

REPORT

To the Honorable Mayor and City Council
From the City Manager

November 14, 2007

Subject

Monthly Investment Report for Period Ending October 31, 2007

Background

The attached investment report indicates that on October 31, 2007 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$108,664,991.13 were invested producing an average yield of 4.757%. The target Fed Funds rate for October is 4.50%.

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.

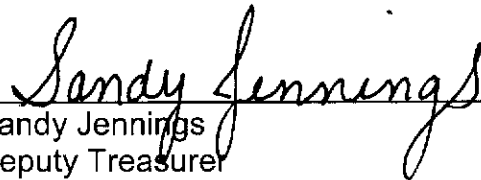
As of October 31, the City has sufficient liquid resources available to meet expenditure requirements for the next six months.

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 18 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 OCT 2007

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	CALL DATE
Federal National Mortgage Assoc.	02-22-07	2,893,950.83	11-02-07	5.248	3,000,000.00	2.761	2,999,700.00	0.00	
Federal National Mortgage Assoc.	01-04-05	2,975,625.00	01-15-08	3.535	3,000,000.00	2.761	2,989,680.00	0.06	
Federal Home Loan Bank	05-02-07	985,840.00	02-15-08	5.229	1,000,000.00	0.920	996,250.00	0.03	
Federal Home Loan Bank	02-17-05	2,986,875.00	02-15-08	3.780	3,000,000.00	2.761	2,990,640.00	0.08	
Federal Home Loan Bank	07-08-05	2,991,600.00	03-24-08	4.358	3,000,000.00	2.761	2,994,390.00	0.11	
Federal National Mortgage Assoc.	05-03-05	3,171,562.50	05-15-08	3.979	3,000,000.00	2.761	3,021,570.00	0.17	
Federal Home Loan Mortgage Corp.	06-02-05	3,007,500.00	06-02-08	4.260	3,000,000.00	2.761	2,995,290.00	0.19	
Federal National Mortgage Assoc.	06-29-05	2,891,880.00	06-15-08	3.798	3,000,000.00	2.761	2,961,570.00	0.19	
Federal Home Loan Mortgage Corp.	08-28-07	2,285,820.00	08-04-08	4.940	2,295,000.00	2.112	2,293,875.45	0.19	
Federal Home Loan Bank	05-02-07	3,004,320.00	08-08-08	4.999	3,000,000.00	2.761	3,012,180.00	0.25	
Federal Home Loan Mortgage Corp.	02-14-06	2,914,410.00	09-15-08	4.810	3,000,000.00	2.761	2,977,500.00	0.28	
Federal National Mortgage Assoc.	(1) 03-16-06	2,919,390.00	11-17-08	4.959	3,000,000.00	2.761	2,980,320.00	0.33	
Treasury Notes	(1) 04-18-06	2,968,593.75	02-15-09	4.899	3,000,000.00	2.761	3,018,510.00	0.41	
Federal Home Loan Mortgage Corp.	(1) 12-27-06	3,055,530.00	03-15-09	4.855	3,000,000.00	2.761	3,052,500.00	0.44	
Federal Home Loan Bank	(1) 06-16-06	2,988,120.00	06-12-09	5.390	3,000,000.00	2.761	3,038,430.00	0.52	
Federal Home Loan Bank	(1) 01-09-07	3,035,130.00	07-17-09	4.875	3,000,000.00	2.761	3,048,750.00	0.55	
Federal Home Loan Bank	(1) 05-14-07	2,931,840.00	08-18-09	4.820	3,000,000.00	2.761	2,969,070.00	0.58	
Federal Home Loan Bank	(1) 09-06-06	3,019,560.00	09-11-09	5.010	3,000,000.00	2.761	3,046,890.00	0.61	
Federal Home Loan Mortgage Corp.	(1) 08-28-07	1,367,803.86	09-22-09	4.783	1,389,000.00	1.278	1,380,596.55	0.29	
Fed Farm Credit	(1) 11-08-06	3,003,447.00	10-23-09	4.957	3,000,000.00	2.761	3,036,570.00	0.66	
Federal Home Loan Mortgage Corp.	(1) 12-05-06	3,012,000.00	11-03-09	4.600	3,000,000.00	2.761	3,024,390.00	0.66	
Treasury Notes	(1) 01-03-07	2,909,531.25	01-15-10	4.703	3,000,000.00	2.761	2,981,010.00	0.72	
Federal National Mortgage Assoc.	(1) 02-02-07	2,903,190.00	02-15-10	5.034	3,000,000.00	2.761	2,970,930.00	0.75	
Federal Home Loan Bank	(1) 03-13-07	3,015,360.00	03-12-10	4.810	3,000,000.00	2.761	3,042,180.00	0.77	
Federal Home Loan Bank	(1) 05-23-07	2,990,565.00	05-14-10	4.990	3,000,000.00	2.761	3,034,680.00	0.83	
Federal Home Loan Bank	(1) 06-05-07	3,004,932.00	06-11-10	5.190	3,000,000.00	2.761	3,062,820.00	0.86	
Federal Home Loan Bank	(1) 08-28-07	1,963,680.00	08-13-10	4.790	2,000,000.00	1.841	1,985,620.00	0.61	
Federal Home Loan Bank	(1) 09-26-07	3,050,190.00	09-10-10	4.513	3,000,000.00	2.761	3,057,180.00	0.94	
Federal Home Loan Bank	(1) 10-10-07	1,989,260.00	10-22-10	4.567	2,000,000.00	1.841	1,998,120.00	0.66	
Total Governments		80,237,506.19		4.670	80,684,000.00	74.250	80,961,212.00	12.74	

LIQUID ACCOUNTS

STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY	5.137	18,541,127.20	17.063	0.17
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY	4.520	1,878,448.38	1.729	0.02

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

31 OCT 2007

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				4.520	1,917,435.81	1.765		0.02	
COUNTY OF SAN MATEO - REDEVELOPMENT AGENCY				4.520	5,643,979.74	5.194		0.05	
Total Liquid Accounts				4.929	27,980,991.13	25.750		0.26	
SUB-TOTAL			(average weighted yield)	4.757	108,664,991.13	100.00		13.00	
CASH AND INVESTMENTS WITH FISCAL AGENTS									
1997 TAX ALLOC REFUNDING BONDS - I&R FUND				4.430	50,831.33	0.103			
1997 TAX ALLOC REFUNDING BONDS - RESERVE FUND - GIC			07-15-11	6.190	1,543,000.00	3.141			
1998 CITY HALL COP - RESERVE FUND - LAIF				5.137	1,070,103.43	2.178			
1998 CITY HALL COP - RESERVE FUND - MONEY MARKET				4.340	483.52	0.001			
1998 CITY HALL COP-BASE RENTAL PAYMENT FUND				0.000	0.03	0.000			
1998 LEASE REVENUE REFUNDING-RESERVE FUND-US TREASURY			01-15-11	4.220	1,185,187.50	2.412			
1998 LEASE REVENUE REFUNDING BONDS - I&R FUND				4.460	1,817.83	0.004			
1998 PFA LS REV REF DG BONDS - RESERVE FUND - MONEY MARKET				4.430	53,532.31	0.109			
1999 SEAPORT CONS. BONDS - I&R FUND - MONEY MARKET				4.260	52,191.36	0.106			
1999 SEAPORT CONS. BONDS - RESERVE FUND - MONEY MARKET				4.270	1,474.56	0.003			
1999 SEAPORT CONS. BONDS - REV ACCT - MONEY MARKET				0.000	0.06	0.000			
1999 SEAPORT CONS BONDS RESERVE FUND TREASURY			07-31-08	4.970	944,406.25	1.922			
2000A PACIFIC SHORES - TRAFFIC MITIGATION PROJ FUND				4.150	348,677.08	0.710			
2000A PACIFIC SHORES BONDS - CONSTRUCTION FUND - MONEY MARKET				4.150	1,048,127.91	2.133			
2000A PACIFIC SHORES BONDS - I&R FUND				4.140	64,040.25	0.130			
2000A PACIFIC SHORES BONDS - REBATE FUND				4.150	56,656.05	0.115			
2000A PACIFIC SHORES BONDS - RESERVE FUND - MONEY MARKET				4.140	73,777.84	0.150			
2000A PACIFIC SHORES BONDS - SPECIAL TAX FUND				4.140	16,514.95	0.034			
2000A PACIFIC SHORES BONDS- RESERVE FUND-TRSY			10-31-11	4.530	2,056,289.46	4.185			
2001A RMS TRANS IMPRVMT BONDS - ADM EXPENSE FUND				4.100	4.14	0.000			
2001A RMS TRANS IMPRVMT BONDS - I&R FUND				4.150	147.12	0.000			
2001A RMS TRANS IMPRVMT BONDS - PRINCIPAL FUND - MONEY MARKET				0.000	0.05	0.000			
2001A RMS TRANS IMPRVMT BONDS - RESERVE FUND - MONEY MARKET				4.150	356,787.71	0.726			
2003 PFA LEASE REVENUE REFUNDING BONDS - I&R FUND				4.140	2,009.97	0.004			
2003 PFA LS REV REF DG BONDS - RESERVE FUND - FED HOM LOAN MTG			10-15-08	5.090	1,016,650.00	2.069			
2003 PFA LS REV REF DG BONDS - RESERVE FUND - MONEY MARKET				4.140	103,584.11	0.211			
2003A RDA TAX ALLOCATION BONDS - CONSTRUCTION FUND				4.140	800,332.40	1.629			
2003A RDA TAX ALLOCATION BONDS - I&R FUND				7.330	13.64	0.000			

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2003A RDA TAX ALLOCATION BONDS - MONEY MARKET				0.000	0.94	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - I&R FUND				4.150	176.11	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - PRINCIPAL FUND - MONEY MARK				0.000	0.00	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - MONEY MARKET				4.140	479,017.12	0.975			
2005A WATER REV BONDS - INCOME AND PRINCIPAL				4.140	844.11	0.002			
2005A WATER REV BONDS - RESERVE FUND - MBIA GIC	02-01-34			4.911	2,164,425.00	4.405			
2005A WATER REV BONDS - RESERVE FUND - MONEY MKT				4.150	53,568.11	0.109			
2005A WATER REV BONDS PROJECT FUND - MONEY MARKET				4.150	417,333.86	0.849			
2006A WATER REV BONDS - COST OF ISSUANCE FUND				0.000	0.00	0.000			
2006A WATER REV BONDS - INC&PRIN - MONEY MARKET				4.140	640.34	0.001			
2006A WATER REV BONDS - PROJECT FUND - GIC	03-01-08			4.695	8,126,915.55	16.541			
2006A WATER REV BONDS - PROJECT FUND - MONEY MARKET				4.150	381.40	0.001			
2006A WATER REV BONDS - RESERVE FUND - GIC	02-01-35			4.691	1,573,906.25	3.203			
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET				4.140	36,789.93	0.075			
CAPITAL PROJECT FUND - MONEY MARKET				4.140	3,633,044.16	7.394			
RECYCLED WATER 2007 - RESERVE FUND	02-01-35			5.450	950,950.00	1.935			
RECYCLED WATER 2007 DELIVERY OF COSTS FUND				3.950	287.79	0.001			
RECYCLED WATER 2007 RESERVE FUND				4.140	7,830.41	0.016			
RECYCLED WATER PROJ 2007A PROJECT FUND				4.140	38,276.96	0.078			
REDWOOD CITY 2007 PROJECT FUND (GIC)				4.950	14,041,384.76	28.579			
REDWOOD CITY WATER 2007A INSTALLMENT PAYMENT				4.150	89,245.71	0.182			
TRAFFIC IMPACT FUND - MONEY MARKET				4.140	6,670,714.80	13.577			
Total with Fiscal Agents					49,132,374.17	100.0			
TOTAL BOTH PORTFOLIOS					157,797,365.30				

* 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.

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Investment Policy - Maturity of Investments Guidelines

As of 31 OCT 2007:

\$80,684,000.00	securities
\$27,980,991.13	liquids

\$108,664,991.13	securities & liquid = "idle funds"
\$27,980,991.13	liquids
3,021,570.00	FNMA
3,012,180.00	FHLB
3,018,510.00	TN
3,052,500.00	FHLMC
3,038,430.00	FHLB
3,048,750.00	FHLB
3,046,890.00	FHLB
3,036,570.00	FFC
3,024,390.00	FHLMC
3,042,180.00	FHLB
3,034,680.00	FHLB
3,062,820.00	FHLB
3,057,180.00	FHLB

\$67,477,641.13	Total investments that can be sold at face value in emergency

The following shows the City's investment policy liquidity and maturity requirements based on current surplus funds and the City's actual current standing:

- Policy:
- 1 Approximately 50% of idle funds will be placed in investments that can be sold at face value in event of emergency (liquid investments plus securities with market value at least equal to par value)
 - 2 Not more than 50% of idle funds shall be invested for more than one year (based on market value, maturity greater than one year)
 - 3 Not more than 25% of idle funds shall be invested for more than two years (based on market value, maturity greater than two years)

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31 OCT 2007
result:

Policy Requirements		Actual
Based on		Investments
Current Investments		Investments
1 \$54,332,495.57		\$67,477,641.13
2 \$54,332,495.57		\$50,728,566.55
3 \$27,166,247.78		\$25,156,930.00