

REPORT

To the Honorable Mayor and City Council
From the City Manager

July 19, 2006

Subject

Monthly Investment Report for Period Ending June 30, 2006

Background

The attached investment report indicates that on June 30, 2006 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$120,208,941.14 were invested producing an average yield of 3.661%. The target Fed Funds rate for June 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.

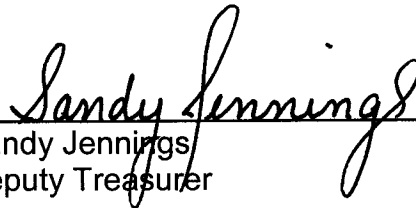
As of June 30, the City has sufficient liquid resources available to meet expenditure requirements for the next six months.

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

INVESTMENT PORTFOLIO

30 JUN 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	1.538	2,995,320.00	0.00	
CITIGROUP	10-09-03	1,080,380.00	08-09-06	2.540	1,000,000.00	0.513	1,000,100.00	0.01	
Federal Home Loan Bank	08-14-03	2,000,000.00	08-14-06	2.550	2,000,000.00	1.025	1,993,120.00	0.02	
Federal Home Loan Bank	08-14-03	2,991,000.00	08-14-06	2.655	3,000,000.00	1.538	2,989,680.00	0.04	
Federal Home Loan Bank	01-02-04	3,031,875.00	09-15-06	2.460	3,000,000.00	1.538	2,985,000.00	0.07	
Federal Home Loan Bank	11-24-03	2,998,125.00	11-24-06	2.872	3,000,000.00	1.538	2,970,000.00	0.14	
Federal Home Loan Bank	12-29-03	3,000,000.00	12-29-06	3.140	3,000,000.00	1.538	2,965,320.00	0.21	
Federal National Mortgage Assoc.	01-22-04	3,221,640.00	01-15-07	2.416	3,000,000.00	1.538	2,990,640.00	0.21	
Federal Home Loan Mortgage Corp.	02-09-04	2,995,560.00	02-09-07	2.802	3,000,000.00	1.538	2,950,710.00	0.25	
Federal Home Loan Mortgage Corp.	03-12-04	3,019,410.00	02-09-07	2.026	3,000,000.00	1.538	2,950,710.00	0.25	
Federal Home Loan Mortgage Corp.	02-03-04	2,984,700.00	02-15-07	2.550	3,000,000.00	1.538	2,942,820.00	0.25	
Federal Home Loan Mortgage Corp.	03-16-04	3,236,430.00	03-15-07	2.146	3,000,000.00	1.538	2,985,930.00	0.29	
Federal National Mortgage Assoc.	03-02-04	3,412,500.00	03-15-07	2.401	3,000,000.00	1.538	3,031,890.00	0.29	
Federal National Mortgage Assoc.	04-19-04	3,206,790.00	04-15-07	2.829	3,000,000.00	1.538	2,992,500.00	0.32	
Federal National Mortgage Assoc.	04-27-04	2,988,000.00	04-27-07	3.015	3,000,000.00	1.538	2,936,250.00	0.36	
Federal National Mortgage Assoc.	05-11-04	3,116,790.00	05-15-07	3.501	3,000,000.00	1.538	2,983,140.00	0.36	
Federal Home Loan Bank	(1) 03-21-05	2,978,940.00	08-24-07	4.106	3,000,000.00	1.538	2,943,750.00	0.50	
Federal National Mortgage Assoc.	(1) 09-07-04	3,000,000.00	09-07-07	3.601	3,000,000.00	1.538	2,950,320.00	0.50	
Federal National Mortgage Assoc.	(1) 01-04-05	2,975,625.00	01-15-08	3.535	3,000,000.00	1.538	2,902,500.00	0.64	
Federal Home Loan Bank	(1) 02-17-05	2,986,875.00	02-15-08	3.780	3,000,000.00	1.538	2,911,890.00	0.68	
Federal Home Loan Bank	(1) 07-08-05	2,991,600.00	03-24-08	4.358	3,000,000.00	1.538	2,939,070.00	0.75	
Federal National Mortgage Assoc.	(1) 05-03-05	3,171,562.50	05-15-08	3.979	3,000,000.00	1.538	3,027,180.00	0.79	
Federal Home Loan Mortgage Corp.	(1) 06-02-05	3,007,500.00	06-02-08	4.260	3,000,000.00	1.538	2,932,980.00	0.82	06-02-06
Federal National Mortgage Assoc.	(1) 06-29-05	2,891,880.00	06-15-08	3.798	3,000,000.00	1.538	2,836,890.00	0.82	
Federal Home Loan Mortgage Corp.	(1) 02-14-06	2,914,410.00	09-15-08	4.810	3,000,000.00	1.538	2,887,500.00	0.93	
Federal National Mortgage Assoc.	(1) 03-16-06	2,919,390.00	11-17-08	4.959	3,000,000.00	1.538	2,892,180.00	1.04	
Treasury Notes	(1) 04-18-06	2,968,593.75	02-15-09	4.899	3,000,000.00	1.538	2,952,540.00	1.14	
Federal National Mortgage Assoc.	(1) 05-30-06	2,999,850.00	05-29-09	5.500	3,000,000.00	1.538	2,991,570.00	1.25	11-29-06
Federal Home Loan Bank	(1) 06-16-06	2,988,120.00	06-12-09	5.390	3,000,000.00	1.538	2,985,000.00	1.25	

Total Governments		85,077,546.25		3.470	84,000,000.00	43.057	82,816,500.00	14.18	
LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				4.700	16,607,587.63	8.513		92.53	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				4.020	12,066,099.70	6.185		67.23	

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

30 JUN 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 - PUBLIC FINANCING AUTHORITY				4.020	1,818,627.49	0.932		10.13	
COUNTY OF SAN MATEO - REDEVELOPMENT AGENCY				4.020	5,716,626.32	2.930		31.85	
Total Liquid Accounts				4.332	36,208,941.14	18.560		201.74	
SUB-TOTAL				3.661	120,208,941.14	61.62		215.91	
CASH AND INVESTMENTS WITH FISCAL AGENTS									
1997 TAX ALLOC REFUNDING BONDS - I&R FUND				4.560	1,280,829.59	0.657			
1997 TAX ALLOC REFUNDING BONDS - RESERVE FUND				6.190	1,591,531.21	0.816			
1998 CITY HALL COP - RESERVE FUND				4.360	2.02	0.000			
1998 CITY HALL COP - RESERVE FUND - LAIF				4.700	1,043,667.89	0.535			
1998 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.560	24,538.42	0.013			
1998 PFA LS REV REFDG BONDS - RESERVE FUND - US TREASURY				2.520	1,191,000.00	0.610			
1999 SEAPORT CONS. BONDS - I&R FUND - MONEY MARKET				4.510	72,991.86	0.037			
1999 SEAPORT CONS. BONDS - RESERVE FUND - MONEY MARKET				4.510	73,387.79	0.038			
1999 SEAPORT CONS. BONDS - RESERVE FUND - US TREASURY				2.530	904,985.53	0.464			
1999 SEAPORT CONS. BONDS - REV ACCT - MONEY MARKET				0.000	9.80	0.000			
2000A PACIFIC SHORES BONDS - CONSTRUCTION FUND - MONEY MARKET				4.480	1,318,481.11	0.676			
2000A PACIFIC SHORES BONDS - I&R FUND				4.480	309.65	0.000			
2000A PACIFIC SHORES BONDS - RESERVE FUND				4.490	2,153,544.36	1.104			
2000A PACIFIC SHORES BONDS - SPECIAL TAX FUND				4.480	15,514.27	0.008			
2001A RWS TRANS IMPRVMT BONDS - ADM EXPENSE FUND				4.580	4.14	0.000			
2001A RWS TRANS IMPRVMT BONDS - I&R FUND				4.490	73.91	0.000			
2001A RWS TRANS IMPRVMT BONDS - RESERVE FUND				4.480	335,171.14	0.172			
2003 PFA LEASE REVENUE REFUNDING BONDS - I&R FUND				4.480	59,325.23	0.030			
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	0.521			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.490	92,901.27	0.048			
2003A RDA TAX ALLOCATION BONDS - CONSTRUCTION FUND				4.490	3,494,595.69	1.791			
2003A RDA TAX ALLOCATION BONDS - I&R FUND				4.550	6,675.89	0.003			
2003A RDA TAX ALLOCATION BONDS - MONEY MARKET				4.560	565,300.22	0.290			
2003B RWS TRAF IMPRV PHASE II BONDS - I&R FUND				4.490	117.07	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - MONEY MARKET				4.480	49,909.62	0.026			
2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - US TREASURY				2.380	393,890.63	0.202			
2005A WATER REV BONDS - INCOME AND PRINCIPAL				4.430	832.89	0.000			

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30 JUN 2006

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2005A WATER REV BONDS - RESERVE FUND - MBIA INC				4.910	2,164,425.00	1.109			
2005A WATER REV BONDS - RESERVE FUND - MONEY MKT				4.430	158.58	0.000			
2005A WATER REV BONDS PROJ FUND - AEGON				3.290	13,552,407.03	6.947			
2006A WATER REV BONDS - COST OF ISSUANCE FUND				4.420	9,135.88	0.005			
2006A WATER REV BONDS - PROJECT FUND				4.695	23,757,000.00	12.177			
2006A WATER REV BONDS - RESERVE FUND				4.691	1,573,906.25	0.807			
CAPITAL PROJECT FUND				4.480	11,640,416.33	5.967			
PAL BLDG LOAN & RDA PROJECTS				4.180	1,034.22	0.001			
PFA BONDS - HOUSING PROJECT FUND				4.950	162,756.24	0.083			
PFA WATER 05A WATER REVENUE BONDS - PROJECT FUND				4.430	0.00	0.000			
PFA WATER REVENUE BONDS - RESERVE FUND SHORT TERM				4.420	1,395.03	0.001			
PFA WATER REVENUE BONDS 06A - PROJECT FUND - SHORT TERM				4.420	21,230.93	0.011			
TRAFFIC IMPACT FUND				4.480	6,310,837.75	3.235			
Total with Fiscal Agents					74,880,944.44	38.38			
TOTAL PORTFOLIO					<u>195,089,885.58</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.