

**TOWN OF FAIRFAX
STAFF REPORT**

To: Mayor, Members of the Town Council

From: Michael Rock, Town Manager 
Laurie Ireland-Ashley, Finance Director

Date: November 3, 2010

Subject: Town Treasurer's Report for the 3rd Quarter of 2010

RECOMMENDATION

Accept and file the Town Treasurer's Report for the 3rd Quarter of 2010.

DISCUSSION

For your review within the following package the Quarterly Treasurer's Report for September 2010. The attached financial reports (Treasurer's Report and LAIF Performance report) summarize the Town of Fairfax Funds investment results for the period ending September 30, 2010.

As we are all more than aware the current economic condition does not lend itself to high interest rates or large returns. Within the fluidity of the economic market as investors we are looking only for a safe, secured harbor, and a reasonably protected environment.

We have that in LAIF and that is where all of the Town's current funds are invested. On reviewing the attached LAIF Performance you can see that the interest return rate was .51% and that they are also conservatively investing by having 46.57% of their portfolio in Treasuries. This is the same as last quarter. Quarterly interest earned was a total of \$1,740.50.

Historically, LAIF is slow to reduce their paying interest rate and slow to raise it. We saw the benefit earlier of that when the market decline began and we received a slightly higher than market rate then. We are at the market rate now, and we will begin to rise when the market does.

Investments:

As of September 30, 2010, the two Local Area Investment Funds (LAIF) accounts are interest bearing holding accounts for our general checking and Measure K funds. As of September 30, 2010, the general fund investment fund account had a balance of \$1,134,451 and the Measure K investment fund had a balance of \$66,922.

**Town of Fairfax
 Quarterly Investment Report
 Portfolio Summary
 September 30, 2010**

	Par Value	Market Value	Book Value	% of Portfolio
Cash	-		186,858	13.5%
Investments				
Local Agency Investment Fund		1,201,372	1,201,372	86.5%
Total Investments	-	1,201,372	1,201,372	86.5%
Total Cash and Investments	-	1,201,372	1,388,230	100%

The above investments are consistent with the Town'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 Town has sufficient cash flow to cover anticipated expenditures through the next six months.

 Barbara Petty, Treasurer

 10/26/2010
 Date

**Town of Fairfax
 Quarterly Investment Report
 Portfolio Summary
 September 30, 2010**

<u>Name of Depository</u>	<u>Investment Type</u>	<u>Reconciled Bank Balance</u>
Bank of America	Checking A/C - Operating	169,384
Bank of America	Checking A/C - Measure K	17,474
Total		<u>186,858</u>

Town of Fairfax
 Quarterly Investment Report
 Portfolio Summary
 September 30, 2010

CUSIP	Name of Depository	Purchase Date	Par Value	Market Value	Book Value	Interest Rate	YTM	Days to Maturity
	Local Agency Investment Fund							
	State of California, Office of Treasurer			1,134,451	1,134,451	0.51	0.51	
	State of California, Office of Treasurer- Measure K			66,922	66,922			
	Total			1,201,372	1,201,372			

Bill Lockyer, State Treasurer

Inside the State Treasurer's Office

Local Agency Investment Fund (LAIF)



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
10/8/2010	0.49	0.49	186
10/9/2010	0.49	0.49	186
10/10/2010	0.49	0.49	186
10/11/2010	0.49	0.49	184
10/12/2010	0.49	0.49	185
10/13/2010	0.49	0.49	187
10/14/2010	0.48	0.49	184
10/15/2010	0.48	0.49	184
10/16/2010	0.48	0.49	184
10/17/2010	0.48	0.49	184
10/18/2010	0.48	0.49	183
10/19/2010	0.48	0.49	182
10/20/2010	0.48	0.49	182
10/21/2010	0.48	0.49	178
10/22/2010	0.48	0.49	183

LAIF Performance Report

Quarter end 09/30/2010

Apportionment Rate: 0.51%
 Earnings Ratio: .00001404107774697
 Fair Value Factor: 1.001914850
 Daily: 0.47%
 Quarter To Date: 0.51%
 Average Life: 185

PMIA Average Monthly Effective Yields

SEP 2010 0.500%
 AUG 2010 0.513%
 JUL 2010 0.531%

Pooled Money Investment Account Portfolio Composition

\$67.6 Billion
09/30/10

