

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Date: January 23, 2008
Agenda Date: February 19, 2008
Reviewed by: _____

Subject: A rendering of the quarterly Cash and Investments Treasury Report of the City of Albany as of December 31, 2007, as required by Section 53646 of the California Government Code.

From: Kim Denton, City Treasurer
Charlie Adams, Finance & Administrative Services Director

RECOMMENDATION

Note and file - for information only.

BACKGROUND

Pursuant to section 53646 of the California Government Code, the City is required to prepare the Cash and Investments Treasury Report every quarter. Attached please find the report as of December 31, 2007.

DISCUSSION

The City invests cash that may be expended in the near term, in the California State Treasurer's Local Agency Investment Fund (LAIF). This is a liquid investment pool, which allows participants to earn market rate returns of large investments, while retaining access to funds within 24 hours of a withdrawal request. The market value of LAIF investments at December 31, 2007 was 0.07% more than cost.

Bond proceeds of \$500,000 from the 2004 Sewer Revenue Bond refinancing, that will not be expended for at least six months have been invested in US governmental securities, purchased through Wells Fargo Bank's Institutional Brokerage & Sales Department.

The investment of debt service reserves on deposit with fiscal agents is controlled by the designated fiscal agent. As of December 31, 2007, the deposits with fiscal agents were invested in money market funds, and the yield was 3.10% for the reporting period.

FINANCIAL IMPACT

There are no out of pocket expenses incurred in the investment of the City's cash. LAIF yield for the quarter ended December 31, 2007 was 4.96%. This is down from 5.24% for the quarter ended September 30, 2007. Funds invested in Wells Fargo Bank securities currently earn 3.86%.

SUBSEQUENT EVENT

On January 22, 2008, \$6,000,000 was transferred from the LAIF general funds account to the CalTRUST, Short Term Account. The City Council approved investment in CalTRUST on December 17, 2007. A description of the CalTRUST JPA, and discussion of the objective of diversification of the City's short term investments is contained in the staff report to Council of 12/17/07.

CITY OF ALBANY
CASH AND INVESTMENTS TREASURY REPORT
December 31, 2007

SUMMARY

	BOOK VALUE	MARKET VALUE
<u>GENERAL PORTFOLIO</u>		
LOCAL AGENCY INVESTMENT FUND	\$ 41,716,870	\$ 41,745,200
CHECKING AND SAVINGS DEPOSITS	1,140,611	1,140,611
SEWER BOND PROCEEDS	485,915	495,625
TOTAL GENERAL PORTFOLIO	\$ 43,343,396	\$ 43,381,436
 <u>FUNDS WITH FISCAL AGENTS</u>		
DEBT SERVICE RESERVE FUNDS	\$ 685,137	\$ 685,137
PAYMENT FUNDS	20,586	20,586
TOTAL BOND PROCEEDS	\$ 705,723	\$ 705,723

1. I hereby certify that the investments are in compliance with the investment policy adopted by the City Council.
2. The City has the ability to meet its budgeted expenditures.
3. The book value for the State Local Agency Investment Pool is the withdrawal value provided by the State Treasurer.
4. The Market value of funds held by the State Treasurer equates to the City's pro-rata share of the market value of the entire State investment pool.
5. The fiscal agent provided the market values for investments held in their accounts.
6. This report meets the requirement of Government Code Section 53601 and 53646.

Kim Denton, City Treasurer

Charles A. Adams
 Finance & Administrative Services Director

**CITY OF ALBANY
CASH AND INVESTMENTS TREASURY REPORT
December 31, 2007**

Funds in State Local Agency Investment Fund

<u>Fund or Account</u>	<u>Account Balance</u>	<u>Market Value</u>
City Account:		
Measure F 2003	\$ 3,731,998	\$ 3,734,532
Measure F 2007	6,543,722	6,548,166
Measure C 2007	5,033,632	5,037,050
2004 Sewer Revenue Bond	2,085,214	2,086,630
General and Other Funds	<u>21,505,324</u>	<u>21,519,929</u>
	38,899,890	38,926,307
1996-1 Assessment District Bond	<u>2,816,980</u>	<u>2,818,893</u>
Total Funds in State Investment Pool	<u><u>\$ 41,716,870</u></u>	<u><u>\$ 41,745,200</u></u>

Yield for quarter ended December 31, 2007

4.960%

See Notes 3 and 4 on Page 2.

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Funds with Banking Institutions

<u>Account Name</u>	<u>Insured Deposits</u>	<u>Collateralized Deposits</u>	<u>Bank Securities</u>	<u>Total Deposits</u>	<u>Interest Rate</u>
City of Albany Deposits Checking Account	\$ 100,000	\$ 698,322		\$ 798,322	0.10%
Payroll Checking Account		11,020		11,020	0.00%
Accounts Payable Checking Account		309,489		309,489	0.10%
Albany Municipal Services JPA Checking Account		13,921		13,921	0.00%
Sewer Fund - WFB			\$ 7,859	7,859	4.94%
Total on Deposit	<u>\$ 100,000</u>	<u>\$ 1,032,752</u>	<u>\$ 7,859</u>	<u>\$ 1,140,611</u>	

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December 31, 2007

<u>Investment</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield</u>	<u>Maturity Date</u>
<u>Funds with Fiscal Agents</u>				
BNY Western Trust Company:			3.00%	*
1996-1 Assessment District Bond	\$ 485,961	\$ 485,961		
2004 Sewer Revenue Bond	592	592		
Measure F 2007	11,182	11,182		
Measure C 2007	7,412	7,412		
US Bank:			3.20%	*
1997 Refunding COP	200,576	200,576		
Total Funds with Fiscal Agent	<u>\$ 705,723</u>	<u>\$ 705,723</u>		
<u>Sewer Bond Proceeds</u>				
Wells Fargo Bank:			3.86%	**
2004 Sewer Revenue Bond	\$ 485,915	\$ 495,625		
Total Sewer Bond Proceeds	<u>\$ 485,915</u>	<u>\$ 495,625</u>		

* Funds are held in cash or invested in US Government Securities and top rated corporate debt securities that are liquid assets, which may be sold at the current market value at any time.

** Funds are invested in US Government Agency securities, and the maturity date is 7/16/08. It is the City's intention to hold these securities until maturity.