



MEETING DATE: 01/22/08

ITEM NO.

3.a.

COUNCIL AGENDA REPORT

DATE: January 22, 2008
TO: MAYOR AND TOWN COUNCIL
FROM: LINDA SPEICHER, TOWN TREASURER
SUBJECT: TREASURER'S REPORT FOR NOVEMBER 2007

RECOMMENDATION:

Accept report as attached.

DISCUSSION:

Attached for your review and acceptance is the Treasurer's reports for the month of November 2007.

Prime continued to drop during the last couple of months, as the Fed has attempted to keep the economy out of recession. Consequently, yields are falling and will continue to fall for the near future.

ENVIRONMENTAL ASSESSMENT:

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

FISCAL IMPACT: None

Attachments: Treasurer's report dated December 28, 2007.

PREPARED BY: Linda L. Speicher, Town Treasurer

Reviewed by: gls Town Manager RS Assistant Town Manager ____ Town Attorney
____ Clerk sc Finance ____ Community Development Revised: 1/16/08 6:53 pm

Distribution: Town Council; Town Manager; Finance Director

Meeting date: January 22, 2008

Item No:

**Town of Los Gatos
Treasurer's Report
for the month ended
November 30, 2007**

Submitted December 28, 2007

by

Linda L. Speicher

A handwritten signature in black ink, appearing to be 'L. Speicher', written over the printed name.

Distribution:

Town Clerk
Town Manager
Town Council

**Town of Los Gatos
Summary Investment Information
November 30, 2007**

Weighted Average Portfolio Yield: **4.66%** **Weighted Average Maturity (days)** **436**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$65,620,942	\$65,350,972	\$62,014,452

Benchmarks/ References:

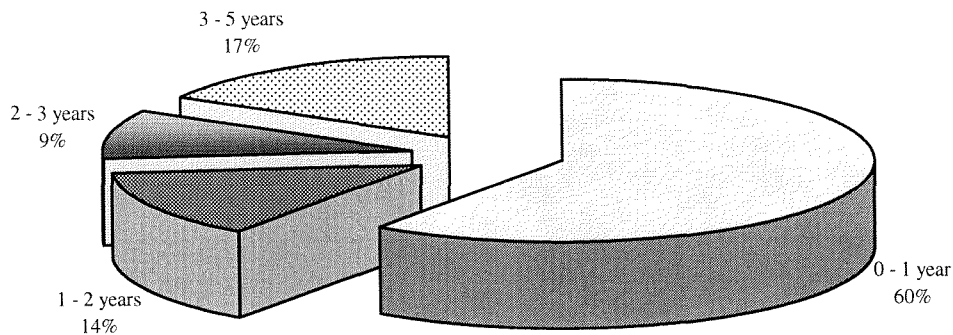
Town's Average Yield	4.66%	4.76%	4.39%
LAIF Yield for month	4.96%	5.14%	5.13%
3 mo. Treasury	3.25%	4.03%	5.04%
6 mo. Treasury	3.45%	4.09%	5.13%
2 yr. Treasury	3.16%	3.72%	4.69%
5 yr. Treasury (most recent)	3.42%	3.99%	4.51%
Prime rate	7.50%	7.50%	8.25%

Most recent auctions of

Freddie Mac or Fannie Mae Reference Notes:

3 yr. Fannie Mae (09/13/07)	4.45%
2 yr. Fannie Mae (11/19/07)	3.97%

Portfolio Maturity Profile



Compliance: The Town's investments are in compliance with the Town's investment policy dated November 1, 2006 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.

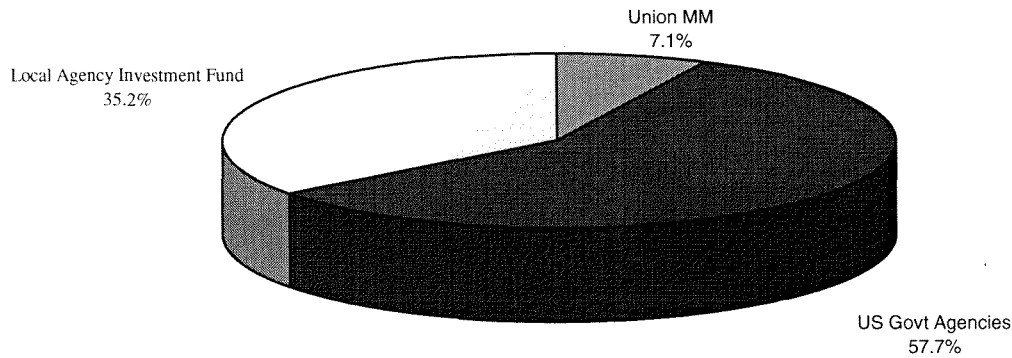
**Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
November 30, 2007**

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$65,350,972.20	\$73,499,683.31
Receipts	3,036,455.39	11,877,069.14
Disbursements	(2,766,485.54)	(19,755,810.40)
Fund Balances - End of Month/Period	<u>\$65,620,942.05</u>	<u>\$65,620,942.05</u>

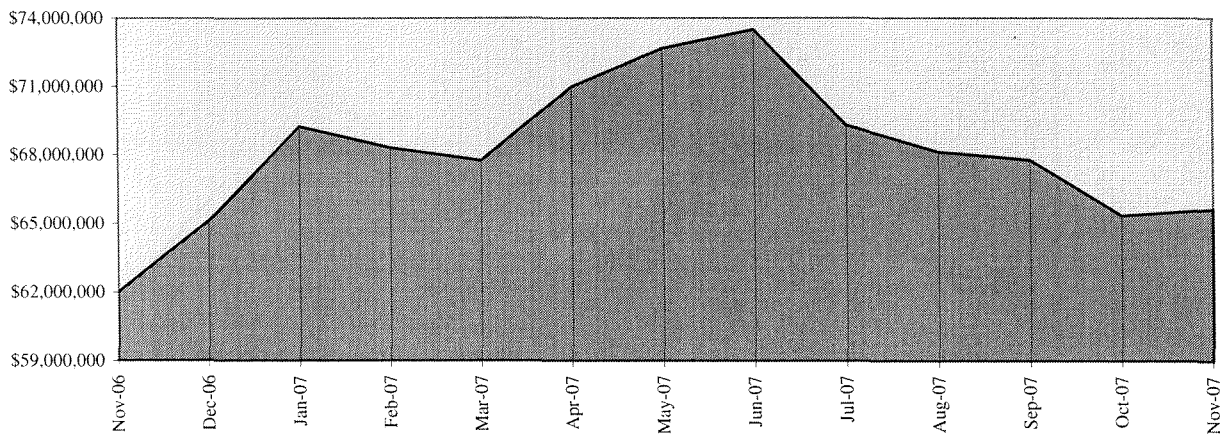
Portfolio Allocation:

Union MM	\$4,502,261.64
US Govt Agencies	36,485,448.02
Local Agency Investment Fund	<u>22,269,926.87</u>
Subtotal - Investments	63,257,636.53
Reconciled Demand Deposit Balances	<u>2,363,305.52</u>
Total Treasurer's Fund	<u>\$65,620,942.05</u>

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
November 30, 2007

	<u>Previous Balance</u>	<u>Deposits</u>	<u>Interest</u>	<u>Withdrawals</u>	<u>Ending Balance</u>	
Non-Treasury Funds:						
Downtown Parking District 12/20/02	\$258,890.06		\$992.05		\$259,882.11	Note 1
Certificates of Participation Reserve Fund (Lot 4)	255,036.76		895.35		255,932.11	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	67,558.13	19,032.30	176.40		86,766.83	Note 3
Cert. of Participation 2002 Series A Const. Fund	377,422.49		2.34	0.08	377,424.75	Note 4
Cert. of Participation 2002 Series A Reserve Fund	781,758.30		2,700.52	245.50	784,213.32	Note 4
Cert. Of Participation 2002 Series A Interest Fund	799.59		2.75	0.09	802.25	Note 4
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
Total Restricted Funds:	<u>\$1,741,465.33</u>	<u>\$19,032.30</u>	<u>\$4,769.41</u>	<u>\$245.67</u>	<u>\$1,765,021.37</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
November 30, 2007

	<u>Current</u> <u>Month</u>	<u>Fiscal</u> <u>Year to Date</u>
Interest received from Investments	\$175,632.42	\$1,468,540.12
Add: Interest accrued at end of period (see page 5)	510,827.19	510,827.19
Less: Interest accrued at beginning of period	(451,626.99)	(638,512.99)
Interest earned on investments	<u>\$234,832.62</u>	<u>\$1,340,854.32</u>

Interest by Month

July 2007	287,856.35
August 2007	285,325.36
September 2007	261,616.22
October 2007	271,223.77
November 2007	234,832.62
	<u>1,340,854.32</u>

**Town of Los Gatos
Inactive Deposits by Institution
Market to Cost Position Report
November 30, 2007**

Institution	Security	Deposit Date	Amortized Cost	Maturity Date	Days Elapsed	Days to Maturity	Days Invested	Yield to Maturity	Interest Earned	Interest Received	Interest Accrued
FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	882	15	897	3.807%	90,528.76	61,111.11	29,417.65
FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	837	77	914	4.513%	103,458.84	90,000.00	13,458.84
USTreasury	Note	05/12/06	1,986,562.50	03/31/08	567	122	689	5.000%	154,298.76	128,135.25	26,163.51
FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	882	140	1022	3.803%	69,471.97	71,070.31	(1,598.34)
USTreasury	Note	06/15/06	1,990,312.50	05/31/08	533	183	716	5.135%	149,243.72	142,254.10	6,989.62
USTreasury	Note	07/19/06	738,281.25	02/15/09	499	443	942	5.157%	52,050.71	36,267.27	15,783.44
FHLB	Coupon Note	05/12/06	1,498,035.00	03/13/09	567	469	1036	5.298%	123,288.94	105,218.75	18,070.19
USTreasury	Note	05/15/06	1,992,343.75	05/15/09	564	532	1096	5.014%	154,360.03	146,250.00	8,110.03
FHLB	Coupon Note	06/15/06	1,493,400.00	06/12/09	533	560	1093	5.226%	113,967.20	78,093.75	35,873.45
FFCB	Coupon Note	07/19/06	723,562.50	07/17/09	499	595	1094	5.408%	53,495.89	30,765.62	22,730.27
USTreasury	Note	11/17/06	748,066.41	11/15/09	378	716	1094	4.734%	36,674.77	34,495.86	2,178.91
ML Corp	Note	04/10/07	976,150.00	02/08/10	234	801	1035	5.165%	32,322.87	13,930.56	18,392.31
USTreasury	Note	10/19/06	976,406.25	04/15/10	407	867	1274	4.744%	51,650.77	39,560.44	12,090.33
FHLB	Coupon Note	08/22/06	1,507,665.00	06/11/10	465	924	1389	4.957%	95,210.28	57,000.00	38,210.28
FHLB	Coupon Note	01/12/07	1,487,205.00	08/10/10	322	984	1306	4.960%	65,075.20	40,733.33	24,341.87
USTreasury	Note	05/31/07	737,226.56	10/15/10	183	1050	1233	4.801%	17,745.61	11,931.35	5,814.26
FFCB	Coupon Note	11/28/07	2,062,000.00	02/18/11	2	1176	1178	3.840%	433.87		433.87
FNMA	Discount Note	09/29/06	1,516,485.00	04/15/11	427	1232	1659	4.874%	86,468.65	80,291.67	6,176.98
FHLMC	Coupon Note	12/28/06	1,522,350.00	07/20/11	337	1328	1665	5.375%	75,549.23	48,395.83	27,153.40
USTreasury	Note	10/19/06	990,078.13	09/30/11	407	1400	1807	4.721%	52,120.07	42,651.10	9,468.97
FFCB	Coupon Note	02/22/07	986,080.00	12/08/11	281	1469	1750	4.959%	37,646.08	13,618.06	24,028.02
FHLB	Coupon Note	05/09/07	1,509,255.00	03/09/12	205	1561	1766	4.743%	40,204.69	25,000.00	15,204.69
FHLB	Coupon Note	11/29/07	2,038,360.00	08/15/12	1	1720	1721	4.170%	232.88		232.88
FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	1620	24	1644	2.528%	33,601.59	30,000.00	3,601.59
FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	1617	46	1663	2.492%	71,735.73	82,923.50	(11,187.77)
FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	1156	87	1243	3.462%	21,778.95	18,868.06	2,910.89
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1618	106	1724	2.294%	66,850.73	74,842.33	(7,991.60)
FHLMC	Coupon Note	06/30/03	286,162.50	04/15/08	1614	137	1751	2.633%	33,317.64	63,087.50	(29,769.86)
FHLMC	Coupon Note	06/26/03	661,764.30	05/13/08	1618	165	1783	2.507%	73,543.34	150,938.61	(77,395.27)
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1614	196	1810	2.894%	29,215.36	25,001.32	4,214.04
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1620	201	1821	2.750%	61,027.40	55,000.00	6,027.40
FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	1156	259	1415	3.442%	21,649.53	18,687.50	2,962.03
FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	1109	290	1399	3.866%	23,400.48	21,229.17	2,171.31
FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	1045	290	1335	3.974%	28,234.41	24,895.83	3,338.58
FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	1109	353	1462	3.936%	23,864.36	23,271.53	592.83
FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	876	409	1285	4.313%	30,681.27	24,057.29	6,623.98
FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	1043	472	1515	3.930%	27,221.79	20,724.83	6,496.96
FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	896	608	1504	4.359%	32,122.53	27,817.71	4,304.82
FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	851	608	1459	4.527%	31,488.14	26,213.54	5,274.60
FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	899	641	1540	4.237%	31,169.93	27,396.87	3,773.06
FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	1043	641	1684	4.180%	17,879.29	16,156.25	1,723.04
FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	899	787	1686	4.431%	32,667.83	27,744.79	4,923.04
Subtotal			36,431,642.47								
Union MM			4,502,261.64		30	30		4.12%	15,246.01		15,246.01
Purchased Interest			53,805.55								
LAIF	N/A	09/30/07	22,269,926.87	12/31/07	61	31	92	4.96%	204,262.09		204,262.09
						436		4.66%	\$2,566,458.18	\$2,055,630.99	\$510,827.19

Maturity Profile

	<u>Amount</u>	<u>Percent</u>
0-1 year	\$37,869,653.18	59.87%
1-2 years	\$8,779,391.41	13.88%
2-3 years	\$5,983,983.81	9.46%
3-5 years	<u>\$10,624,608.13</u>	<u>16.80%</u>
	<u>\$63,257,636.53</u>	<u>100.00%</u>

Market to Cost Position Report

<u>Institution</u>	<u>Amortized Cost</u>	<u>Market Value*</u>	<u>Unrealized Gain (Loss)</u>
Union Bank Assets	\$36,431,642.47	\$36,978,805.00	\$547,162.53
Union MM	4,502,261.64	4,502,261.64	0.00
Purchased Interest	53,805.55	53,805.55	0.00
LAIF	22,269,926.87	22,269,926.87	0.00
Totals:	<u>\$63,257,636.53</u>	<u>\$63,804,799.06</u>	<u>\$547,162.53</u>

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