Dedicated to Outstanding Customer Service for a Better Community

SERVICE SOLUTIONS SUCCESS

September 29, 2009

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

Subject: Quarterly Investment Report for the Period Ending August 31, 2009.

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 the City bid two investments. Daily available cash was placed into investment pools which outperformed the interest-bearing accounts and other investment vehicles. The five investment pools used by the City – TexStar, TexPool, Logic, Wells Fargo and Texas-Term – had an average yield of 0.300% for the quarter ended August 31, 2009.

The following is a summary comparison of selected information as of May 31, 2009 and August 31, 2009:

	4th Quarter 2009 August 31, 2009	3rd Quarter 2009 May 31, 2009
Principal Invested	$137,747,295.62	$227,488,909.37
Portfolio Book Value	$137,739,003.02	$227,479,170.84
Portfolio Fair Value	$137,749,754.56	$227,491,540.51
Weighted Average Maturity	268 Day	158 Days

THE CITY OF EL PASO TEXAS

Mayor
John F. Cook

City Council

District 1
Ann Morgan Lilly

District 2
Susannah M. Byrd

District 3
Emma Acosta

District 4
Melina Castro

District 5
Rachel Quintana

District 6
Eddie Holguin Jr.

District 7
Steve Ortega

District 8
Beto O'Rourke

City Manager
Joyce A. Wilson

The yields on portfolio investments and representative market securities are:

	August 31, 2009
Investment Pools	0.300%
U. S. Agency Securities	1.090%
Average 3-month T-bill Rate	0.175%
Average 6-month T-bill Rate	0.283%
Average 6-month CD Rate	0.537%
City Average Portfolio Yield	0.895%

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 8.3 basis points higher at the end of quarter compared to the beginning of the quarter. This increase is due to the higher returned on the securities. The City's current average portfolio yield was higher than the 3-month T-bill rate over the same period by 57.1 basis points.

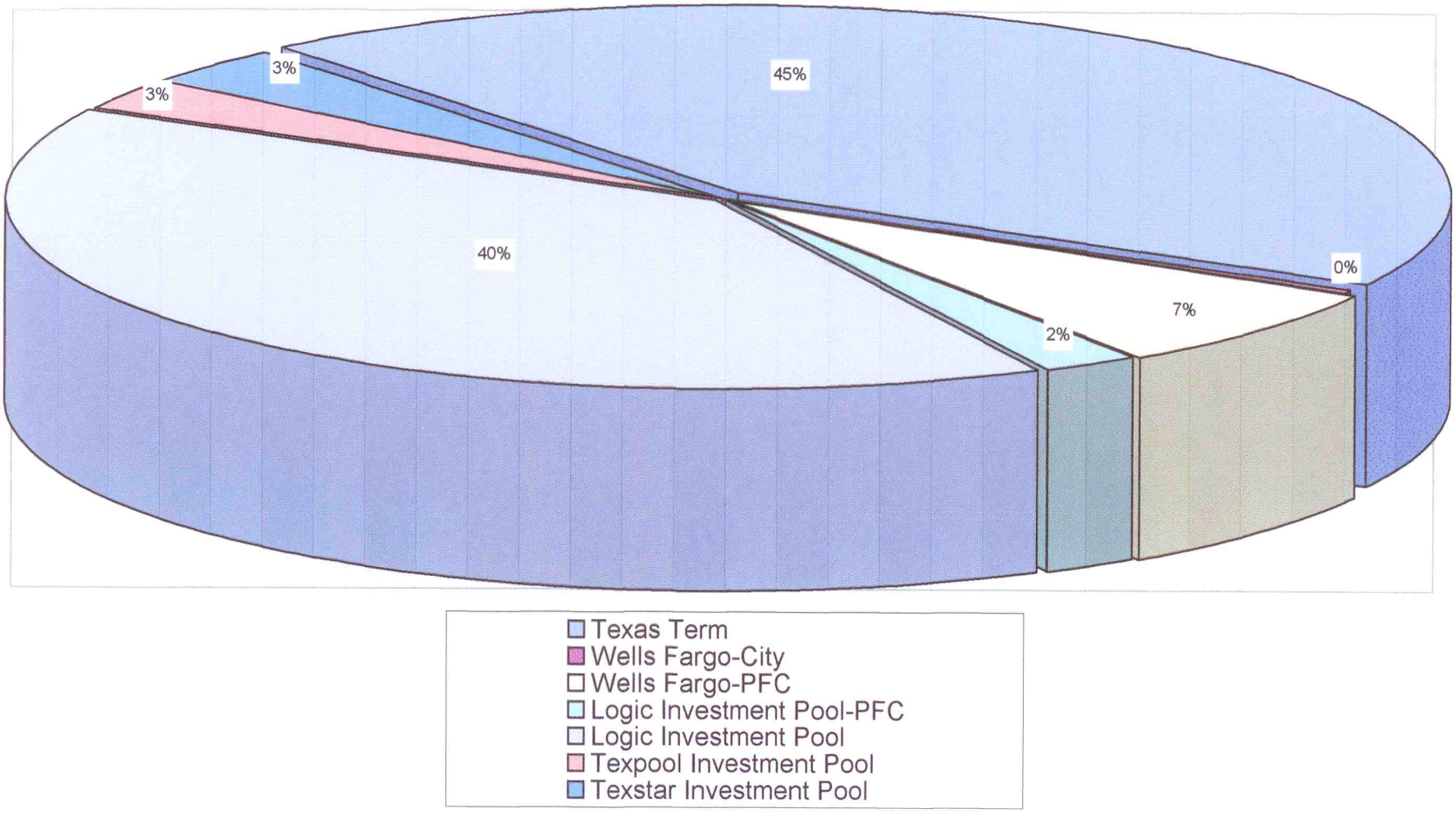
c: Mayor John Cook and Council Members
City Clerk

ATTACHMENTS:

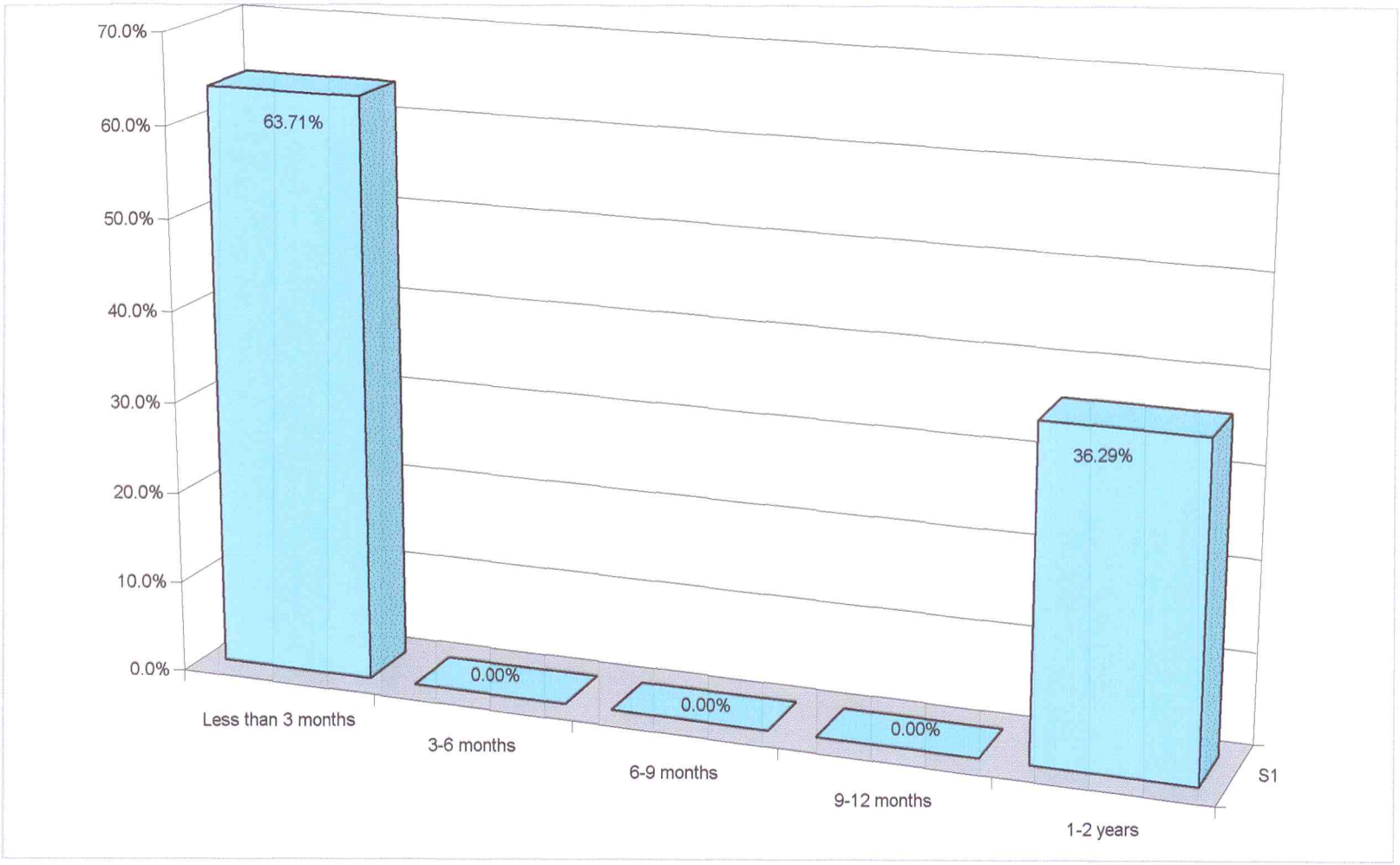
- Chart - City Portfolio by Investment Type
- Chart - Portfolio Maturity
- Chart - Treasury Benchmark Yield Analysis
- Chart - Portfolio Performance Comparison
- Report - Total Return
- Report - Texas Compliance Summary
- Report - Texas Compliance Details

FINANCIAL SERVICES DEPARTMENT,

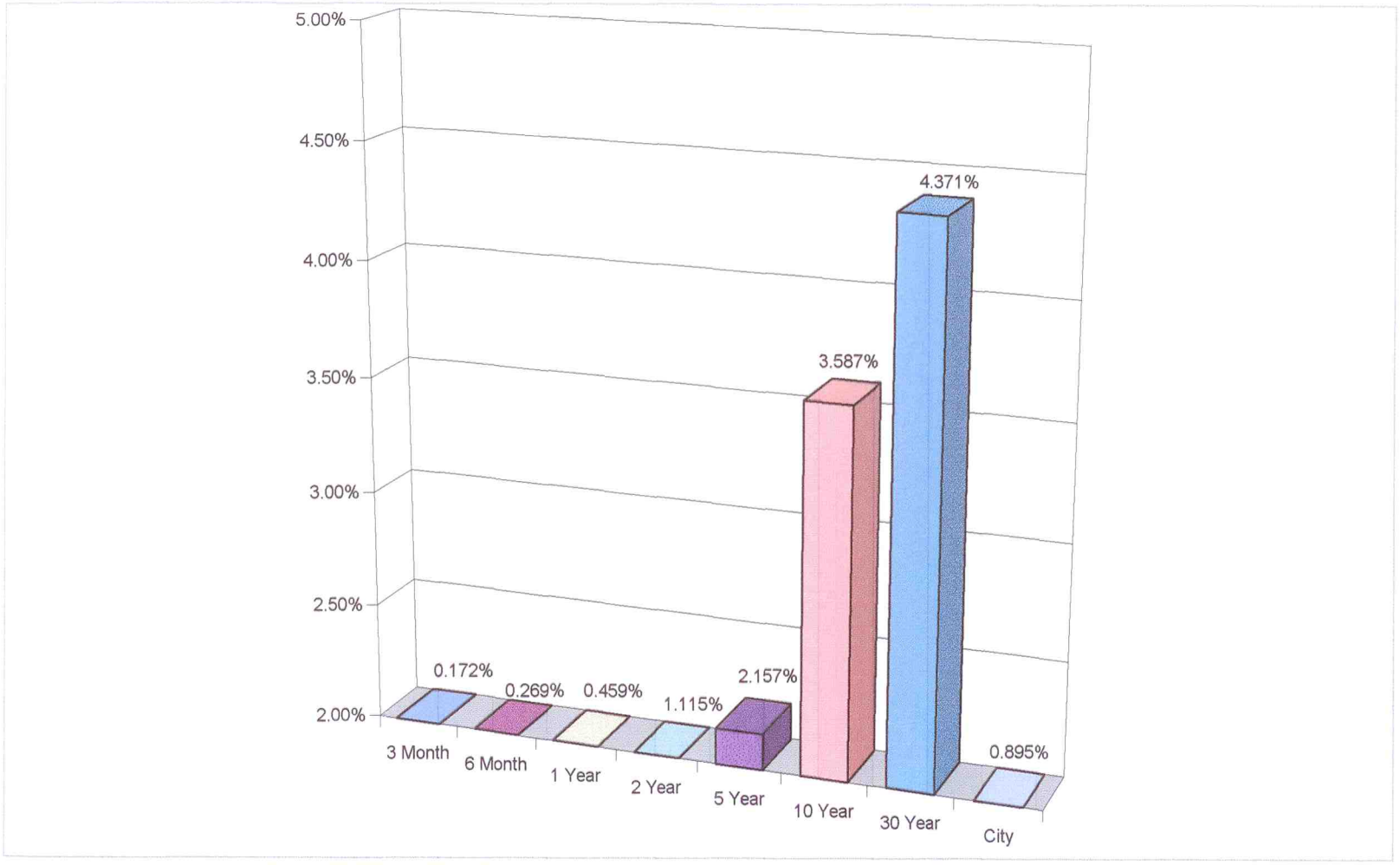
City Portfolio by Investment Type
As of August 31, 2009

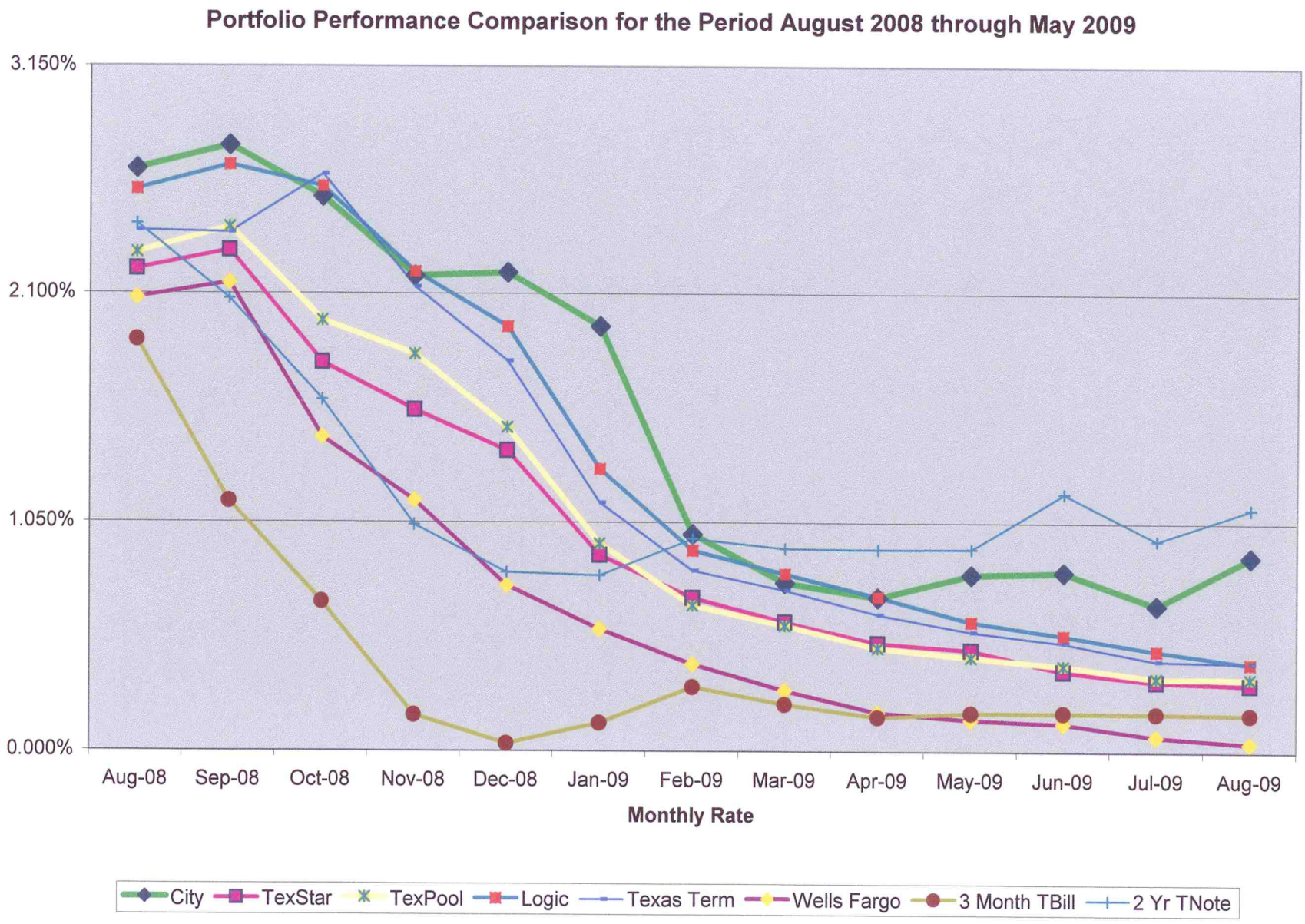


Portfolio Maturity
As of August 31, 2009



Treasury Benchmark Yield Analysis
As of August 31, 2009




Portfolio Performance Comparison for the Period August 2008 through May 2009
3.150%
2.100%
1.050%
0.000%
Aug-08
Sep-08
Oct-08
Nov-08
Dec-08
Jan-09
Feb-09
Mar-09
Apr-09
May-09
Jun-09
Jul-09
Aug-09
Monthly Rate
City
TexStar
TexPool
Logic
Texas Term
Wells Fargo
3 Month TBill
2 Yr TNote

City of El Paso
Total Return
Sorted by Security Type - Fund
June 1, 2009 - August 31, 2009
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
Security Type: Federal Agency Coupon Securities												
31398AWY4	510000058	01	Amortized	43,137,630.33	43,137,630.33	43,139,248.46	04/29/2011	1.700	1.702	183,387.50	1,618.13	185,005.63
3128X8WC2	510000057	01	Amortized	6,852,631.14	6,852,631.14	6,852,458.94	04/20/2011	1.750	1.725	29,968.75	-172.20	29,796.55
			Subtotal	49,990,261.47	49,990,261.47	49,991,707.40			1.705	213,356.25	1,445.93	214,802.18
Security Type: Investment Pools												
608352	5060000007	01	Amortized	0.00	0.00	0.00		0.836		0.00	0.00	0.00
SYS5010000008	5010000008	01	Amortized	0.00	1,496,978.77	1,936,686.11		0.406	0.574	2,164.36	0.00	2,164.36
746000749	5010000007	01	Amortized	45,257,759.35	43,125,564.61	35,308,932.52		0.406	0.429	46,600.52	0.00	46,600.52
071031111000	5020000007	01	Amortized	22,398,040.19	15,231,207.01	2,412,039.98		0.338	0.194	7,439.94	0.00	7,439.94
746000749	5030000007	01	Amortized	35,375,451.67	22,488,653.97	2,895,030.32		0.309	0.182	10,318.30	0.00	10,318.30
TX0103050001	501000007	01	Amortized	0.00	0.00	0.00		5.410		0.00	0.00	0.00
12826111	506000010	01	Amortized	6,555,179.68	2,231,498.25	155,646.03		0.040	0.047	264.34	0.00	264.34
SYS528	528	01	Amortized	0.00	0.00	0.00		2.700		0.00	0.00	0.00
SYS536	536	01	Amortized	5,000,000.00	3,804,347.83	0.00		0.700	1.620	15,534.25	0.00	15,534.25
SYS531	531	01	Amortized	0.00	0.00	0.00		2.680		0.00	0.00	0.00
SYS526	526	01	Amortized	0.00	0.00	0.00		2.560		0.00	0.00	0.00
SYS537	537	01	Amortized	3,000,000.00	2,608,695.65	0.00		0.700	1.479	9,723.29	0.00	9,723.29
SYS534	534	01	Amortized	5,500,000.00	418,478.26	0.00		0.610	0.610	643.43	0.00	643.43
SYS535	535	01	Amortized	3,500,000.00	2,396,739.13	0.00		0.700	1.678	10,135.62	0.00	10,135.62
SYS532	532	01	Amortized	0.00	0.00	0.00		3.030		0.00	0.00	0.00
SYS533	533	01	Amortized	5,000,000.00	163,043.48	0.00		0.810	0.810	332.87	0.00	332.87
SYS520	520	01	Amortized	0.00	0.00	0.00		2.600		0.00	0.00	0.00
SYS514	514	01	Amortized	0.00	0.00	0.00		5.130		0.00	0.00	0.00
SYS515	515	01	Amortized	0.00	0.00	0.00		4.700		0.00	0.00	0.00
SYS513	513	01	Amortized	0.00	0.00	0.00		5.600		0.00	0.00	0.00
SYS512	512	01	Amortized	0.00	0.00	0.00		5.480		0.00	0.00	0.00
SYS506000011	506000011	01	Amortized	39,352,983.75	85,466,782.48	38,492,509.96		0.410	0.579	124,762.66	0.00	124,762.66
SYS511	511	01	Amortized	0.00	0.00	0.00		5.220		0.00	0.00	0.00
SYS516	516	01	Amortized	0.00	0.00	0.00		4.960		0.00	0.00	0.00
SYS517	517	01	Amortized	0.00	0.00	0.00		4.300		0.00	0.00	0.00
SYS523	523	01	Amortized	0.00	0.00	0.00		2.720		0.00	0.00	0.00

City of El Paso
Total Return
Sorted by Security Type - Fund

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
Security Type: Investment Pools												
SYS524	524	01	Amortized	0.00	0.00	0.00		2.600		0.00	0.00	0.00
SYS522	522	01	Amortized	0.00	0.00	0.00		2.750		0.00	0.00	0.00
SYS519	519	01	Amortized	0.00	0.00	0.00		2.960		0.00	0.00	0.00
SYS521	521	01	Amortized	0.00	0.00	0.00		2.640		0.00	0.00	0.00
SYS525	525	01	Amortized	0.00	0.00	0.00		2.530		0.00	0.00	0.00
SYS518	518	01	Amortized	0.00	0.00	0.00		4.600		0.00	0.00	0.00
332150	5060000008	02	Amortized	0.00	0.00	0.00		2.350		0.00	0.00	0.00
12828893	506000009	02	Amortized	6,549,494.73	6,546,807.77	6,546,450.70		0.040	0.059	977.79	0.00	977.79
			Subtotal	177,488,909.37	185,978,797.21	87,747,295.62			0.488	228,897.37	0.00	228,897.37
			Total	227,479,170.84	235,969,058.68	137,739,003.02			0.746	442,253.62	1,445.93	443,699.55

Components of Return: Interest: 0.744
Amortization: 0.002
Market Value:

City of El Paso
Texas Compliance Summary
Sorted by Investment Class
June 1, 2009 - August 31, 2009

Investment Class		Par Value	Market Value	Book Value	Accrued Interest
Amortized Cost	Value beginning 06/01/2009	227,488,909.37	227,491,540.51	227,479,170.84	5,980,744.28
	Net Change	-89,741,613.75	-91,484,803.45	-89,740,167.82	168,823.74
	Value ending 08/31/2009	137,747,295.62	136,006,737.06	137,739,003.02	6,149,568.02
Total	Value beginning 06/01/2009	227,488,909.37	227,491,540.51	227,479,170.84	5,980,744.28
	Net Change	-89,741,613.75	-91,484,803.45	-89,740,167.82	168,823.74
	Value ending 08/31/2009	137,747,295.62	136,006,737.06	137,739,003.02	6,149,568.02

City of El Paso
Texas Compliance Details
Sorted by Investment Class
August 31, 2009

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	35,308,932.52			0.406	100.000	02/29/2004	35,308,932.52	35,308,932.52
071031111000	5020000007	01	TEXPOOL Investment Pool	PA1	2,412,039.98			0.338	100.000	05/31/2000	2,412,039.98	2,412,039.98
SYS5010000008	5010000008	01	Logic Investment Pool	PA1	1,936,686.11			0.406	10.000	01/16/2001	193,668.61	1,936,686.11
746000749	5030000007	01	Texstar	PA1	2,895,030.32			0.309	100.000	02/29/2004	2,895,030.32	2,895,030.32
12828893	506000009	02	WELLS FARGO GOVERNMENT MMF	PA1	6,546,450.70			0.040	100.000	03/09/2005	6,546,450.70	6,546,450.70
12826111	506000010	01	WELLS FARGO GOVERNMENT MMF	PA1	155,646.03			0.040	100.000	04/05/2005	155,646.03	155,646.03
SYS506000011	506000011	01	Texas Term	PA1	38,492,509.96			0.410	100.000	06/05/2007	38,492,509.96	38,492,509.96
3128X8WC2	510000057	01	Federal National Mortgage Assn	FAC	6,850,000.00	04/20/2011	04/20/2010	1.750			6,852,458.94	6,852,458.94
31398AWY4	510000058	01	Federal National Mortgage Assn	FAC	43,150,000.00	04/29/2011	04/29/2010	1.700	100.000	04/29/2009	43,150,000.00	43,139,248.46
				Subtotal	137,747,295.62						136,006,737.06	137,739,003.02
				Total	137,747,295.62						136,006,737.06	137,739,003.02