

REPORT

To the Honorable Mayor and City Council
From the City Manager

August 21, 2006

Subject

Monthly Investment Report for Period Ending July 31, 2006

Background

The attached investment report indicates that on July 31, 2006 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$106,754,303.92 were invested producing an average yield of 3.682%. The target Fed Funds rate for July is 5.25%.

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.

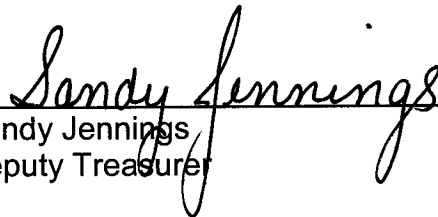
As of July 31, the City has sufficient liquid resources available to meet expenditure requirements for the next six months.

The City's Investment Policy requires that the Council be advised each month of the number of securities maturing beyond one year. The City presently has 13 securities meeting the criteria.

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



Brian J. Ponty
Director of Finance and Financial Planning



Sandy Jennings
Deputy Treasurer

cc: Edward P. Everett, City Manager

I N V E S T M E N T P O R T F O L I O

31 JUL 2006

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	CALL DATE

US AGENCIES, SECURITIES, AND CORPORATE NOTES									
CITIGROUP	10-09-03	1,080,380.00	08-09-06	2.540	1,000,000.00	0.566	1,000,010.00	0.00	
Federal Home Loan Bank	08-14-03	2,000,000.00	08-14-06	2.550	2,000,000.00	1.131	1,998,120.00	0.00	
Federal Home Loan Bank	08-14-03	2,991,000.00	08-14-06	2.655	3,000,000.00	1.697	2,997,180.00	0.00	
Federal Home Loan Bank	01-02-04	3,031,875.00	09-15-06	2.460	3,000,000.00	1.697	2,990,640.00	0.04	
Federal Home Loan Bank	11-24-03	2,998,125.00	11-24-06	2.872	3,000,000.00	1.697	2,975,640.00	0.11	
Federal Home Loan Bank	12-29-03	3,000,000.00	12-29-06	3.140	3,000,000.00	1.697	2,970,930.00	0.19	
Federal National Mortgage Assoc.	01-22-04	3,221,640.00	01-15-07	2.416	3,000,000.00	1.697	2,993,430.00	0.19	
Federal Home Loan Mortgage Corp.	02-09-04	2,995,560.00	02-09-07	2.802	3,000,000.00	1.697	2,958,270.00	0.22	
Federal Home Loan Mortgage Corp.	03-12-04	3,019,410.00	02-09-07	2.026	3,000,000.00	1.697	2,958,270.00	0.22	
Federal Home Loan Mortgage Corp.	02-03-04	2,984,700.00	02-15-07	2.550	3,000,000.00	1.697	2,951,250.00	0.22	
Federal Home Loan Mortgage Corp.	03-16-04	3,236,430.00	03-15-07	2.146	3,000,000.00	1.697	2,988,750.00	0.26	
Federal National Mortgage Assoc.	03-02-04	3,412,500.00	03-15-07	2.401	3,000,000.00	1.697	3,030,000.00	0.26	
Federal National Mortgage Assoc.	04-19-04	3,206,790.00	04-15-07	2.829	3,000,000.00	1.697	2,995,320.00	0.30	
Federal National Mortgage Assoc.	04-27-04	2,988,000.00	04-27-07	3.015	3,000,000.00	1.697	2,944,680.00	0.33	
Federal National Mortgage Assoc.	05-11-04	3,116,790.00	05-15-07	3.501	3,000,000.00	1.697	2,986,890.00	0.33	
Federal Home Loan Bank	(1) 03-21-05	2,978,940.00	08-24-07	4.106	3,000,000.00	1.697	2,951,250.00	0.44	
Federal National Mortgage Assoc.	(1) 09-07-04	3,000,000.00	09-07-07	3.601	3,000,000.00	1.697	2,957,820.00	0.48	
Federal National Mortgage Assoc.	(1) 01-04-05	2,975,625.00	01-15-08	3.535	3,000,000.00	1.697	2,914,680.00	0.63	
Federal Home Loan Bank	(1) 02-17-05	2,986,875.00	02-15-08	3.780	3,000,000.00	1.697	2,924,070.00	0.67	
Federal Home Loan Bank	(1) 07-08-05	2,991,600.00	03-24-08	4.358	3,000,000.00	1.697	2,950,320.00	0.74	
Federal National Mortgage Assoc.	(1) 05-03-05	3,171,562.50	05-15-08	3.979	3,000,000.00	1.697	3,036,570.00	0.78	
Federal Home Loan Mortgage Corp.	(1) 06-02-05	3,007,500.00	06-02-08	4.260	3,000,000.00	1.697	2,946,180.00	0.81	06-02-06
Federal National Mortgage Assoc.	(1) 06-29-05	2,891,880.00	06-15-08	3.798	3,000,000.00	1.697	2,853,750.00	0.81	
Federal Home Loan Mortgage Corp.	(1) 02-14-06	2,914,410.00	09-15-08	4.810	3,000,000.00	1.697	2,903,430.00	0.93	
Federal National Mortgage Assoc.	(1) 03-16-06	2,919,390.00	11-17-08	4.959	3,000,000.00	1.697	2,909,070.00	1.04	
Treasury Notes	(1) 04-18-06	2,968,593.75	02-15-09	4.899	3,000,000.00	1.697	2,967,780.00	1.15	
Federal National Mortgage Assoc.	(1) 05-30-06	2,999,850.00	05-29-09	5.500	3,000,000.00	1.697	2,996,250.00	1.26	11-29-06
Federal Home Loan Bank	(1) 06-16-06	2,988,120.00	06-12-09	5.390	3,000,000.00	1.697	3,003,750.00	1.26	

Total Governments		82,077,546.25		3.522	81,000,000.00	45.814	80,054,300.00	13.67	
LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				4.849	16,772,847.79	9.487		97.12	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				4.070	2,340,415.34	1.324		13.55	
COUNTY OF SAN MATEO - PUBLIC FINANCING AUTHORITY				4.070	1,836,799.90	1.039		10.64	

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31 JUL 2006

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	CALL DATE

COUNTY OF SAN MATEO - REDEVELOPMENT AGENCY				4.070	4,804,240.89	2.717		27.82	

Total Liquid Accounts				4.577	25,754,303.92	14.567		149.12	

SUB-TOTAL		(average weighted yield)		3.682	106,754,303.92	60.38		162.79	

CASH AND INVESTMENTS WITH FISCAL AGENTS									
1997 TAX ALLOC REFUNDING BONDS - I&R FUND				4.700	26,324.06	0.015			
1997 TAX ALLOC REFUNDING BONDS - RESERVE FUND				6.190	1,543,952.13	0.873			
1998 CITY HALL COP - RESERVE FUND				0.000	2.03	0.000			
1998 CITY HALL COP - RESERVE FUND - LAIF				4.849	1,055,511.50	0.597			
1998 LEAVE REVENUE REFUNDING BONDS - I&R FUND				4.630	-193.59	-0.000			
1998 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.700	11,958.94	0.007			
1998 PFA LS REV REFDG BONDS - RESERVE FUND - US TREASURY				2.520	1,191,000.00	0.674			
1999 SEAPORT CONS. BONDS - I&R FUND - MONEY MARKET				4.670	73,323.20	0.041			
1999 SEAPORT CONS. BONDS - RESERVE FUND - MONEY MARKET				4.670	73,624.60	0.042			
1999 SEAPORT CONS. BONDS - RESERVE FUND - US TREASURY				2.530	904,985.53	0.512			
1999 SEAPORT CONS. BONDS - REV ACCT - MONEY MARKET				0.000	9.84	0.000			
2000A PACIFIC SHORES BONDS - CONSTRUCTION FUND - MONEY MARKET				4.720	1,323,350.89	0.748			
2000A PACIFIC SHORES BONDS - I&R FUND				4.720	310.81	0.000			
2000A PACIFIC SHORES BONDS - RESERVE FUND				4.720	2,156,043.08	1.219			
2000A PACIFIC SHORES BONDS - SPECIAL TAX FUND				4.730	15,571.60	0.009			
2001A RWS TRANS IMPRVMT BONDS - ADM EXPENSE FUND				4.830	4.14	0.000			
2001A RWS TRANS IMPRVMT BONDS - I&R FUND				4.720	74.21	0.000			
2001A RWS TRANS IMPRVMT BONDS - RESERVE FUND				4.730	336,409.21	0.190			
2003 PFA LEASE REVENUE REFUNDING BONDS - I&R FUND				4.480	439.43	0.000			
2003 PFA LS REV REFDG BONDS - COURTHOUSE PROJECT				0.000	0.00	0.000			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - FED HOM LOAN MTG				5.140	1,016,650.00	0.575			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.490	80,241.04	0.045			
2003A RDA TAX ALLOCATION BONDS - CONSTRUCTION FUND				4.490	2,304,571.80	1.303			
2003A RDA TAX ALLOCATION BONDS - I&R FUND				4.700	6,700.21	0.004			
2003A RDA TAX ALLOCATION BONDS - MONEY MARKET				4.700	240,284.26	0.136			
2003B RWS TRAF IMPRV PHASE II BONDS - I&R FUND				4.730	117.41	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - MONEY MARKET				4.480	50,093.96	0.028			
2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - US TREASURY				2.380	393,890.63	0.223			
2005A WATER REV BONDS - INCOME AND PRINCIPAL				4.430	651,236.49	0.368			

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31 JUL 2006

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2005A WATER REV BONDS - RESERVE FUND - MBIA INC				4.910	2,164,425.00	1.224			
2005A WATER REV BONDS - RESERVE FUND - MONEY MKT				4.430	53,306.63	0.030			
2005A WATER REV BONDS PROJ FUND - AEGON				3.290	11,109,775.41	6.284			
2006A WATER REV BONDS - COST OF ISSUANCE FUND				4.420	0.00	0.000			
2006A WATER REV BONDS - PROJECT FUND				4.695	23,757,000.00	13.437			
2006A WATER REV BONDS - RESERVE FUND				4.691	1,573,906.25	0.890			
CAPITAL PROJECT FUND				4.480	10,967,877.25	6.203			
PAL BLDG LOAN & RDA PROJECTS				4.180	1,034.22	0.001			
PFA BONDS - HOUSING PROJECT FUND				5.160	163,469.73	0.092			
PFA WATER 05A WATER REVENUE BONDS - PROJECT FUND				4.430	5.21	0.000			
PFA WATER REVENUE BONDS - RESERVE FUND SHORT TERM				4.420	1,400.15	0.001			
PFA WATER REVENUE BONDS 06A - PROJECT FUND - SHORT TERM				4.420	49,611.62	0.028			
REDWOOD SHORES 2001A PRINCIPAL FUND				4.730	29.35	0.000			
TRAFFIC IMPACT FUND				4.480	6,334,148.92	3.583			
WATER REVENUE BONDS 2006 INST. PMT				4.730	416,913.87	0.236			
Total with Fiscal Agents					70,049,391.02	39.62			
TOTAL PORTFOLIO					176,803,694.94	100.00			

* 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 greater than one (1) year.

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