

# *REPORT*

To the Honorable Mayor and City Council  
From the City Manager

March 13, 2006

## **Subject**

Monthly Investment Report for Period Ending February 28, 2006

## **Background**

The attached investment report indicates that on February 28, 2006 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$112,568,795.94 were invested producing an average yield of 3.347%. The target Fed Funds rate for February is 4.50%.

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 February 28, 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 14 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

I N V E S T M E N T P O R T F O L I O  
28 FEB 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									
Federal National Mortgage Assoc	07 24 03	3 000 000 00	07 24 06	2 070	3 000 000 00	1 718	2 974 680 00	0 17	
CITIGROUP	10 09 03	1 080 380 00	08 09 06	2 540	1 000 000 00	0 573	1 002 330 00	0 07	
Federal Home Loan Bank	08 14 03	2 000 000 00	08 14 06	2 550	2 000 000 00	1 145	1 979 380 00	0 14	
Federal Home Loan Bank	08 14 03	2 991 000 00	08 14 06	2 655	3 000 000 00	1 718	2 969 070 00	0 21	
Federal Home Loan Bank	01 02 04	3 031 875 00	09 15 06	2 460	3 000 000 00	1 718	2 968 140 00	0 25	
Federal Home Loan Bank	11 24 03	2 998 125 00	11 24 06	2 872	3 000 000 00	1 718	2 955 930 00	0 33	
Federal Home Loan Bank	12 29 03	3 000 000 00	12 29 06	3 140	3 000 000 00	1 718	2 956 890 00	0 42	
Federal National Mortgage Assoc	01 22 04	3 221 640 00	01 15 07	2 416	3 000 000 00	1 718	3 000 930 00	0 42	
Federal Home Loan Mortgage Corp	02 09 04	2 995 560 00	02 09 07	2 802	3 000 000 00	1 718	2 940 180 00	0 46	
Federal Home Loan Mortgage Corp	03 12 04	3 019 410 00	02 09 07	2 026	3 000 000 00	1 718	2 940 180 00	0 46	
Federal Home Loan Mortgage Corp	02 03 04	2 984 700 00	02 15 07	2 550	3 000 000 00	1 718	2 928 750 00	0 46	
Federal Home Loan Mortgage Corp	(1) 03 16 04	3 236 430 00	03 15 07	2 146	3 000 000 00	1 718	2 997 180 00	0 50	
Federal National Mortgage Assoc	(1) 03 02 04	3 412 500 00	03 15 07	2 401	3 000 000 00	1 718	3 064 680 00	0 50	
Federal National Mortgage Assoc	(1) 04 19 04	3 206 790 00	04 15 07	2 829	3 000 000 00	1 718	3 009 390 00	0 54	
Federal National Mortgage Assoc	(1) 04 27 04	2 988 000 00	04 27 07	3 015	3 000 000 00	1 718	2 930 640 00	0 58	
Federal National Mortgage Assoc	(1) 05 11 04	3 116 790 00	05 15 07	3 501	3 000 000 00	1 718	2 997 180 00	0 58	
Federal Home Loan Bank	(1) 03 21 05	2 978 940 00	08 24 07	4 106	3 000 000 00	1 718	2 951 250 00	0 75	
Federal National Mortgage Assoc	(1) 09 07 04	3 000 000 00	09 07 07	2 750	3 000 000 00	1 718	2 962 500 00	0 75	
Federal National Mortgage Assoc	(1) 01 04 05	2 975 625 00	01 15 08	3 535	3 000 000 00	1 718	2 911 890 00	0 92	
Federal Home Loan Bank	(1) 02 17 05	2 986 875 00	02 15 08	3 780	3 000 000 00	1 718	2 926 890 00	0 96	
Federal Home Loan Bank	(1) 07 08 05	2 991 600 00	03 24 08	4 358	3 000 000 00	1 718	2 959 680 00	1 04	
Federal National Mortgage Assoc	(1) 05 03 05	3 171 562 50	05 15 08	3 979	3 000 000 00	1 718	3 067 500 00	1 08	
Federal Home Loan Mortgage Corp	(1) 06 02 05	3 007 500 00	06 02 08	4 260	3 000 000 00	1 718	2 956 410 00	1 13	06 02 06
Federal National Mortgage Assoc	(1) 06 29 05	2 891 880 00	06 15 08	3 798	3 000 000 00	1 718	2 845 320 00	1 13	
Federal Home Loan Mortgage Corp	(1) 02 14 06	2 914 410 00	09 15 08	4 810	3 000 000 00	1 718	2 908 140 00	1 29	
Total Governments		73 201 592 50		3 157	72 000 000 00	41 224	71 105 110 00	15 13	
LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF CITY OF REDWOOD CITY				4 043	11 847 354 57	6 783		76 35	
COUNTY OF SAN MATEO CITY OF REDWOOD CITY				3 640	20 385 780 56	11 672		131 38	
COUNTY OF SAN MATEO PUBLIC FINANCING AUTHORITY				3 640	1 803 142 67	1 032		11 62	
COUNTY OF SAN MATEO REDEVELOPMENT AGENCY				3 640	6 532 518 14	3 740		42 10	
Total Liquid Accounts				3 758	40 568 795 94	23 228		261 44	

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

28 FEB 2006

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SUB TOTAL				(average weighted yield)	3 347 112 568 795 94	64 45		276 57	
CASH AND INVESTMENTS WITH FISCAL AGENTS									
1997 TAX ALLOC REFUNDING BONDS			I&R FUND	3 920	942 688 00	0 540			
1997 TAX ALLOC REFUNDING BONDS			RESERVE FUND	6 190	1 590 882 25	0 911			
1998 CITY HALL COP			RESERVE FUND	0 000	0 06	0 000			
1998 CITY HALL COP			RESERVE FUND LAIF	4 043	1 060 134 62	0 607			
1998 PFA LS REV REFDG BONDS			RESERVE FUND MONEY MARKET	3 920	9 356 68	0 005			
1998 PFA LS REV REFDG BONDS			RESERVE FUND US TREASURY	2 540	1 191 000 00	0 682			
1999 SEAPORT CONS BONDS			I&R FUND MONEY MARKET	3 940	71 815 72	0 041			
1999 SEAPORT CONS BONDS			RESERVE FUND MONEY MARKET	3 940	73 054 13	0 042			
1999 SEAPORT CONS BONDS			RESERVE FUND US TREASURY	2 540	893 250 00	0 511			
1999 SEAPORT CONS BONDS			REV ACCT MONEY MARKET	4 250	94 14	0 000			
2000A PACIFIC SHORES BONDS			CONSTRUCTION FUND MONEY MARKET	3 970	1 300 595 56	0 745			
2000A PACIFIC SHORES BONDS			I&R FUND	3 980	475 620 55	0 272			
2000A PACIFIC SHORES BONDS			RESERVE FUND	3 970	2 149 926 18	1 231			
2000A PACIFIC SHORES BONDS			SPECIAL TAX FUND	3 970	15 303 82	0 009			
2001 RDA TAX ALLOC BONDS			CAP INTEREST FUND MONEY MARKET	3 920	557 741 15	0 319			
2001A RWS TRANS IMPRVMT BONDS			ADM EXPENSE FUND	3 860	4 14	0 000			
2001A RWS TRANS IMPRVMT BONDS			I&R FUND	3 970	128 862 66	0 074			
2001A RWS TRANS IMPRVMT BONDS			RESERVE FUND	3 980	330 624 36	0 189			
2003 PFA LEASE REVENUE REFUNDING BONDS			I&R FUND	3 970	247 53	0 000			
2003 PFA LS REV REFDG BONDS			COURTHOUSE PROJECT	3 970	1 193 487 98	0 683			
2003 PFA LS REV REFDG BONDS			RESERVE FUND FED HOM LOAN MTG	5 090	1 016 650 00	0 582			
2003 PFA LS REV REFDG BONDS			RESERVE FUND MONEY MARKET	3 970	66 228 26	0 038			
2003A RDA TAX ALLOCATION BONDS			CONSTRUCTION FUND	3 970	4 610 335 82	2 640			
2003A RDA TAX ALLOCATION BONDS			I&R FUND	3 920	327 600 99	0 188			
2003B RWS TRAF IMPRV PHASE II BONDS			I&R FUND	3 980	211 240 13	0 121			
2003B RWS TRAF IMPRV PHASE II BONDS			RESERVE FUND MONEY MARKET	3 980	49 246 36	0 028			
2003B RWS TRAF IMPRV PHASE II BONDS			RESERVE FUND US TREASURY	2 400	393 890 63	0 226			
2005A WATER REV BONDS			INCOME AND PRINCIPAL	3 900	1 546 777 28	0 886			
2005A WATER REV BONDS			RESERVE FUND MBIA INC	4 910	2 164 425 00	1 239			
2005A WATER REV BONDS			RESERVE FUND MONEY MKT	3 670	156 32	0 000			
2005A WATER REV BONDS			PROJ FUND AEGON	3 290	19 135 208 11	10 956			
CAPITAL PROJECT FUND				3 970	12 644 385 09	7 240			

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PAL BLDG LOAN & RDA PROJECTS				3 980	1 552 770 07	0 889			
PFA BONDS HOUSING PROJECT FUND				4 320	159 666 35	0 091			
TRAFFIC IMPACT FUND				3 970	6 225 227 21	3 564			
Total with Fiscal Agents					62 088 497 15	35 55			
TOTAL PORTFOLIO					<u>174 657 293 09</u>	<u>100 00</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 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.