

REPORT

To the Honorable Mayor and City Council
From the City Manager

November 16, 2006

Subject

Monthly Investment Report for Period Ending October 31, 2006

Background

The attached investment report indicates that on October 31, 2006 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$99,378,895.09 were invested producing an average yield of 3.838%. The target Fed Funds rate for October 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 October 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

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

31 OCT 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	11-24-03	2,998,125.00	11-24-06	2.872	3,000,000.00	1.869	2,995,320.00	0.00	
Federal Home Loan Bank	12-29-03	3,000,000.00	12-29-06	3.140	3,000,000.00	1.869	2,988,750.00	0.04	
Federal National Mortgage Assoc.	01-22-04	3,221,640.00	01-15-07	2.416	3,000,000.00	1.869	2,997,180.00	0.08	
Federal Home Loan Mortgage Corp.	02-09-04	2,995,560.00	02-09-07	2.802	3,000,000.00	1.869	2,978,790.00	0.12	
Federal Home Loan Mortgage Corp.	03-12-04	3,019,410.00	02-09-07	2.026	3,000,000.00	1.869	2,978,790.00	0.12	
Federal Home Loan Mortgage Corp.	02-03-04	2,984,700.00	02-15-07	2.550	3,000,000.00	1.869	2,974,680.00	0.12	
Federal Home Loan Mortgage Corp.	03-16-04	3,236,430.00	03-15-07	2.146	3,000,000.00	1.869	2,994,390.00	0.16	
Federal National Mortgage Assoc.	03-02-04	3,412,500.00	03-15-07	2.401	3,000,000.00	1.869	3,018,750.00	0.16	
Federal National Mortgage Assoc.	04-19-04	3,206,790.00	04-15-07	2.829	3,000,000.00	1.869	2,999,070.00	0.20	
Federal National Mortgage Assoc.	04-27-04	2,988,000.00	04-27-07	3.015	3,000,000.00	1.869	2,965,320.00	0.20	
Federal National Mortgage Assoc.	05-11-04	3,116,790.00	05-15-07	3.501	3,000,000.00	1.869	2,993,430.00	0.24	
Federal Home Loan Bank	03-21-05	2,978,940.00	08-24-07	4.106	3,000,000.00	1.869	2,967,180.00	0.36	
Federal National Mortgage Assoc.	09-07-04	3,000,000.00	09-07-07	3.601	3,000,000.00	1.869	2,971,890.00	0.40	
Federal National Mortgage Assoc.	(1) 01-04-05	2,975,625.00	01-15-08	3.535	3,000,000.00	1.869	2,937,180.00	0.56	
Federal Home Loan Bank	(1) 02-17-05	2,986,875.00	02-15-08	3.780	3,000,000.00	1.869	2,946,570.00	0.60	
Federal Home Loan Bank	(1) 07-08-05	2,991,600.00	03-24-08	4.358	3,000,000.00	1.869	2,969,070.00	0.68	
Federal National Mortgage Assoc.	(1) 05-03-05	3,171,562.50	05-15-08	3.979	3,000,000.00	1.869	3,046,890.00	0.72	
Federal Home Loan Mortgage Corp.	(1) 06-02-05	3,007,500.00	06-02-08	4.260	3,000,000.00	1.869	2,968,110.00	0.76	06-02-06
Federal National Mortgage Assoc.	(1) 06-29-05	2,891,880.00	06-15-08	3.798	3,000,000.00	1.869	2,887,500.00	0.76	
Federal Home Loan Mortgage Corp.	(1) 02-14-06	2,914,410.00	09-15-08	4.810	3,000,000.00	1.869	2,931,570.00	0.88	
Federal National Mortgage Assoc.	(1) 03-16-06	2,919,390.00	11-17-08	4.959	3,000,000.00	1.869	2,937,180.00	0.96	
Treasury Notes	(1) 04-18-06	2,968,593.75	02-15-09	4.899	3,000,000.00	1.869	2,989,800.00	1.08	
Federal National Mortgage Assoc.	(1) 05-30-06	2,999,850.00	05-29-09	5.500	3,000,000.00	1.869	3,000,000.00	1.24	11-29-06
Federal Home Loan Bank	(1) 06-16-06	2,988,120.00	06-12-09	5.390	3,000,000.00	1.869	3,028,140.00	1.24	
Federal Home Loan Bank	(1) 09-06-06	3,019,560.00	09-11-09	5.010	3,000,000.00	1.869	3,030,930.00	1.36	

Total Governments		75,993,851.25		3.695	75,000,000.00	46.727	74,496,480.00	13.04	
LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				5.098	12,371,189.28	7.708		77.86	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				4.120	4,031,359.15	2.512		25.37	
COUNTY OF SAN MATEO - PUBLIC FINANCING AUTHORITY				4.120	1,836,799.90	1.144		11.56	
COUNTY OF SAN MATEO - REDEVELOPMENT AGENCY				4.120	6,139,546.76	3.825		38.64	

Total Liquid Accounts				4.616	24,378,895.09	15.189		153.42	

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

31 OCT 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)	3.838	99,378,895.09	61.92	166.46	
CASH AND INVESTMENTS WITH FISCAL AGENTS									
1997 TAX ALLOC REFUNDING BONDS - I&R FUND				4.740	29,238.61	0.018			
1997 TAX ALLOC REFUNDING BONDS - RESERVE FUND - GIC				6.190	1,544,099.24	0.962			
1998 CITY HALL COP - RESERVE FUND				0.000	25,539.61	0.016			
1998 CITY HALL COP - RESERVE FUND - LAIF				5.098	1,043,061.11	0.650			
1998 LEAVE REVENUE REFUNDING BONDS - I&R FUND				4.730	1,931.04	0.001			
1998 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.740	1,226,930.65	0.764			
1999 SEAPORT CONS. BONDS - I&R FUND - MONEY MARKET				4.720	0.00	0.000			
1999 SEAPORT CONS. BONDS - RESERVE FUND - MONEY MARKET				4.720	961,201.70	0.599			
1999 SEAPORT CONS. BONDS - REV ACCT - MONEY MARKET				0.000	0.05	0.000			
2000A PACIFIC SHORES - TRAFFIC MITIGATION PROJ FUND				4.780	332,720.23	0.207			
2000A PACIFIC SHORES BONDS - CONSTRUCTION FUND - MONEY MARKET				4.780	1,006,552.07	0.627			
2000A PACIFIC SHORES BONDS - CONSTRUCTION FUND - MONEY MARKET				4.780	1,334,031.65	0.831			
2000A PACIFIC SHORES BONDS - I&R FUND				4.720	460.38	0.000			
2000A PACIFIC SHORES BONDS - REBATE FUND				4.790	54,062.86	0.034			
2000A PACIFIC SHORES BONDS - RESERVE FUND - MONEY MARKET				4.790	2,086,898.73	1.300			
2000A PACIFIC SHORES BONDS - SPECIAL TAX FUND				4.780	15,758.96	0.010			
2001A RWS TRANS IMPRVMT BONDS - ADM EXPENSE FUND				4.830	4.14	0.000			
2001A RWS TRANS IMPRVMT BONDS - I&R FUND				4.780	17.37	0.000			
2001A RWS TRANS IMPRVMT BONDS - PRINCIPAL FUND - MONEY MARKET				4.770	15.94	0.000			
2001A RWS TRANS IMPRVMT BONDS - RESERVE FUND - MONEY MARKET				4.780	340,456.74	0.212			
2003 PFA LEASE REVENUE REFUNDING BONDS - I&R FUND				4.820	2,105.61	0.001			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - FED HOM LOAN MTG				5.100	1,016,650.00	0.633			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.830	106,849.60	0.067			
2003A RDA TAX ALLOCATION BONDS - CONSTRUCTION FUND				4.830	1,993,374.47	1.242			
2003A RDA TAX ALLOCATION BONDS - I&R FUND				4.740	6,753.74	0.004			
2003A RDA TAX ALLOCATION BONDS - MONEY MARKET				4.740	242,877.35	0.151			
2003B RWS TRAF IMPRV PHASE II BONDS - I&R FUND				4.800	28.54	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - PRINCIPAL FUND - MONEY MARK				4.800	11.24	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - MONEY MARKET				4.830	457,091.29	0.285			
2005A WATER REV BONDS - INCOME AND PRINCIPAL				4.780	649.58	0.000			
2005A WATER REV BONDS - RESERVE FUND - MBIA GIC				4.910	2,164,425.00	1.348			
2005A WATER REV BONDS - RESERVE FUND - MONEY MKT				4.770	49.99	0.000			

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2005A WATER REV BONDS PROJECT FUND - MONEY MARKET				4.790	2,421,987.58	1.509			
2006A WATER REV BONDS - COST OF ISSUANCE FUND				4.790	0.00	0.000			
2006A WATER REV BONDS - INC&PRIN - MONEY MARKET				4.780	78.54	0.000			
2006A WATER REV BONDS - PROJECT FUND - GIC				4.695	24,112,174.20	15.022			
2006A WATER REV BONDS - PROJECT FUND - MONEY MARKET				4.790	21,597.25	0.013			
2006A WATER REV BONDS - RESERVE FUND - GIC				4.691	1,573,906.25	0.981			
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET				4.850	5.56	0.000			
CAPITAL PROJECT FUND - MONEY MARKET				4.830	10,445,182.57	6.508			
PFA BONDS - HOUSING PROJECT FUND				5.200	164,894.01	0.103			
TRAFFIC IMPACT FUND - MONEY MARKET				4.820	6,395,106.88	3.984			

Total with Fiscal Agents					61,128,780.33	38.08			
TOTAL PORTFOLIO					160,507,675.42	100.00			
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* 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.