

REPORT

To the Honorable Mayor and City Council
From the City Manager

June 14, 2006

Subject

Monthly Investment Report for Period Ending May 31, 2006

Background

The attached investment report indicates that on May 31, 2006 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$124,183,018.19 were invested producing an average yield of 3.646%. The target Fed Funds rate for May is 5.00%.

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.

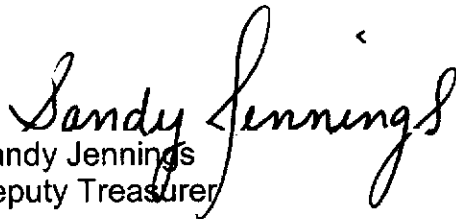
As of May 31, the City has sufficient liquid resources available to meet expenditure requirements for the next six months.

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 12 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
31 MAY 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	1.490	2,988,750.00	0.04	
CITIGROUP	10-09-03	1,080,380.00	08-09-06	2.540	1,000,000.00	0.497	1,000,530.00	0.02	
Federal Home Loan Bank	08-14-03	2,000,000.00	08-14-06	2.550	2,000,000.00	0.993	1,989,380.00	0.05	
Federal Home Loan Bank	08-14-03	2,991,000.00	08-14-06	2.655	3,000,000.00	1.490	2,984,070.00	0.07	
Federal Home Loan Bank	01-02-04	3,031,875.00	09-15-06	2.460	3,000,000.00	1.490	2,980,320.00	0.11	
Federal Home Loan Bank	11-24-03	2,998,125.00	11-24-06	2.872	3,000,000.00	1.490	2,964,390.00	0.19	
Federal Home Loan Bank	12-29-03	3,000,000.00	12-29-06	3.140	3,000,000.00	1.490	2,962,500.00	0.26	
Federal National Mortgage Assoc.	01-22-04	3,221,640.00	01-15-07	2.416	3,000,000.00	1.490	2,993,430.00	0.26	
Federal Home Loan Mortgage Corp.	02-09-04	2,995,560.00	02-09-07	2.802	3,000,000.00	1.490	2,947,410.00	0.30	
Federal Home Loan Mortgage Corp.	03-12-04	3,019,410.00	02-09-07	2.026	3,000,000.00	1.490	2,947,410.00	0.30	
Federal Home Loan Mortgage Corp.	02-03-04	2,984,700.00	02-15-07	2.550	3,000,000.00	1.490	2,938,140.00	0.30	
Federal Home Loan Mortgage Corp.	03-16-04	3,236,430.00	03-15-07	2.146	3,000,000.00	1.490	2,988,750.00	0.33	
Federal National Mortgage Assoc.	03-02-04	3,412,500.00	03-15-07	2.401	3,000,000.00	1.490	3,040,320.00	0.33	
Federal National Mortgage Assoc.	04-19-04	3,206,790.00	04-15-07	2.829	3,000,000.00	1.490	2,997,180.00	0.37	
Federal National Mortgage Assoc.	04-27-04	2,988,000.00	04-27-07	3.015	3,000,000.00	1.490	2,935,320.00	0.41	
Federal National Mortgage Assoc.	05-11-04	3,116,790.00	05-15-07	3.501	3,000,000.00	1.490	2,986,890.00	0.41	
Federal Home Loan Bank	(1) 03-21-05	2,978,940.00	08-24-07	4.106	3,000,000.00	1.490	2,945,640.00	0.56	
Federal National Mortgage Assoc.	(1) 09-07-04	3,000,000.00	09-07-07	3.601	3,000,000.00	1.490	2,953,140.00	0.56	
Federal National Mortgage Assoc.	(1) 01-04-05	2,975,625.00	01-15-08	3.535	3,000,000.00	1.490	2,904,390.00	0.70	
Federal Home Loan Bank	(1) 02-17-05	2,986,875.00	02-15-08	3.780	3,000,000.00	1.490	2,914,680.00	0.74	
Federal Home Loan Bank	(1) 07-08-05	2,991,600.00	03-24-08	4.358	3,000,000.00	1.490	2,943,750.00	0.81	
Federal National Mortgage Assoc.	(1) 05-03-05	3,171,562.50	05-15-08	3.979	3,000,000.00	1.490	3,037,500.00	0.85	
Federal Home Loan Mortgage Corp.	(1) 06-02-05	3,007,500.00	06-02-08	4.260	3,000,000.00	1.490	2,938,710.00	0.89	06-02-06
Federal National Mortgage Assoc.	(1) 06-29-05	2,891,880.00	06-15-08	3.798	3,000,000.00	1.490	2,838,750.00	0.89	
Federal Home Loan Mortgage Corp.	(1) 02-14-06	2,914,410.00	09-15-08	4.810	3,000,000.00	1.490	2,891,250.00	1.00	
Federal National Mortgage Assoc.	(1) 03-16-06	2,919,390.00	11-17-08	4.959	3,000,000.00	1.490	2,896,890.00	1.11	
Treasury Notes	(1) 04-18-06	2,968,593.75	02-15-09	4.899	3,000,000.00	1.490	2,958,630.00	1.22	
Federal National Mortgage Assoc.	(1) 05-30-06	2,999,850.00	05-29-09	5.500	3,000,000.00	1.490	2,993,430.00	1.33	11-29-06

Total Governments		82,089,426.25		3.399	81,000,000.00	40.221	79,861,550.00	14.41	
LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				4.563	11,877,587.63	5.898		68.48	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				4.020	19,270,176.75	9.569		111.10	
COUNTY OF SAN MATEO - PUBLIC FINANCING AUTHORITY				4.020	1,818,627.49	0.903		10.49	

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

31 MAY 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 - REDEVELOPMENT AGENCY				4.020	10,216,626.32	5.073		58.90	

Total Liquid Accounts				4.169	43,183,018.19	21.443		248.97	

SUB-TOTAL			(average weighted yield)	3.646	124,183,018.19	61.66		263.38	

CASH AND INVESTMENTS WITH FISCAL AGENTS									
1997 TAX ALLOC REFUNDING BONDS - I&R FUND				4.400	1,276,155.27	0.634			
1997 TAX ALLOC REFUNDING BONDS - RESERVE FUND				6.190	1,591,354.10	0.790			
1998 CITY HALL COP - RESERVE FUND				4.360	551.03	0.000			
1998 CITY HALL COP - RESERVE FUND - LAIF				4.563	1,043,667.89	0.518			
1998 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.400	24,448.86	0.012			
1998 PFA LS REV REFDG BONDS - RESERVE FUND - US TREASURY				2.530	1,191,000.00	0.591			
1999 SEAPORT CONS. BONDS - I&R FUND - MONEY MARKET				4.360	72,753.40	0.036			
1999 SEAPORT CONS. BONDS - RESERVE FUND - MONEY MARKET				4.380	73,054.13	0.036			
1999 SEAPORT CONS. BONDS - RESERVE FUND - US TREASURY				2.530	904,985.53	0.449			
1999 SEAPORT CONS. BONDS - REV ACCT - MONEY MARKET				0.000	9.76	0.000			
2000A PACIFIC SHORES BONDS - CONSTRUCTION FUND - MONEY MARKET				4.420	1,313,579.42	0.652			
2000A PACIFIC SHORES BONDS - I&R FUND				4.420	308.45	0.000			
2000A PACIFIC SHORES BONDS - RESERVE FUND				4.430	2,151,029.47	1.068			
2000A PACIFIC SHORES BONDS - SPECIAL TAX FUND				4.430	15,456.60	0.008			
2001A RWS TRANS IMPRVMT BONDS - ADM EXPENSE FUND				4.340	4.14	0.000			
2001A RWS TRANS IMPRVMT BONDS - I&R FUND				4.430	73.60	0.000			
2001A RWS TRANS IMPRVMT BONDS - RESERVE FUND				4.430	333,925.04	0.166			
2003 PFA LEASE REVENUE REFUNDING BONDS - I&R FUND				4.430	59,104.93	0.029			
2003 PFA LS REV REFDG BONDS - COURTHOUSE PROJECT				4.180	0.00	0.000			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - FED HOM LOAN MTG				5.140	1,016,650.00	0.505			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.430	92,555.89	0.046			
2003A RDA TAX ALLOCATION BONDS - CONSTRUCTION FUND				4.420	3,829,421.77	1.902			
2003A RDA TAX ALLOCATION BONDS - I&R FUND				4.410	6,651.53	0.003			
2003A RDA TAX ALLOCATION BONDS - MONEY MARKET				4.400	563,237.19	0.280			
2003B RWS TRAF IMPRV PHASE II BONDS - I&R FUND				4.420	116.71	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - MONEY MARKET				4.430	49,724.07	0.025			
2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - US TREASURY				2.390	393,890.63	0.196			
2005A WATER REV BONDS - INCOME AND PRINCIPAL				4.430	829.79	0.000			
2005A WATER REV BONDS - RESERVE FUND - MBIA INC				4.910	2,164,425.00	1.075			

