



MEETING DATE: 03/06/06  
ITEM NO. 2

## COUNCIL AGENDA REPORT

DATE: February 22, 2006  
TO: MAYOR AND TOWN COUNCIL  
FROM: LINDA LUBECK, TOWN TREASURER *ll*  
SUBJECT: TREASURER'S REPORTS FOR JANUARY, 2006

### RECOMMENDATION:

Accept report as attached.

### DISCUSSION:

Attached for your review and acceptance is the Treasurer's report for January, 2006.

Prime increased to 7.5% on January 31, 2006. Treasurer's funds increased during the months due in part to the receipt of property tax funds. \$4 million was transferred to LAIF from the Bank of the West as a short term investment until the funds are needed. Interest rates continued to rise slightly, as did the Town's overall performance.

### ENVIRONMENTAL ASSESSMENT:

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

FISCAL IMPACT: None

Attachments: Treasurer's reports dated February 22, 2006.

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

Reviewed by: *ll* Town Manager *OS* Assistant Town Manager *OK* Town Attorney  
*ll* Clerk *ll* Finance *e* Community Development Revised: 2/22/06 8:17 pm  
Distribution: Town Council, Town Manager, Finance Director

Meeting date: March 6, 2006

Item No:

**Town of Los Gatos  
Treasurer's Report  
for the month ended  
January 31, 2006**

Submitted February 22, 2006

by

Linda L. Lubeck

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

Distribution:

Town Clerk  
Town Manager  
Town Council



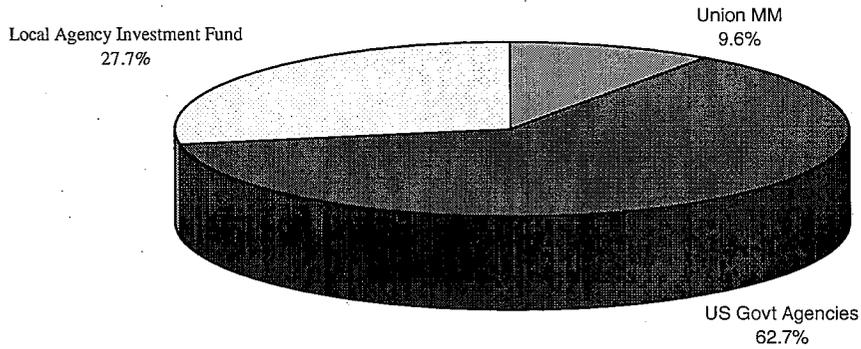
**Town of Los Gatos**  
**Portfolio Allocation & Treasurer's Fund Balances**  
**January 31, 2006**

	Month	YTD
Fund Balances - Beginning of Month/Period	\$58,256,368.34	\$57,531,241.44
Receipts	5,143,339.31	24,663,630.82
Disbursements	<u>(2,253,355.78)</u>	<u>(21,048,520.39)</u>
Fund Balances - End of Month/Period	<u>\$61,146,351.87</u>	<u>\$61,146,351.87</u>

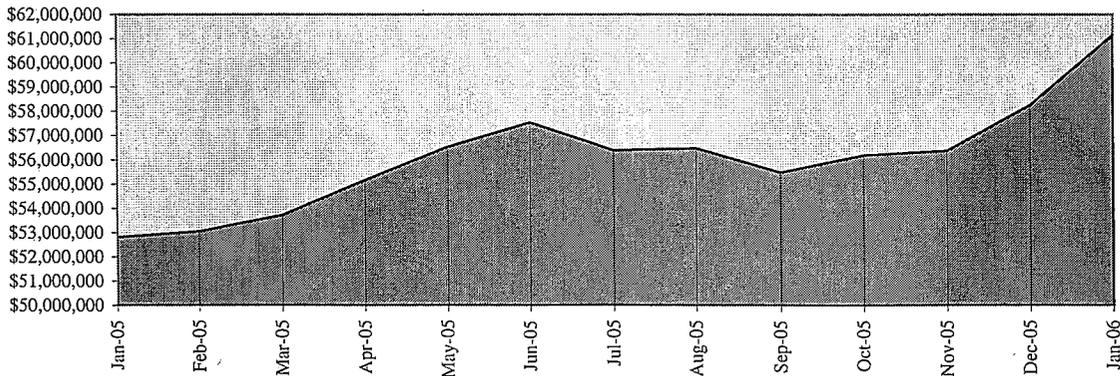
Portfolio Allocation:

Union MM	5,088,426.94
US Govt Agencies	33,217,600.30
Local Agency Investment Fund	<u>14,672,180.70</u>
Subtotal - Investments	52,978,207.94
Reconciled Demand Deposit Balances	<u>8,168,143.93</u>
 Total Treasurer's Fund	 <u>\$61,146,351.87</u>

**Portfolio Investment Allocation**



**Treasurer's Fund Balances**



**Town of Los Gatos  
Non-Treasury Restricted Fund Balances  
January 31, 2006**

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	242,952.89		537.67		243,490.56	Note 1
Certificates of Participation Reserve Fund (Lot 4)	256,740.00		769.70		257,509.70	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	106,002.62	19,879.84	263.36		126,145.82	Note 3
Cert. of Participation 2002 Series A Const. Fund	1,288,760.28		1.47	0.05	1,288,761.70	Note 4
Cert. of Participation 2002 Series A Reserve Fund	752,335.90		203.54	22.63	752,516.81	Note 4
Cert. Of Participation 2002 Series A Interest Fund	0.61	227,728.14	0.00		227,728.75	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
<b>Total Restricted Funds:</b>	<b><u>\$2,646,792.30</u></b>	<b><u>\$247,607.98</u></b>	<b><u>\$1,775.74</u></b>	<b><u>\$22.68</u></b>	<b><u>\$2,896,153.34</u></b>	

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  
January 31, 2006

	<u>Current Month</u>	<u>Fiscal Year to Date</u>
Interest received from Investments	188,748.14	963,495.34
Add: Interest accrued at end of period (see page 5)	54,876.29	54,876.29
Less: Interest accrued at beginning of period	<u>(89,471.69)</u>	<u>(33,323.60)</u>
Interest earned on investments	<u>\$154,152.74</u>	<u>\$985,048.03</u>

**Town of Los Gatos  
Inactive Deposits by Institution  
Market to Cost Position Report  
January 31, 2006**

**Inactive 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
932 FHLB	Coupon Note	08/18/04	498,300.00	02/03/06	531	3	534	2.49%	18,042.18	13,593.75	4,448.43
938 FHLMC	Discount Note	03/16/05	483,436.11	03/07/06	321	35	356	3.35%	14,242.82		14,242.82
928 FNMA	Coupon Note	08/26/03	895,320.00	04/28/06	889	87	976	2.83%	61,660.14	51,319.30	10,340.84
933 FHLB	Coupon Note	08/18/04	996,420.00	05/15/06	531	104	635	2.46%	35,663.22	27,937.50	7,725.72
920 FNMA	Coupon Note	06/22/01	2,001,740.00	06/15/06	1684	135	1819	5.23%	483,032.13	470,484.30	12,547.83
939 FFCB	Coupon Note	03/16/05	498,560.00	12/11/06	321	314	635	3.80%	16,661.47	13,342.01	3,319.46
934 FNMA	Coupon Note	08/18/04	1,491,000.00	01/12/07	531	346	877	3.06%	66,384.44	58,800.00	7,584.44
940 FHLB	Coupon Note	03/16/05	543,228.45	02/09/07	321	374	695	3.93%	18,775.31	6,084.65	12,690.66
929 FNMA	Coupon Note	02/09/04	2,000,000.00	05/09/07	722	463	1185	3.00%	118,684.93	90,000.00	28,684.93
942 FHLB	Coupon Note	05/16/05	999,000.00	05/16/07	260	470	730	4.04%	28,770.65	19,950.00	8,820.65
943 FNMA	Coupon Note	07/01/05	749,032.50	05/17/07	214	471	685	3.82%	16,753.91	10,625.00	6,128.91
946 FHLMC	Discount Note	08/15/05	1,500,000.00	08/15/07	169	561	730	4.25%	29,517.12		29,517.12
930 FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	707	570	1277	2.79%	135,589.03	120,750.00	14,839.03
944 FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	214	683	897	3.81%	21,965.03	14,236.11	7,728.92
947 FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	169	745	914	4.26%	19,732.35		19,732.35
945 FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	214	808	1022	3.80%	16,856.01	9,195.31	7,660.70
FHLMC	Coupon Note	08/24/04	198,460.00	02/15/06	525	15	540	2.402%	6,856.66	3,656.25	3,200.41
FNMA	Z Coupon	08/22/05	44,104.87	02/24/06	162	24	186	3.983%	779.68		779.68
FFCB	Coupon Note	06/25/03	666,809.00	03/15/06	951	43	994	1.523%	26,459.95	36,111.11	(9,651.16)
FHLMC	Coupon Note	06/25/03	664,117.19	04/15/06	951	74	1025	1.576%	27,270.22	35,592.01	(8,321.79)
FNMA	Coupon Note	06/27/03	504,090.00	04/28/06	949	87	1036	2.315%	30,341.18	30,661.46	(320.28)
FMAC	Z Coupon	07/29/05	193,927.92	05/10/06	186	99	285	4.010%	3,962.82		3,962.82
FHLB	Coupon Note	06/24/03	658,677.50	05/15/06	952	104	1056	1.625%	27,917.10	33,034.90	(5,117.80)
FHLMC	Coupon Note	06/27/03	500,930.00	06/02/06	949	122	1071	2.076%	27,038.20	26,128.47	909.73
FHLMC	Coupon Note	06/30/03	387,296.88	07/15/06	946	165	1111	1.872%	18,790.92	48,927.08	(30,136.16)
FNMA	Coupon Note	06/10/04	297,213.00	08/11/06	600	192	792	3.177%	15,521.85	9,647.92	5,873.93
FHLB	Coupon Note	06/30/03	400,000.00	09/29/06	946	241	1187	2.200%	22,807.67	20,200.00	2,607.67
FHLMC	Coupon Note	02/22/05	197,629.00	10/15/06	343	257	600	3.507%	6,513.10	3,559.72	2,953.38
FHLB	Coupon Note	06/24/03	688,076.80	11/15/06	952	288	1240	1.825%	32,752.46	63,140.00	(30,387.54)
FFCB	Coupon Note	06/25/03	660,954.00	12/19/06	951	322	1273	1.844%	31,755.56	72,637.50	(40,881.94)
FHLB	Coupon Note	06/30/03	400,000.00	12/29/06	946	332	1278	2.225%	23,066.85	22,250.00	816.85
FNMA	Coupon Note	02/22/05	195,358.60	02/15/07	343	380	723	3.363%	6,173.92	2,282.64	3,891.28
FHLMC	Coupon Note	06/25/03	662,652.00	03/15/07	951	408	1359	1.946%	33,598.20	65,000.00	(31,401.80)
FNMA	Coupon Note	06/30/03	333,597.66	04/15/07	946	439	1385	2.150%	18,589.16	36,093.75	(17,504.59)
FHLMC MTN	Coupon Note	06/27/03	402,556.00	05/29/07	949	483	1432	2.808%	29,389.81	29,033.33	356.48
FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	946	530	1476	2.359%	22,940.97	37,807.29	(14,866.32)
FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	952	653	1605	2.257%	39,607.57	53,573.33	(13,965.76)
FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	952	692	1644	2.528%	19,746.12	18,750.00	996.12
FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	949	714	1663	2.492%	42,100.93	52,211.00	(10,110.07)
FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	488	755	1243	3.462%	9,193.88	5,868.06	3,325.82
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	950	774	1724	2.294%	39,251.05	39,367.33	(116.28)
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	946	805	1751	2.633%	19,528.18	33,687.50	(14,159.32)
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	950	833	1783	2.507%	43,180.57	82,025.61	(38,845.04)
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	946	864	1810	2.894%	17,123.75	15,513.82	1,609.93
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	952	869	1821	2.750%	35,863.01	34,375.00	1,488.01
FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	488	927	1415	3.442%	9,139.25	5,687.50	3,451.75
FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	441	958	1399	3.866%	9,305.33	6,229.17	3,076.16
FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	377	958	1335	3.974%	10,186.00	6,145.83	4,040.17
FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	441	1021	1462	3.936%	9,489.80	7,771.53	1,718.27
FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	208	1077	1285	4.313%	7,285.05	6,619.79	665.26
FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	375	1140	1515	3.930%	9,787.32	5,099.83	4,687.49
FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	228	1276	1504	4.359%	8,174.04	8,130.21	43.83
FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	183	1276	1459	4.527%	6,771.25	6,526.04	245.21
FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	231	1309	1540	4.237%	8,009.18	2,646.87	5,362.31
FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	375	1309	1684	4.180%	6,428.32	3,781.25	2,647.07
FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	231	1455	1686	4.431%	8,394.07	8,057.29	336.78
Subtotal			<u>33,217,600.30</u>								
Union MM			5,088,426.94		30	30		3.95%	16,519.96		16,519.96
LAIF	N/A	12/31/05	14,672,180.70	03/31/06	31	59	90	3.96%	49,082.98		49,082.98
			<u>52,978,207.94</u>			<u>316</u>		<u>3.43%</u>	<u>1,939,024.61</u>	<u>1,884,148.32</u>	<u>54,876.29</u>

Maturity Profile	Amount	Percent
0-1 year	33,087,669.91	62.46%
1-2 years	12,872,055.89	24.30%
2-3 years	5,429,851.64	10.25%
3-5 years	<u>1,588,630.50</u>	<u>3.00%</u>
	<u>52,978,207.94</u>	<u>100.00%</u>

**Market to Cost Position Report**

Dep Institution	Security	Market Price	Amortized Cost	Market Value*	Unrealized Gain (Loss)
Union Bank Assets			33,217,600.30	32,347,425.20	(870,175.10)
Union MM			5,088,426.94	5,088,426.94	0.00
LAIF			14,672,180.70	14,672,180.70	0.00
Totals:			<u>52,978,207.94</u>	<u>52,108,032.84</u>	<u>(870,175.10)</u>

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