



MEETING DATE: 06/07/04
ITEM NO. 4

COUNCIL AGENDA REPORT

DATE: May 31, 2004
TO: MAYOR AND TOWN COUNCIL
FROM: LINDA LUBECK, TOWN TREASURER *ll*
SUBJECT: TREASURER'S REPORT FOR APRIL, 2004

RECOMMENDATION:

Accept report as attached.

DISCUSSION:

Attached for your review is the Treasurer's report for the month of April, 2004. No major news or movement in the marketplace occurred during April. Interest rates bounced around a little during the month, but did not change substantially.

ENVIRONMENTAL ASSESSMENT:

Is not a project defined under CEQA, and no further action is required.

FISCAL IMPACT: None

Attachments: Treasurer's reports dated May 31, 2004

Distribution: Town Council; Town Manager; Finance Director

PREPARED BY: Linda L. Lubeck, Town Treasurer *ll*

Reviewed by: *ll* Town Manager *PSJ* Assistant Town Manager _____ Town Attorney
Clerk *ll* Finance _____ Community Development Revised: 6/2/04 10:22 pm

Meeting date: June 7, 2004

Item No:

**Town of Los Gatos
Treasurer's Report
for the month ended
April 30, 2004**

Submitted May 31, 2004

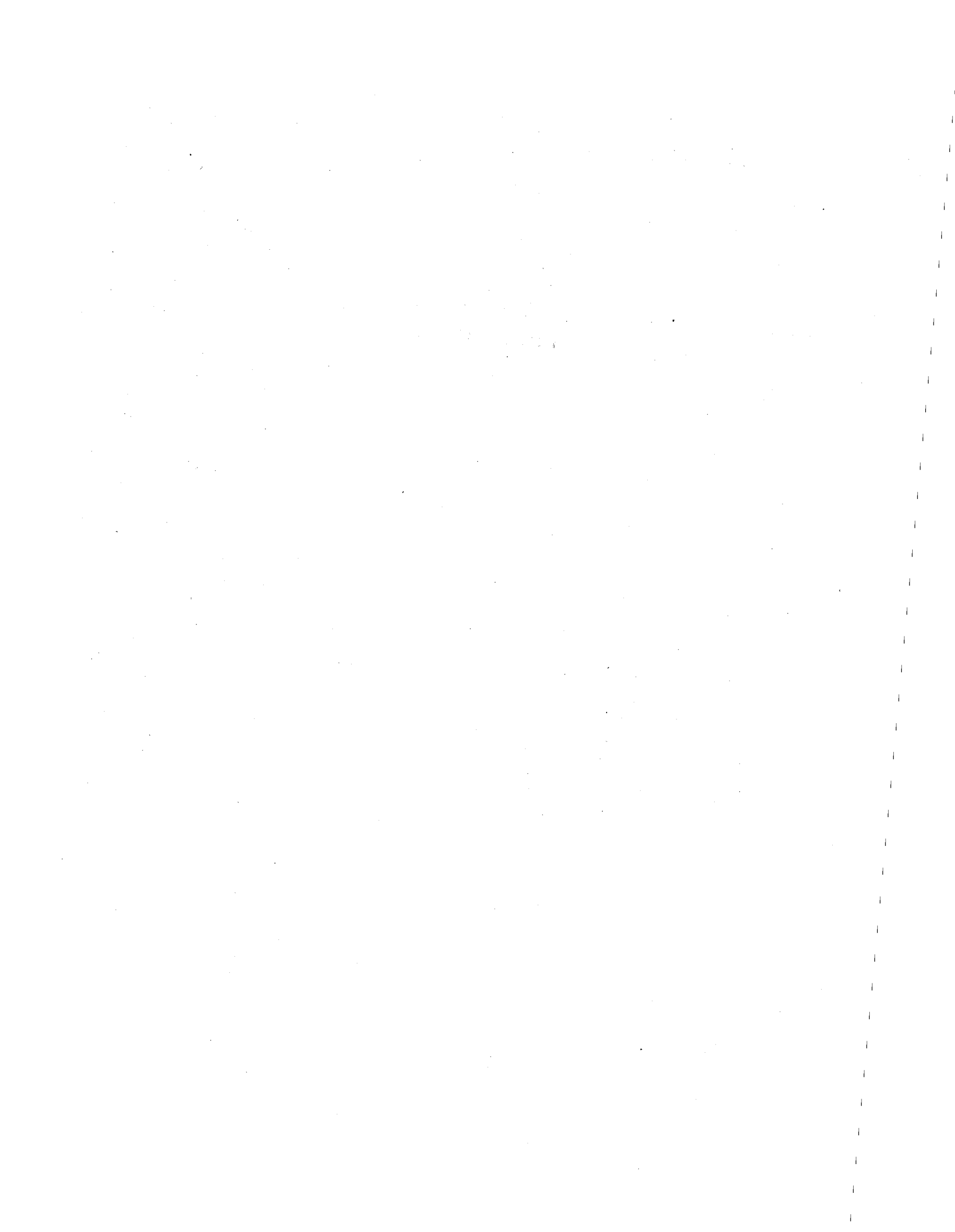
by

Linda L. Lubeck



Distribution:

Town Clerk
Town Manager
Town Council



Town of Los Gatos
Summary Investment Information
April 30, 2004

Weighted Average Portfolio Yield: 2.48% **Weighted Average Maturity (days)** 562

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$51,137,317	\$49,862,617	\$50,204,453

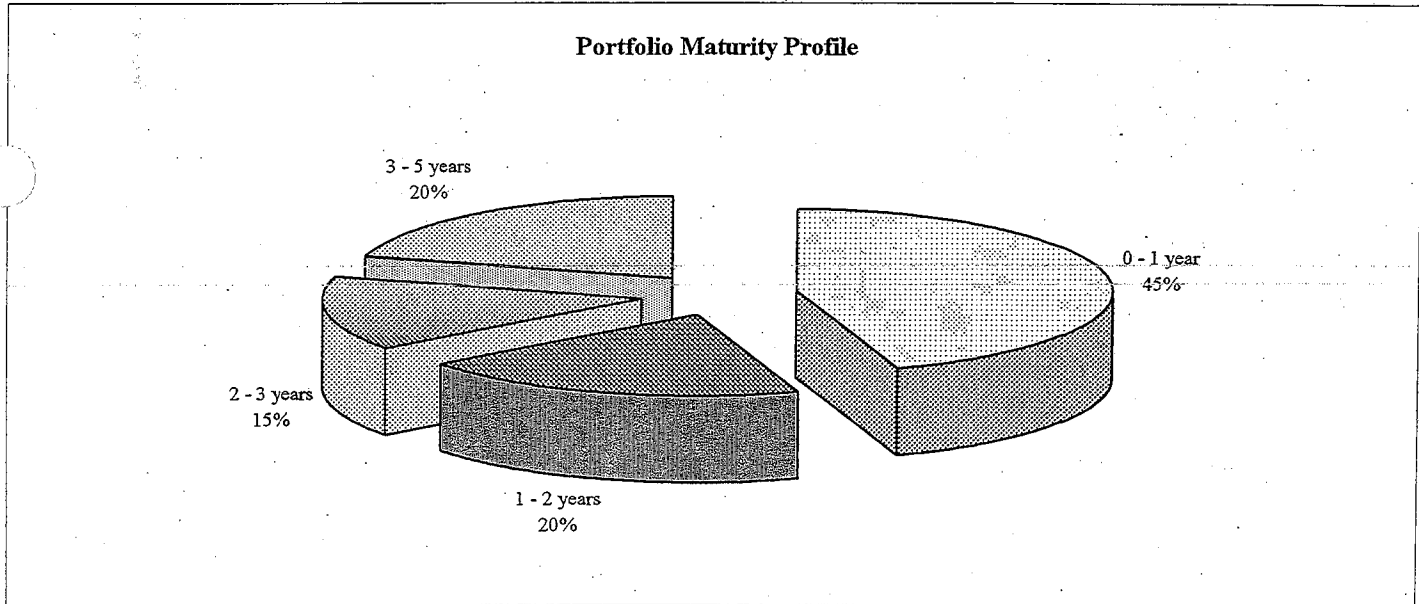
Benchmarks/ References:

Town's Average Yield	2.48%	2.48%	3.22%
LAIF Yield for month	1.47%	1.47%	1.86%
3 mo. Treasury	0.99%	0.96%	1.14%
6 mo. Treasury	1.19%	1.01%	1.17%
2 yr. Treasury	2.27%	1.52%	1.70%
5 yr. Treasury (most recent)	3.22%	2.70%	2.68%
Prime rate	4.00%	4.00%	4.25%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

2 yr. Fannie Mae (04/23/04)	2.54%
3 yr. Freddie Mac (04/16/04)	2.88%



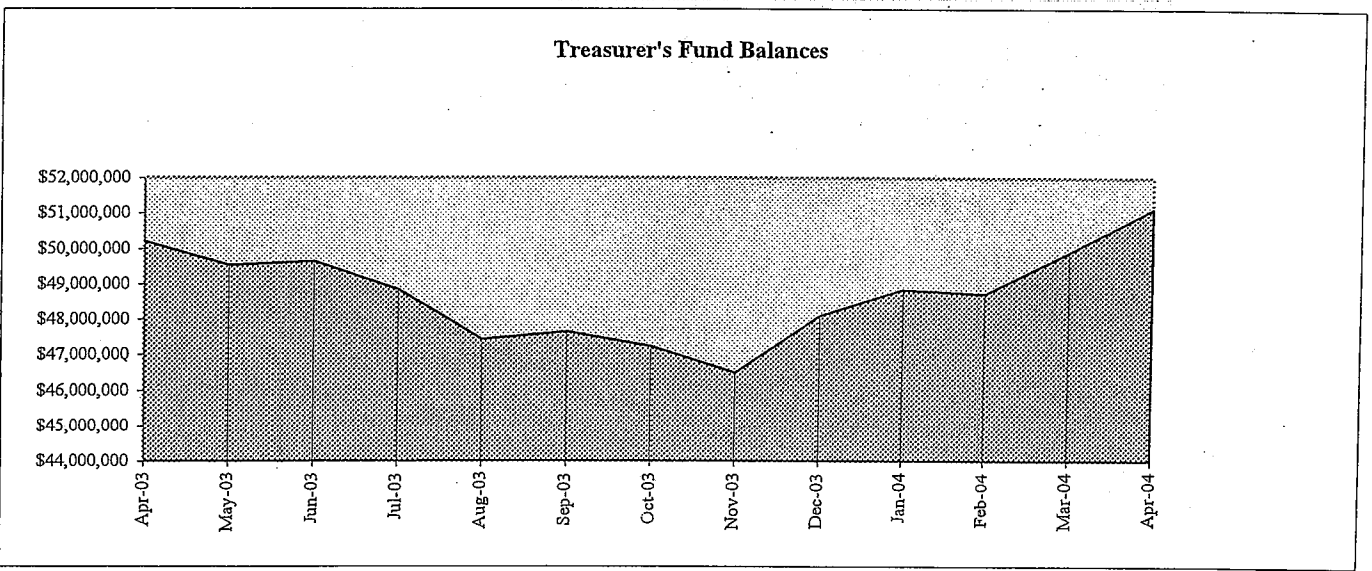
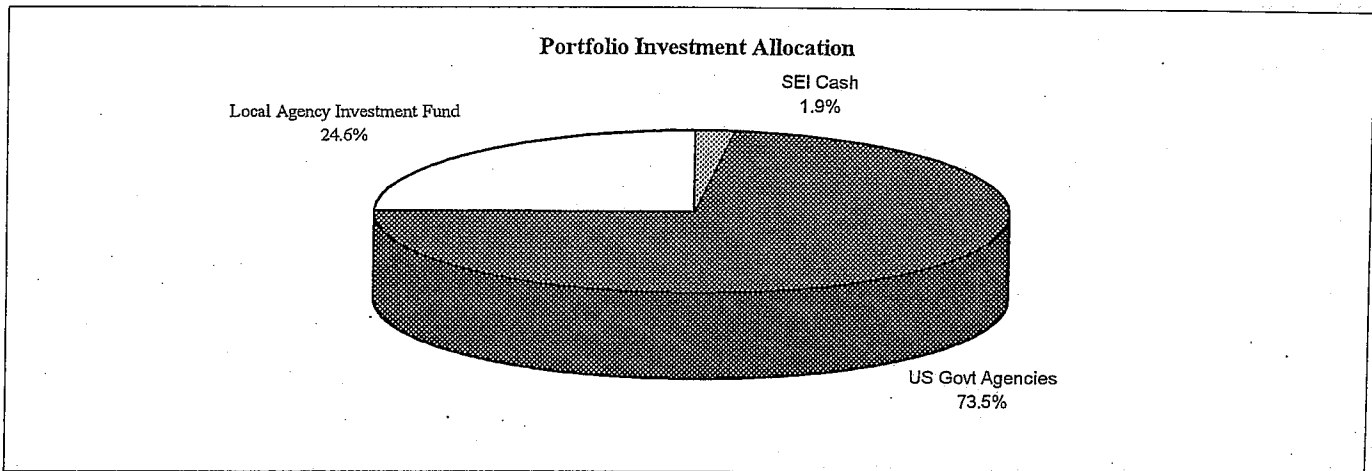
Compliance: The Town's investments are in compliance with the Town's investment policy dated June 24, 2002 and also in compliance with the requirements of Section 53601 of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
April 30, 2004

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$49,862,617.35	\$49,655,650.00
Receipts	4,032,221.89	35,240,224.85
Disbursements	<u>(2,757,522.73)</u>	<u>(33,758,558.34)</u>
Fund Balances - End of Month/Period	<u>\$51,137,316.51</u>	<u>\$51,137,316.51</u>

Portfolio Allocation:

SEI Cash	862,231.42
US Govt Agencies	33,164,126.99
Local Agency Investment Fund	<u>11,097,727.55</u>
Subtotal - Investments	45,124,085.96
Reconciled Demand Deposit Balances	<u>6,013,230.55</u>
 Total Treasurer's Fund	 <u>\$51,137,316.51</u>



Town of Los Gatos
Non-Treasury Restricted Fund Balances
April 30, 2004

Non-Treasury Funds:	<u>Previous Balance</u>	<u>Deposits</u>	<u>Interest</u>	<u>Withdrawals</u>	<u>Ending Balance</u>	
Downtown Parking District 12/20/02	224,509.55		1,343.63		225,853.18	Note 1
Certificates of Participation Reserve Fund (Lot 4)	254,236.65		98.62		254,335.27	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	121,985.23	20,982.91	36.94		143,005.08	Note 3
Cert. of Participation 2002 Series A Const. Fund	2,906,612.72		36.65	108,400.25	2,798,249.12	Note 4
Cert. of Participation 2002 Series A Reserve Fund	694,360.39		4.81	4.38	694,360.82	Note 4
Cert. Of Participation 2002 Series A Interest Fund	0.53				0.53	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	<u>\$4,201,705.07</u>	<u>\$20,982.91</u>	<u>\$1,520.65</u>	<u>\$108,404.63</u>	<u>\$4,115,804.00</u>	

These accounts are not part of the Treasurer's fund balances reported elsewhere in this report, as they are for separate and distinct entities.

Note 1: This account include redemption accounts set up for the repayment of interest and principal on outstanding bond coupons for Parking Assessment District '3', as well as Reserve Funds set up as required by the original Bond resolution.

Note 2: The reserve fund was a requirement of the original certificates of participation agreement when Lot 4 was built. It helps to guarantee payment of the lease payments should the Town not make payment.

Note 3: The lease payment fund receives the lease payments from the Town monthly for the lease of Lot 4. It holds the funds until payments on the certificates of participation are due semi-annually.

Note 4: The three funds for the Certificates of Participation 2002 Series A consist of construction funds which will be expended over the next few years, reserve funds which will guarantee the payment of lease payments, and a third fund for the disbursement of lease payments and initial delivery costs.

Town of Los Gatos
Statement of Interest Earned
April 30, 2004

	Current Month	Fiscal Year to Date
Interest received from Investments	88,820.49	1,251,080.74
Add: Interest accrued at end of period (see page 5)	122,704.88	122,704.88
Less: Interest accrued at beginning of period	<u>(119,722.00)</u>	<u>(471,723.72)</u>
Interest earned on investments	<u>\$91,803.37</u>	<u>\$902,061.90</u>

Town of Los Gatos
Inactive Deposits by Institution
Market to Cost Position Report
April 30, 2004

ve Deposits by Institution												
Dep	Institution	Security	Deposit Date	Amortized Cost	Maturity Date	Days Elapsed	Days to Maturity	Days Invested	Yield to Maturity	Interest Earned	Interest Received	Interest Accrued
910	FHLB	Coupon Note	11/02/99	1,239,062.50	08/13/04	1641	105	1746	6.46%	359,866.52	334,852.43	25,014.09
921	FHLB	Coupon Note	09/10/01	2,021,440.00	08/13/04	963	105	1068	4.23%	225,605.42	224,569.44	1,035.98
923	FNMA	Coupon Note	02/25/02	1,998,520.00	03/15/05	795	319	1114	3.90%	169,764.69	159,305.56	10,459.13
924	FHLMC	Coupon Note	05/16/02	1,999,340.00	06/15/05	715	411	1126	4.13%	161,912.66	134,347.22	27,565.44
927	FNMA	Coupon Note	08/26/03	1,071,900.00	11/14/05	248	563	811	2.37%	17,259.33	10,180.80	7,078.53
928	FNMA	Coupon Note	08/26/03	895,320.00	04/28/06	248	728	976	2.83%	17,201.03	15,881.80	1,319.23
926	FNMA	Coupon Note	06/22/01	2,001,740.00	06/15/06	1043	776	1819	5.23%	299,170.14	260,484.30	38,685.84
929	FNMA	Coupon Note	02/09/04	2,000,000.00	05/09/07	81	1104	1185	3.00%	13,315.07		13,315.07
930	FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	66	1211	1277	2.79%	12,657.53		12,657.53
	SEI Cash			862,231.42						5,563.39	4,960.78	602.61
	SEI Investments			17,431,554.49	Various		824		1.85%	272,793.78	300,980.35	(28,186.57)
	LAIF	N/A	03/31/04	11,097,727.55	06/30/04	30	61	91	1.47%	13,158.00		13,158.00
				45,124,085.96				562	2.48%	1,568,267.56	1,445,562.68	122,704.88

Maturity Profile		Amount	Percent
0-1 year		20,166,073.04	44.69%
1-2 years		9,025,355.05	20.00%
2-3 years		6,693,924.84	14.83%
3-5 years		<u>9,238,733.03</u>	<u>20.47%</u>
		45,124,085.96	100.00%

Market to Cost Position Report

Institution	Security	Market Price	Amortized Cost	Market Value*	Unrealized Gain (Loss)
910	FHLB	Coupon Note	101.438	1,267,975.00	28,912.50
921	FHLB	Coupon Note	100.969	2,019,380.00	(2,060.00)
923	FNMA	Coupon Note	102.031	2,040,620.00	42,100.00
924	FHLMC	Coupon Note	102.750	2,055,000.00	55,660.00
927	FNMA	Coupon Note	99.813	1,077,980.40	6,080.40
928	FNMA	Coupon Note	100.125	901,125.00	5,805.00
920	FNMA	Coupon Note	105.375	2,107,500.00	105,760.00
929	FNMA	Coupon Note	99.563	1,991,260.00	(8,740.00)
930	FHLMC	Coupon Note	99.734	2,493,350.00	(11,900.00)
	Subtotal		15,732,572.50	15,954,190.40	221,617.90
	SEI		0.00	0.00	0.00
	SEI Cash		862,231.42	862,231.42	0.00
	N/A LAIF	N/A	11,097,727.55	11,097,727.55	0.00
	Purchased Int.		0.00	0.00	0.00
Totals:			45,124,085.96	44,855,156.87	(268,929.09)

* Source: Treasury and Agency Obligations - Union Bank of California
LAIF balances per Local Agency Investment Fund monthly statement.

SEI Investments Account
Market to Cost Position Report
April 30, 2004

<u>Dep Institution</u>	<u>Security</u>	<u>Deposit Date</u>	<u>Amortized Cost</u>	<u>Maturity Date</u>	<u>Days Elapsed</u>	<u>Days to Maturity</u>	<u>Days Invested</u>	<u>Yield to Maturity</u>	<u>Interest Earned</u>	<u>Interest Received</u>	<u>Interest Accrued</u>
FFCB	Coupon Note	06/27/03	550,000.00	09/27/04	308	150	458	1.000%	4,641.10	4,125.00	516.10
FHLB	Coupon Note	06/30/03	514,715.00	11/15/04	305	199	504	1.208%	5,195.66	6,328.12	(1,132.46)
FHLMC	Coupon Note	06/25/03	556,316.41	01/15/05	310	260	570	1.130%	5,339.11	5,729.21	(390.10)
FHLMC	Coupon Note	06/27/03	660,697.66	02/15/05	308	291	599	1.359%	7,576.70	15,583.97	(8,007.27)
FHLB	Coupon Note	06/26/03	665,362.50	04/15/05	309	350	659	1.064%	5,993.29	8,609.79	(2,616.50)
FHLB	Coupon Note	06/23/03	552,634.50	05/13/05	312	378	690	1.220%	5,763.15	3,231.25	2,531.90
FHLMC	Coupon Note	06/30/03	663,493.36	06/15/05	305	411	716	1.482%	8,216.59	12,271.87	(4,055.28)
FHLB	Coupon Note	06/24/03	672,743.50	08/15/05	311	472	783	1.335%	7,652.41	12,512.50	(4,860.09)
FHLB	Coupon Note	06/24/03	683,345.00	11/15/05	311	564	875	1.432%	8,337.78	9,228.65	(890.87)
FHLMC	Coupon Note	06/30/03	651,562.50	01/15/06	305	625	930	1.771%	9,642.32	17,062.50	(7,420.18)
FFCB	Coupon Note	06/25/03	666,809.00	03/15/06	310	684	994	1.523%	8,625.22	11,736.11	(3,110.89)
FHLMC	Coupon Note	06/25/03	664,117.19	04/15/06	310	715	1025	1.576%	8,889.35	12,435.76	(3,546.41)
FNMA	Coupon Note	06/27/03	504,090.00	04/28/06	308	728	1036	2.315%	9,847.29	10,973.96	(1,126.67)
FHLB	Coupon Note	06/24/03	658,677.50	05/15/06	311	745	1056	1.625%	9,119.98	5,409.90	3,710.08
FHLMC	Coupon Note	06/27/03	500,930.00	06/02/06	308	763	1071	2.076%	8,775.31	4,628.47	4,146.84
FHLMC	Coupon Note	06/30/03	387,296.88	07/15/06	305	806	1111	1.872%	6,058.38	10,427.08	(4,368.70)
FHLB	Coupon Note	06/30/03	400,000.00	09/29/06	305	882	1187	2.200%	7,353.42	4,040.00	3,313.42
FHLB	Coupon Note	06/24/03	688,076.80	11/15/06	311	929	1240	1.825%	10,699.59	10,340.00	350
FFCB	Coupon Note	06/25/03	660,954.00	12/19/06	310	963	1273	1.844%	10,351.45	14,137.50	(3,78)
FHLB	Coupon Note	06/30/03	400,000.00	12/29/06	305	973	1278	2.225%	7,436.99	4,450.00	2,986.99
FHLMC	Coupon Note	06/25/03	662,652.00	03/15/07	310	1049	1359	1.946%	10,952.09	21,125.00	(10,172.91)
FNMA	Coupon Note	06/30/03	333,597.66	04/15/07	305	1080	1385	2.150%	5,993.33	12,468.75	(6,475.42)
FHLMC MTN	Coupon Note	06/27/03	402,556.00	05/29/07	308	1124	1432	2.808%	9,538.53	5,033.33	4,505.20
FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	305	1171	1476	2.359%	7,396.40	8,057.29	(660.89)
FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	311	1294	1605	2.257%	12,939.03	8,773.33	4,165.70
FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	311	1333	1644	2.528%	6,450.68	3,750.00	2,700.68
FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	308	1355	1663	2.492%	13,663.95	11,261.00	2,402.95
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	309	1415	1724	2.294%	12,766.92	12,761.08	5.84
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	305	1446	1751	2.633%	6,296.08	11,637.50	(5,341.42)
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	309	1474	1783	2.507%	14,045.05	13,112.61	932.44
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	305	1505	1810	2.894%	5,520.87	2,863.82	2,657.05
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	311	1510	1821	2.750%	11,715.75	6,875.00	4,840.75
			17,431,554.49			824		1.852%	272,793.78	300,980.35	(28,186.57)
Cash			862,231.42						5,563.39	4,960.78	602.61
			<u>18,293,785.91</u>						<u>278,357.17</u>	<u>305,941.13</u>	<u>(27,583.96)</u>