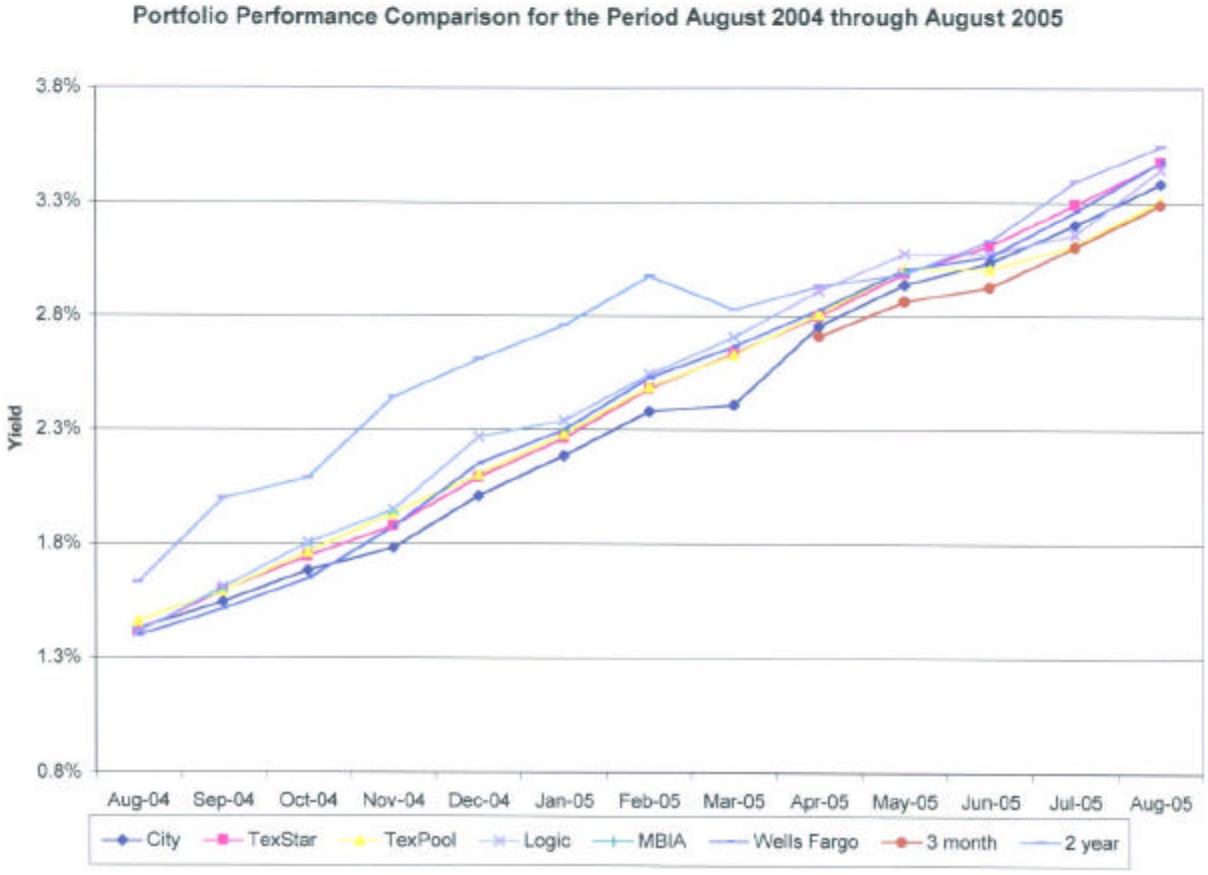


Portfolio Maturity
As of August 31, 2005



Treasury Benchmark Yield Analysis
As of August 31, 2005




Portfolio Performance Comparison for the Period August 2004 through August 2005
3.8%
3.3%
2.8%
2.3%
1.8%
1.3%
0.8%
Yield
Aug-04
Sep-04
Oct-04
Nov-04
Dec-04
Jan-05
Feb-05
Mar-05
Apr-05
May-05
Jun-05
Jul-05
Aug-05
City
TexStar
TexPool
Logic
MBIA
Wells Fargo
3 month
2 year

City_of_El_Paso_2005
Total Return
August 1, 2005 - August 31, 2005
Yield on Time Weighted Value

CUSIP	Investment #	Fund	Investment Class	Beginning Invested Value	Time Weighted Invested Value	Ending Invested Value	Maturity Date	Current Rate	Total Return	Investment Income: Interest Earned	Investment Income: Adjustment in Value	Investment Income: Net Investment Income
Issuer: Federal Home Loan Bank												
3133X92A7	5110000044	01	Amortized	4,804,312.50	4,804,312.50	4,817,358.34	11/09/2006	3.030	3.197	0.00	13,045.84	13,045.84
			Subtotal	**4,804,312.50**	**4,804,312.50**	**4,817,358.34**			**3.197**	**0.00**	**13,045.84**	**13,045.84**
Issuer: Logic Investment Pool												
746000749	5010000007	01	Amortized	95,292,358.02	82,524,123.07	73,556,381.13		3.397	3.488	244,435.75	0.00	244,435.75
	5010000008	01	Amortized	0.00	0.00	0.00				0.00	0.00	0.00
			Subtotal	**95,292,358.02**	**82,524,123.07**	**73,556,381.13**			**3.488**	**244,435.75**	**0.00**	**244,435.75**
Issuer: MUNICIPAL INVESTORS SVC CORP.												
TX0103050001	501000007	01	Amortized	9,096,959.63	6,126,525.64	6,126,525.64		3.430	3.437	17,883.16	0.00	17,883.16
			Subtotal	**9,096,959.63**	**6,126,525.64**	**6,126,525.64**			**3.437**	**17,883.16**	**0.00**	**17,883.16**
Issuer: TEXPOOL Investment Pool												
071031111000	5020000007	01	Amortized	19,119,062.89	19,171,961.55	19,171,961.55		3.257	3.451	56,195.87	0.00	56,195.87
			Subtotal	**19,119,062.89**	**19,171,961.55**	**19,171,961.55**			**3.451**	**56,195.87**	**0.00**	**56,195.87**
Issuer: Texstar												
746000749	5030000007	01	Amortized	20,224,185.75	17,071,333.88	15,297,140.33		3.426	3.419	49,578.72	0.00	49,578.72
			Subtotal	**20,224,185.75**	**17,071,333.88**	**15,297,140.33**			**3.419**	**49,578.72**	**0.00**	**49,578.72**
Issuer: Vista Investment Pool												
808352	5060000007	01	Amortized	0.00	0.00	0.00		0.836		0.00	0.00	0.00
332150	5060000008	02	Amortized	0.00	0.00	0.00		2.360		0.00	0.00	0.00
			Subtotal	**0.00**	**0.00**	**0.00**				**0.00**	**0.00**	**0.00**
Issuer: WELLS FARGO GOVERNMENT MMF INS												
12826111	506000010	01	Amortized	225,702.16	5,603,832.26	3,078,025.81		3.240	3.211	15,282.96	0.00	15,282.96
12828893	506000009	02	Amortized	4,523,468.28	3,460,139.50	2,407,060.54		3.240	3.229	9,462.37	0.00	9,462.37
			Subtotal	**4,749,170.44**	**9,063,971.76**	**5,485,086.35**			**3.214**	**24,745.33**	**0.00**	**24,745.33**

City_of_El_Paso_2005
Total Return
August 1, 2005 - August 31, 2005

CUSIP	Investment #	Fund	Investment Class	Beginning Invested Value	Time Weighted Invested Value	Ending Invested Value	Maturity Date	Current Rate	Total Return	Investment Income: Interest Earned	Investment Income: Adjustment in Value	Investment Income: Net Investment Income
			Total	153,296,049.23	138,762,228.40	124,464,453.34			3.444	392,838.82	13,045.84	405,884.66

Components of Return:	Interest:	3.333
	Amortization:	0.111
	Market Value:	

City_of_El_Paso_2005
Texas Compliance Summary
Sorted by Investment Class
June 1, 2005 - August 31, 2005

Investment Class			Par Value	Market Value	Book Value	Accrued Interest
Amortized Cost	Value beginning	06/01/2005	188,540,617.55	188,540,617.55	188,319,259.22	5,111,126.98
	Net Change		-63,903,522.55	-63,903,522.55	-63,864,805.88	-49,403.92
	Value ending	08/31/2005	124,637,095.00	124,637,095.00	124,454,453.34	5,061,723.06
Total	Value beginning	06/01/2005	188,540,617.55	188,540,617.55	188,319,259.22	5,111,126.98
	Net Change		-63,903,522.55	-63,903,522.55	-63,864,805.88	-49,403.92
	Value ending	08/31/2005	124,637,095.00	124,637,095.00	124,454,453.34	5,061,723.06

City_of_El_Paso_2005
Texas Compliance Details
Sorted by Investment Class
August 31, 2005

CUSIP	Investment #	Fund	Issuer	Investment Type	Par Value	Maturity Date	Call Date	Current Rate	Market Price	Market Date	Market Value	Book Value
Investment Class: Amortized Cost												
746000749	5010000007	01	Logic Investment Pool	PA1	73,556,381.13			3.397	100.000	08/31/1999	73,556,381.13	73,556,381.13
071031111000	5020000007	01	TEXPOOL Investment Pool	PA1	19,171,961.55			3.257	100.000	05/31/2000	19,171,961.55	19,171,961.55
746000749	5030000007	01	Texstar	PA1	15,297,140.33			3.429	100.000	02/29/2004	15,297,140.33	15,297,140.33
TX0103050001	501000007	01	MUNICIPAL INVESTORS SVC CORP.	PA1	6,126,525.64			3.430	100.000	01/31/2004	6,126,525.64	6,126,525.64
12828893	506000009	02	WELLS FARGO GOVERNMENT MMF INS	PA1	2,407,060.54			3.240	100.000	03/09/2005	2,407,060.54	2,407,060.54
12826111	506000010	01	WELLS FARGO GOVERNMENT MMF INS	PA1	3,078,025.81			3.240	100.000	04/05/2005	3,078,025.81	3,078,025.81
3133X92A7	5110000044	01	Federal Home Loan Bank	AFD	5,000,000.00	11/09/2006		3.030	100.000	11/09/2004	5,000,000.00	4,817,358.34
				Subtotal	**124,637,095.00**						**124,637,095.00**	**124,454,453.34**
				Total	**124,637,095.00**						**124,637,095.00**	**124,454,453.34**