

# REPORT

To the Honorable Mayor and City Council  
From the City Manager

March 14, 2007

## Subject

Monthly Investment Report for Period Ending February 28, 2007

## Background

The attached investment report indicates that on February 28, 2007 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$111,049,668.95 were invested producing an average yield of 4.333%. The target Fed Funds rate for February 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.

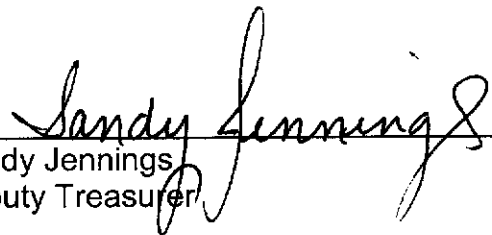
As of February 28, the City has sufficient liquid resources available to meet expenditure requirements for the next six months.

The City's Investment Policy requires that the Council be advised each month of the number of securities maturing beyond one year. The City presently has 15 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

## INVESTMENT PORTFOLIO

28 FEB 2007

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	CALL DATE
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US AGENCIES, SECURITIES, AND CORPORATE NOTES									
Federal Home Loan Mortgage Corp.	03-16-04	3,236,430.00	03-15-07	2.146	3,000,000.00	2.701	2,999,070.00	0.00	
Federal National Mortgage Assoc.	03-02-04	3,412,500.00	03-15-07	2.401	3,000,000.00	2.701	3,001,890.00	0.00	
Federal National Mortgage Assoc.	04-19-04	3,206,790.00	04-15-07	2.829	3,000,000.00	2.701	3,000,000.00	0.03	
Federal National Mortgage Assoc.	04-27-04	2,988,000.00	04-27-07	3.015	3,000,000.00	2.701	2,988,750.00	0.03	
Federal National Mortgage Assoc.	05-11-04	3,116,790.00	05-15-07	3.501	3,000,000.00	2.701	2,997,180.00	0.05	
Fed Farm Credit	02-02-07	3,004,200.00	07-19-07	5.181	3,000,000.00	2.701	3,002,820.00	0.11	
Federal Home Loan Bank	03-21-05	2,978,940.00	08-24-07	4.106	3,000,000.00	2.701	2,979,390.00	0.14	
Federal National Mortgage Assoc.	09-07-04	3,000,000.00	09-07-07	3.601	3,000,000.00	2.701	2,981,250.00	0.16	
Treasury Notes	01-17-07	2,981,550.00	10-31-07	5.051	3,000,000.00	2.701	2,985,360.00	0.22	
Federal National Mortgage Assoc.	02-22-07	2,893,950.83	11-02-07	5.248	3,000,000.00	2.701	2,898,300.00	0.22	
Federal National Mortgage Assoc.	01-04-05	2,975,625.00	01-15-08	3.535	3,000,000.00	2.701	2,953,140.00	0.27	
Federal Home Loan Bank	02-17-05	2,986,875.00	02-15-08	3.780	3,000,000.00	2.701	2,959,680.00	0.30	
Federal Home Loan Bank	(1) 07-08-05	2,991,600.00	03-24-08	4.358	3,000,000.00	2.701	2,977,500.00	0.35	
Federal National Mortgage Assoc.	(1) 05-03-05	3,171,562.50	05-15-08	3.979	3,000,000.00	2.701	3,036,570.00	0.38	
Federal Home Loan Mortgage Corp.	(1) 06-02-05	3,007,500.00	06-02-08	4.260	3,000,000.00	2.701	2,978,880.00	0.41	
Federal National Mortgage Assoc.	(1) 06-29-05	2,891,880.00	06-15-08	3.798	3,000,000.00	2.701	2,910,000.00	0.41	
Federal Home Loan Mortgage Corp.	(1) 02-14-06	2,914,410.00	09-15-08	4.810	3,000,000.00	2.701	2,946,570.00	0.49	
Federal National Mortgage Assoc.	(1) 03-16-06	2,919,390.00	11-17-08	4.959	3,000,000.00	2.701	2,950,320.00	0.54	
Treasury Notes	(1) 04-18-06	2,968,593.75	02-15-09	4.899	3,000,000.00	2.701	2,991,690.00	0.62	
Federal Home Loan Mortgage Corp.	(1) 12-27-06	3,055,530.00	03-15-09	4.855	3,000,000.00	2.701	3,051,570.00	0.65	
Federal Home Loan Bank	(1) 06-16-06	2,988,120.00	06-12-09	5.390	3,000,000.00	2.701	3,026,250.00	0.73	
Federal Home Loan Bank	(1) 01-09-07	3,035,130.00	07-17-09	4.875	3,000,000.00	2.701	3,037,500.00	0.78	
Federal Home Loan Bank	(1) 09-06-06	3,019,560.00	09-11-09	5.010	3,000,000.00	2.701	3,030,930.00	0.81	
Fed Farm Credit	(1) 11-08-06	3,003,447.00	10-23-09	4.957	3,000,000.00	2.701	3,011,250.00	0.86	
Federal Home Loan Mortgage Corp.	(1) 12-05-06	3,012,000.00	11-03-09	4.600	3,000,000.00	2.701	2,994,390.00	0.86	
Treasury Notes	(1) 01-03-07	2,909,531.25	01-15-10	4.703	3,000,000.00	2.701	2,925,240.00	0.95	
Federal National Mortgage Assoc.	(1) 02-02-07	2,903,190.00	02-15-10	5.034	3,000,000.00	2.701	2,926,890.00	0.97	
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Total Governments		81,573,095.33		4.262	81,000,000.00	72.940	80,542,380.00	11.32	
LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				5.181	18,435,170.55	16.601		0.17	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				4.490	5,551,800.74	4.999		0.05	
COUNTY OF SAN MATEO - PUBLIC FINANCING AUTHORITY				4.490	1,874,533.41	1.688		0.02	
COUNTY OF SAN MATEO - REDEVELOPMENT AGENCY				4.490	4,188,164.25	3.771		0.04	

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

28 FEB 2007

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	CALL DATE
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	Total Liquid Accounts			4.914	30,049,668.95	27.060		0.27	
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	SUB-TOTAL (average weighted yield)			4.333	111,049,668.95	100.00		11.59	
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CASH AND INVESTMENTS WITH FISCAL AGENTS

1997 TAX ALLOC REFUNDING BONDS - I&R FUND				4.740	1,614,460.23	3.163			
1997 TAX ALLOC REFUNDING BONDS - RESERVE FUND - GIC				6.190	1,592,008.67	3.119			
1998 CITY HALL COP - RESERVE FUND - LAIF				5.181	1,056,055.09	2.069			
1998 CITY HALL COP - RESERVE FUND - MONEY MARKET				4.690	468.83	0.001			
1998 LEASE REVENUE REFUNDING - RESERVE ACCOUNT				4.290	1,185,187.50	2.322			
1998 LEAVE REVENUE REFUNDING BONDS - I&R FUND				4.860	329.01	0.001			
1998 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.740	40,473.91	0.079			
1999 SEAPORT CONS. BONDS - I&R FUND - MONEY MARKET				4.740	316.65	0.001			
1999 SEAPORT CONS. BONDS - RESERVE FUND - MONEY MARKET				4.720	28,797.42	0.056			
1999 SEAPORT CONS. BONDS - REV ACCT - MONEY MARKET				0.000	0.05	0.000			
1999 SEAPORT CONS BONDS RESERVE FUND TREASURY				4.980	944,406.25	1.850			
2000A PACIFIC SHORES - TRAFFIC MITIGATION PROJ FUND				4.780	338,156.34	0.663			
2000A PACIFIC SHORES BONDS - CONSTRUCTION FUND - MONEY MARKET				4.850	1,022,999.75	2.004			
2000A PACIFIC SHORES BONDS - I&R FUND				4.840	449,181.88	0.880			
2000A PACIFIC SHORES BONDS - REBATE FUND				4.840	54,946.27	0.108			
2000A PACIFIC SHORES BONDS - RESERVE FUND - MONEY MARKET				4.850	39,906.29	0.078			
2000A PACIFIC SHORES BONDS - SPECIAL TAX FUND				4.850	16,016.48	0.031			
2000A PACIFIC SHORES BONDS- RESERVE FUND-TRSY				4.600	2,056,289.46	4.029			
2001A RWS TRANS IMPRVMT BONDS - ADM EXPENSE FUND				4.830	4.14	0.000			
2001A RWS TRANS IMPRVMT BONDS - I&R FUND				4.840	126,161.29	0.247			
2001A RWS TRANS IMPRVMT BONDS - PRINCIPAL FUND - MONEY MARKET				4.840	16.11	0.000			
2001A RWS TRANS IMPRVMT BONDS - RESERVE FUND - MONEY MARKET				4.840	346,020.03	0.678			
2003 PFA LEASE REVENUE REFUNDING BONDS - I&R FUND				4.840	153.62	0.000			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - FED HOM LOAN MTG				5.100	1,016,650.00	1.992			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.850	74,265.10	0.146			
2003A RDA TAX ALLOCATION BONDS - CONSTRUCTION FUND				4.840	1,441,068.73	2.823			
2003A RDA TAX ALLOCATION BONDS - I&R FUND				4.750	6,888.62	0.014			
2003A RDA TAX ALLOCATION BONDS - MONEY MARKET				4.800	478.74	0.001			
2003B RWS TRAF IMPRV PHASE II BONDS - I&R FUND				4.850	209,965.68	0.411			
2003B RWS TRAF IMPRV PHASE II BONDS - PRINCIPAL FUND - MONEY MARK				4.880	11.27	0.000			

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2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - MONEY MARKET				4.840	464,560.49	0.910			
2005A WATER REV BONDS - INCOME AND PRINCIPAL				4.850	851.42	0.002			
2005A WATER REV BONDS - RESERVE FUND - MBIA GIC				4.911	2,164,425.00	4.241			
2005A WATER REV BONDS - RESERVE FUND - MONEY MKT				4.850	0.00	0.000			
2005A WATER REV BONDS PROJECT FUND - MONEY MARKET				4.840	404,738.93	0.793			
2006A WATER REV BONDS - COST OF ISSUANCE FUND				0.000	0.00	0.000			
2006A WATER REV BONDS - INC&PRIN - MONEY MARKET				4.850	865.74	0.002			
2006A WATER REV BONDS - PROJECT FUND - GIC				4.695	19,467,501.06	38.141			
2006A WATER REV BONDS - PROJECT FUND - MONEY MARKET				4.840	0.00	0.000			
2006A WATER REV BONDS - RESERVE FUND - GIC				4.691	1,573,906.25	3.084			
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET				4.850	14.82	0.000			
CAPITAL PROJECT FUND - MONEY MARKET				4.850	6,803,341.22	13.329			
TRAFFIC IMPACT FUND - MONEY MARKET				4.850	6,499,601.97	12.734			
Total with Fiscal Agents					51,041,490.31	100.0			
TOTAL BOTH PORTFOLIOS					<u>162,091,159.26</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.