



Agenda Item B.2
CONSENT CALENDAR
Meeting Date: February 03, 2009

TO: Mayor and Councilmembers

FROM: Daniel Singer, City Manager

CONTACT: Tina Rivera, Finance Director

SUBJECT: Acceptance of Quarterly Treasurer's Report for the Quarter Ending December 31, 2008

RECOMMENDATION:

Accept the Quarterly Treasurer's Report for the Quarter Ending December 31, 2008.

BACKGROUND:

To date, the City has invested most of its inactive cash in the Local Agency Investment Fund (LAIF) pool. As of December 31, 2008, the City has approximately \$21.8 million invested in LAIF. In addition, the City maintains a minimal cash balance in its general checking account. This amount varies in accordance with the cash needs required to satisfy warrants issued by the City. The City's payroll checking account receives transfers from the general checking account to satisfy payroll warrants.

DISCUSSION:

Total cash and investments as of December 31, 2008, were \$21,726,310.39. The City earned 2.54% on the investments in the Local Agency Investment Fund (LAIF) during the quarter. The June quarterly investment return compares unfavorably to the 2.77% received in September. The Treasurer's Report for the quarter ending December 31, 2008 is included as Attachment 1.

FISCAL IMPACTS:

Interest income of \$225,000 was projected for the General Fund in FY 2008/09, part of which is interest earned on the \$2.5 million loan to the RDA. If the rate of return comes in as budgeted (2.5%) throughout the remainder of the fiscal year, interest income revenues will be under projections by approximately \$22,000 due to lower cash balances. As part of the mid-year financial report, a reduction in interest revenues will be recommended.

Submitted by:

Reviewed by:

Approved by:

Alvertina Rivera
Finance Director

Michelle Greene
Administrative
Services Director

Dan Singer
City Manager

ATTACHMENT:

1. Treasurer's Report for the Quarter Ending December 31, 2008

Attachment 1

Treasurer's Report for the Quarter Ending December 31, 2008

CITY OF GOLETA
TREASURER'S REPORT
December 31, 2008

CASH AND INVESTMENTS

	<u>Book Value</u>	<u>Market Value</u>
Cash		
Santa Barbara Bank and Trust -- General	\$ (42,054.79)	
Santa Barbara Bank and Trust -- Payroll	-	
Petty Cash	<u>500.00</u>	
	(41,554.79)	(41,554.79)
Investments		
Local Agency Investment Fund (LAIF)	<u>21,767,865.18</u>	<u>21,833,460.70</u>
Total Cash and Investments	<u>\$ 21,726,310.39</u>	<u>\$ 21,791,905.91</u>

Current Quarter Investment Return

Interest on Investments at LAIF	\$ 135,492.28
Treasurer's Interest Rate for Quarter	
Interest Rate	2.54%

The City is able to meet its expenditure requirements for the next six months and complies with the Investment Policy.

State of California
Pooled Money Investment Account
Market Valuation
12/31/2008

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch. Amortized Cost		
United States Treasury:				
Bills	\$ 7,598,685,502.12	\$ 7,632,683,175.34	\$ 7,688,719,000.00	NA
Notes	\$ 3,773,662,273.52	\$ 3,773,619,004.28	\$ 3,791,713,000.00	\$ 1,745,333.00
Federal Agency:				
SBA	\$ 554,715,117.36	\$ 554,715,117.36	\$ 541,143,400.82	\$ 2,166,537.35
MBS-REMICs	\$ 1,070,364,455.69	\$ 1,070,364,455.69	\$ 1,086,343,051.97	\$ 5,082,300.57
Debentures	\$ 3,276,687,878.94	\$ 3,276,037,878.94	\$ 3,343,168,242.50	\$ 28,738,795.57
Debentures FR	\$ 6,335,547,335.12	\$ 6,335,547,335.12	\$ 6,341,921,340.00	\$ 22,179,057.81
Discount Notes	\$ 4,889,728,880.65	\$ 4,909,868,977.85	\$ 4,952,533,000.00	NA
FHLMC PC	\$ 3,892.41	\$ 3,892.41	\$ 3,969.72	\$ 67.91
GNMA	\$ 144,100.52	\$ 144,100.52	\$ 165,524.48	\$ 1,427.01
CDs and YCDs FR	\$ -	\$ -	\$ -	\$ -
Bank Notes	\$ -	\$ -	\$ -	\$ -
CDs and YCDs	\$ 3,950,070,461.28	\$ 3,950,031,997.74	\$ 3,951,825,606.50	\$ 12,378,881.25
Commercial Paper	\$ 1,947,499,180.51	\$ 1,949,637,597.22	\$ 1,949,625,694.45	NA
Corporate:				
Bonds FR	\$ 220,299,209.53	\$ 220,299,209.53	\$ 216,234,078.04	\$ 571,949.28
Bonds	\$ 104,134,401.22	\$ 104,134,401.22	\$ 104,578,018.15	\$ 1,090,502.98
Repurchase Agreement	\$ -	\$ -	\$ -	NA
Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 8,249,500,000.00	\$ 8,249,500,000.00	\$ 8,249,500,000.00	NA
AB 55 & GF Loans	\$ 21,319,163,681.70	\$ 21,319,163,681.70	\$ 21,319,163,681.70	NA
TOTAL	\$ 63,290,206,370.57	\$ 63,345,750,824.93	\$ 63,536,637,608.33	\$ 73,954,852.73

Fair Value Including Accrued Interest

\$ 63,610,592,461.06

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (**1.003013411**). As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,060,268.22 or \$20,000,000.00 x **1.003013411**.



JOHN CHIANG
California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name CITY OF GOLETA
Account Number 98-42-335

As of 01/15/2009, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2008.

Earnings Ratio		.00006948964923038
Interest Rate		2.54%
Dollar Day Total	\$	1,949,819,656.78
Quarter End Principal Balance	\$	21,767,865.18
Quarterly Interest Earned	\$	135,492.28