

REPORT

To the Honorable Mayor and City Council
From the City Manager

February 14, 2007

Subject

Monthly Investment Report for Period Ending January 31, 2007

Background

The attached investment report indicates that on January 31, 2007 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$111,887,249.22 were invested producing an average yield of 4.128%. The target Fed Funds rate for January 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.

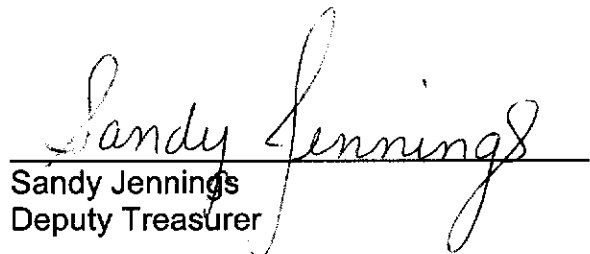
As of January 31, the City has sufficient liquid resources available to meet expenditure requirements for the next six months.

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 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

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

31 JAN 2007

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 Home Loan Mortgage Corp.	02-09-04	2,995,560.00	02-09-07	2.802	3,000,000.00	2.681	2,998,260.00	0.00	
Federal Home Loan Mortgage Corp.	03-12-04	3,019,410.00	02-09-07	2.026	3,000,000.00	2.681	2,998,260.00	0.00	
Federal Home Loan Mortgage Corp.	02-03-04	2,984,700.00	02-15-07	2.550	3,000,000.00	2.681	2,996,250.00	0.00	
Federal Home Loan Mortgage Corp.	03-16-04	3,236,430.00	03-15-07	2.146	3,000,000.00	2.681	2,998,140.00	0.03	
Federal National Mortgage Assoc.	03-02-04	3,412,500.00	03-15-07	2.401	3,000,000.00	2.681	3,006,570.00	0.03	
Federal National Mortgage Assoc.	04-19-04	3,206,790.00	04-15-07	2.829	3,000,000.00	2.681	2,999,070.00	0.05	
Federal National Mortgage Assoc.	04-27-04	2,988,000.00	04-27-07	3.015	3,000,000.00	2.681	2,983,140.00	0.05	
Federal National Mortgage Assoc.	05-11-04	3,116,790.00	05-15-07	3.501	3,000,000.00	2.681	2,996,250.00	0.08	
Federal Home Loan Bank	03-21-05	2,978,940.00	08-24-07	4.106	3,000,000.00	2.681	2,975,640.00	0.16	
Federal National Mortgage Assoc.	09-07-04	3,000,000.00	09-07-07	3.601	3,000,000.00	2.681	2,978,430.00	0.19	
Treasury Notes	01-17-07	2,981,550.00	10-31-07	5.051	3,000,000.00	2.681	2,981,610.00	0.24	
Federal National Mortgage Assoc.	01-04-05	2,975,625.00	01-15-08	3.535	3,000,000.00	2.681	2,943,750.00	0.29	
Federal Home Loan Bank	(1) 02-17-05	2,986,875.00	02-15-08	3.780	3,000,000.00	2.681	2,949,390.00	0.32	
Federal Home Loan Bank	(1) 07-08-05	2,991,600.00	03-24-08	4.358	3,000,000.00	2.681	2,967,180.00	0.35	
Federal National Mortgage Assoc.	(1) 05-03-05	3,171,562.50	05-15-08	3.979	3,000,000.00	2.681	3,029,070.00	0.40	
Federal Home Loan Mortgage Corp.	(1) 06-02-05	3,007,500.00	06-02-08	4.260	3,000,000.00	2.681	2,962,260.00	0.43	
Federal National Mortgage Assoc.	(1) 06-29-05	2,891,880.00	06-15-08	3.798	3,000,000.00	2.681	2,894,070.00	0.43	
Federal Home Loan Mortgage Corp.	(1) 02-14-06	2,914,410.00	09-15-08	4.810	3,000,000.00	2.681	2,928,750.00	0.51	
Federal National Mortgage Assoc.	(1) 03-16-06	2,919,390.00	11-17-08	4.959	3,000,000.00	2.681	2,932,500.00	0.56	
Treasury Notes	(1) 04-18-06	2,968,593.75	02-15-09	4.899	3,000,000.00	2.681	2,975,280.00	0.64	
Federal Home Loan Mortgage Corp.	(1) 12-27-06	3,055,530.00	03-15-09	4.855	3,000,000.00	2.681	3,037,500.00	0.67	
Federal Home Loan Bank	(1) 06-16-06	2,988,120.00	06-12-09	5.390	3,000,000.00	2.681	3,009,390.00	0.75	
Federal Home Loan Bank	(1) 01-09-07	3,035,130.00	07-17-09	4.875	3,000,000.00	2.681	3,019,680.00	0.78	
Federal Home Loan Bank	(1) 09-06-06	3,019,560.00	09-11-09	5.010	3,000,000.00	2.681	3,012,180.00	0.83	
Fed Farm Credit	(1) 11-08-06	3,003,447.00	10-23-09	4.957	3,000,000.00	2.681	2,992,500.00	0.88	
Federal Home Loan Mortgage Corp.	(1) 12-05-06	3,012,000.00	11-03-09	4.600	3,000,000.00	2.681	2,973,750.00	0.88	
Treasury Notes	(1) 01-03-07	2,909,531.25	01-15-10	4.703	3,000,000.00	2.681	2,900,160.00	0.97	

Total Governments		81,771,424.50		3.975	81,000,000.00	72.394	80,439,030.00	10.54	
LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				5.156	15,695,170.55	14.028		0.14	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				4.490	8,192,194.24	7.322		0.07	
COUNTY OF SAN MATEO - PUBLIC FINANCING AUTHORITY				4.490	1,854,852.70	1.658		0.02	
COUNTY OF SAN MATEO - REDEVELOPMENT AGENCY				4.490	5,145,031.73	4.598		0.05	

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

31 JAN 2007

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	CALL DATE
Total Liquid Accounts				4.828	30,887,249.22	27.606		0.28	
SUB-TOTAL		(average weighted yield)		4.128	111,887,249.22	100.00		10.81	

CASH AND INVESTMENTS WITH FISCAL AGENTS

1997 TAX ALLOC REFUNDING BONDS - I&R FUND	4.740	1,609,189.40	2.921			
1997 TAX ALLOC REFUNDING BONDS - RESERVE FUND - GIC	6.190	1,591,868.27	2.889			
1998 CITY HALL COP - RESERVE FUND - LAIF	5.156	1,056,055.09	1.917			
1998 CITY HALL COP - RESERVE FUND - MONEY MARKET	4.710	466.96	0.001			
1998 LEASE REVENUE REFUNDING - RESERVE ACCOUNT	4.280	1,185,187.50	2.151			
1998 LEAVE REVENUE REFUNDING BONDS - I&R FUND	4.700	126,011.88	0.229			
1998 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET	4.740	52,574.37	0.095			
1999 SEAPORT CONS. BONDS - I&R FUND - MONEY MARKET	4.760	315.40	0.001			
1999 SEAPORT CONS. BONDS - RESERVE FUND - MONEY MARKET	4.660	28,773.47	0.052			
1999 SEAPORT CONS. BONDS - REV ACCT - MONEY MARKET	0.000	0.05	0.000			
1999 SEAPORT CONS BONDS RESERVE FUND TREASURY	4.970	944,406.25	1.714			
2000A PACIFIC SHORES - TRAFFIC MITIGATION PROJ FUND	4.780	336,781.04	0.611			
2000A PACIFIC SHORES BONDS - CONSTRUCTION FUND - MONEY MARKET	4.820	1,018,838.55	1.849			
2000A PACIFIC SHORES BONDS - I&R FUND	4.820	465.92	0.001			
2000A PACIFIC SHORES BONDS - REBATE FUND	4.820	54,722.77	0.099			
2000A PACIFIC SHORES BONDS - RESERVE FUND - MONEY MARKET	4.660	39,743.96	0.072			
2000A PACIFIC SHORES BONDS - SPECIAL TAX FUND	4.810	15,951.34	0.029			
2000A PACIFIC SHORES BONDS- RESERVE FUND-TRSY	4.630	2,056,289.46	3.732			
2001A RWS TRANS IMPRVMT BONDS - ADM EXPENSE FUND	4.830	4.14	0.000			
2001A RWS TRANS IMPRVMT BONDS - I&R FUND	4.800	17.50	0.000			
2001A RWS TRANS IMPRVMT BONDS - PRINCIPAL FUND - MONEY MARKET	4.790	16.07	0.000			
2001A RWS TRANS IMPRVMT BONDS - RESERVE FUND - MONEY MARKET	4.810	344,612.52	0.626			
2003 PFA LEASE REVENUE REFUNDING BONDS - I&R FUND	4.850	0.00	0.000			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - FED HOM LOAN MTG	5.100	1,016,650.00	1.845			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET	4.840	73,927.50	0.134			
2003A RDA TAX ALLOCATION BONDS - CONSTRUCTION FUND	4.840	1,579,852.29	2.868			
2003A RDA TAX ALLOCATION BONDS - I&R FUND	4.690	6,861.10	0.012			
2003A RDA TAX ALLOCATION BONDS - MONEY MARKET	0.000	0.00	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - I&R FUND	4.800	28.70	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - PRINCIPAL FUND - MONEY MARK	4.790	11.26	0.000			

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31 JAN 2007

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2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - MONEY MARKET				4.850	462,670.81	0.840			
2005A WATER REV BONDS - INCOME AND PRINCIPAL				4.850	1,386,049.63	2.516			
2005A WATER REV BONDS - RESERVE FUND - MBIA GIC				4.911	2,164,425.00	3.929			
2005A WATER REV BONDS - RESERVE FUND - MONEY MKT				4.850	53,198.23	0.097			
2005A WATER REV BONDS PROJECT FUND - MONEY MARKET				4.840	403,092.57	0.732			
2006A WATER REV BONDS - COST OF ISSUANCE FUND				0.000	0.00	0.000			
2006A WATER REV BONDS - INC&PRIN - MONEY MARKET				4.850	1,088,607.68	1.976			
2006A WATER REV BONDS - PROJECT FUND - GIC				4.695	21,454,776.41	38.943			
2006A WATER REV BONDS - PROJECT FUND - MONEY MARKET				4.840	394.99	0.001			
2006A WATER REV BONDS - RESERVE FUND - GIC				4.691	1,573,906.25	2.857			
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET				4.850	37,331.71	0.068			
CAPITAL PROJECT FUND - MONEY MARKET				4.850	6,855,318.16	12.443			
TRAFFIC IMPACT FUND - MONEY MARKET				4.850	6,473,168.98	11.750			

Total with Fiscal Agents					55,092,563.18	100.0			
TOTAL BOTH PORTFOLIOS					<u>166,979,812.40</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.