

REPORT

To the Honorable Mayor and City Council
From the City Manager

April 16, 2008

Subject

Monthly Investment Report for Period Ending March 31, 2008

Background

The attached investment report indicates that on March 31, 2008 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$119,140,328.92 were invested producing an average yield of 4.474%. The target Fed Funds rate for March is 2.25%.

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 March 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



Sylvia Bravo
Deputy Treasurer

cc: Peter Ingram, Interim City Manager

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

31 MAR 2008

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.	05-03-05	3,171,562.50	05-15-08	3.979	3,000,000.00	2.518	3,013,140.00	0.03	
Federal Home Loan Mortgage Corp.	06-02-05	3,007,500.00	06-02-08	4.260	3,000,000.00	2.518	3,009,660.00	0.05	
Federal National Mortgage Assoc.	06-29-05	2,891,880.00	06-15-08	3.798	3,000,000.00	2.518	3,000,000.00	0.05	
Federal Home Loan Mortgage Corp.	08-28-07	2,285,820.00	08-04-08	4.940	2,295,000.00	1.926	2,311,110.90	0.08	
Federal Home Loan Bank	05-02-07	3,004,320.00	08-08-08	4.999	3,000,000.00	2.518	3,028,140.00	0.10	
Federal Home Loan Mortgage Corp.	02-14-06	2,914,410.00	09-15-08	4.810	3,000,000.00	2.518	3,016,890.00	0.13	
Federal National Mortgage Assoc.	03-16-06	2,919,390.00	11-17-08	4.959	3,000,000.00	2.518	3,028,140.00	0.18	
Treasury Notes	04-18-06	2,968,593.75	02-15-09	4.899	3,000,000.00	2.518	3,075,480.00	0.25	
Certificate of Deposit	03-03-08	95,000.00	03-03-09	3.250	95,000.00	0.080		0.01	
Federal Home Loan Mortgage Corp.	12-27-06	3,055,530.00	03-15-09	4.855	3,000,000.00	2.518	3,097,500.00	0.28	
Federal Home Loan Bank	(1) 06-16-06	2,988,120.00	06-12-09	5.390	3,000,000.00	2.518	3,105,000.00	0.35	
Federal Home Loan Bank	(1) 01-09-07	3,035,130.00	07-17-09	4.875	3,000,000.00	2.518	3,119,070.00	0.38	
Federal Home Loan Bank	(1) 05-14-07	2,931,840.00	08-18-09	4.820	3,000,000.00	2.518	3,061,890.00	0.40	
Federal Home Loan Bank	(1) 09-06-06	3,019,560.00	09-11-09	5.010	3,000,000.00	2.518	3,121,890.00	0.43	
Federal Home Loan Mortgage Corp.	(1) 08-28-07	1,367,803.86	09-22-09	4.783	1,389,000.00	1.166	1,423,850.01	0.21	
Fed Farm Credit	(1) 11-08-06	3,003,447.00	10-23-09	4.957	3,000,000.00	2.518	3,126,570.00	0.48	
Federal Home Loan Mortgage Corp.	(1) 12-05-06	3,012,000.00	11-03-09	4.600	3,000,000.00	2.518	3,115,320.00	0.48	
Federal Home Loan Bank	(1) 12-03-07	3,000,000.00	12-03-09	4.250	3,000,000.00	2.518	3,042,180.00	0.50	12-03-08
Treasury Notes	(1) 01-03-07	2,909,531.25	01-15-10	4.703	3,000,000.00	2.518	3,105,690.00	0.53	
Federal National Mortgage Assoc.	(1) 02-02-07	2,903,190.00	02-15-10	5.034	3,000,000.00	2.518	3,089,070.00	0.55	
Federal Home Loan Bank	(1) 03-13-07	3,015,360.00	03-12-10	4.810	3,000,000.00	2.518	3,155,640.00	0.58	
Federal Home Loan Bank	(1) 11-05-07	3,000,000.00	05-05-10	4.640	3,000,000.00	2.518	3,023,430.00	0.63	08-05-08
Federal Home Loan Bank	(1) 05-23-07	2,990,565.00	05-14-10	4.990	3,000,000.00	2.518	3,158,430.00	0.63	
Federal Home Loan Bank	(1) 06-05-07	3,004,932.00	06-11-10	5.190	3,000,000.00	2.518	3,185,640.00	0.65	
Fed Farm Credit	(1) 01-28-08	3,000,000.00	07-28-10	3.870	3,000,000.00	2.518	3,003,750.00	0.71	04-28-08
Federal Home Loan Bank	(1) 08-28-07	1,963,680.00	08-13-10	4.790	2,000,000.00	1.679	2,078,760.00	0.47	
Federal Home Loan Bank	(1) 09-26-07	3,050,190.00	09-10-10	4.513	3,000,000.00	2.518	3,190,320.00	0.73	
Federal Home Loan Bank	(1) 10-10-07	1,989,260.00	10-22-10	4.567	2,000,000.00	1.679	2,093,120.00	0.52	

Total Governments		76,498,615.36		4.692	76,779,000.00	64.444	78,779,680.91	10.38	
LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				3.777	26,305,475.17	22.079		0.22	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				4.490	10,720,179.45	8.998		0.09	
COUNTY OF SAN MATEO - PUBLIC FINANCING AUTHORITY				4.490	1,961,827.16	1.647		0.02	

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

31 MAR 2008

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				4.490	3,373,847.14	2.832		0.03	
Total Liquid Accounts				4.047	42,361,328.92	35.556		0.36	
SUB-TOTAL		(average weighted yield)		4.474	119,140,328.92	100.00		10.73	

CASH AND INVESTMENTS WITH FISCAL AGENTS									
1997 TAX ALLOC REFUNDING BONDS - I&R FUND				2.130	1,374,718.87	3.087			
1997 TAX ALLOC REFUNDING BONDS - RESERVE FUND - GIC			07-15-11	6.190	1,543,000.00	3.465			
1998 CITY HALL COP - RESERVE FUND - LAIF				0.000	1,056,320.08	2.372			
1998 CITY HALL COP - RESERVE FUND - MONEY MARKET				2.040	491.04	0.001			
1998 CITY HALL COP-BASE RENTAL PAYMENT FUND				0.000	0.72	0.000			
1998 LEASE REVENUE REFUNDING-RESERVE FUND-US TREASURY			01-15-11	3.980	1,185,187.50	2.661			
1998 LEAVE REVENUE REFUNDING BONDS - I&R FUND				2.130	40,511.45	0.091			
1998 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				2.130	92.59	0.000			
1999 SEAPORT CONS. BONDS - I&R FUND - MONEY MARKET				1.590	52,888.74	0.119			
1999 SEAPORT CONS. BONDS - RESERVE FUND - MONEY MARKET				1.590	25,034.14	0.056			
1999 SEAPORT CONS. BONDS - REV ACCT - MONEY MARKET				0.000	0.00	0.000			
1999 SEAPORT CONS BONDS RESERVE FUND TREASURY			07-31-08	4.940	944,406.25	2.121			
2000A PACIFIC SHORES - TRAFFIC MITIGATION PROJ FUND				2.310	353,435.85	0.794			
2000A PACIFIC SHORES BONDS - CONSTRUCTION FUND - MONEY MARKET				2.310	1,062,435.36	2.386			
2000A PACIFIC SHORES BONDS - I&R FUND				2.320	146.91	0.000			
2000A PACIFIC SHORES BONDS - REBATE FUND				2.310	57,429.44	0.129			
2000A PACIFIC SHORES BONDS - RESERVE FUND - MONEY MARKET				2.310	26,361.31	0.059			
2000A PACIFIC SHORES BONDS - SPECIAL TAX FUND				2.320	16,740.40	0.038			
2000A PACIFIC SHORES BONDS- RESERVE FUND-TRSY			10-31-11	4.240	2,056,289.46	4.618			
2001A RWS TRANS IMPRVMT BONDS - ADM EXPENSE FUND				2.410	4.14	0.000			
2001A RWS TRANS IMPRVMT BONDS - I&R FUND				2.320	53.00	0.000			
2001A RWS TRANS IMPRVMT BONDS - PRINCIPAL FUND - MONEY MARKET				0.000	0.05	0.000			
2001A RWS TRANS IMPRVMT BONDS - RESERVE FUND - MONEY MARKET				2.320	361,658.04	0.812			
2003 PFA LEASE REVENUE REFUNDING BONDS - I&R FUND				2.320	171.12	0.000			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - FED HOM LOAN MTG			10-15-08	5.040	1,016,650.00	2.283			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				2.310	77,703.23	0.174			
2003A RDA TAX ALLOCATION BONDS - CONSTRUCTION FUND				2.310	310,523.04	0.697			
2003A RDA TAX ALLOCATION BONDS - I&R FUND				2.130	328,584.86	0.738			
2003A RDA TAX ALLOCATION BONDS - MONEY MARKET				0.000	0.00	0.000			

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31 MAR 2008

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2003B RWS TRAF IMPRV PHASE II BONDS - I&R FUND				2.350	89.43	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				2.320	485,555.95	1.090			
2005A WATER REV BONDS - INCOME AND PRINCIPAL				2.310	190.66	0.000			
2005A WATER REV BONDS - RESERVE FUND - MBIA GIC			02-01-34	4.911	2,164,425.00	4.860			
2005A WATER REV BONDS - RESERVE FUND - MONEY MKT				2.320	54,123.68	0.122			
2005A WATER REV BONDS PROJECT FUND - MONEY MARKET				2.310	63,087.10	0.142			
2006A WATER REV BONDS - COST OF ISSUANCE FUND				0.000	0.00	0.000			
2006A WATER REV BONDS - INC&PRIN - MONEY MARKET				2.310	138.00	0.000			
2006A WATER REV BONDS - PROJECT FUND - GIC			03-01-08	2.310	4,737,597.59	10.639			
2006A WATER REV BONDS - PROJECT FUND - MONEY MARKET				4.150	0.00	0.000			
2006A WATER REV BONDS - RESERVE FUND - GIC			02-01-35	4.691	1,573,906.25	3.534			
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET				2.320	37,589.99	0.084			
CAPITAL PROJECT FUND - MONEY MARKET				2.320	1,463,808.91	3.287			
RECYCLED WATER 2007 - RESERVE FUND			02-01-35	5.450	950,950.00	2.135			
RECYCLED WATER 2007 DELIVERY OF COSTS FUND				0.000	0.00	0.000			
RECYCLED WATER 2007 RESERVE FUND				2.320	26,277.42	0.059			
RECYCLED WATER PROJ 2007A PROJECT FUND				2.320	38,799.47	0.087			
REDWOOD CITY 2007 PROJECT FUND (GIC)				4.950	14,333,386.62	32.187			
REDWOOD CITY WATER 2007A INSTALLMENT PAYMENT				2.320	563.29	0.001			
TRAFFIC IMPACT FUND - MONEY MARKET				2.320	6,710,076.12	15.068			
Total with Fiscal Agents					44,531,403.07	100.0			
TOTAL BOTH PORTFOLIOS					<u>163,671,731.99</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.

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31 MAR 2008

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Investment Policy - Maturity of Investments Guidelines

As of 31 MAR 2008:

\$76,779,000.00 securities

\$42,361,328.92 liquids

\$119,140,328.92 securities & liquid = "idle funds"

\$42,361,328.92 liquids

3,013,140.00 FNMA

3,009,660.00 FHLMC

3,000,000.00 FNMA

2,311,110.90 FHLMC

3,028,140.00 FHLB

3,016,890.00 FHLMC

3,028,140.00 FNMA

3,075,480.00 TN

3,097,500.00 FHLMC

3,105,000.00 FHLB

3,119,070.00 FHLB

3,061,890.00 FHLB

3,121,890.00 FHLB

1,423,850.01 FHLMC

3,126,570.00 FFC

3,115,320.00 FHLMC

3,042,180.00 FHLB

3,105,690.00 TN

3,089,070.00 FNMA

3,155,640.00 FHLB

3,023,430.00 FHLB

3,158,430.00 FHLB

3,185,640.00 FHLB

3,003,750.00 FFC

2,078,760.00 FHLB

3,190,320.00 FHLB

2,093,120.00 FHLB

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31 MAR 2008

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\$121,141,009.83 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)

31 MAR 2008 result:	Policy Requirements Based on Current Investments	Actual Investments
	1 \$59,570,164.46	\$121,141,009.83
	2 \$59,570,164.46	\$52,199,620.01
	3 \$29,785,082.23	\$19,733,450.00