



# Michigan Association of County Treasurers

MACT Educational Summer Conference

August 17, 2009

Investing in Turbulent Times

Catherine McClary, Washtenaw County Treasurer

William J. Rokos, Grand Traverse County Treasurer



# Michigan Association of County Treasurers

P.A. 20 of 1943 as amended

MCL 129.91 – 129.97a

## 129.91 - Section 1 - Legal Investments

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (2), or certificates of deposit obtained through a financial institution as provided in subsection (5).
3. Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.



# Michigan Association of County Treasurers

P.A. 20 of 1943 as amended

MCL 129.91 – 129.97a

## 129.91 - Section 1 - Legal Investments

4. Repurchase agreements consisting of instruments listed in subdivision (a).
5. Bankers' acceptances of United States banks.
6. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
7. Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 USC 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation.



# Michigan Association of County Treasurers

P.A. 20 of 1943 as amended

MCL 129.91 – 129.97a

## 129.91 - Section 1 - Legal Investments

8. Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
9. Investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118.
10. The investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.



# Michigan Association of County Treasurers

129.91 - SECTIONS 2-5

Section 5 refers to "CDARS"

- (2) Except as provided in subsection (5), a public corporation that invests its funds under subsection (1) shall not deposit or invest the funds in a financial institution that is not eligible to be a depository of funds belonging to this state under a law or rule of this state or the United States.
- (3) Assets acceptable for pledging to secure deposits of public funds are limited to assets authorized for direct investment under subsection (1).
- (4) The governing body by resolution may authorize its investment officer to enter into written agreements with other public corporations to pool or coordinate the funds to be invested under this section with the funds of other public corporations



# Michigan Association of County Treasurers

## 129.91 - Definitions – sections 7 and 8

- As used in this section, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.
- "Governing body" means the legislative body, council, commission, board, or other body having legislative powers of a public corporation.
- "Funds" means the money of a public corporation, the investment of which is not otherwise subject to a public act of this state . . .
- "Investment officer" means the treasurer or other person designated by statute or charter of a public corporation to act as the investment officer. In the absence of a statutory or charter designation, the governing body of a public corporation shall designate the investment officer.
- "Public corporation" means a county, city, village, township, port district, drainage district, special assessment district, or metropolitan district of this state, or a board, commission, or another authority or agency created by or under an act of the legislature of this state.



# Michigan Association of County Treasurers

## Deferred Comp – 457's

**129.94** Funds accumulated under eligible deferred compensation plan; deposit; investment; existing investments ratified and validated.

## Investment Policies

**129.95** Investment policy; adoption by governing body.

## Oil and Gas Exploration Trust Funds

**129.97** May invest the assets of the long-term or perpetual trust fund as is granted an investment fiduciary under the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1140m.

## Park Operations and Maintenance

**129.97a** The investment officer with the same authority to invest the assets under the public employee retirement system



# Michigan Association of County Treasurers

## 129.91 - Section 5 - CDARS

“In addition to the investments authorized under subsection (1), the governing body by resolution may authorize its investment officer to invest the funds of the public corporation in certificates of deposit in accordance with all of the following conditions . . .”

### CDARS – some advantages

- **Full FDIC Insurance**
- **No need to Collateralize**
- **One Bank, One Rate, One Statement**
- **A Wide Variety of Maturities**
- **Money Stays in the Local Bank**



# Michigan Association of County Treasurers

## CDARS – How they work

- Financial institutions can offer CDARS because they are members of a special network.
- When you place a large deposit with a network member, that institution uses CDARS to place your funds into certificates of deposit issued by banks in the network. This occurs in increments of less than the standard FDIC insurance maximum to ensure that both principal and interest are eligible for full FDIC insurance.
- Other network members do the same thing with their customers' deposits. With the help of a sophisticated matching system, network members exchange funds. This exchange occurs on a dollar-for-dollar basis, so that the equivalent of your original deposit comes back to your institution and effectively stays local (meaning the full amount can support lending initiatives that build a stronger local community).



# Michigan Association of County Treasurers

## Economy in Trouble

- In 2007 the crisis in the housing and mortgage industry affected more than our homeowners, our neighborhoods, and our property tax revenues. It also had a negative impact on the availability of safe investments and on interest rates.
- In 2008 home prices plunged, the value of retirement funds plummeted, and the credit markets collapsed. To recover public confidence in banking, the federal government insured money market funds and increased insurance coverage on bank deposits.



# Michigan Association of County Treasurers

## Economy in Trouble

In this new economic environment, the Washtenaw County Treasurer initiated investment changes:

- She maintained larger than normal money market investments that were insured and she invested in Certificates of Deposit, up to the insurance limit per bank, in all banks doing business in Washtenaw County that met qualifications for safety and offered competitive rates.
- This increased the County's investment from 3 local banks to 16 without any increased risk to the public.
- The new investment strategies enabled the Treasurer to safeguard funds, support local banks, and increase the County's return above the benchmark.



# Michigan Association of County Treasurers

## Changes in Investment Philosophy

Letter to Bankers:

“These have been difficult times for banking and bankers – thank you for your continued attention to the needs of the public in safeguarding funds and for your service. I am announcing a new initiative undertaken by the Office of the Washtenaw County Treasurer.

I want to support local banks and Michigan banks by contributing to the pool of funds lent out to homeowners and businesses in our community. We are pleased by the federal decision to raise the FDIC insurance limit to \$250,000. Effective immediately, I will make Certificate of Deposit investments, up to \$250,000, in compliance with P.A. 20 as amended, in all banks doing business in Washtenaw County that meet our minimum qualifications for safety and offer competitive rates. We hope to do business with you.”

**INVESTMENT OF SURPLUS FUNDS OF POLITICAL SUBDIVISIONS**  
**Act 20 of 1943**

AN ACT relative to the investment of funds of public corporations of the state; and to validate certain investments.

**History:** 1943, Act 20, Imd. Eff. Mar. 13, 1943;—Am. 1988, Act 285, Imd. Eff. Aug. 1, 1988;—Am. 1997, Act 196, Imd. Eff. Dec. 30, 1997.

*The People of the State of Michigan enact:*

**129.91 Investment of funds of public corporations; eligible depository; secured deposits; funds limitation on acceptable assets; pooling or coordinating funds; written agreements; investment in certificate of deposit; conditions; “financial institution” defined; additional definitions.**

Sec. 1. (1) Except as provided in section 5, the governing body by resolution may authorize its investment officer to invest the funds of that public corporation in 1 or more of the following:

(a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

(b) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (2), or certificates of deposit obtained through a financial institution as provided in subsection (5).

(c) Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.

(d) Repurchase agreements consisting of instruments listed in subdivision (a).

(e) Bankers' acceptances of United States banks.

(f) Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.

(g) Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 USC 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:

(i) The purchase of securities on a when-issued or delayed delivery basis.

(ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.

(iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.

(h) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(i) Investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118.

(j) The investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.

(2) Except as provided in subsection (5), a public corporation that invests its funds under subsection (1) shall not deposit or invest the funds in a financial institution that is not eligible to be a depository of funds belonging to this state under a law or rule of this state or the United States.

(3) Assets acceptable for pledging to secure deposits of public funds are limited to assets authorized for direct investment under subsection (1).

(4) The governing body by resolution may authorize its investment officer to enter into written agreements with other public corporations to pool or coordinate the funds to be invested under this section with the funds of other public corporations. Agreements allowed under this subsection shall include all of the following:

(a) The types of investments permitted to be purchased with pooled funds.

(b) The rights of members of the pool to withdraw funds from the pooled investments without penalty.

(c) The duration of the agreement and the requirement that the agreement shall not commence until at least 60 days after the public corporations entering the agreement give written notice to an existing local government investment pool which is organized pursuant to the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150, in those counties where such a pool is operating and accepting deposits on or before September 29, 2006.

(d) The method by which the pool will be administered.

(e) The manner by which the public corporations will respond to liabilities incurred in conjunction with the administration of the pool.

(f) The manner in which strict accountability for all funds will be provided for, including an annual statement of all receipts and disbursements.

(g) The manner by which the public corporations will adhere to the requirements of section 5.

(5) In addition to the investments authorized under subsection (1), the governing body by resolution may authorize its investment officer to invest the funds of the public corporation in certificates of deposit in accordance with all of the following conditions:

(a) The funds are initially invested through a financial institution that is not ineligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.

(b) The financial institution arranges for the investment of the funds in certificates of deposit in 1 or more insured depository institutions, as defined in 12 USC 1813, or 1 or more insured credit unions, as defined in 12 USC 1752, for the account of the public corporation.

(c) The full amount of the principal and any accrued interest of each certificate of deposit is insured by an agency of the United States.

(d) The financial institution acts as custodian for the public corporation with respect to each certificate of deposit.

(e) At the same time that the funds of the public corporation are deposited and the certificate or certificates of deposit are issued, the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially invested by the public corporation through the financial institution.

(6) A public corporation that initially invests its funds through a financial institution that maintains an office located in this state may invest the funds in certificates of deposit as provided under subsection (5).

(7) As used in this section, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.

(8) As used in this act:

(a) "Governing body" means the legislative body, council, commission, board, or other body having legislative powers of a public corporation.

(b) "Funds" means the money of a public corporation, the investment of which is not otherwise subject to a public act of this state or bond authorizing ordinance or resolution of a public corporation that permits investment in fewer than all of the investment options listed in subsection (1) or imposes 1 or more conditions upon an investment in an option listed in subsection (1).

(c) "Investment officer" means the treasurer or other person designated by statute or charter of a public corporation to act as the investment officer. In the absence of a statutory or charter designation, the governing body of a public corporation shall designate the investment officer.

(d) "Public corporation" means a county, city, village, township, port district, drainage district, special assessment district, or metropolitan district of this state, or a board, commission, or another authority or agency created by or under an act of the legislature of this state.

**History:** 1943, Act 20, Imd. Eff. Mar. 13, 1943;—CL 1948, 129.91;—Am. 1964, Act 126, Eff. Aug. 28, 1964;—Am. 1977, Act 66, Imd. Eff. July 20, 1977;—Am. 1978, Act 500, Imd. Eff. Dec. 11, 1978;—Am. 1979, Act 79, Imd. Eff. Aug. 1, 1979;—Am. 1982, Act 217, Imd. Eff. July 8, 1982;—Am. 1988, Act 239, Imd. Eff. July 11, 1988;—Am. 1997, Act 44, Imd. Eff. June 30, 1997;—Am. 1997, Act 196, Imd. Eff. Dec. 30, 1997;—Am. 2006, Act 400, Imd. Eff. Sept. 29, 2006;—Am. 2008, Act 308, Imd. Eff. Dec. 18, 2008;—Am. 2009, Act 21, Imd. Eff. May 5, 2009.

### **129.92 Repealed. 1997, Act 196, Imd. Eff. Dec. 30, 1997.**

**Compiler's note:** The repealed section pertained to investment of sinking funds and insurance moneys by school districts.

### **129.93 Existing investments ratified and validated.**

Sec. 3. Investments made before the effective date of the amendatory act that repealed section 2 of the surplus funds, sinking funds, or insurance funds of a political subdivision of this state in bonds and other obligations of the United States or its instrumentalities or certificates of deposit or depository receipts of a bank that is a member of the federal deposit insurance corporation as provided under section 1 and former section 2 of this act are hereby ratified and validated.

**History:** 1943, Act 20, Imd. Eff. Mar. 13, 1943;—CL 1948, 129.93;—Am. 1964, Act 126, Eff. Aug. 28, 1964;—Am. 1997, Act 196, Imd. Eff. Dec. 30, 1997.

### **129.94 Funds accumulated under eligible deferred compensation plan; deposit; investment;**

Rendered Thursday, June 11, 2009

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**existing investments ratified and validated.**

Sec. 4. (1) As used in this section:

(a) "Eligible deferred compensation plan" means a deferred compensation plan established and maintained by a governing body, which plan meets the requirements of section 457 of the internal revenue code.

(b) "Financial institution" means a state or nationally chartered bank, a state or federally chartered savings bank, a state or federally chartered savings and loan association, or a state or federally chartered credit union, which financial institution is insured by an agency or instrumentality of the federal government.

(c) "Governing body" means the legislative or governing body of a county, city, village, township, or special assessment district, or an agency, board, or commission of a county, city, village, or township.

(2) The governing body, by resolution, may authorize its treasurer or chief fiscal officer to deposit funds received under an eligible deferred compensation plan in a financial institution authorized by law to do business in this state or with an authorized deferred compensation agent appointed by the governing body. Notwithstanding any other provision of this act, the treasurer or chief fiscal officer, as authorized by resolution of the governing body, may place funds accumulated under an eligible deferred compensation plan with a financial institution authorized to do business in this state, a state or federally licensed investment company or insurance company authorized to do business in this state, or trust established by public employers for the commingled investment of the amounts held under deferred compensation and retirement plans, which funds shall be invested by the financial institution, insurance company, investment company, or trust as directed by the governing body. The investment of eligible deferred compensation plan funds shall be in the manner and for the purposes described in section 457 of the internal revenue code.

(3) The investment of funds accumulated under an eligible deferred compensation plan of a governing body prior to the effective date of the amendatory act that added this section, which investments otherwise meet the requirements of this section, are ratified and validated.

**History:** Add. 1988, Act 285, Imd. Eff. Aug. 1, 1988.

**129.95 Investment policy; adoption by governing body.**

Sec. 5. (1) Not more than 180 days after the end of a public corporation's first fiscal year that ends after the effective date of the amendatory act that repealed section 2, a governing body, in consultation with the investment officer, shall adopt an investment policy that, at a minimum, includes all of the following:

(a) A statement of the purpose, scope, and objectives of the policy, including safety, diversification, liquidity, and return on investment.

(b) A delegation of authority to make investments.

(c) A list of authorized investment instruments. If the policy authorizes an investment in mutual funds, it shall indicate whether the authorization is limited to securities whose intention is to maintain a net asset value of \$1.00 per share or also includes securities whose net asset value per share may fluctuate on a periodic basis.

(d) A statement concerning safekeeping, custody, and prudence.

(2) A governing body that as of the effective date of the amendatory act that repealed section 2 has adopted an investment policy that substantially complies with the minimum requirements under subsection (1) is not in violation of this section as long as that policy remains in effect.

**History:** Add. 1997, Act 196, Imd. Eff. Dec. 30, 1997.

**129.96 Execution of order to purchase or trade funds of public corporation; providing copy of investment policy; public corporation subject to subsection (1); report.**

Sec. 6. (1) Subject to subsection (2), before executing an order to purchase or trade the funds of a public corporation, a financial intermediary, broker, or dealer shall be provided with a copy of the public corporation's investment policy and shall do both of the following:

(a) Acknowledge receipt of the investment policy.

(b) Agree to comply with the terms of the investment policy regarding the buying or selling of securities.

(2) A public corporation is subject to subsection (1) beginning on the date that the investment policy of a public corporation takes effect or 180 days after the end of the public corporation's first fiscal year ending after the effective date of the amendatory act that repealed section 2, whichever is earlier.

(3) The investment officer shall provide quarterly a written report to the governing body concerning the investment of the funds.

**History:** Add. 1997, Act 196, Imd. Eff. Dec. 30, 1997;—Am. 2007, Act 213, Imd. Eff. Dec. 27, 2007.

**129.97 Long-term or perpetual trust fund; investment of assets; resolution authorizing investment officer same authority as investment fiduciary under MCL 38.1132 to 38.1140m;**

**conditions.**

Sec. 7. Notwithstanding any law or charter provision to the contrary, if a public corporation has a long-term or perpetual trust fund consisting of money and royalties or money derived from oil and gas exploration on property or mineral rights owned by the public corporation, the governing body of the public corporation may by resolution provide its investment officer with the same authority to invest the assets of the long-term or perpetual trust fund as is granted an investment fiduciary under the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1140m.

**History:** Add. 2008, Act 220, Imd. Eff. July 16, 2008.

**129.97a Investment of assets of special revenue fund by investment officer; resolution granting authority; annual special revenue fund report.**

Sec. 7a. (1) Notwithstanding any law or charter to the contrary, if a public corporation has a special revenue fund consisting of payments for park operations and maintenance, the governing body of the public corporation may by resolution provide its investment officer with the same authority to invest the assets of the special revenue fund as is granted an investment fiduciary under the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1140m.

(2) The investment officer shall prepare and issue an annual special revenue fund report. The investment officer shall make the annual special revenue fund report available to the citizens of the public corporation. The annual special revenue fund report shall include all of the following:

- (a) The name of the special revenue fund.
- (b) The special revenue fund's investment fiduciaries.
- (c) The special revenue fund's assets and liabilities.
- (d) The special revenue fund's funded ratio.
- (e) The special revenue fund's investment performance.
- (f) The special revenue fund's expenses.

**History:** Add. 2008, Act 404, Imd. Eff. Jan. 6, 2009.

2007 Revenue Year to Date\*

Investment Earnings	9,623,219
Delinq. Tax Fees/Int.	3,394,436
Accommodation Tax	1,530,341
Dog Licenses	23,298
Tax Searches	15,586
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	14,586,881

A Message from the County Treasurer

The crisis in the housing and mortgage industry has affected more than our homeowners, our neighborhoods, and our property tax revenues. It has also had a negative impact on the availability of safe investments and, indirectly, on interest rates.

Safeguard Public Funds

Bank deposits and CD's are exposed to custodial credit risk. If a bank has too many mortgage losses and becomes insolvent, there would be a possibility that a government would not be able to recover its money from the bank.

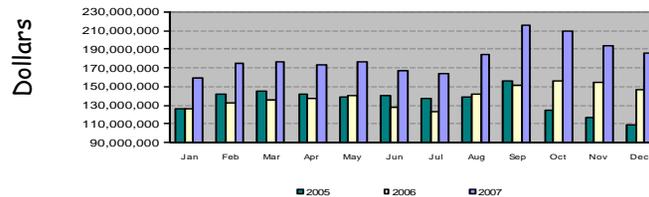
To continue to safeguard public funds, the Treasurer uses independent research and FDIC reports when selecting banks.

The Treasurer scrutinizes Commercial Paper offerings to review that the underlying investments are not relying on mortgage bonds. She invests in securities which are Agencies of the U.S. government and U.S. Treasury obligations.

\*General Ledger/Subsidiary Ledger Information

Portfolio Size

Historical Comparison By Month

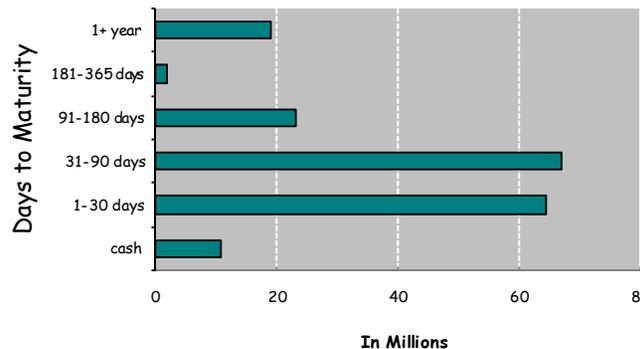


Current Portfolio Size

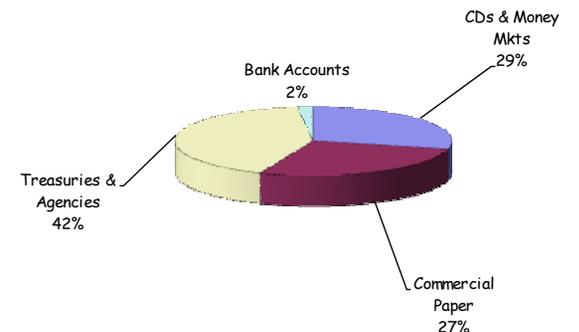
CDs & Money Mkts	\$53,764,916
Commercial Paper	51,030,000
Treasuries & Agencies	78,000,000
Bank Accounts	3,564,792
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	\$186,359,708

Diversification

Diversification By Maturity Date

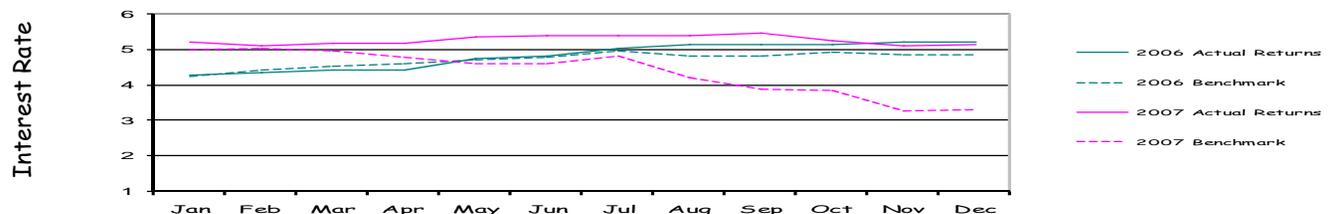


Diversification by Investment Type



Yield

Average Weighted Yield (Excludes Money Markets)



**Washtenaw County/C. McClary, Treasurer**  
**Investment Position Report - By Type**  
**As of: 12/31/07**

ID	Security	Yield	Maturity Date	PAR Value
<b>CD - Certificates of Deposit</b>				
01152008	Flagstar Bank	5.24	1/15/2008	1,000,000.00
CJT011508	Citizen's Bank	5.17	1/15/2008	1,000,000.00
UBT021508	United Bank and Trust	5.27	2/15/2008	1,000,000.00
02152008	Flagstar Bank	5.24	2/15/2008	1,000,000.00
423786803	Flagstar Bank	5.01	3/17/2008	2,000,000.00
4531908376	Citizens Bank	4.95	4/15/2008	2,000,000.00
AA0B51508	Ann Arbor Commerce Bank	5.22	5/15/2008	1,000,000.00
051508	Bank of Ann Arbor	5.00	5/15/2008	1,000,000.00
062708	Huntington Bank	5.16	6/27/2008	2,000,000.00
06272008	Mercantile Bank	5.20	6/27/2008	2,104,000.00
081508	Huntington Bank	5.39	8/15/2008	2,000,000.00

**Certificates of Deposit Totals: \$16,104,000.00**

**CP - Commercial Paper**

J9445RA74	Michigan Consolidated Gas	5.28	1/7/2008	4,000,000.00
90262CA72	UBS Financial	5.50	1/7/2008	4,000,000.00
6475LAF9	Nissan Motor Acceptance	5.39	1/15/2008	4,030,000.00
02581AAR1	American Express	5.21	1/25/2008	4,000,000.00
4042F0AX9	HSBC Finance	4.83	1/31/2008	5,000,000.00
940893LZ1	Wash Co LTGO 2007 Notes	6.82	2/7/2008	18,000,000.00
17177LB86	Clesco LLC	5.04	2/8/2008	4,000,000.00
64351PCD5	New Center Asset Trust	5.11	3/13/2008	4,000,000.00
74433GCL8	Prudential Funding LLC	4.71	3/20/2008	4,000,000.00

**Commercial Paper Totals: \$51,030,000.00**

**MM - Cash/Money Markets**

AMBASSADOR	Ambassador Money Market Fund	4.8045		30,538,748.18
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**Cash/Money Markets Totals: \$30,538,748.18**

**US - Treasuries/U.S. Agencies**

313588RG2	Federal National Mortg Assoc.	4.77	1/2/2008	4,000,000.00
912795C25	U.S. Treasury	5.05	1/10/2008	5,000,000.00
912795C33	U.S. Treasury	4.87	1/17/2008	7,000,000.00
912828EU02	U.S. Treasury	5.00	1/31/2008	5,000,000.00
912828EU0	U.S. Treasury	4.81	1/31/2008	5,000,000.00
912828AT7	U.S. Treasury	4.95	2/15/2008	5,000,000.00
912828EY2	U.S. Treasury	4.95	2/29/2008	5,000,000.00
313588TZ8	Federal National Mort. Assoc.	4.57	3/7/2008	8,000,000.00
912828EZ92	U.S. Treasury	4.89	3/31/2008	5,000,000.00
912828EZ9A	U.S. Treasury	4.99	3/31/2008	5,000,000.00
313396VL4	Federal Home Mortgage Corp.	5.19	4/11/2008	5,000,000.00
31331X4T6	Federal Farm Credit Bank	3.90	3/27/2009	10,000,000.00
3133XKBV6	Federal Home Loan Bank	5.35	10/12/2010	5,000,000.00
3136F73P0	Federal National Mortg Assoc.	5.99	10/11/2016	4,000,000.00

**Treasuries/U.S. Agencies Totals: \$78,000,000.00**

**Portfolio Totals: \$175,672,748.18**

**Average Weighted Yield : 5.1266**  
**Average Weighted Days to Maturity : 170**

2008 Revenue Year to Date\*

Investment Earnings	6,218,245
Delinquent Taxes & Fees	4,028,757
Accomodation Tax	1,475,988
Dog Licenses	29,807
Tax Searches	17,445
	<hr/>
	11,770,242

A Message from the County Treasurer

Economy in Trouble

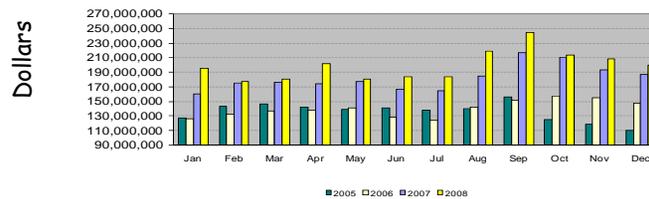
In 2008 home prices plunged, the value of retirement funds plummeted, and the credit markets collapsed. To recover public confidence in banking, the federal government insured money market funds and increased insurance coverage on bank deposits.

Safeguarding Public Funds

In this new economic environment, the Treasurer initiated investment changes. She maintained larger than normal money market investments that were insured. She invested in Certificates of Deposit, up to the insurance limit per bank, in all banks doing business in Washtenaw County that met qualifications for safety and offered competitive rates. This increased the County's investment from 3 local banks to 16 without any increased risk to the public. The new investment strategies enabled the Treasurer to safeguard funds, support local banks, and increase the County's return above the benchmark.

Portfolio Size

Historical Comparison By Month

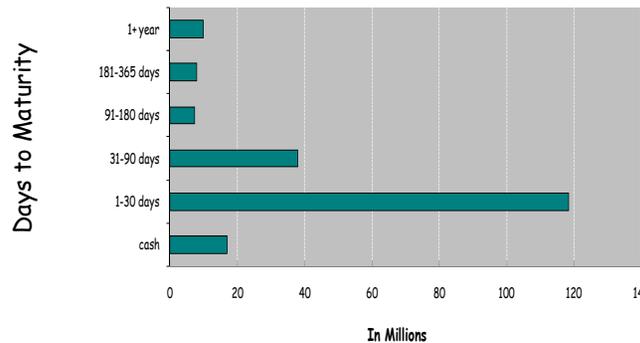


Current Portfolio Size

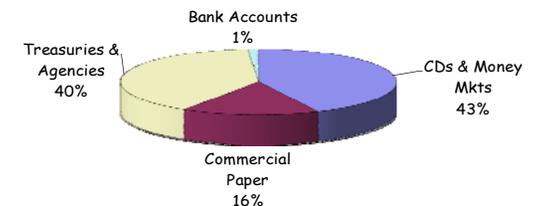
CDs & Money Mkts	\$85,346,543
Commercial Paper	32,000,000
Treasuries & Agencies	79,000,000
Bank Accounts	2,416,635
	<hr/>
	\$198,763,178

Diversification

Diversification By Maturity Date

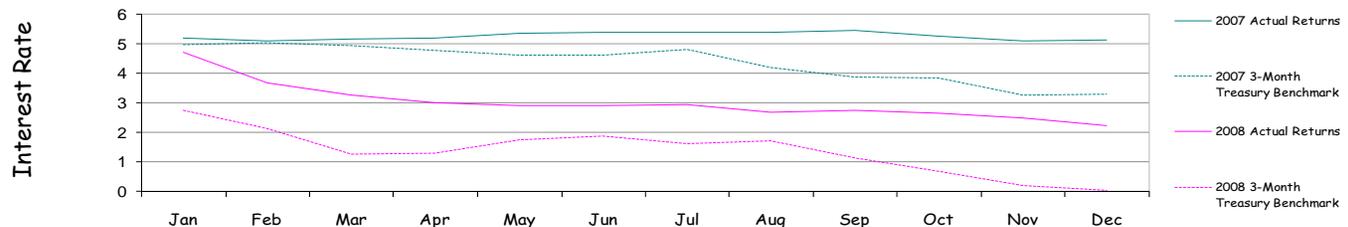


Diversification by Investment Type



Yield

Average Weighted Yield (Excludes Money Markets)



Safeguarding Public Funds



Fulfilling Customer Needs

\*General Ledger/Subsidiary Ledger Information

**Washtenaw County/C. McClary, Treasurer**  
**Investment Position Report - By Type**  
**As of: 12/31/08**

ID	Security	Yield	Maturity Date	PAR Value
<b>CD - Certificates of Deposit</b>				
	University Bank	2.46	6/8/2009	250,000.00
	Fidelity Bank	2.50	6/8/2009	250,000.00
	United Bank & Trust	2.55	6/9/2009	250,000.00
	Mercantile Bank	3.10	6/15/2009	250,000.00
	Flagstar Bank	2.65	6/15/2009	250,000.00
	Chelsea State Bank	1.99	6/16/2009	250,000.00
	Fifth Third Bank	1.71	6/16/2009	250,000.00
	Citizens Bank	2.15	6/17/2009	250,000.00
	Bank of America	1.10	6/22/2009	250,000.00
	Comerica Bank	1.50	6/23/2009	250,000.00
	Charter One Bank	2.23	7/9/2009	250,000.00
	Huntington Bank	2.55	7/9/2009	250,000.00
	Bank of Ann Arbor	3.21	8/5/2009	250,000.00
	Ann Arbor Commerce Bank	3.45	8/14/2009	250,000.00
<b>Certificates of Deposits Totals:</b>				<b>\$3,500,000.00</b>
<b>CP - Commercial Paper</b>				
02581RN90	American Express	2.64	1/9/2009	4,000,000.00
940893MM9	Wash Co LTGO 2008 Notes	3.68	1/15/2009	28,000,000.00
<b>Commercial Paper Totals:</b>				<b>\$32,000,000.00</b>
<b>MM - Cash/Money Markets</b>				
AMBASSADOR	Ambassador Money Market	1.39		67,301,215.29
<b>Cash/Money Markets Totals:</b>				<b>\$67,301,215.29</b>
<b>US - Treasuries/U.S. Agencies</b>				
912795J69	U.S. Treasury	1.55	1/8/2009	4,000,000.00
912828BV1	U.S. Treasury	2.19	1/15/2009	3,000,000.00
912795J85	U.S. Treasury	1.61	1/22/2009	8,000,000.00
313589AY9	Federal National Mtg Assn	2.64	1/23/2009	4,000,000.00
912828GE4	U.S. Treasury	1.83	1/31/2009	5,000,000.00
912828BZ2	U.S. Treasury	1.94	2/15/2009	7,000,000.00
912795K42	U.S. Treasury	1.82	2/19/2009	10,000,000.00
31359MUQ4	Federal National Mtg Assn	2.22	3/16/2009	2,000,000.00
313589DL4	Federal National Mtg Assn	2.76	3/24/2009	4,000,000.00
31331X4T6	Federal Farm Credit Bank	3.90	3/27/2009	10,000,000.00
3137EAA6	Federal Home Loan Mtg Corp.	2.02	6/11/2009	5,000,000.00
3133XR7F1	Federal Home Loan Bank	3.06	8/12/2009	7,000,000.00
9128275Z1	U.S. Treasury	1.90	2/15/2010	4,000,000.00
3133XDTA9	Federal Home Loan Bank	2.76	12/10/2010	4,000,000.00
3128X7VG6	Federal Home Loan Mtg Corp.	3.23	6/2/2011	2,000,000.00
<b>Treasuries/U.S. Agencies Totals:</b>				<b>\$79,000,000.00</b>
<b>Portfolio Totals :</b>				<b>\$181,801,215.29</b>

**Average Weighted Yield : 2.220**  
**Average Weighted Days to Maturity : 69**