

# *REPORT*

To the Honorable Mayor and City Council  
From the City Manager

September 19, 2005

## **Subject**

Monthly Investment Report for Period Ending August 31, 2005

## **Background**

The attached investment report indicates that on August 31, 2005 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$112,773,491.06 were invested producing an average yield of 3.114%. The target Fed Funds rate for August is 3.50%.

The attached investment listing represents all securities in which City funds, including all trust funds and agency funds, are invested (excluding deferred compensation plans) and indicates any security dealers that were used to invest City funds during the month.

As of August 31, the City has sufficient liquid resources available to meet expenditure requirements for the next six months.

The City's Investment Policy requires that the Council be advised each month of the current value of any securities with a maturity of greater than one year. The City presently has 20 securities meeting the criteria.

All City investments are in compliance with the City's Investment Policy.

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Brian J. Ponty  
Director of Finance and Financial Planning

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Sandy Jennings  
Deputy Treasurer

cc: Edward P. Everett, City Manager

**INVESTMENT PORTFOLIO**

August 31, 2005

TYPE	CUSIP NO.	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)	Average MATURITY (Months)	CALL DATE	BROKER USED FOR CURRENT MONTH
<b>US AGENCIES, SECURITIES, AND CORPORATE NOTES</b>											
Fed Nat'l Mort. Association	3136F3U53	7/24/2003	3,000,000.00	7/24/2006	2.070	3,000,000.00	1.675	2,968,140.00	(2)	0.43	
Fed Home Loan Bank	31339YZP0	8/14/2003	2,000,000.00	8/14/2006	2.550	2,000,000.00	1.117	1,973,120.00	(2)	0.32	
Fed Home Loan Bank	31339YZP0	8/14/2003	2,991,000.00	8/14/2006	2.655	3,000,000.00	1.675	2,959,680.00	(2)	0.48	
Citigroup	172967BH3	10/9/2003	1,080,380.00	8/9/2006	2.540	1,000,000.00	0.558	1,011,340.00	(2)	0.16	
Fed Home Loan Bank (1)	3133X14N4	1/2/2004	3,031,875.00	9/15/2006	2.460	3,000,000.00	1.675	2,967,180.00	(2)	0.52	
Fed Home Loan Bank (1)	3133X2F89	11/24/2003	2,998,125.00	11/24/2006	2.872	3,000,000.00	1.675	2,958,750.00	(2)	0.61	
Fed Home Loan Bank (1)	3133X2UH6	12/29/2003	3,000,000.00	12/29/2006	3.140	3,000,000.00	1.675	2,967,180.00	(2)	0.65	
Fed Nat'l Mort. Association (1)	31339MLZ4	1/22/2004	3,221,640.00	1/15/2007	2.416	3,000,000.00	1.675	3,039,390.00	(2)	0.70	
Fed Home Loan Mtg Corp (1)	3128X2TX3	2/9/2004	2,995,560.00	2/9/2007	2.802	3,000,000.00	1.675	2,948,880.00	(2)	0.74	
Fed Home Loan Mtg Corp (1)	3128X2TX3	3/12/2004	3,019,410.00	2/9/2007	2.026	3,000,000.00	1.675	2,948,880.00	(2)	0.74	
Fed Home Loan Mtg Corp (1)	3134A4UN2	2/3/2004	2,984,700.00	2/15/2007	2.550	3,000,000.00	1.675	2,932,500.00	(2)	0.74	
Fed Nat'l Mort. Association (1)	31339MFL2	3/2/2004	3,412,500.00	3/15/2007	2.401	3,000,000.00	1.675	3,138,750.00	(2)	0.78	
Fed Home Loan Mtg Corp (1)	3134A4NWO	3/16/2004	3,236,430.00	3/15/2007	2.146	3,000,000.00	1.675	3,038,430.00	(2)	0.78	
Fed Nat'l Mort. Association (1)	31339MMP5	4/19/2004	3,206,790.00	4/15/2007	2.829	3,000,000.00	1.675	3,058,140.00	(2)	0.83	
Fed Nat'l Mort. Association (1)	3136F5RY9	4/27/2004	2,988,000.00	4/27/2007	3.015	3,000,000.00	1.675	2,945,640.00	(2)	0.83	
Fed Nat'l Mort. Association (1)	3133MNPQ8	5/11/2004	3,116,790.00	5/15/2007	3.501	3,000,000.00	1.675	3,039,390.00	(2)	0.87	
Fed Home Loan Bank (1)	3133XAM79	3/21/2005	2,978,940.00	8/24/2007	4.106	3,000,000.00	1.675	2,982,180.00	(2)	1.00	
Fed Nat'l Mort. Association (1)	3136F6AG4	9/7/2004	3,000,000.00	9/7/2007	2.750	3,000,000.00	1.675	3,000,000.00	(2)	1.04	
Fed Nat'l Mort. Association (1)	31339MQM8	1/4/2005	2,975,625.00	1/15/2008	3.535	3,000,000.00	1.675	2,944,680.00	(2)	1.22	
Fed Home Loan Bank (1)	3133XAN37	2/17/2005	2,986,875.00	2/15/2008	3.781	3,000,000.00	1.675	2,965,320.00	(2)	1.26	
Fed Home Loan Bank (1)	3133XAY68	7/8/2005	2,991,600.00	3/24/2008	4.358	3,000,000.00	1.675	2,990,640.00	(2)	1.30	9/24/2005
Fed Nat'l Mort. Association (1)	31339MDU4	5/3/2005	3,171,562.50	5/15/2008	3.979	3,000,000.00	1.675	3,147,180.00	(2)	1.39	
Fed Home Loan Mtg Corp (1)	3128X4BD2	6/2/2005	3,007,500.00	6/2/2008	4.260	3,000,000.00	1.675	2,995,080.00	(2)	1.43	6/2/2006
Fed Nat'l Mort. Association (1)	31339MSB0	6/29/2005	2,891,880.00	6/15/2008	3.798	3,000,000.00	1.675	2,876,250.00	(2)	1.43	
<i>Total Governments</i>			<u>70,287,182.50</u>		*	<u>69,000,000.00</u>	<u>38.531</u>	<u>68,796,720.00</u>	<u>20.26</u>		
<b>LIQUID ACCOUNTS</b>											
County of San Mateo - City of Redwood City					3.140	10,422,166.79	5.820		191.53		
County of San Mateo - Redevelopment Agency					3.140	14,664,812.06	8.189		269.49		
County of San Mateo - Public Financing Authority					3.140	6,725,999.74	3.756		123.60		
State of California LAIF - City of Redwood City					3.179	11,960,512.47	6.679		219.80		
<i>Total Liquid Accounts</i>						<u>43,773,491.06</u>	<u>24.444</u>		<u>804.42</u>		
<b>SUB-TOTAL</b>			(average weighted yield)	3.114	<u>112,773,491.06</u>	<u>62.97</u>			<u>824.68</u>		
<b>CASH AND INVESTMENTS WITH FISCAL AGENTS</b>											
1997 Tax Alloc Refunding Bonds - Reserve Fund					6.190	1,543,018.56	0.862		US Bank		
1997 Tax Alloc Refunding Bonds - I&R Fund					2.980	16,248.17	0.009		US Bank		
1998 City Hall COP - Reserve Fund					0.000	0.06	0.000		US Bank		
1998 Refunding Bonds Series A - US Treasury					2.980	1,207,584.82	0.674		US Bank		
1998 Refunding Bonds Series A - I&R Fund					2.690	566.12	0.000		US Bank		
1999 Seaport Consolidated Bonds - US Treasury					2.920	1,024,640.05	0.572		US Bank		
2000A Pacific Shores Bonds - Construction Fund - Money Market					2.940	1,279,072.36	0.714		Bank Of New York		
2000A Pacific Shores Bonds - Reserve Fund					2.940	2,127,867.67	1.188		Bank Of New York		
2000A Pacific Shores Bonds - Special Tax Fund					2.940	15,050.64	0.008		Bank Of New York		
2000A Pacific Shores Bonds - I&R Fund					2.940	1,575,611.25	0.880		Bank Of New York		
2001A RWS Trans Imprvmt Bonds - Adm Expense Fund					2.890	4.14	0.000		Bank Of New York		
2001A RWS Trans Imprvmt Bonds - Reserve Fund					2.950	325,152.73	0.182		Bank Of New York		
2001A RWS Trans Imprvmt Bonds - I&R Fund					2.940	131,406.17	0.073		Bank Of New York		
2003 PFA Lease Revenue Refunding Bonds - Reserve Fund					2.940	1,081,673.98	0.604		Bank Of New York		
2003 PFA Lease Revenue Refunding Bonds - I&R Fund					2.950	907.72	0.001		Bank Of New York		
2003 PFA Lease Revenue Refunding Bonds - Courthouse Project					2.950	2,875,412.41	1.606		Bank Of New York		
2003A RDA Tax Allocation Bonds - Money Market					2.930	870,633.99	0.486		US Bank		
2003A RDA Tax Allocation Bonds - Construction Fund					2.940	5,080,634.99	2.837		Bank Of New York		
2003A RDA Tax Allocation Bonds - I&R Fund					2.980	4,497.66	0.003		US Bank		
2003B RWS Traffic Improvement Phase II Bonds - Construction Fund					2.940	3,920.05	0.002		Bank Of New York		
2003B RWS Traffic Improvement Phase II Bonds - Reserve Fund					2.940	436,365.93	0.244		Bank Of New York		
2003B RWS Traffic Improvement Phase II Bonds - I&R Fund					2.940	212,303.13	0.119		Bank Of New York		
2005A PFA Water Bonds Project					2.680	24,584,551.78	13.728		Bank Of New York		
2005A PFA Water Bonds Project - Reserve Fund					2.950	797.91	0.000		Bank Of New York		
LAIF-PFA Certificates of Participation - City Hall - Reserve Fund					3.179	1,042,152.53	0.582		US Bank		
PFA Bonds - Housing Project Fund					3.320	156,680.46	0.087		California Arbitrage Management Program		
Traffic Impact Fund					2.940	6,122,200.78	3.419		Bank Of New York		
Capital Project Fund					2.940	13,059,248.83	7.292		Bank Of New York		
PAL Bldg. Loan & RDA Projects					2.950	1,527,072.77	0.853		Bank Of New York		
<i>Total with Fiscal Agents</i>						<u>66,305,277.66</u>	<u>37.026</u>				
<b>TOTAL PORTFOLIO</b>							<u>179,078,768.72</u>	<u>100.000</u>			

\* Difference in value between Principal Amount and Market Value may be due to timing of purchase. Some of these investments may have been purchased when interest rates were low. Principal amount also indicates PAR (face) value and does not reflect whether investment was purchased at a discount or premium. As interest rates increase or decrease, the value of the investment will decrease or increase accordingly. The City's investment intention is to hold the investments to maturity thereby receiving PAR value at maturity unless the City will realize a profit by liquidating the investment prior to maturity date.

(1) Denotes investments with a maturity date greater than one (1) year.

(2) Market values obtained from the Principal Portfolio Statement issued by Union Bank of California, Redwood City's third party administrator.