

# REPORT

To the Honorable Mayor and City Council  
From the City Manager

March 12, 2009

## Subject

Monthly Investment Report for Period Ending February 28, 2009

## Background


The attached investment report indicates that on February 28, 2009 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$121,530,325.63 were invested producing an average yield of 3.152%. The target Fed Funds rate for February 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 February 28<sup>th</sup>, the City has sufficient liquid resources available to meet expenditure requirements for the next six months.

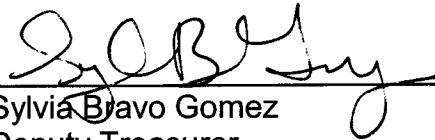
The City's Investment Policy requires that the Council be advised each month of the number of securities maturing beyond one year. The City presently has 14 securities meeting the criteria.

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



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Brian J. Ponty  
Director of Finance



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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

28 FEB 2009

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									
Federal Home Loan Mortgage Corp.	12-27-06	3,055,530.00	03-15-09	4.855	3,000,000.00	2.469	3,005,640.00	0.00	
Federal Home Loan Bank	06-16-06	2,988,120.00	06-12-09	5.390	3,000,000.00	2.469	3,038,430.00	0.07	
Federal Home Loan Bank	01-09-07	3,035,130.00	07-17-09	4.875	3,000,000.00	2.469	3,053,430.00	0.10	
Federal Home Loan Bank	05-14-07	2,931,840.00	08-18-09	4.820	3,000,000.00	2.469	3,041,250.00	0.12	
Federal Home Loan Bank	09-06-06	3,019,560.00	09-11-09	5.010	3,000,000.00	2.469	3,067,500.00	0.15	
Federal Home Loan Mortgage Corp.	08-28-07	1,367,803.86	09-22-09	4.783	1,389,000.00	1.143	1,412,432.43	0.07	
Fed Farm Credit	11-08-06	3,003,447.00	10-23-09	4.957	3,000,000.00	2.469	3,077,820.00	0.17	
Federal Home Loan Mortgage Corp.	12-05-06	3,012,000.00	11-03-09	4.600	3,000,000.00	2.469	3,075,930.00	0.20	
Treasury Notes	01-03-07	2,909,531.25	01-15-10	4.703	3,000,000.00	2.469	3,074,520.00	0.25	
Federal National Mortgage Assoc.	02-02-07	2,903,190.00	02-15-10	5.034	3,000,000.00	2.469	3,076,890.00	0.27	
Federal Home Loan Bank	(1) 03-13-07	3,015,360.00	03-12-10	4.810	3,000,000.00	2.469	3,115,320.00	0.30	
Federal Home Loan Bank	(1) 05-23-07	2,990,565.00	05-14-10	4.990	3,000,000.00	2.469	3,125,640.00	0.35	
Federal Home Loan Bank	(1) 06-05-07	3,004,932.00	06-11-10	5.190	3,000,000.00	2.469	3,145,320.00	0.37	
Federal Home Loan Bank	(1) 08-28-07	1,963,680.00	08-13-10	4.790	2,000,000.00	1.646	2,073,760.00	0.28	
Federal Home Loan Bank	(1) 09-26-07	3,050,190.00	09-10-10	4.513	3,000,000.00	2.469	3,159,390.00	0.44	
Federal Home Loan Bank	(1) 10-10-07	1,989,260.00	10-22-10	4.567	2,000,000.00	1.646	2,086,260.00	0.33	
Federal Home Loan Mortgage Corp.	(1) 06-09-08	3,000,000.00	06-09-11	3.625	3,000,000.00	2.469	3,021,060.00	0.67	06-09-09
Federal National Mortgage Assoc.	(1) 07-01-08	3,000,000.00	07-01-11	4.250	3,000,000.00	2.469	3,113,430.00	0.69	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	2.469	3,251,250.00	0.72	
Federal Home Loan Bank	(1) 10-17-08	3,000,000.00	10-17-11	4.150	3,000,000.00	2.469	3,009,390.00	0.79	04-17-09
Fed Farm Credit	(1) 01-23-09	3,000,000.00	01-23-12	2.080	3,000,000.00	2.469	2,979,390.00	0.86	04-23-09
Federal National Mortgage Assoc.	(1) 01-27-09	999,000.00	01-27-12	2.030	1,000,000.00	0.823	995,630.00	0.29	07-27-10
Federal National Mortgage Assoc.	(1) 02-06-09	2,000,000.00	02-06-12	2.125	2,000,000.00	1.646	1,995,620.00	0.58	05-06-09
Fed Farm Credit	(1) 02-06-09	2,000,000.00	02-06-12	2.350	2,000,000.00	1.646	1,989,380.00	0.58	05-06-09
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Total Securities		64,448,719.11		4.303	64,389,000.00	52.982	65,984,682.43	8.63	
CERTIFICATE OF DEPOSITS									
FIRST NATIONAL BANK	(1) 03-03-08	95,000.00	03-03-10	3.250	95,000.00	0.078		0.01	
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Total Certificate of Deposits				3.250	95,000.00	0.078		0.01	
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LIQUID ACCOUNTS									

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

28 FEB 2009

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	CALL DATE
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				1.869	43,025,404.12	35.403		0.35	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				1.790	10,982,904.96	9.037		0.09	
COUNTY OF SAN MATEO - PUBLIC FINANCING AUTHORITY				1.790	1,039,608.04	0.855		0.01	
COUNTY OF SAN MATEO - REDEVELOPMENT AGENCY				1.790	1,998,408.51	1.644		0.02	
Total Liquid Accounts				1.850	57,046,325.63	46.940		0.47	
SUB-TOTAL (average weighted yield)				3.152	121,530,325.63	100.00		9.11	

CASH AND INVESTMENTS WITH FISCAL AGENTS

1997 TAX ALLOC REFUNDING BONDS - I&R FUND				0.130	1,390,578.35	4.320			
1997 TAX ALLOC REFUNDING BONDS - RESERVE FUND - GIC			07-15-11	6.190	1,543,000.00	4.793			
1998 CITY HALL COP - RESERVE FUND - LAIF					1,045,515.31	3.248			
1998 CITY HALL COP - RESERVE FUND - MONEY MARKET				0.130	497.84	0.002			
1998 CITY HALL COP-BASE RENTAL PAYMENT FUND				0.130	11,357.68	0.035			
1998 LEASE REVENUE REFUNDING-RESERVE FUND-US TREASURY			01-15-11	4.000	1,185,187.50	3.682			
1998 LEAVE REVENUE REFUNDING BONDS - I&R FUND				0.180	5.65				
1998 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				0.130	14,814.67	0.046			
1999 SEAPORT CONS. BONDS - I&R FUND - MONEY MARKET					133.20				
1999 SEAPORT CONS. BONDS - RESERVE FUND - MONEY MARKET					1,312.32	0.004			
2000A PACIFIC SHORES - TRAFFIC MITIGATION PROJ FUND				0.010	356,567.40	1.108			
2000A PACIFIC SHORES BONDS - I&R FUND				0.010	310,821.75	0.966			
2000A PACIFIC SHORES BONDS - REBATE FUND					57,938.26	0.180			
2000A PACIFIC SHORES BONDS - RESERVE FUND - MONEY MARKET				0.010	73,876.16	0.230			
2000A PACIFIC SHORES BONDS - SPECIAL TAX FUND				0.010	16,888.71	0.052			
2000A PACIFIC SHORES BONDS- RESERVE FUND-TRSY			10-31-11	4.240	2,056,289.46	6.388			
2000A PREPAYMENT FUND				0.010	2,885.22	0.009			
2001A RWS TRANS IMPRVMT BONDS - ADM EXPENSE FUND					4.14				
2001A RWS TRANS IMPRVMT BONDS - I&R FUND				0.010	120,295.00	0.374			
2001A RWS TRANS IMPRVMT BONDS - RESERVE FUND - MONEY MARKET				0.010	364,862.80	1.133			
2003 PFA LEASE REVENUE REFUNDING BONDS - I&R FUND					0.42				
2003 PFA LS REV REFDG BONDS - RESERVE FUND - MONEY MARKET				0.010	1,077,175.62	3.346			
2003A RDA TAX ALLOCATION BONDS - CONSTRUCTION FUND				0.010	219,990.52	0.683			
2003A RDA TAX ALLOCATION BONDS - I&R FUND				0.130	327,143.84	1.016			
2003B RWS TRAF IMPRV PHASE II BONDS - I&R FUND					204,801.91	0.636			
2003B RWS TRAF IMPRV PHASE II BONDS - RESERVE FUND - MONEY MARKET				0.010	376,989.37	1.171			

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28 FEB 2009

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2005A WATER REV BONDS - INCOME AND PRINCIPAL					1.34				
2005A WATER REV BONDS - RESERVE FUND - MONEY MKT				0.010	2,164,485.04	6.724			
2006A WATER REV BONDS - INC&PRIN - MONEY MARKET					0.97				
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET					1,573,949.80	4.889			
CAPITAL PROJECT FUND - MONEY MARKET				0.010	37,392.49	0.116			
RECYCLED WATER 2007 - RESERVE FUND			02-01-35	5.450	950,950.00	2.954			
RECYCLED WATER 2007 RESERVE FUND				0.010	25,774.90	0.080			
REDWOOD CITY 2007 PROJECT FUND (GIC)				4.940	9,961,374.42	30.945			
REDWOOD CITY WATER 2007A INSTALLMENT PAYMENT					0.58				
TRAFFIC IMPACT FUND - MONEY MARKET				0.010	6,717,661.18	20.868			
Total with Fiscal Agents					32,190,523.82	100.0			
TOTAL BOTH PORTFOLIOS					<u>153,720,849.45</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.

Investment Policy - Maturity of Investments Guidelines

As of 28 FEB 2009:

\$64,389,000.00 securities

\$95,000.00 cds

\$57,046,325.63 liquids

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\$121,530,325.63 securities & liquid = "idle funds"

\$95,000.00 cds



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	2		\$60,717,662.82			\$37,060,840.00				
	3		\$30,358,831.41			\$20,355,150.00				