

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

Agenda Date: August 8, 2005
Date Prepared: July 22, 2005
Reviewed by: _____

Subject: A rendering of the quarterly Cash and Investments Treasury Report of the City of Albany as of June 30, 2005, as required by Section 53646 of the California Government Code.

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

STAFF RECOMMENDATION

Note and file - for information only.

DISCUSSION/ANALYSIS

Pursuant to section 53646 of the California Government Code, attached please find the quarterly Cash and Investments Treasury Report as of June 30, 2005.

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 June 30, 2005 was .23% less than cost. This unrealized loss may result in declines in the effective yield received by LAIF investors in future periods, but it does not endanger principal of the City's deposits to LAIF.

Bond proceeds of \$2,000,000 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 June 30, 2005, the deposits with fiscal agents were invested in US government securities. The average yield on US government securities was 2.55% 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 June 30, 2005 was 2.85%. This is up from 2.38% for the quarter ended March 31, 2005. The approximate yield on securities purchased through Wells Fargo Bank is 3.4%.