



## CITY OF BEVERLY HILLS STAFF REPORT

**Meeting Date:** January 29, 2008  
**To:** Honorable Mayor & City Council  
**From:** Noel Marquis, Assistant Director of Administrative Services  
**Subject:** Portfolio Report – Quarter Ending September 30, 2007

Transmitted herewith are the City's investment reports as of July 31, 2007, August 31, 2007 and September 30, 2007.

A summary of portfolio balances and activities during the months follows. These numbers reflect market value. Original cost and par value figures are included in the attached report showing investment holdings at September 30, 2007.

Period Covered	General Portfolio			Restricted Portfolio	Total Portfolio
	Bank of New York	City National Bank	Local Agency Investment Fund	U.S. Bank	
Beginning 07/01/07 @ Market	207,472,602.88	16,837,040.58	28,790,695.03	90,982,941.14	344,083,279.63
Net Investment Activity	(10,502,322.91)	(3,713,928.40)	-	-	(14,216,251.31)
Income	894,895.83	66,972.70	374,871.28	306,895.64	1,643,635.45
Change in Market Value	51,491.59	-	-	14,805.56	66,297.15
Ending 07/31/07 @ Market	197,916,667.39	13,190,084.88	29,165,566.31	91,304,642.34	331,576,960.92
Beginning 08/01/07 @ Market	197,916,667.39	13,190,084.88	29,165,566.31	91,304,642.34	331,576,960.92
Net Investment Activity	(770,959.79)	(6,343,643.96)	-	-	(7,114,603.75)
Income	991,814.89	39,137.80	-	379,815.05	1,410,567.74
Change in Market Value	199,815.12	-	-	(38,511.10)	161,304.02
Ending 08/31/07 @ Market	198,337,137.61	6,885,578.72	29,165,566.31	91,645,946.29	326,034,228.93
Beginning 09/01/07 @ Market	198,337,137.61	6,885,578.72	29,165,566.31	91,645,946.29	326,034,228.93
Net Investment Activity	(5,536,308.33)	3,771,794.99	-	-	(1,764,513.34)
Income	506,239.58	38,477.68	-	288,374.51	833,091.77
Change in Market Value	53,044.83	-	29,255.00	15,960.10	98,259.93
Ending 09/30/07 @ Market	193,360,113.69	10,695,851.39	29,194,821.31	91,950,280.90	325,201,067.29

### Annualized Returns

Period Covered	General Portfolio			Restricted Portfolio	Total Portfolio
	Bank of New York	City National Bank	Local Agency Investment Fund	U.S. Bank	
Latest Quarter	5.56%	5.23%	5.73%	4.32%	5.21%
Fiscal Year to Date	5.56%	5.23%	5.73%	4.32%	5.21%
April 2005 to Date	4.15%	4.18%	4.28%	3.90%	4.03%

Meeting Date: January 29, 2008

The City's general portfolio experienced a decreased cash flow of \$19.8 million during the quarter due primarily to debt service payments and capital projects spending.

The restricted portion of the Portfolio experienced increased cash flow of \$967 thousand during the quarter reflecting interest earnings on debt proceeds.

The portfolio is in compliance with the City's Investment Policy. Adequate liquidity exists within the portfolio to meet all known City requirements through at least March 31, 2008. It is also believed that the City will have adequate liquidity to meet all requirements for the foreseeable future, beyond March 31, 2008, based upon existing maturity schedules and the current investment policy.

APPROVED BY:

ELIOT FINKEL  
City Treasurer

# CITY OF BEVERLY HILLS

## FINANCE ADMINISTRATION

### Investments held at 09/30/07

Issuer	Purchase Date	Maturity Date	Days to Maturity	PAR Value	Purchase Cost	Current Market Value	Current Earnings Percent	Current Earnings Dollars
<b>Summary</b>								
General Portfolio, City Administered			80	236,751,705	233,240,172	233,250,786	1.1717%	231,169
Average Weighted Months to Maturity			2.68					
Average Weighted Years to Maturity			0.22					
Portfolio Composition								
Local Agency	29,178,671	12.32%				Difference Cost to Market in Dollars:		10,615
Money Market	10,695,851	4.52%				Difference Cost to Market in Percentage:		0.0046%
CD's	0	0.00%						
Treasuries	0	0.00%						
FHLB	64,318,182	27.17%						
FNMA	65,059,000	27.48%						
FHLMC	67,500,000	28.51%						
<b>TOTAL</b>	<b>236,751,705</b>	<b>100.00%</b>						

Safe keeping is provided by BNY Western Trust.

#### Bond Proceeds: Funds under administration by Trust Agent - US Bank

Construction Accounts								
99 Refunding			1	66,849	66,849	66,849	4.3600%	243
01 Refunding			1	847,336	847,336	847,336	4.3600%	3,079
03 Refunding			22	11,389,884	11,319,282	11,355,684	3.9634%	37,619
07 Water			1	31,560,192	31,560,192	31,560,192	4.3600%	114,669
07 Refunding			1	31,361,873	31,361,873	31,361,873	4.3600%	113,948
Reserve Accounts								
98 Water			1	1,043,603	1,043,603	1,043,603	4.3600%	3,792
98 Wastewater			1	1,739,227	1,739,227	1,739,227	4.3600%	6,319
07 Water			1	3,819,444	3,819,444	3,819,444	4.3600%	13,877
07 Refunding			1	10,156,074	10,156,074	10,156,074	4.3600%	36,900
Total Portfolio			76	318,580,112	314,997,977	315,044,994	1.8091%	524,714
Average Weighted Months to Maturity			2					
Average Weighted Years to Maturity			0.21					
Dollars maturing in 2007				256,859,004	78.14%			
Dollars maturing in 2008				61,877,182	18.82%			
Dollars maturing in 2009				10,000,000	3.04%			
Dollars maturing in 2010				-	0.00%			
Dollars maturing in 2011 AND Beyond				-	0.00%			
Total dollars				328,736,186	100.00%			
Difference Cost to Market in Dollars				47,017				
Difference Cost to Market in Percentage				0.0145%				

**NOTE:** Market Value is based on US Bank and BNY monthly account statements. These reports use market prices which are based on the market trends for the date of the report, generally the last banking day of the month.

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### Investments held at 09/30/07

Issuer	Purchase Date	Maturity Date	Days to Maturity	PAR Value	Purchase Cost	Current Market Value	Current Earnings Percent	Current Earnings Dollars
<b>Overnight</b>								
<b>General Portfolio</b>								
CNB CNI	Daily	Daily	1	10,695,851	10,695,851	10,695,851	4.2600%	37,970
<b>Bond Proceeds</b>								
<b>Construction Accounts</b>								
99 Refunding		Daily	1	66,849	66,849	66,849	4.3600%	243
01 Refunding		Daily	1	847,336	847,336	847,336	4.3600%	3,079
03 Refunding		Daily	1	1,002,884	1,002,884	1,002,884	4.3600%	3,644
07 Water		Daily	1	31,560,192	31,560,192	31,560,192	4.3600%	114,669
07 Refunding				31,361,873	31,361,873	31,361,873	4.3600%	113,948
<b>Reserve Accounts</b>								
98 Water		Daily	1	1,043,603	1,043,603	1,043,603	4.3600%	3,792
98 Wastewater		Daily	1	1,739,227	1,739,227	1,739,227	4.3600%	6,319
07 Water		Daily	1	3,819,444	3,819,444	3,819,444	4.3600%	13,877
07 Refunding		Daily	1	10,156,074	10,156,074	10,156,074	4.3600%	36,900
<b>Total:</b>				\$ 92,293,333	92,293,333	92,293,333		334,441

<b>Managed</b>								
<b>General Portfolio</b>								
State	Pool	Pool	120	29,178,671	29,178,671	29,194,821	5.2300%	127,170
<b>Total:</b>				\$ 29,178,671	29,178,671	29,194,821		127,170

<b>2007</b>								
<b>General Portfolio</b>								
FNMA	05/14/07	10/16/07	16	20,000,000	19,563,417	19,567,667	0.0000%	0
FHLMC	07/16/07	10/30/07	30	20,000,000	19,699,667	19,709,833	0.0000%	0
FHLMC	05/15/07	11/13/07	44	20,000,000	19,488,883	19,501,642	0.0000%	0
FHLB	08/15/07	11/20/07	51	25,000,000	24,655,111	24,676,075	0.0000%	0
FHLMC	06/29/07	12/04/07	65	20,000,000	19,554,089	19,574,711	0.0000%	0
FNMA	06/01/07	12/26/07	87	20,000,000	19,414,133	19,442,367	0.0000%	0

<b>Bond Proceeds</b>								
<b>Construction Accounts</b>								
<b>03 Refunding</b>								
UST	08/16/07	11/15/07	46	6,357,000	6,296,741	6,328,966	3.9600%	20,978
<b>Total:</b>				\$ 131,357,000	128,672,041	128,801,260		20,978

<b>2008</b>								
<b>General Portfolio</b>								
FNMA	08/22/07	01/02/08	94	20,059,000	19,708,476	19,723,077	0.0000%	0
FHLMC	09/28/07	01/04/08	96	7,500,000	7,389,975	7,381,185	0.0000%	0
FHLB	09/14/07	01/30/08	122	15,000,000	14,732,050	14,743,301	0.0000%	0
FHLB	09/28/07	02/27/08	150	7,500,000	7,341,667	7,340,398	0.0000%	0
FHLB	06/30/03	06/30/08	274	5,000,000	5,000,000	4,937,500	3.0400%	12,667
FHLB	08/11/03	08/11/08	316	1,818,182	1,818,182	1,804,545	3.8000%	5,758
FHLB	08/13/03	08/13/08	318	5,000,000	5,000,000	5,001,563	3.0000%	12,500
<b>Total:</b>				\$ 61,877,182	60,990,349	60,931,569		30,924

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### Investments held at 09/30/07

Issuer	Purchase Date	Maturity Date	Days to Maturity	PAR Value	Purchase Cost	Current Market Value	Current Earnings Percent	Current Earnings Dollars
<b>2009</b>								
General Portfolio								
FNMA	04/29/04	04/29/09	577	5,000,000	5,000,000	4,976,563	4.1250%	17,188
FHLB	05/21/04	05/20/09	598	5,000,000	5,000,000	4,979,688	4.3000%	17,917
<b>Total:</b>				\$ 10,000,000	10,000,000	9,956,250		35,104