

# REPORT

To the Honorable Mayor and City Council  
From the City Manager

June 12, 2007

## Subject

Monthly Investment Report for Period Ending May 31, 2007

## Background

The attached investment report indicates that on May 31, 2007 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$127,365,142.64 were invested producing an average yield of 4.636%. The target Fed Funds rate for May 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 May 31, the City has sufficient liquid resources available to meet expenditure requirements for the next six months.

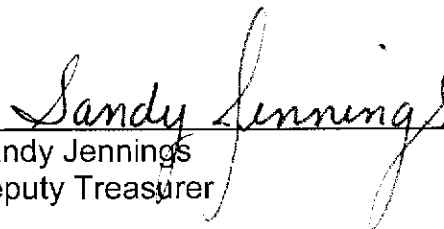
The City's Investment Policy requires that the Council be advised each month of the number of securities maturing beyond one year. The City presently has 17 securities meeting the criteria.

All City investments are in compliance with the City's Investment Policy.



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Brian J. Ponty  
Director of Finance and Financial Planning



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Sandy Jennings  
Deputy Treasurer

cc: Edward P. Everett, City Manager

## INVESTMENT PORTFOLIO

31 MAY 2007

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE \$(2)	Average MATURITY (Months)	CALL DATE
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US AGENCIES, SECURITIES, AND CORPORATE NOTES									
Fed Farm Credit	02-02-07	3,004,200.00	07-19-07	5.181	3,000,000.00	2.355	3,000,930.00	0.02	
Federal Home Loan Bank	03-21-05	2,978,940.00	08-24-07	4.106	3,000,000.00	2.355	2,990,640.00	0.05	
Federal National Mortgage Assoc.	09-07-04	3,000,000.00	09-07-07	3.601	3,000,000.00	2.355	2,990,640.00	0.07	
Federal National Mortgage Assoc.	04-04-07	1,463,250.00	09-26-07	5.238	1,500,000.00	1.178	1,475,100.00	0.04	
Federal Home Loan Bank	04-04-07	1,461,855.83	10-03-07	5.233	1,500,000.00	1.178	1,473,600.00	0.05	
Treasury Notes	01-17-07	2,981,550.00	10-31-07	5.051	3,000,000.00	2.355	2,992,740.00	0.12	
Federal National Mortgage Assoc.	02-22-07	2,893,950.83	11-02-07	5.248	3,000,000.00	2.355	2,934,600.00	0.12	
Federal National Mortgage Assoc.	01-04-05	2,975,625.00	01-15-08	3.535	3,000,000.00	2.355	2,962,500.00	0.16	
Federal Home Loan Bank	05-02-07	985,840.00	02-15-08	5.229	1,000,000.00	0.785	986,560.00	0.06	
Federal Home Loan Bank	02-17-05	2,986,875.00	02-15-08	3.780	3,000,000.00	2.355	2,964,390.00	0.19	
Federal Home Loan Bank	07-08-05	2,991,600.00	03-24-08	4.358	3,000,000.00	2.355	2,974,680.00	0.21	
Federal National Mortgage Assoc.	05-03-05	3,171,562.50	05-15-08	3.979	3,000,000.00	2.355	3,018,750.00	0.26	
Federal Home Loan Mortgage Corp.	(1) 06-02-05	3,007,500.00	06-02-08	4.260	3,000,000.00	2.355	2,972,220.00	0.28	
Federal National Mortgage Assoc.	(1) 06-29-05	2,891,880.00	06-15-08	3.798	3,000,000.00	2.355	2,915,640.00	0.28	
Federal Home Loan Bank	(1) 05-02-07	3,004,320.00	08-08-08	4.999	3,000,000.00	2.355	2,993,430.00	0.33	
Federal Home Loan Mortgage Corp.	(1) 02-14-06	2,914,410.00	09-15-08	4.810	3,000,000.00	2.355	2,937,180.00	0.35	
Federal National Mortgage Assoc.	(1) 03-16-06	2,919,390.00	11-17-08	4.959	3,000,000.00	2.355	2,938,140.00	0.40	
Treasury Notes	(1) 04-18-06	2,968,593.75	02-15-09	4.899	3,000,000.00	2.355	2,977,020.00	0.47	
Federal Home Loan Mortgage Corp.	(1) 12-27-06	3,055,530.00	03-15-09	4.855	3,000,000.00	2.355	3,026,250.00	0.49	
Federal Home Loan Bank	(1) 06-16-06	2,988,120.00	06-12-09	5.390	3,000,000.00	2.355	3,005,640.00	0.57	
Federal Home Loan Bank	(1) 01-09-07	3,035,130.00	07-17-09	4.875	3,000,000.00	2.355	3,014,070.00	0.59	
Federal Home Loan Bank	(1) 05-14-07	2,931,840.00	08-18-09	4.820	3,000,000.00	2.355	2,915,640.00	0.64	
Federal Home Loan Bank	(1) 09-06-06	3,019,560.00	09-11-09	5.010	3,000,000.00	2.355	3,007,500.00	0.64	
Fed Farm Credit	(1) 11-08-06	3,003,447.00	10-23-09	4.957	3,000,000.00	2.355	2,989,680.00	0.68	
Federal Home Loan Mortgage Corp.	(1) 12-05-06	3,012,000.00	11-03-09	4.600	3,000,000.00	2.355	2,972,820.00	0.68	
Treasury Notes	(1) 01-03-07	2,909,531.25	01-15-10	4.703	3,000,000.00	2.355	2,908,830.00	0.75	
Federal National Mortgage Assoc.	(1) 02-02-07	2,903,190.00	02-15-10	5.034	3,000,000.00	2.355	2,906,250.00	0.78	
Federal Home Loan Bank	(1) 03-13-07	3,015,360.00	03-12-10	4.810	3,000,000.00	2.355	2,989,680.00	0.78	
Federal Home Loan Bank	(1) 05-23-07	2,990,565.00	05-14-10	4.990	3,000,000.00	2.355	2,979,390.00	0.82	
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Total Governments		81,465,616.16		4.635	82,000,000.00	64.382	81,214,510.00	10.89	
LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				5.248	29,305,203.79	23.009		0.23	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				4.620	7,376,101.99	5.791		0.06	

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

31 MAY 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				4.620	1,895,484.81	1.488		0.01	
COUNTY OF SAN MATEO - REDEVELOPMENT AGENCY				4.620	6,788,352.05	5.330		0.05	
Total Liquid Accounts				5.026	45,365,142.64	35.618		0.36	
SUB-TOTAL				(average weighted yield) 4.636	127,365,142.64	100.00		11.24	
CASH AND INVESTMENTS WITH FISCAL AGENTS									
1997 TAX ALLOC REFUNDING BONDS - I&R FUND				4.730	1,633,134.65	2.674			
1997 TAX ALLOC REFUNDING BONDS - RESERVE FUND - GIC				4.730	1,592,575.57	2.608			
1998 CITY HALL COP - RESERVE FUND - LAIF				5.248	1,042,509.59	1.707			
1998 CITY HALL COP - RESERVE FUND - MONEY MARKET				4.640	474.25	0.001			
1998 CITY HALL COP-BASE RENTAL PAYMENT FUND				4.730	27,000.00	0.044			
1998 LEASE REVENUE REFUNDING-RESERVE FUND-US TREASURY				4.340	1,185,187.50	1.941			
1998 LEAVE REVENUE REFUNDING BONDS - I&R FUND				4.640	430.86	0.001			
1998 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.730	40,951.62	0.067			
1999 SEAPORT CONS. BONDS - I&R FUND - MONEY MARKET				4.600	29,418.52	0.048			
1999 SEAPORT CONS. BONDS - RESERVE FUND - MONEY MARKET				3.330	30.02	0.000			
1999 SEAPORT CONS. BONDS - REV ACCT - MONEY MARKET				0.000	8.82	0.000			
1999 SEAPORT CONS BONDS RESERVE FUND TREASURY				5.000	944,406.25	1.546			
2000A PACIFIC SHORES - TRAFFIC MITIGATION PROJ FUND				4.730	342,154.24	0.560			
2000A PACIFIC SHORES BONDS - CONSTRUCTION FUND - MONEY MARKET				4.740	1,035,098.06	1.695			
2000A PACIFIC SHORES BONDS - I&R FUND				4.730	64.45	0.000			
2000A PACIFIC SHORES BONDS - REBATE FUND				4.730	55,596.05	0.091			
2000A PACIFIC SHORES BONDS - RESERVE FUND - MONEY MARKET				4.740	87,790.62	0.144			
2000A PACIFIC SHORES BONDS - SPECIAL TAX FUND				4.730	16,205.93	0.027			
2000A PACIFIC SHORES BONDS- RESERVE FUND-TRSY				4.660	2,056,289.46	3.367			
2001A RWS TRANS IMPRVMT BONDS - ADM EXPENSE FUND				4.830	4.14	0.000			
2001A RWS TRANS IMPRVMT BONDS - I&R FUND				4.740	101.24	0.000			
2001A RWS TRANS IMPRVMT BONDS - PRINCIPAL FUND - MONEY MARKET				4.740	16.23	0.000			
2001A RWS TRANS IMPRVMT BONDS - RESERVE FUND - MONEY MARKET				4.740	350,112.15	0.573			
2003 PFA LEASE REVENUE REFUNDING BONDS - I&R FUND				4.740	155.38	0.000			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - FED HOM LOAN MTG				5.130	1,016,650.00	1.665			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				4.730	100,818.63	0.165			
2003A RDA TAX ALLOCATION BONDS - CONSTRUCTION FUND				4.760	1,203,980.20	1.971			
2003A RDA TAX ALLOCATION BONDS - I&R FUND				4.740	6,968.30	0.011			

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31 MAY 2007

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2003A RDA TAX ALLOCATION BONDS - MONEY MARKET				4.750	483.97	0.001			
2003B RWS TRAF IMPRV PHASE II BONDS - I&R FUND				4.730	168.59	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - PRINCIPAL FUND - MONEY MARK				4.690	11.28	0.000			
2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - MONEY MARKET				4.730	470,054.53	0.770			
2005A WATER REV BONDS - INCOME AND PRINCIPAL				4.760	861.22	0.001			
2005A WATER REV BONDS - RESERVE FUND - MBIA GIC				4.911	2,164,425.00	3.544			
2005A WATER REV BONDS - RESERVE FUND - MONEY MKT				4.910	0.00	0.000			
2005A WATER REV BONDS PROJECT FUND - MONEY MARKET				4.760	409,525.48	0.671			
2006A WATER REV BONDS - COST OF ISSUANCE FUND				0.000	0.00	0.000			
2006A WATER REV BONDS - INC&PRIN - MONEY MARKET				4.760	875.90	0.001			
2006A WATER REV BONDS - PROJECT FUND - GIC				4.695	16,949,944.74	27.753			
2006A WATER REV BONDS - PROJECT FUND - MONEY MARKET				4.840	0.00	0.000			
2006A WATER REV BONDS - RESERVE FUND - GIC				4.691	1,573,906.25	2.577			
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET				4.760	14.94	0.000			
CAPITAL PROJECT FUND - MONEY MARKET				4.740	5,262,965.93	8.617			
RECYCLED WATER 2007 DELIVERY OF COSTS FUND				4.730	-146,552.00	-0.240			
RECYCLED WATER 2007 RESERVE FUND				4.740	950,950.00	1.557			
RECYCLED WATER PROJ 2007A PROJECT FUND				4.740	14,092,641.25	23.074			
TRAFFIC IMPACT FUND - MONEY MARKET				4.740	6,576,463.08	10.768			
Total with Fiscal Agents					61,074,872.89	100.0			
TOTAL BOTH PORTFOLIOS					<u>188,440,015.53</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.