



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE:

Receive and file Second Quarter Treasurer's Report for October to December 2007

RECOMMENDED MOTION:

Accept the Treasurer's Report for Second Quarter Ended December 31, 2007

BACKGROUND

Based on the City of Sausalito's Investment Policy, the Finance Director/Treasurer is required to submit quarterly and annual Treasurer's Report to the City Council. The Treasurer's Report provides an update on the cash and investment position of the City of Sausalito.

The City invests in liquid or near liquid investments where the principal is protected and earns the highest interest possible for such investments.

At December 31, 2007, the City has cash and investments totaling \$33,371,344 (cost basis) from all sources including general, restricted, capital improvement, agency funds of \$17,005,450; and bond proceeds from the 2006 General Obligation Bonds Series A & B of \$16,365,894.

DISCUSSION

The City adopts an "Investment Policy" annually to provide guidance to staff on what are allowable investment vehicles. Since 2002, the City has placed more than 97% of the cash in LAIF. Taking the FY 2006 audit recommendation from the City's auditor Maze & Associates and the recent direction of the City Council, in light of the sub-prime mortgage crisis, as of February 7, 2008, staff diversified \$5,000,000 of the City fund and invested in the United States Treasury Bills. Staff is in the process of building a ladder in US Treasury investment and will continue to move fund out of LAIF to achieve the safety goal (transfer up to 50% of LAIF to US Treasury) set by the Finance Committee on December 17, 2007. By taking a conservative approach to investing, the City achieves the investment goals of safety and liquidity. By not taking risk, there is a trade-off on yields or investment returns.

FISCAL IMPACT

None

Item #: 4B7
Meeting Date: 2-26-08
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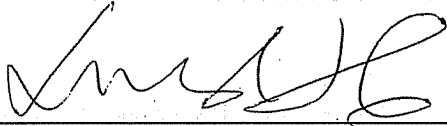
STAFF RECOMMENDATIONS

Accept the Treasurer's report for Quarter Ended December 31, 2007.

ATTACHMENTS

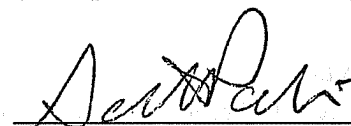
- Portfolio Summary
- Portfolio Details Cash
- Portfolio Details Investments
- Cash Balance by Fund

SUBMITTED BY:



Louise Ho, Finance Director/Treasurer

APPROVED BY:





Adam Politzer, City Manager

City of Sausalito
Quarterly Treasurer's Report
Portfolio Summary
December 31, 2007

	Par Value	Market Value	Book Value	% of Portfolio
Cash	-	141,411	141,411	0.4%
Investments				
Local Agency Investment Fund	-	14,912,547	14,912,547	44.7%
100% US Treasury Securities Money Fund	-	536,736	536,736	1.6%
US Treasury Bills	17,700,000	17,803,403	17,780,650	53.3%
Total Investments	17,700,000	33,252,685	33,229,933	99.6%
Total Cash and Investments	17,700,000	33,394,097	33,371,344	100%

The above investments are consistent with the City's Investment Policy and are allowable under current legislation of the State of California. Investments are selected using safety, liquidity, and yield as the criteria. The City has sufficient cash flow to cover anticipated expenditures through the next six months.


 Louise Ho, Director of Finance/Treasurer


 Date

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City of Sausalito
Quarterly Treasurer's Report
Portfolio Details- Cash
December 31, 2007

Name of Depository	Investment Type	Reconciled Bank Balance
Bank of Marin	Checking A/C - Operating	136,083
Union Bank	Checking A/C - Business License	5,328
Total		<u>141,411</u>

**City of Sausalito
Quarterly Treasurer's Report
Portfolio Details- Investments
December 31, 2007**

CUSIP	Name of Depository	Purchase Date	Par Value	Market Value	Book Value	Interest Rate	YTM	Days to Maturity	Maturity Date
Local Agency Investment Fund									
	State of California, Office of Treasurer	Various	-	14,912,547	14,912,547	4.960	4.960		
100% US Treasury Securities Money Fund									
S99990560	Bank of New York, 2006 GO Bonds Project Account A/C	various		295,132	295,132	3.070	3.140		
S99990560	Bank of New York, 2006 GO Bonds Debt Service A/C	various		241,603	241,603	3.070	3.140		
	Sub-total		-	536,736	536,736				
US Treasury Bills									
9128274V1	Bank of New York, 2006 GO BondsProject A/C	12/10/07	13,000,000	13,146,250	13,166,563	4.750	3.335	320	11/15/08
912795E80	Bank of New York, 2006 GO BondsProject A/C	12/11/07	1,800,000	1,770,302	1,771,790	3.100	3.202	164	06/12/08
912795E31	Bank of New York, 2006 GO BondsProject A/C	11/09/07	450,000	442,487	442,013	3.530	3.654	129	05/08/08
912795C58	Bank of New York, 2006 GO BondsProject A/C	12/20/07	450,000	448,600	448,793	2.300	2.345	31	01/31/08
912795C33	Dept of Treasury, Legacy Treasury Direct	07/19/07	1,000,000	998,782	975,405	4.865	5.071	17	01/17/08
912795C66	Dept of Treasury, Legacy Treasury Direct	08/09/07	1,000,000	996,981	976,087	4.730	4.927	38	02/07/08
	Sub-total		17,700,000	17,803,403	17,780,650				
Total			17,700,000	33,252,685	33,229,933				

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**City of Sausalito
Quarterly Treasurer's Report
Cash Balance By Fund
December 31, 2007**

Fund No.	Fund Title	Cash in Bank	LAIF	GO BONDS	US TREASURY	Balance
		1010-010	1010-030	1010-019	1010-060	
100	General Fund	(15,053,708.89)	14,912,546.89		1,951,491.94	1,810,330
103	Deposits Fund	66,753.61				66,754
110	Sewer Fund	2,548,875.41				2,548,875
113	Old City Hall	235,019.79				235,020
114	Tidelands and Waterfront	2,088,928.26				2,088,928
115	Library Capital Improvement Fund	219,444.39				219,444
120	Traffic Safety Fund	450,060.26				450,060
121	Gas Tax Fund	466,268.48				466,268
122	Construction Traffic Road Fee	750,141.58				750,142
123	Traffic Congestion Relief	58,571.24				58,571
124	County Measure A	66,583.43				66,583
125	Storm Drainage	108,362.87				108,363
126	Stair Fund	140,496.77				140,497
130	Disaster Assistance	19,505.90				19,506
131	Disaster Freeze	1,876.31				1,876
133	Police Seized Assets	30,691.97				30,692
134	Police State Grants	87,265.50				87,266
135	Fire Grant Fund	12,692.96				12,693
140	General Capital Project	819,976.62				819,977
141	Public Safety Bldgs.	767,702.79		16,124,290.77		16,891,994
210	MLK Fund	799,055.30				799,055
220	Parking	831,096.79				831,097
240	Vehicle Replacement	2,418,588.94				2,418,589
250	Worker's Compensation Fund	1,296,265.88				1,296,266
260	Employee Benefits Fund	687,408.24				687,408
270	General Liability	2,135.95				2,136
301	Energy Loan	1,586.60				1,587
302	Tideland Loan	(0.49)				(0)
303	GO Bonds, 2006 Series A & B			241,603.30		241,603
304	Vehicle Code Fine Overpayment	36,376.64				36,377
340	Bulkley UAD	9,033.56				9,034
342	Downtown SAD RDMP	91,291.19				91,291
345	Sunshine/Central RDMP	35,744.19				35,744
346	Sunshine/Central Reserve Fund	14,451.00				14,451
347	Third Street UAD	4,257.59				4,258
350	Downtown SAD Reserve Fund	28,610.80				28,611
Totals		141,411.43	14,912,547	16,365,894	1,951,492	33,371,344