



MEETING DATE: 06/19/06  
ITEM NO. 3

COUNCIL AGENDA REPORT

DATE: June 15, 2006  
TO: MAYOR AND TOWN COUNCIL  
FROM: LINDA LUBECK, TOWN TREASURER  
SUBJECT: TREASURER'S REPORT FOR APRIL, 2006

RECOMMENDATION:

Accept reports as attached.

DISCUSSION:

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

Prime increased to 8.0% on May 10, 2006. Treasurer's funds increased due to property tax receipts and other large receipts. Interest rates continued to rise slightly, as did the Town's overall performance.

The cash at Union Bank is being reinvested into the market during the month of May, with the advice of MBIA.

ENVIRONMENTAL ASSESSMENT:

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

FISCAL IMPACT: None

Attachments: Treasurer's reports dated June 15, 2006.

PREPARED BY: Linda L. Lubeck, Town Treasurer

Reviewed by: AL Town Manager PSJ Assistant Town Manager OK Town Attorney  
\_\_\_\_\_ Clerk sc Finance \_\_\_\_\_ Community Development Revised: 6/15/06 8:42 am  
Distribution: Town Council; Town Manager; Finance Director

Reformatted: 5/30/02

Meeting date: June 19, 2006

Item No:

**Town of Los Gatos  
Treasurer's Report  
for the month ended  
April 30, 2006**

**Submitted June 15, 2006  
by  
Linda L. Lubeck**



Distribution:      Town Clerk  
                         Town Manager  
                         Town Council

**Town of Los Gatos  
Summary Investment Information  
April 30, 2006**

**Weighted Average Portfolio Yield:** **3.78%** **Weighted Average Maturity (days)** **252**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
<b>Portfolio Balance</b>	\$65,264,285	\$60,613,879	\$55,163,313

**Benchmarks/ References:**

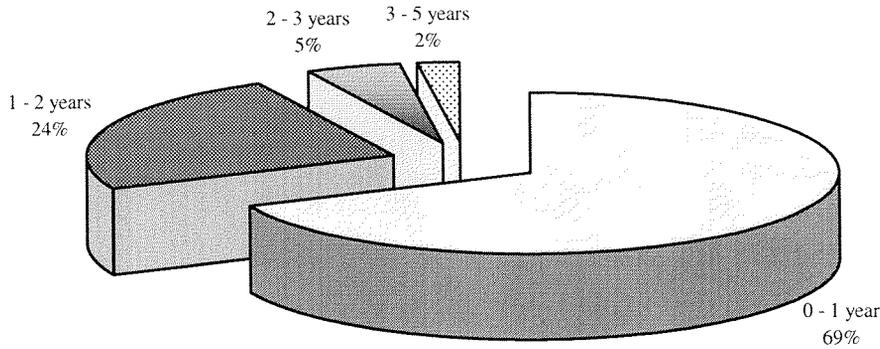
Town's Average Yield	3.78%	3.65%	2.76%
LAIF Yield for month	4.31%	4.14%	2.72%
3 mo. Treasury	4.76%	4.61%	2.94%
6 mo. Treasury	4.92%	4.78%	3.18%
2 yr. Treasury	4.98%	4.73%	3.65%
5 yr. Treasury (most recent)	4.96%	4.79%	4.05%
Prime rate	7.75%	7.75%	5.75%

**Most recent auctions of**

**Freddie Mac or Fannie Mae Reference Notes:**

3 yr. Fannie Mae (03/17/06)	5.00%
2 yr. Freddie Mac (04/13/06)	5.13%

**Portfolio Maturity Profile**



**Compliance:** The Town's investments are in compliance with the Town's investment policy dated August 9, 2005 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.

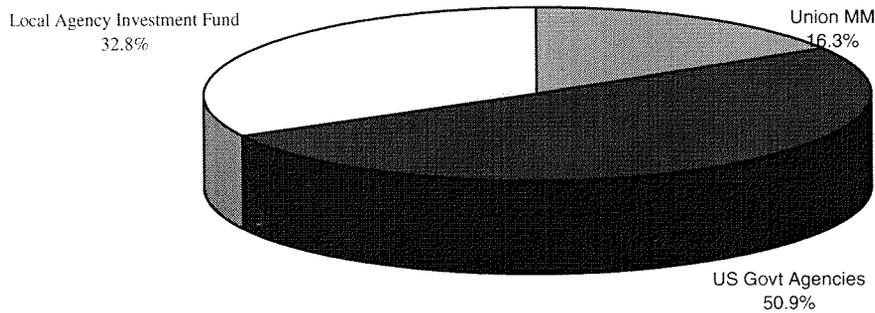
**Town of Los Gatos**  
**Portfolio Allocation & Treasurer's Fund Balances**  
**April 30, 2006**

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$60,613,878.71	\$57,531,241.44
Receipts	7,161,120.96	37,529,025.97
Disbursements	<u>(2,510,714.48)</u>	<u>(29,795,982.22)</u>
Fund Balances - End of Month/Period	<u>\$65,264,285.19</u>	<u>\$65,264,285.19</u>

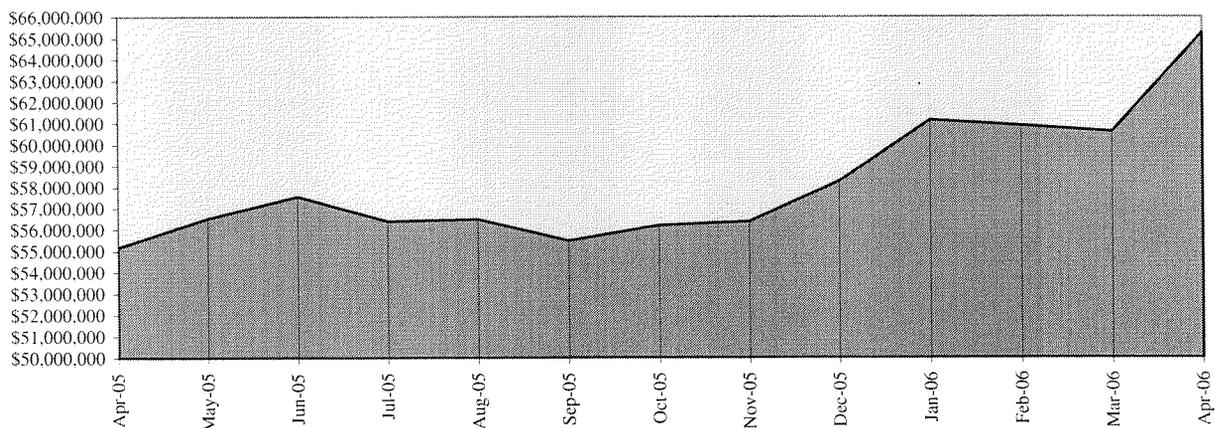
Portfolio Allocation:

Union MM	9,354,578.82
US Govt Agencies	29,262,963.13
Local Agency Investment Fund	<u>18,837,414.80</u>
Subtotal - Investments	<u>57,454,956.75</u>
Reconciled Demand Deposit Balances	<u>7,809,328.44</u>
 Total Treasurer's Fund	 <u>\$65,264,285.19</u>

**Portfolio Investment Allocation**



**Treasurer's Fund Balances**



**Town of Los Gatos**  
**Non-Treasury Restricted Fund Balances**  
**April 30, 2006**

	<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	244,517.21		541.13		245,058.34	Note 1
Certificates of Participation Reserve Fund (Lot 4)	259,076.90		877.36		259,954.26	Note 2
Cert. of Participation Lease Payment Fund (Lot 4)	90,006.68		304.81		90,311.49	Note 3
Cert. of Participation 2002 Series A Const. Fund	1,300,641.97		1.55	0.04	1,300,643.48	Note 4
Cert. of Participation 2002 Series A Reserve Fund	752,895.01		240.74	22.71	753,113.04	Note 4
Cert. Of Participation 2002 Series A Interest Fund	297.77		0.94		298.71	
Cert. Of Participation 2002 Series A COI Fund	0.00		0.00	0.00	0.00	Note 4
	<hr/>					
Total Restricted Funds:	<u>\$2,647,435.54</u>	<u>\$0.00</u>	<u>\$1,966.53</u>	<u>\$22.75</u>	<u>\$2,649,379.32</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, 2006**

	<b><u>Current Month</u></b>	<b><u>Fiscal Year to Date</u></b>
Interest received from Investments	236,441.14	1,444,245.62
Add: Interest accrued at end of period (see page 5)	103,002.10	103,002.10
Less: Interest accrued at beginning of period	<u>(158,155.76)</u>	<u>(33,323.60)</u>
Interest earned on investments	<u>\$181,287.48</u>	<u>\$1,513,924.12</u>

**Town of Los Gatos  
Inactive Deposits by Institution  
Market to Cost Position Report  
April 30, 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	
933	FHLB	Coupon Note	08/18/04	996,420.00	05/15/06	620	15	635	2.46%	41,640.67	27,937.50	13,703.17
920	FNMA	Coupon Note	06/22/01	2,001,740.00	06/15/06	1773	46	1819	5.23%	508,560.55	470,484.30	38,076.25
939	FFCB	Coupon Note	03/16/05	498,560.00	12/11/06	410	225	635	3.80%	21,281.00	13,342.01	7,938.99
934	FNMA	Coupon Note	08/18/04	1,491,000.00	01/12/07	620	257	877	3.06%	77,511.02	58,800.00	18,711.02
940	FHLB	Coupon Note	03/16/05	543,228.45	02/09/07	410	285	695	3.93%	23,980.93	13,743.65	10,237.28
929	FNMA	Coupon Note	02/09/04	2,000,000.00	05/09/07	811	374	1185	3.00%	133,315.07	120,000.00	13,315.07
942	FHLB	Coupon Note	05/16/05	999,000.00	05/16/07	349	381	730	4.04%	38,619.07	19,950.00	18,669.07
943	FNMA	Coupon Note	07/01/05	749,032.50	05/17/07	303	382	685	3.82%	23,721.65	10,625.00	13,096.65
946	FHLMC	Discount Note	08/15/05	1,500,000.00	11/15/07	258	564	822	4.50%	47,669.92	33,750.00	13,919.92
930	FHLMC	Coupon Note	02/24/04	2,505,250.00	08/24/07	796	481	1277	3.16%	172,428.19	161,000.00	11,428.19
944	FNMA	Coupon Note	07/01/05	984,074.54	12/15/07	303	594	897	3.81%	31,100.02	14,236.11	16,863.91
947	FHLMC	Discount Note	08/15/05	999,700.00	02/15/08	258	656	914	4.51%	31,890.54	22,500.00	9,390.54
945	FHLB	Coupon Note	07/01/05	755,975.25	04/18/08	303	719	1022	3.80%	23,866.22	24,664.06	(797.84)
FMAC	Z Coupon	07/29/05	193,927.92	05/10/06	275	10	285	4.010%	5,859.01		5,859.01	
FHLB	Coupon Note	06/24/03	658,677.50	05/15/06	1041	15	1056	1.625%	30,527.00	33,034.90	(2,507.90)	
FHLMC	Coupon Note	06/27/03	500,930.00	06/02/06	1038	33	1071	2.076%	29,573.92	26,128.47	3,445.45	
FHLMC	Coupon Note	06/30/03	387,296.88	07/15/06	1035	76	1111	1.872%	20,558.78	48,927.08	(28,368.30)	
FNMA	Coupon Note	06/10/04	297,213.00	08/11/06	689	103	792	3.177%	17,824.25	13,772.92	4,051.33	
FHLB	Coupon Note	06/30/03	400,000.00	09/29/06	1035	152	1187	2.200%	24,953.42	20,200.00	4,753.42	
FHLMC	Coupon Note	02/22/05	197,629.00	10/15/06	432	168	600	3.507%	8,203.09	6,309.72	1,893.37	
FHLB	Coupon Note	06/24/03	688,076.80	11/15/06	1041	199	1240	1.825%	35,814.40	63,140.00	(27,325.60)	
FFCB	Coupon Note	06/25/03	660,954.00	12/19/06	1040	233	1273	1.844%	34,727.43	72,637.50	(37,910.07)	
FHLB	Coupon Note	06/30/03	400,000.00	12/29/06	1035	243	1278	2.225%	25,236.99	22,250.00	2,986.99	
FNMA	Coupon Note	02/22/05	195,358.60	02/15/07	432	291	723	3.363%	7,775.89	4,657.64	3,118.25	
FHLMC	Coupon Note	06/25/03	662,652.00	03/15/07	1040	319	1359	1.946%	36,742.51	79,625.00	(42,882.49)	
FNMA	Coupon Note	06/30/03	333,597.66	04/15/07	1035	350	1385	2.150%	20,338.03	43,968.75	(23,630.72)	
FHLMC MTN	Coupon Note	06/27/03	402,556.00	05/29/07	1038	394	1432	2.808%	32,146.07	29,033.33	3,112.74	
FNMA	Coupon Note	06/30/03	375,219.60	07/15/07	1035	441	1476	2.359%	25,099.26	37,807.29	(12,708.03)	
FHLB	Coupon Note	06/24/03	672,825.60	11/15/07	1041	564	1605	2.257%	43,310.37	53,573.33	(10,262.96)	
FNMA	Coupon Note	06/24/03	299,475.00	12/24/07	1041	603	1644	2.528%	21,592.13	18,750.00	2,842.13	
FNMA	Coupon Note	06/27/03	649,785.94	01/15/08	1038	625	1663	2.492%	46,049.28	52,211.00	(6,161.72)	
FHLMC	Coupon Note	09/30/04	198,630.00	02/25/08	577	666	1243	3.462%	10,870.63	9,118.06	1,752.57	
FHLMC	Coupon Note	06/26/03	657,396.09	03/15/08	1039	685	1724	2.294%	42,928.25	48,236.08	(5,307.83)	
FHLB	Coupon Note	06/30/03	286,162.50	04/15/08	1035	716	1751	2.633%	21,365.40	41,037.50	(19,672.10)	
FHLB	Coupon Note	06/26/03	661,764.30	05/13/08	1039	744	1783	2.507%	47,225.91	82,025.61	(34,799.70)	
FHLMC MTN	Coupon Note	06/30/03	228,298.00	06/13/08	1035	775	1810	2.894%	18,734.76	15,513.82	3,220.94	
FHLMC	Coupon Note	06/24/03	500,000.00	06/18/08	1041	780	1821	2.750%	39,215.75	34,375.00	4,840.75	
FNMA	Coupon Note	09/30/04	198,597.00	08/15/08	577	838	1415	3.442%	10,806.04	8,937.50	1,868.54	
FNMA	Coupon Note	11/16/04	199,216.00	09/15/08	530	869	1399	3.866%	11,183.28	9,979.17	1,204.11	
FNMA	Coupon Note	01/19/05	248,157.50	09/15/08	466	869	1335	3.974%	12,590.65	10,833.33	1,757.32	
FNMA	Coupon Note	11/16/04	199,552.00	11/17/08	530	932	1462	3.936%	11,404.97	7,771.53	3,633.44	
FHLMC	Coupon Note	07/07/05	296,403.00	01/12/09	297	988	1285	4.313%	10,402.21	6,619.79	3,782.42	
FNMA	Coupon Note	01/21/05	242,400.00	03/16/09	464	1051	1515	3.930%	12,110.17	9,006.08	3,104.09	
FHLMC	Coupon Note	06/17/05	300,198.00	07/30/09	317	1187	1504	4.359%	11,364.78	8,130.21	3,234.57	
FHLMC	Coupon Note	08/01/05	298,332.00	07/30/09	272	1187	1459	4.527%	10,064.36	6,526.04	3,538.32	
FHLMC	Coupon Note	06/14/05	298,683.00	09/01/09	320	1220	1540	4.237%	11,094.97	8,834.37	2,260.60	
FHLMC	Coupon Note	01/21/05	149,686.50	09/01/09	464	1220	1684	4.180%	7,953.97	6,875.00	1,078.97	
FHLMC	Coupon Note	06/14/05	299,331.00	01/25/10	320	1366	1686	4.431%	11,628.15	8,057.29	3,570.86	
Subtotal			<u>29,262,963.13</u>									
Union MM			9,354,578.82		30	30		4.25%	32,676.95		32,676.95	
LAIF	N/A	04/01/06	18,837,414.80	06/30/06	29	61	90	4.31%	66,400.13		66,400.13	
			<b>57,454,956.75</b>				<b>252</b>	<b>3.78%</b>	<b>2,041,938.04</b>	<b>1,938,935.94</b>	<b>103,002.10</b>	

**Maturity Profile**

	Amount	Percent
0-1 year	39,299,255.43	68.40%
1-2 years	14,035,083.02	24.43%
2-3 years	2,774,387.80	4.83%
3-5 years	<u>1,346,230.50</u>	<u>2.34%</u>
	<u>57,454,956.75</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			29,262,963.13	28,381,952.45	(881,010.68)
Union MM			9,354,578.82	9,354,578.82	0.00
LAIF			18,837,414.80	18,837,414.80	0.00
Totals:			<u>57,454,956.75</u>	<u>56,573,946.07</u>	<u>881,010.68</u>

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