

REPORT

To the Honorable Mayor and City Council
From the City Manager

December 12, 2006

Subject

Monthly Investment Report for Period Ending November 30, 2006

Background

The attached investment report indicates that on November 30, 2006 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$96,155,354.69 were invested producing an average yield of 3.852%. The target Fed Funds rate for November 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.

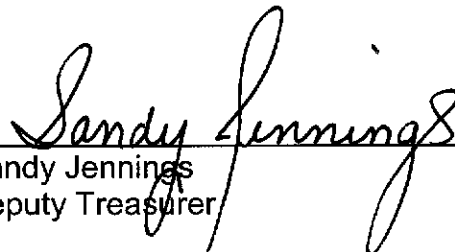
As of November 30, the City has sufficient liquid resources available to meet expenditure requirements for the next six months.

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 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

30 NOV 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 Home Loan Bank	12-29-03	3,000,000.00	12-29-06	3.140	3,000,000.00	1.950	2,995,320.00	0.00	
Federal National Mortgage Assoc.	01-22-04	3,221,640.00	01-15-07	2.416	3,000,000.00	1.950	2,999,070.00	0.04	
Federal Home Loan Mortgage Corp.	02-09-04	2,995,560.00	02-09-07	2.802	3,000,000.00	1.950	2,986,110.00	0.08	
Federal Home Loan Mortgage Corp.	03-12-04	3,019,410.00	02-09-07	2.026	3,000,000.00	1.950	2,986,110.00	0.08	
Federal Home Loan Mortgage Corp.	02-03-04	2,984,700.00	02-15-07	2.550	3,000,000.00	1.950	2,983,140.00	0.08	
Federal Home Loan Mortgage Corp.	03-16-04	3,236,430.00	03-15-07	2.146	3,000,000.00	1.950	2,997,180.00	0.13	
Federal National Mortgage Assoc.	03-02-04	3,412,500.00	03-15-07	2.401	3,000,000.00	1.950	3,015,930.00	0.13	
Federal National Mortgage Assoc.	04-19-04	3,206,790.00	04-15-07	2.829	3,000,000.00	1.950	3,000,000.00	0.17	
Federal National Mortgage Assoc.	04-27-04	2,988,000.00	04-27-07	3.015	3,000,000.00	1.950	2,972,820.00	0.17	
Federal National Mortgage Assoc.	05-11-04	3,116,790.00	05-15-07	3.501	3,000,000.00	1.950	2,995,320.00	0.21	
Federal Home Loan Bank	03-21-05	2,978,940.00	08-24-07	4.106	3,000,000.00	1.950	2,971,890.00	0.33	
Federal National Mortgage Assoc.	09-07-04	3,000,000.00	09-07-07	3.601	3,000,000.00	1.950	2,975,640.00	0.38	
Federal National Mortgage Assoc.	(1) 01-04-05	2,975,625.00	01-15-08	3.535	3,000,000.00	1.950	2,943,750.00	0.54	
Federal Home Loan Bank	(1) 02-17-05	2,986,875.00	02-15-08	3.780	3,000,000.00	1.950	2,953,140.00	0.58	
Federal Home Loan Bank	(1) 07-08-05	2,991,600.00	03-24-08	4.358	3,000,000.00	1.950	2,973,750.00	0.67	
Federal National Mortgage Assoc.	(1) 05-03-05	3,171,562.50	05-15-08	3.979	3,000,000.00	1.950	3,048,750.00	0.71	
Federal Home Loan Mortgage Corp.	(1) 06-02-05	3,007,500.00	06-02-08	4.260	3,000,000.00	1.950	2,975,940.00	0.75	
Federal National Mortgage Assoc.	(1) 06-29-05	2,891,880.00	06-15-08	3.798	3,000,000.00	1.950	2,897,820.00	0.75	
Federal Home Loan Mortgage Corp.	(1) 02-14-06	2,914,410.00	09-15-08	4.810	3,000,000.00	1.950	2,940,930.00	0.88	
Federal National Mortgage Assoc.	(1) 03-16-06	2,919,390.00	11-17-08	4.959	3,000,000.00	1.950	2,942,820.00	0.96	
Treasury Notes	(1) 04-18-06	2,968,593.75	02-15-09	4.899	3,000,000.00	1.950	2,995,320.00	1.08	
Federal Home Loan Bank	(1) 06-16-06	2,988,120.00	06-12-09	5.390	3,000,000.00	1.950	3,034,680.00	1.25	
Federal Home Loan Bank	(1) 09-06-06	3,019,560.00	09-11-09	5.010	3,000,000.00	1.950	3,038,430.00	1.38	
Fed Farm Credit	(1) 11-08-06	3,003,447.00	10-23-09	4.957	3,000,000.00	1.950	3,018,750.00	1.46	

Total Governments		72,999,323.25		3.707	72,000,000.00	46.808	71,642,610.00	12.79	
LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				5.125	17,756,189.28	11.543		116.65	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				4.240	2,355,429.62	1.531		15.47	
COUNTY OF SAN MATEO - PUBLIC FINANCING AUTHORITY				4.240	1,854,852.70	1.206		12.19	
COUNTY OF SAN MATEO - REDEVELOPMENT AGENCY				4.240	2,188,883.09	1.423		14.38	

Total Liquid Accounts				4.891	24,155,354.69	15.704		158.69	

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

30 NOV 2006

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	CALL DATE
SUB-TOTAL				(average weighted yield)	3.852	96,155,354.69	62.51	171.48	
CASH AND INVESTMENTS WITH FISCAL AGENTS									
1997 TAX ALLOC REFUNDING BONDS - I&R FUND				4.740	29,356.38	0.019			
1997 TAX ALLOC REFUNDING BONDS - RESERVE FUND - GIC				6.190	1,544,103.67	1.004			
1998 CITY HALL COP - RESERVE FUND				0.000	49.97	0.000			
1998 CITY HALL COP - RESERVE FUND - LAIF				5.125	1,042,598.66	0.678			
1998 CITY HALL COP - RESERVE FUND - MONEY MARKET				4.760	463.35	0.000			
1998 LEASE REVENUE REFUNDING - RESERVE ACCOUNT				4.280	1,185,187.50	0.771			
1998 LEAVE REVENUE REFUNDING BONDS - I&R FUND				4.730	1,938.82	0.001			
1998 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.740	26,706.14	0.017			
1999 SEAPORT CONS. BONDS - I&R FUND - MONEY MARKET				4.720	312.97	0.000			
1999 SEAPORT CONS. BONDS - RESERVE FUND - MONEY MARKET				4.720	5,108.47	0.003			
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	0.614			
2000A PACIFIC SHORES - TRAFFIC MITIGATION PROJ FUND				4.850	334,082.44	0.217			
2000A PACIFIC SHORES BONDS - CONSTRUCTION FUND - MONEY MARKET				4.850	1,010,673.56	0.657			
2000A PACIFIC SHORES BONDS - I&R FUND				4.850	462.24	0.000			
2000A PACIFIC SHORES BONDS - REBATE FUND				4.840	54,284.22	0.035			
2000A PACIFIC SHORES BONDS - RESERVE FUND - MONEY MARKET				4.840	39,154.49	0.025			
2000A PACIFIC SHORES BONDS - SPECIAL TAX FUND				4.850	15,823.49	0.010			
2000A PACIFIC SHORES BONDS- RESERVE FUND-TRSY				4.590	2,056,289.46	1.337			
2001A RWS TRANS IMPRVMT BONDS - ADM EXPENSE FUND				4.830	4.14	0.000			
2001A RWS TRANS IMPRVMT BONDS - I&R FUND				4.880	17.41	0.000			
2001A RWS TRANS IMPRVMT BONDS - PRINCIPAL FUND - MONEY MARKET				4.880	15.98	0.000			
2001A RWS TRANS IMPRVMT BONDS - RESERVE FUND - MONEY MARKET				4.840	341,850.79	0.222			
2003 PFA LEASE REVENUE REFUNDING BONDS - I&R FUND				4.840	2,114.26	0.001			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - FED HOM LOAN MTG				5.100	1,016,650.00	0.661			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.850	107,236.48	0.070			
2003A RDA TAX ALLOCATION BONDS - CONSTRUCTION FUND				4.850	1,737,242.46	1.129			
2003A RDA TAX ALLOCATION BONDS - I&R FUND				4.740	6,807.16	0.004			
2003A RDA TAX ALLOCATION BONDS - MONEY MARKET				4.740	244,798.22	0.159			
2003B RWS TRAF IMPRV PHASE II BONDS - I&R FUND				4.800	28.59	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - PRINCIPAL FUND - MONEY MARK				4.800	11.25	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - MONEY MARKET				4.840	458,962.95	0.298			
2005A WATER REV BONDS - INCOME AND PRINCIPAL				4.850	652.31	0.000			

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30 NOV 2006

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2005A WATER REV BONDS - RESERVE FUND - MBIA GIC				4.911	2,164,425.00	1.407			
2005A WATER REV BONDS - RESERVE FUND - MONEY MKT				4.850	50.26	0.000			
2005A WATER REV BONDS PROJECT FUND - MONEY MARKET				4.840	395,829.75	0.257			
2006A WATER REV BONDS - COST OF ISSUANCE FUND				0.000	0.00	0.000			
2006A WATER REV BONDS - INC&PRIN - MONEY MARKET				4.840	78.85	0.000			
2006A WATER REV BONDS - PROJECT FUND - GIC				4.695	24,393,129.49	15.858			
2006A WATER REV BONDS - PROJECT FUND - MONEY MARKET				4.840	21,685.65	0.014			
2006A WATER REV BONDS - RESERVE FUND - GIC				4.691	1,573,906.25	1.023			
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET				4.850	5.56	0.000			
CAPITAL PROJECT FUND - MONEY MARKET				4.840	10,487,951.85	6.818			
TRAFFIC IMPACT FUND - MONEY MARKET				4.840	6,421,292.87	4.175			
Total with Fiscal Agents					57,665,749.66	37.49			
TOTAL PORTFOLIO					153,821,104.35	100.00			

* 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.