Dedicated to Outstanding Customer Service for a Better Community

SERVICE SOLUTIONS SUCCESS

June 17, 2010

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 May 31, 2010.

Submitted for your review and acceptance is the City of El Paso third 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 no 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 0.160% for the quarter ended May 31, 2010.

The following is a summary comparison of selected information as of February 28, 2010 and May 31, 2010:

	3rd Quarter 2010 May 31, 2010	2nd Quarter 2010 February 28, 2010
Principal Invested	$240,322,075.77	$271,213,873.68
Portfolio Book Value	$240,322,075.77	$271,207,092.77
Portfolio Fair Value	$240,430,654.70	$271,319,947.98
Weighted Average Maturity	31 Day	129 Day

#2 Civic Center Plaza – 7th floor - El Paso, Texas 79901 - (915) 541-4324
FINANCIAL SERVICES – TREASURY SECTION
Blanca B Lorkowski, Treasury Services Coordinator
lorkowsibb@elpasotexas.gov

THE CITY OF EL PASO TEXAS

Mayor
John F. Cook

City Council

District 1
Ann Morgan Lilly

District 2
Susie Byrd

District 3
Emma Acosta

District 4
Carl L. Robinson

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:

	May 31, 2010
Investment Pools	0.160%
U. S. Agency Securities	0.950%
Average 3-month T-bill Rate	0.158%
Average 6-month T-bill Rate	0.231%
Average 6-month CD Rate	0.467%
City Average Portfolio Yield	0.218%

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 28.9 basis points lower at the end of quarter compared to the beginning of the quarter. This decrease is an expected consequence of the current economic climate. The City's current average portfolio yield was higher than the 3-month T-bill rate over the same period by 6 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

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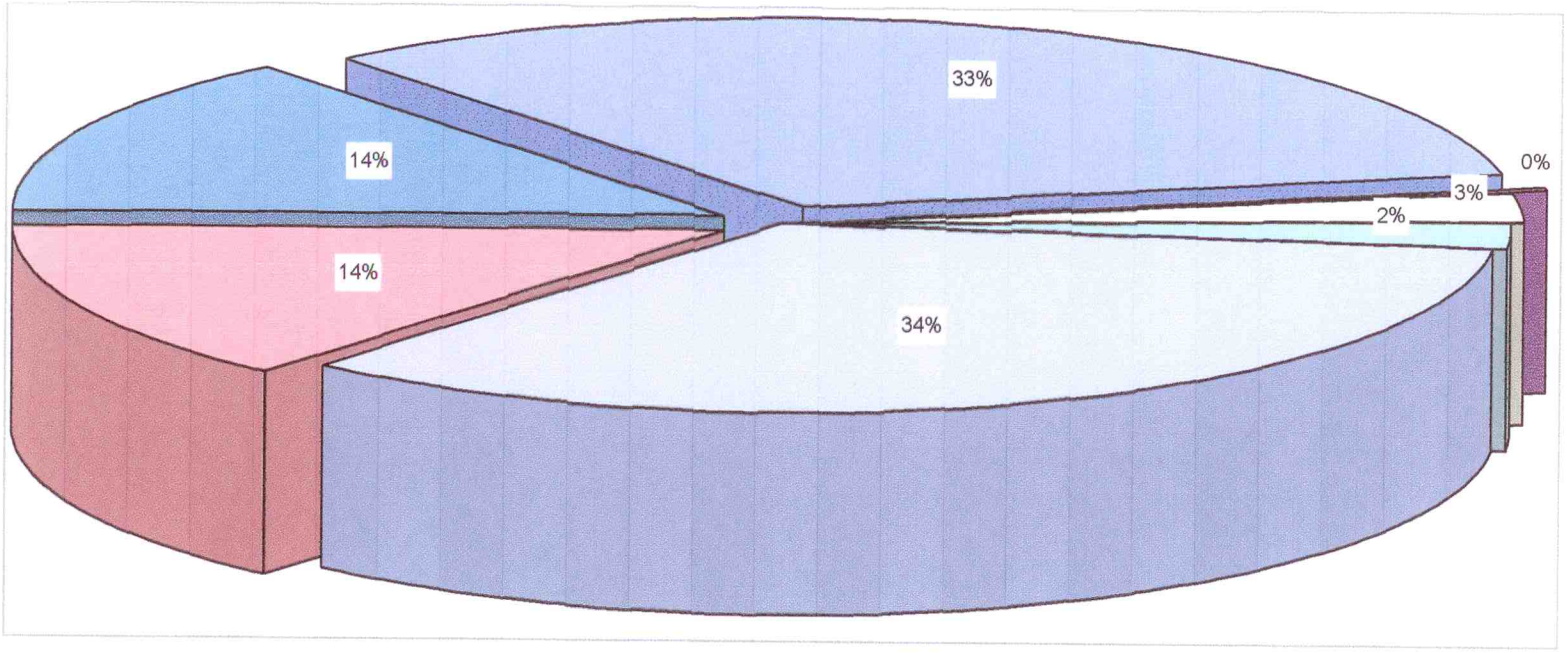
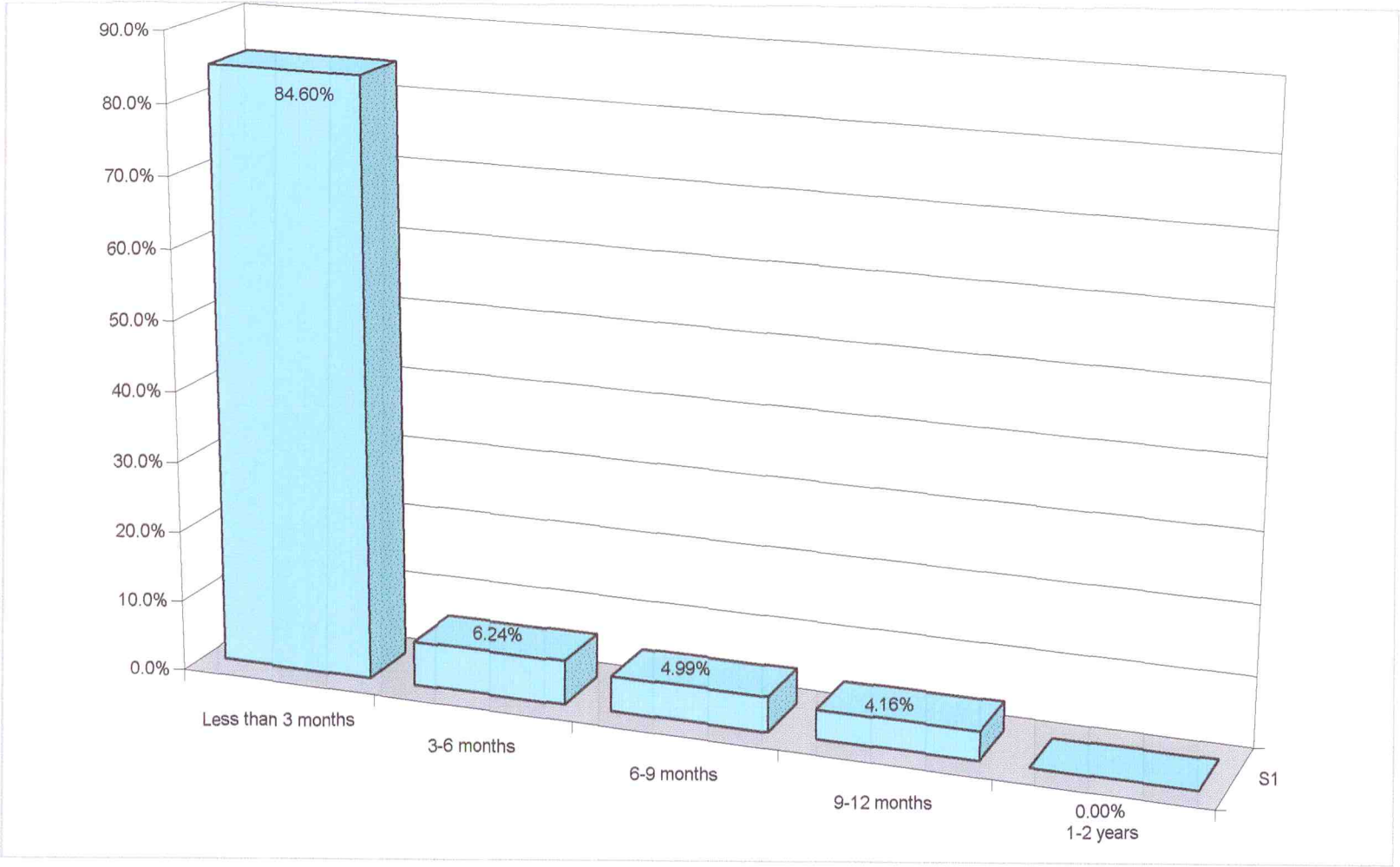
City Portfolio by Investment Type
As of May 31, 2010

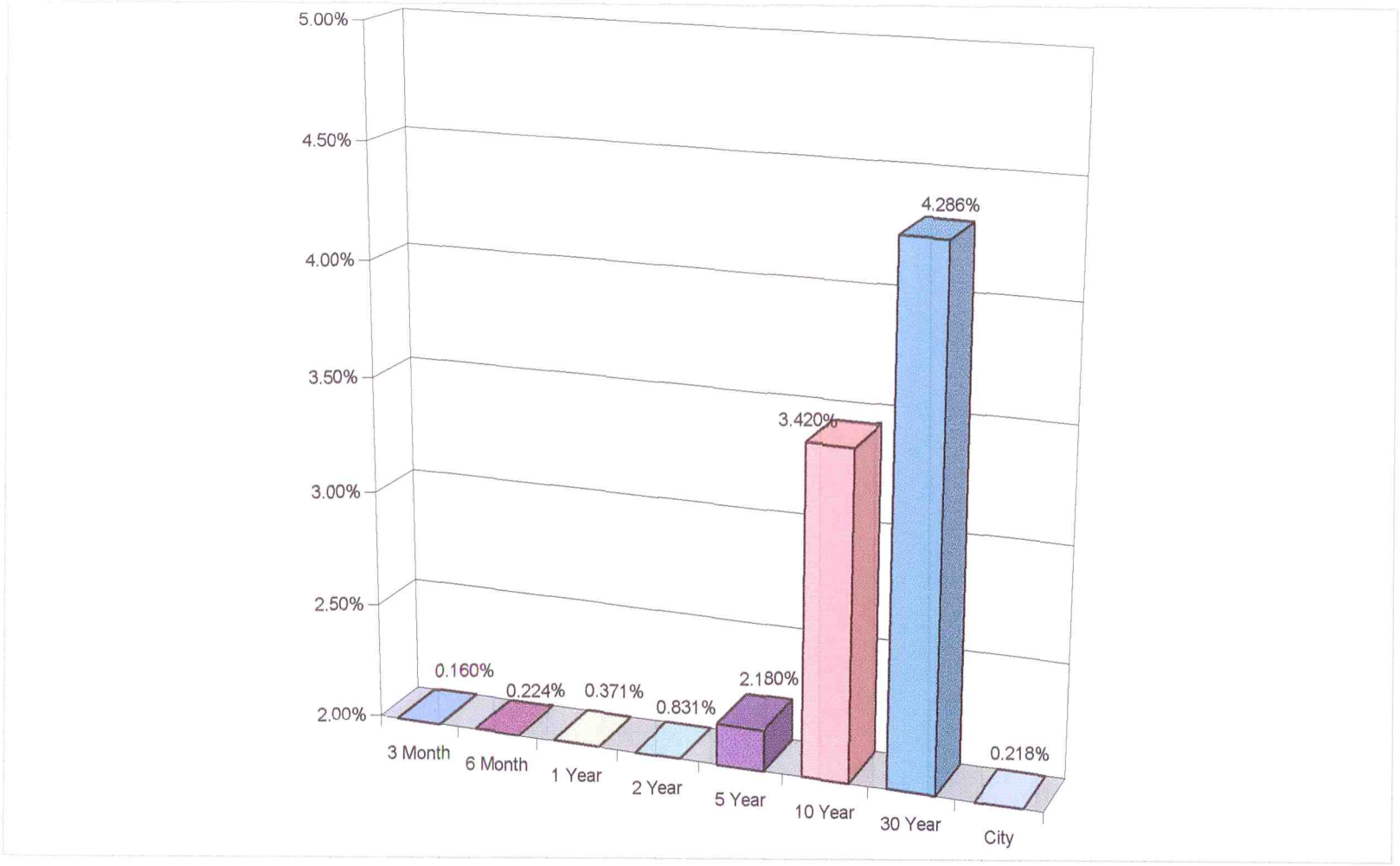


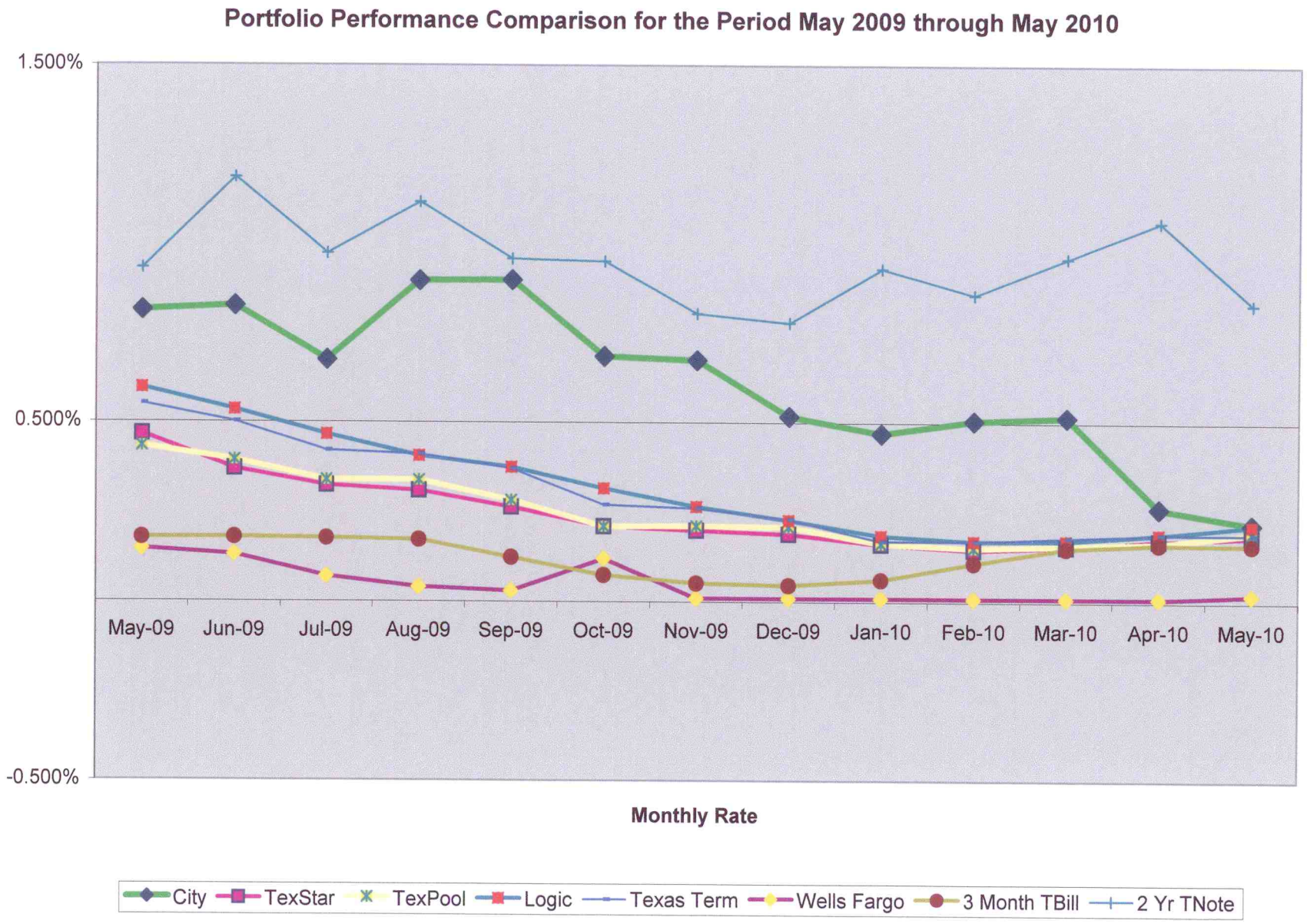
- Texas Term
- Wells Fargo-City
- Wells Fargo-PFC
- Logic Investment Pool-PFC
- Logic Investment Pool
- Texpool Investment Pool
- Texstar Investment Pool

Portfolio Maturity
As of May 31, 2010



Treasury Benchmark Yield Analysis
As of May 31, 2010




Portfolio Performance Comparison for the Period May 2009 through May 2010
1.500%
0.500%
-0.500%
May-09
Jun-09
Jul-09
Aug-09
Sep-09
Oct-09
Nov-09
Dec-09
Jan-10
Feb-10
Mar-10
Apr-10
May-10
Monthly Rate
City
TexStar
TexPool
Logic
Texas Term
Wells Fargo
3 Month TBill
2 Yr TNote

City of El Paso
Total Return Report - by Security Sector
Report Format: By Transaction
Group By: Security Sector
Portfolio/Report Group: All Portfolios
Begin Date: 2/28/2010, End Date: 5/31/2010

Description	CUSIP/Ticker	Beginning BV	Ending BV	Maturity Date	Current Rate	Ending YTM @ Cost	TRR-MV	Interest/Dividends	Interest Earned During Period-MV	Investment Income-MV	Difference in Accrued Interest	Interest Earned During Period-BV	Ending Market Accrued Interest
CORPORATE													
TEXAS TERM 0.2 7/9/2010	TEXASTERM16	0.00	5,000,000.00	7/9/2010	-0.422	0.20000	0.12	0.00	2,222.22	5,509.87	2,222.22	2,222.22	2,222.22
Texas Term 0.21 11/15/2010	TEXASTERM15	0.00	5,000,000.00	11/15/2010	-0.117	0.21000	0.20	0.00	2,625.00	10,075.70	2,625.00	2,625.00	2,625.00
TEXAS TERM 0.27 12/29/2010	TEXASTERM17	0.00	1,000,000.00	12/29/2010	-0.098	0.27000	0.32	0.00	562.50	2,692.91	562.50	562.50	562.50
TEXAS TERM 0.31 1/20/2011	TEXASTERM21	0.00	5,000,000.00	1/20/2011	-0.072	0.31000	0.50	0.00	2,238.89	14,384.09	2,238.89	2,238.89	2,238.89
TEXAS TERM 0.31 8/10/2010	TEXASTERM23	0.00	5,000,000.00	8/10/2010	-0.089	0.31000	0.43	0.00	818.06	4,639.96	818.06	818.06	818.06
TEXAS TERM 0.33 2/3/2011	TEXASTERM18	0.00	1,000,000.00	2/3/2011	-0.105	0.33000	0.43	0.00	687.50	3,616.82	687.50	687.50	687.50
TEXAS TERM 0.35 12/9/2010	TEXASTERM22	0.00	5,000,000.00	12/9/2010	-0.092	0.35000	0.51	0.00	2,381.94	13,936.74	2,381.94	2,381.94	2,381.94
TEXAS TERM 0.35 9/21/2010	TEXASTERM24	0.00	5,000,000.00	9/21/2010	-0.039	0.35000	0.99	0.00	534.72	6,479.92	534.72	534.72	534.72
TEXAS TERM 0.39 3/18/2011	TEXASTERM19	0.00	5,000,000.00	3/18/2011	-0.091	0.39000	0.61	0.00	3,629.17	22,808.62	3,629.17	3,629.17	3,629.17
TEXAS TERM 0.41 10/29/2010	TEXASTERM25	0.00	5,000,000.00	10/29/2010	-0.016	0.41000	2.77	0.00	284.72	9,046.37	284.72	284.72	284.72
Texas Term 0.42 4/12/2011	TEXASTERM20	0.00	5,000,000.00	4/12/2011	-0.061	0.42000	0.94	0.00	2,625.00	23,394.85	2,625.00	2,625.00	2,625.00
TEXASTERM 0.12 4/16/2010	TEXASTERM14	5,000,000.00	0.00	4/16/2010			0.00	1,566.67	800.00	11.00	-766.67	800.00	0.00
TEXASTERM 0.15 6/7/2010	TEXASTERM13	5,000,000.00	5,000,000.00	6/7/2010	-3.594	0.15000	0.08	0.00	1,937.50	3,951.20	1,937.50	1,937.50	3,020.83
TexasTerm 0.15 7/7/2010	TEXASTERM12	10,000,000.00	10,000,000.00	7/7/2010	-0.597	0.15000	0.09	0.00	3,875.00	9,135.30	3,875.00	3,875.00	6,041.67
Sub Total/Average Corporate		**20,000,000.00**	**62,000,000.00**			**0.28387**	**0.30**	**1,566.67**	**25,222.22**	**129,683.35**	**23,655.55**	**25,222.22**	**27,672.22**
LOCAL GOVERNMENT INVESTMENT POOL													
Logic LGIP	LOGIC01	60,356,353.38	82,387,673.10	N/A	0.215	0.21480	0.05	31,319.72	31,319.72	31,319.72	0.00	31,319.72	N/A
Logic LGIP	LOGIC02	4,290,635.96	5,322,995.25	N/A	0.215	0.21480	0.05	2,359.29	2,359.29	2,359.29	0.00	2,359.29	N/A
TexasDaily LGIP	TEXASDAILY	35,034,099.81	17,050,036.13	N/A	0.190	0.19000	0.05	15,936.32	15,936.32	15,936.32	0.00	15,936.32	N/A
TexPool LGIP	TEXPOOL	44,431,954.88	33,447,276.85	N/A	0.194	0.19350	0.04	15,321.97	15,321.97	15,321.97	0.00	15,321.97	N/A
TexStar LGIP	TEXSTAR	34,412,148.59	33,425,158.56	N/A	0.184	0.18380	0.04	13,009.97	13,009.97	13,009.97	0.00	13,009.97	N/A
Sub Total/Average Local Government Investment Pool		**178,525,192.62**	**171,633,139.89**			**0.20215**	**0.05**	**77,947.27**	**77,947.27**	**77,947.27**	**0.00**	**77,947.27**	**0.00**
MONEY MARKET													
Wells Fargo MM	WFCITY	155,848.12	155,854.06	N/A	0.020	0.02000	0.00	5.94	5.94	5.94	0.00	5.94	N/A
Wells Fargo MM	WFPFC	6,532,832.94	6,533,081.82	N/A	0.020	0.02000	0.00	248.88	248.88	248.88	0.00	248.88	N/A
Sub Total/Average Money Market		**6,688,681.06**	**6,688,935.88**			**0.02000**	**0.00**	**254.82**	**254.82**	**254.82**	**0.00**	**254.82**	**0.00**
US AGENCY													
FHLB 1.25 2/24/2012-10	3133XWZM4	16,000,000.00	0.00	2/24/2012			0.26	0.00	47,777.78	37,697.78	-2,222.22	47,777.78	0.00
FHLMC 1.75 4/20/2011-10	3128X8WC2	6,850,788.32	0.00	4/20/2011			0.18	59,937.50	17,315.28	6,560.78	-42,622.22	17,215.79	0.00
FNMA 1.7 4/29/2011-10	31398AWY4	43,142,430.77	0.00	4/29/2011			0.15	366,775.00	124,295.97	43,173.97	-242,479.03	125,392.70	0.00
Sub Total/Average US Agency		**65,993,219.09**	**0.00**				**0.19**	**426,712.50**	**189,389.03**	**87,432.53**	**-287,323.47**	**190,386.27**	**0.00**
Total / Average		**271,207,092.77**	**240,322,075.77**			**0.21816**	**0.11**	**506,481.26**	**292,813.34**	**295,317.97**	**-263,667.92**	**293,810.58**	**27,672.22**

City of El Paso
Texas Compliance Summary - by Security Type
Report Format: By Totals
Group By: Security Type
Portfolio/Report Group: All Portfolios
As of 5/31/2010

Description	CUSIP/Ticker	Face Amount/Shares	Coupon Rate	Market Price	Market Value	Book Value	% of Portfolio
Corporate Bond		62,000,000.00	0.284	100.175127	62,108,578.93	62,000,000.00	25.80
Local Government Investment Pool		171,633,139.89	0.202	100	171,633,139.89	171,633,139.89	71.42
Money Market		6,688,935.88	0.020	100	6,688,935.88	6,688,935.88	2.78
Total / Average		240,322,075.77	0.218	100.045181	240,430,654.70	240,322,075.77	100

City of El Paso
Texas Compliance Details
Report Format: By Transaction
Group By:
Portfolio/Report Group: All Portfolios
As of 5/31/2010

Description	CUSIP/Ticker	Issuer	Face Amount/Shares	Next Call Date	Coupon Rate	Current Rate	Market Price	Settlement Date	Maturity Date	Market Value	Book Value	% of Portfolio
Logic LGIP	LOGIC02	Logic	5,322,995.25	N/A	0.215	0.215	100	6/18/2009	N/A	5,322,995.25	5,322,995.25	2.21
Logic LGIP	LOGIC01	Logic	82,387,673.10	N/A	0.215	0.215	100	8/31/2008	N/A	82,387,673.10	82,387,673.10	34.28
TEXAS TERM 0.2 7/9/2010	TEXASTERM16	TEXAS TERM	5,000,000.00		0.200		100.065753	3/11/2010	7/9/2010	5,003,287.65	5,000,000.00	2.08
Texas Term 0.21 11/15/2010	TEXASTERM15	Texas Term	5,000,000.00		0.210		100.149014	3/1/2010	11/15/2010	5,007,450.70	5,000,000.00	2.08
TEXAS TERM 0.27 12/29/2010	TEXASTERM17	TEXAS TERM	1,000,000.00		0.270		100.213041	3/16/2010	12/29/2010	1,002,130.41	1,000,000.00	0.42
TEXAS TERM 0.31 1/20/2011	TEXASTERM21	TEXAS TERM	5,000,000.00		0.310		100.242904	4/9/2010	1/20/2011	5,012,145.20	5,000,000.00	2.08
TEXAS TERM 0.31 8/10/2010	TEXASTERM23	TEXAS TERM	5,000,000.00		0.310		100.076438	5/12/2010	8/10/2010	5,003,821.90	5,000,000.00	2.08
TEXAS TERM 0.33 2/3/2011	TEXASTERM18	TEXAS TERM	1,000,000.00		0.330		100.292932	3/16/2010	2/3/2011	1,002,929.32	1,000,000.00	0.42
TEXAS TERM 0.35 12/9/2010	TEXASTERM22	TEXAS TERM	5,000,000.00		0.350		100.231096	4/12/2010	12/9/2010	5,011,554.80	5,000,000.00	2.08
TEXAS TERM 0.35 9/21/2010	TEXASTERM24	TEXAS TERM	5,000,000.00		0.350		100.118904	5/20/2010	9/21/2010	5,005,945.20	5,000,000.00	2.08
TEXAS TERM 0.39 3/18/2011	TEXASTERM19	TEXAS TERM	5,000,000.00		0.390		100.383589	3/24/2010	3/18/2011	5,019,179.45	5,000,000.00	2.08
TEXAS TERM 0.41 10/29/2010	TEXASTERM25	TEXAS TERM	5,000,000.00		0.410		100.175233	5/26/2010	10/29/2010	5,008,761.65	5,000,000.00	2.08
Texas Term 0.42 4/12/2011	TEXASTERM20	Texas Term	5,000,000.00		0.420		100.415397	4/16/2010	4/12/2011	5,020,769.85	5,000,000.00	2.08
TexasDaily LGIP	TEXASDAILY	TexasDaily	17,050,036.13	N/A	0.190	0.190	100	8/31/2008	N/A	17,050,036.13	17,050,036.13	7.09
TEXASTERM 0.15 6/7/2010	TEXASTERM13	TEXASTERM	5,000,000.00		0.150		100.062466	1/6/2010	6/7/2010	5,003,123.30	5,000,000.00	2.08
TexasTerm 0.15 7/7/2010	TEXASTERM12	TexasTerm	10,000,000.00		0.150		100.074795	1/6/2010	7/7/2010	10,007,479.50	10,000,000.00	4.16
TexPool LGIP	TEXPOOL	TexPool	33,447,276.85	N/A	0.194	0.194	100	8/31/2008	N/A	33,447,276.85	33,447,276.85	13.92
TexStar LGIP	TEXSTAR	TexStar	33,425,158.56	N/A	0.184	0.184	100	8/31/2008	N/A	33,425,158.56	33,425,158.56	13.91
Wells Fargo MM	WFPFC	Wells Fargo	6,533,081.82	N/A	0.020	0.020	100	8/31/2008	N/A	6,533,081.82	6,533,081.82	2.72
Wells Fargo MM	WFCITY	Wells Fargo	155,854.06	N/A	0.020	0.020	100	8/31/2008	N/A	155,854.06	155,854.06	0.06
Total / Average			**240,322,075.77**		**0.218**		**100.045181**			**240,430,654.70**	**240,322,075.77**	**100**