

REPORT

To the Honorable Mayor and City Council
From the City Manager

August 22, 2005

Subject

Monthly Investment Report for Period Ending July 31, 2005

Background

The attached investment report indicates that on July 31, 2005 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$118,151,195.25 were invested producing an average yield of 3.119%. The target Fed Funds rate for July is 3.25%.

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 current value of any securities with a maturity of greater than one year. The City presently has 23 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

July 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
US AGENCIES, SECURITIES, AND CORPORATE NOTES											
Fed Nat'l Mort. Association	3136F3U53	7/24/2003	3,000,000.00	7/24/2006	2.070	3,000,000.00	1.618	2,959,680.00	(2)	0.48	
Fed Home Loan Bank	31339Y2P0	8/14/2003	2,000,000.00	8/14/2006	2.550	2,000,000.00	1.079	1,968,120.00	(2)	0.35	
Fed Home Loan Bank	31339Y2P0	8/14/2003	2,991,000.00	8/14/2006	2.655	3,000,000.00	1.618	2,952,180.00	(2)	0.52	
Citigroup	172967BH3	10/9/2003	1,080,380.00	8/9/2006	2.540	1,000,000.00	0.539	1,013,130.00	(2)	0.17	
Fed Home Loan Bank	3133X14N4	1/2/2004	3,031,875.00	9/15/2006	2.460	3,000,000.00	1.618	2,959,680.00	(2)	0.57	
Fed Home Loan Bank	3133X2F89	11/24/2003	2,998,125.00	11/24/2006	2.872	3,000,000.00	1.618	2,949,390.00	(2)	0.65	
Fed Home Loan Bank	3133X2UH6	12/29/2003	3,000,000.00	12/29/2006	3.140	3,000,000.00	1.618	2,957,820.00	(2)	0.70	
Fed Nat'l Mort. Association	31339MLZ4	1/22/2004	3,221,640.00	1/15/2007	2.416	3,000,000.00	1.618	3,034,680.00	(2)	0.74	
Fed Home Loan Mtg Corp	3128X2TX3	2/9/2004	2,995,560.00	2/9/2007	2.802	3,000,000.00	1.618	2,937,690.00	(2)	0.78	
Fed Home Loan Mtg Corp	3128X2TX3	3/12/2004	3,019,410.00	2/9/2007	2.026	3,000,000.00	1.618	2,937,690.00	(2)	0.78	
Fed Home Loan Mtg Corp	3134A4UN2	2/3/2004	2,984,700.00	2/15/2007	2.550	3,000,000.00	1.618	2,920,320.00	(2)	0.78	
Fed Nat'l Mort. Association	31339MFL2	3/2/2004	3,412,500.00	3/15/2007	2.401	3,000,000.00	1.618	3,137,820.00	(2)	0.83	
Fed Home Loan Mtg Corp	3134A4NWO	3/16/2004	3,236,430.00	3/15/2007	2.146	3,000,000.00	1.618	3,034,680.00	(2)	0.83	
Fed Nat'l Mort. Association	31339MMP5	4/19/2004	3,206,790.00	4/15/2007	2.829	3,000,000.00	1.618	3,051,570.00	(2)	0.87	
Fed Nat'l Mort. Association	3136F5RY9	4/27/2004	2,988,000.00	4/27/2007	3.015	3,000,000.00	1.618	2,934,390.00	(2)	0.87	
Fed Nat'l Mort. Association	3133MNPF8	5/11/2004	3,116,790.00	5/15/2007	3.501	3,000,000.00	1.618	3,031,890.00	(2)	0.91	
Fed Home Loan Bank	3133XAM79	3/21/2005	2,978,940.00	8/24/2007	4.106	3,000,000.00	1.618	2,973,750.00	(2)	1.04	8/24/2005
Fed Nat'l Mort. Association	3136F6AG4	9/7/2004	3,000,000.00	9/7/2007	2.750	3,000,000.00	1.618	2,986,890.00	(2)	1.09	
Fed Nat'l Mort. Association	31339MQM8	1/4/2005	2,975,625.00	1/15/2008	3.535	3,000,000.00	1.618	2,929,680.00	(2)	1.26	
Fed Home Loan Bank	3133XAN37	2/17/2005	2,986,875.00	2/15/2008	3.781	3,000,000.00	1.618	2,949,390.00	(2)	1.30	
Fed Home Loan Bank	3133XAY68	7/8/2005	2,991,600.00	3/24/2008	4.358	3,000,000.00	1.618	2,963,430.00	(2)	1.35	9/24/2005
Fed Nat'l Mort. Association	31339MDU4	5/3/2005	3,171,562.50	5/15/2008	3.979	3,000,000.00	1.618	3,134,070.00	(2)	1.43	Citigroup Global Markets
Fed Home Loan Mtg Corp	3128X4BD2	6/2/2005	3,007,500.00	6/2/2008	4.260	3,000,000.00	1.618	2,984,310.00	(2)	1.48	6/2/2006
Fed Nat'l Mort. Association	31339MSB0	6/29/2005	2,891,880.00	6/15/2008	3.798	3,000,000.00	1.618	2,855,640.00	(2)	1.48	
<i>Total Governments</i>			<u>70,287,182.50</u>		*	<u>69,000,000.00</u>	<u>37.213</u>	<u>68,557,890.00</u>		<u>21.26</u>	
LIQUID ACCOUNTS											
County of San Mateo - City of Redwood City					3.170	21,054,457.46	11.355		386.61		
County of San Mateo - Redevelopment Agency					3.170	14,550,594.22	7.847		267.18		
County of San Mateo - Public Financing Authority					3.170	6,674,274.23	3.600		122.56		
State of California LAIF - City of Redwood City					3.083	6,871,869.34	3.706		126.18		
<i>Total Liquid Accounts</i>						<u>49,151,195.25</u>	<u>26.508</u>		<u>902.53</u>		
SUB-TOTAL			(average weighted yield)	3.119	<u>118,151,195.25</u>	<u>63.72</u>			<u>923.79</u>		
CASH AND INVESTMENTS WITH FISCAL AGENTS											
1997 Tax Alloc Refunding Bonds - Reserve Fund					6.190	1,543,004.69	0.832		US Bank		
1997 Tax Alloc Refunding Bonds - I&R Fund					2.690	14,916.03	0.008		US Bank		
1998 City Hall COP - Reserve Fund					0.000	0.06	0.000		US Bank		
1998 Refunding Bonds Series A - US Treasury					2.540	1,207,521.26	0.651		US Bank		
1998 Refunding Bonds Series A - I&R Fund					2.690	566.12	0.000		US Bank		
1999 Seaport Consolidated Bonds - US Treasury					2.620	1,024,351.49	0.552		US Bank		
2000A Pacific Shores Bonds - Construction Fund - Money Market					2.670	1,276,208.68	0.688		Bank Of New York		
2000A Pacific Shores Bonds - Reserve Fund					2.680	2,146,391.42	1.158		Bank Of New York		
2000A Pacific Shores Bonds - Special Tax Fund					2.670	15,016.95	0.008		Bank Of New York		
2000A Pacific Shores Bonds - I&R Fund					2.680	118.12	0.000		Bank Of New York		
2001A RWS Trans Imprvmt Bonds - Adm Expense Fund					2.650	4.14	0.000		Bank Of New York		
2001A RWS Trans Imprvmt Bonds - Reserve Fund					2.670	324,424.73	0.175		Bank Of New York		
2001A RWS Trans Imprvmt Bonds - I&R Fund					2.690	39.21	0.000		Bank Of New York		
2003 PFA Lease Revenue Refunding Bonds - Reserve Fund					2.680	1,079,252.19	0.582		Bank Of New York		
2003 PFA Lease Revenue Refunding Bonds - I&R Fund					2.660	15.77	0.000		Bank Of New York		
2003 PFA Lease Revenue Refunding Bonds - Courthouse Project					2.680	2,949,183.56	1.591		Bank Of New York		
2003A RDA Tax Allocation Bonds - Money Market					2.690	868,662.72	0.468		US Bank		
2003A RDA Tax Allocation Bonds - Construction Fund					2.670	5,347,046.30	2.884		Bank Of New York		
2003A RDA Tax Allocation Bonds - I&R Fund					2.690	4,155.86	0.002		US Bank		
2003B RWS Traffic Improvement Phase II Bonds - Construction Fund					2.680	193,526.80	0.104		Bank Of New York		
2003B RWS Traffic Improvement Phase II Bonds - Reserve Fund					2.670	435,388.95	0.235		Bank Of New York		
2003B RWS Traffic Improvement Phase II Bonds - I&R Fund					2.710	11.40	0.000		Bank Of New York		
2005A PFA Water Bonds Project					2.680	24,584,551.78	13.259		Bank Of New York		
2005A PFA Water Bonds Project - Reserve Fund					2.680	2,194,692.14	1.184		Bank Of New York		
LAIF-PFA Certificates of Participation - City Hall - Reserve Fund					3.083	1,062,152.53	0.573		US Bank		
PFA Bonds - Housing Project Fund					3.060	155,923.63	0.084		California Arbitrage Management Program		
Traffic Impact Fund					2.670	6,110,763.57	3.296		Bank Of New York		
Capital Project Fund					2.670	13,206,422.40	7.122		Bank Of New York		
PAL Bldg. Loan & RDA Projects					2.670	1,523,653.79	0.822		Bank Of New York		
<i>Total with Fiscal Agents</i>						<u>67,267,966.29</u>	<u>36.279</u>				
TOTAL PORTFOLIO						<u>185,419,161.54</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.