

REPORT

To the Honorable Mayor and City Council
From the City Manager

July 28, 2009

Subject

Monthly Investment Report for Period Ending June 30, 2009

Background

The attached investment report indicates that on June 30, 2009 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$132,789,384.91. were invested producing an average yield of 2.971%. The target Fed Funds rate for June is 0.25%.

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.

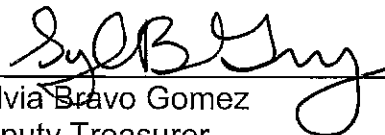
As of June 30th, the City has sufficient liquid resources available to meet expenditure requirements for the next six months.

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 8 securities meeting the criteria.

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



Brian J. Ponty
Director of Finance



Sylvia Bravo Gomez
Deputy Treasurer

cc: Peter Ingram, City Manager

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

30 JUN 2009

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	01-09-07	3,035,130.00	07-17-09	4.875	3,000,000.00	2.259	3,006,570.00	0.00	
Federal Home Loan Bank	05-14-07	2,931,840.00	08-18-09	4.820	3,000,000.00	2.259	3,014,070.00	0.02	
Federal Home Loan Bank	09-06-06	3,019,560.00	09-11-09	5.010	3,000,000.00	2.259	3,028,140.00	0.05	
Federal Home Loan Mortgage Corp.	08-28-07	1,367,803.86	09-22-09	4.783	1,389,000.00	1.046	1,400,445.36	0.02	
Fed Farm Credit	11-08-06	3,003,447.00	10-23-09	4.957	3,000,000.00	2.259	3,044,070.00	0.07	
Federal Home Loan Mortgage Corp.	12-05-06	3,012,000.00	11-03-09	4.600	3,000,000.00	2.259	3,045,930.00	0.09	
Treasury Notes	01-03-07	2,909,531.25	01-15-10	4.703	3,000,000.00	2.259	3,052,260.00	0.14	
Federal National Mortgage Assoc.	02-02-07	2,903,190.00	02-15-10	5.034	3,000,000.00	2.259	3,064,680.00	0.16	
Federal Home Loan Bank	03-13-07	3,015,360.00	03-12-10	4.810	3,000,000.00	2.259	3,095,640.00	0.18	
Federal Home Loan Bank	05-23-07	2,990,565.00	05-14-10	4.990	3,000,000.00	2.259	3,114,390.00	0.23	
Federal Home Loan Bank	06-05-07	3,004,932.00	06-11-10	5.190	3,000,000.00	2.259	3,134,070.00	0.25	
Federal Home Loan Bank	(1) 08-28-07	1,963,680.00	08-13-10	4.790	2,000,000.00	1.506	2,078,120.00	0.20	
Federal Home Loan Bank	(1) 09-26-07	3,050,190.00	09-10-10	4.513	3,000,000.00	2.259	3,167,820.00	0.32	
Federal Home Loan Bank	(1) 10-10-07	1,989,260.00	10-22-10	4.567	2,000,000.00	1.506	2,091,880.00	0.23	
Federal National Mortgage Assoc.	(1) 07-01-08	3,000,000.00	07-01-11	4.250	3,000,000.00	2.259	3,104,070.00	0.54	07-01-08
Federal Home Loan Mortgage Corp.	(1) 12-09-08	3,209,580.00	07-18-11	2.467	3,000,000.00	2.259	3,236,250.00	0.54	
Federal National Mortgage Assoc.	(1) 01-27-09	999,000.00	01-27-12	2.030	1,000,000.00	0.753	1,003,750.00	0.23	07-27-10
Federal National Mortgage Assoc.	(1) 02-06-09	2,000,000.00	02-06-12	2.125	2,000,000.00	1.506	2,003,120.00	0.47	05-06-09
Federal Home Loan Mortgage Corp.	(1) 06-29-09	3,000,000.00	06-29-12	2.450	3,000,000.00	2.259	3,021,480.00	0.81	06-29-10
Total Securities		50,405,069.11 ✓		4.350	50,389,000.00 ✓	37.947	51,706,755.36 ✓	4.53	

CERTIFICATE OF DEPOSITS									
FIRST NATIONAL BANK Rolled over 3/3/09	03-03-08	95,000.00	03-03-10	1.400	95,000.00 ✓	0.072		0.01	
Total Certificate of Deposits				1.400 ✓	95,000.00 ✓	0.072		0.01	

LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				1.377 ✓	50,386,131.43	37.944		0.38	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				3.300 ✓	24,633,163.82 ✓	18.551		0.19	
COUNTY OF SAN MATEO - PUBLIC FINANCING AUTHORITY				3.300 ✓	837,385.94 ✓	0.631		0.01	
COUNTY OF SAN MATEO - REDEVELOPMENT AGENCY				3.300 ✓	6,448,703.72	4.856		0.05	

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

30 JUN 2009

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	CALL DATE
Total Liquid Accounts				2.123	82,305,384.91	61.982		0.62	
SUB-TOTAL				(average weighted yield) 2.971	132,789,384.91	100.00		5.16	
CASH AND INVESTMENTS WITH FISCAL AGENTS									
1997 TAX ALLOC REFUNDING BONDS - I&R FUND						1,390,805.95	4.628		
1997 TAX ALLOC REFUNDING BONDS - RESERVE FUND - GIC			07-15-11	6.190	1,543,000.00	5.134			
1998 CITY HALL COP - RESERVE FUND - LAIF						1,042,429.01	3.469		
1998 CITY HALL COP - RESERVE FUND - MONEY MARKET						497.92	0.002		
1998 CITY HALL COP-BASE RENTAL PAYMENT FUND						8,049.39	0.027		
1998 LEASE REVENUE REFUNDING-RESERVE FUND-US TREASURY			01-15-11	4.040	1,185,187.50	3.944			
1998 LEAVE REVENUE REFUNDING BONDS - I&R FUND						5.65			
1998 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET						14,817.10	0.049		
2000A PACIFIC SHORES - TRAFFIC MITIGATION PROJ FUND						356,567.80	1.186		
2000A PACIFIC SHORES BONDS - REBATE FUND						57,938.32	0.193		
2000A PACIFIC SHORES BONDS - RESERVE FUND - MONEY MARKET						73,641.97	0.245		
2000A PACIFIC SHORES BONDS - SPECIAL TAX FUND						16,888.73	0.056		
2000A PACIFIC SHORES BONDS- RESERVE FUND-TRSY			10-31-11	4.290	2,056,289.46	6.842			
2001A RWS TRANS IMPRVMT BONDS - ADM EXPENSE FUND						4.14			
2001A RWS TRANS IMPRVMT BONDS - RESERVE FUND - MONEY MARKET						364,863.23	1.214		
2003 PFA LEASE REVENUE REFUNDING BONDS - I&R FUND						0.42			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET						1,077,176.87	3.584		
2003A RDA TAX ALLOCATION BONDS - CONSTRUCTION FUND						219,990.78	0.732		
2003A RDA TAX ALLOCATION BONDS - I&R FUND						327,197.38	1.089		
2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - MONEY MARKET						375,253.59	1.249		
2005A WATER REV BONDS - INCOME AND PRINCIPAL						1.66			
2005A WATER REV BONDS - RESERVE FUND - MONEY MKT						2,164,487.73	7.202		
2006A WATER REV BONDS - INC&PRIN - MONEY MARKET						1.20			
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET						1,573,951.66	5.237		
2007 RECYCLED WATER - RESERVE FUND - GIC			02-01-35	5.450	950,950.00	3.164			
RECYCLED WATER 2007 RESERVE FUND						25,774.93	0.086		
RECYCLED WATER PROJ 2007A PROJECT FUND						8,596,554.98	28.605		
REDWOOD CITY WATER 2007A INSTALLMENT PAYMENT						0.72			
TRAFFIC IMPACT FUND - MONEY MARKET						6,630,763.59	22.064		
Total with Fiscal Agents					30,053,091.68	100.0			

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

30 JUN 2009

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	CALL DATE
TOTAL BOTH PORTFOLIOS					162,842,476.59				

* 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.

Investment Policy - Maturity of Investments Guidelines

As of 30 JUN 2009:

\$50,389,000.00	securities
\$95,000.00	cds
\$82,305,384.91	liquids

\$132,789,384.91	securities & liquid = "idle funds"
\$95,000.00	cds
\$82,305,384.91	liquids
3,006,570.00	FHLB
3,014,070.00	FHLB
3,028,140.00	FHLB
1,400,445.36	FHLMC
3,044,070.00	FFC
3,045,930.00	FHLMC
3,052,260.00	TN
3,064,680.00	FNMA
3,095,640.00	FHLB
3,114,390.00	FHLB
3,134,070.00	FHLB

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

30 JUN 2009

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	CALL DATE
		2,078,120.00	FHLB						
		3,167,820.00	FHLB						
		2,091,880.00	FHLB						
		3,104,070.00	FNMA						
		3,236,250.00	FHLMC						
		1,003,750.00	FNMA						
		2,003,120.00	FNMA						
		3,021,480.00	FHLMC						

 \$134,107,140.27 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)

30 JUN 2009 result:	Policy Requirements Based on Current Investments	Actual Investments
	-----	-----
	1 \$66,347,192.46	\$134,107,140.27
	2 \$66,347,192.46	\$19,706,490.00
	3 \$33,173,596.23	\$12,368,670.00