

# REPORT

To the Honorable Mayor and City Council  
From the City Manager

December 13, 2011

## Subject

Monthly Investment Report for Period Ending November 30, 2011.

## Background

The attached investment report indicates that on November 30, 2011 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$108,000,370.18 were invested producing an average yield of 0.910 %. The target Fed Funds rate for November is 0.25%. The report represents all securities in which City funds, including all trust funds and agency funds are invested (excluding deferred compensation plans) and all of these investments are in compliance with the City policy.

Securities purchased in the month of November:

Investment Type	Date purchased	Par Amount	Interest Rate	Matures
Federal Home Loan Mortgage Corp	11/03/2011	\$3,000,000.00	1.000%	11/03/2014
Federal National Mortgage Assoc.	11/04/2011	\$3,000,000.00	0.592%	10/17/2014
Federal National Mortgage Assoc.	11/07/2011	\$3,000,000.00	0.900%	11/07/2014

Securities matured, called, or sold in the month of November


Investment Type	Date	Par Amount	Interest Rate
Federal Home Loan Mortgage Corp	11/08/2011	\$ 3,000,000.00	0.750 %


The City's investment policy requires that approximately 50% of idle funds be placed in liquid investments, not more than 50% of idle funds be invested for more than one year, and not more than 25% of idle funds be invested for more than two years. Based on the City's current investments:

Investment Term	Policy Requirements	Actual
Liquid (minimum)	\$53,952,685.09	\$81,166,570.18
With maturity greater than one year (max)	\$53,952,685.09	\$90,116,850.00
With maturity greater than two year (max)	\$26,976,342.55	\$72,079,530.00

Investment brokers used to purchase securities for the City this month: Morgan Stanley Smith Barney.

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

  
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Brian J. Ponty  
Director of Finance

  
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Antonia Saldou  
Acting Deputy Treasurer

c: Robert Bell, City Manager

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

30 NOV 2011

TYPE		DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	NEXT CALL DATE
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US AGENCIES, SECURITIES, AND CORPORATE NOTES										
Federal Home Loan Mortgage Corp.	(1)	10-29-10	3,000,000.00	04-29-13	0.700	3,000,000.00	2.778	3,001,920.00	0.47	01-29-12
Federal Home Loan Bank	(1)	08-08-11	3,000,000.00	08-08-13	0.650	3,000,000.00	2.778	3,000,060.00	0.56	
Federal Home Loan Mortgage Corp.	(1)	02-15-11	3,000,000.00	08-15-13	1.100	3,000,000.00	2.778	3,004,440.00	0.56	02-15-12
Federal Home Loan Bank	(1)	09-09-10	3,000,000.00	09-09-13	1.000	3,000,000.00	2.778	3,000,450.00	0.58	12-09-11
Federal National Mortgage Assoc.	(1)	09-17-10	3,000,000.00	09-17-13	1.125	3,000,000.00	2.778	3,035,070.00	0.58	
Federal National Mortgage Assoc.	(1)	09-27-11	3,000,000.00	09-27-13	0.550	3,000,000.00	2.778	2,995,380.00	0.61	03-27-12
Federal Home Loan Bank	(1)	07-13-11	3,000,000.00	01-13-14	0.750	3,000,000.00	2.778	3,001,380.00	0.69	01-13-12
Federal Home Loan Mortgage Corp.	(1)	09-20-11	3,000,000.00	03-20-14	0.520	3,000,000.00	2.778	2,994,060.00	0.78	09-20-12
Federal Home Loan Bank	(1)	03-28-11	3,000,000.00	03-28-14	1.400	3,000,000.00	2.778	3,011,100.00	0.78	03-28-12
Fed Farm Credit	(1)	05-02-11	3,000,000.00	05-02-14	1.340	3,000,000.00	2.778	3,011,100.00	0.81	05-02-12
Federal Home Loan Bank	(1)	05-16-11	3,000,000.00	05-16-14	1.320	3,000,000.00	2.778	3,014,010.00	0.81	05-16-12
Federal Home Loan Bank	(1)	05-23-11	3,000,000.00	05-23-14	1.125	3,000,000.00	2.778	3,011,760.00	0.83	05-23-12
Federal Home Loan Bank	(1)	06-06-11	3,000,000.00	06-06-14	1.250	3,000,000.00	2.778	3,012,690.00	0.83	06-06-12
Federal Home Loan Bank	(1)	06-13-11	3,000,000.00	06-13-14	1.150	3,000,000.00	2.778	3,012,300.00	0.83	06-13-12
Federal Home Loan Mortgage Corp.	(1)	06-23-11	3,000,000.00	06-23-14	1.150	3,000,000.00	2.778	3,001,260.00	0.86	12-23-11
Federal National Mortgage Assoc.	(1)	06-27-11	3,000,000.00	06-27-14	1.000	3,000,000.00	2.778	3,008,790.00	0.86	06-27-12
Federal National Mortgage Assoc.	(1)	07-11-11	3,000,000.00	07-11-14	1.200	3,000,000.00	2.778	3,001,650.00	0.86	01-11-12
Federal Home Loan Bank	(1)	07-11-11	3,000,000.00	07-11-14	1.025	3,000,000.00	2.778	3,005,310.00	0.86	04-11-12
Federal Home Loan Bank	(1)	07-18-11	3,000,000.00	07-18-14	1.000	3,000,000.00	2.778	3,009,750.00	0.89	07-18-12
Federal National Mortgage Assoc.	(1)	08-08-11	3,000,000.00	08-08-14	1.150	3,000,000.00	2.778	3,003,060.00	0.89	02-08-12
Federal National Mortgage Assoc.	(1)	08-08-11	3,000,000.00	08-08-14	1.020	3,000,000.00	2.778	3,010,320.00	0.89	08-08-12
Federal National Mortgage Assoc.	(1)	09-12-11	3,000,000.00	08-28-14	0.640	3,000,000.00	2.778	2,994,120.00	0.92	08-28-12
Federal National Mortgage Assoc.	(1)	09-09-11	3,000,000.00	09-09-14	0.500	3,000,000.00	2.778	2,993,670.00	0.92	03-09-12
Federal Home Loan Bank	(1)	09-09-11	3,000,000.00	09-09-14	0.750	3,000,000.00	2.778	2,992,890.00	0.92	12-09-11
Federal Home Loan Mortgage Corp.	(1)	09-12-11	3,000,000.00	09-12-14	0.500	3,000,000.00	2.778	2,995,980.00	0.92	12-11-11
Federal National Mortgage Assoc.	(1)	09-12-11	3,000,000.00	09-12-14	0.625	3,000,000.00	2.778	2,994,690.00	0.92	09-12-13
Federal National Mortgage Assoc.	(1)	11-04-11	2,997,375.00	10-17-14	0.592	3,000,000.00	2.778	2,992,710.00	0.97	04-17-12
Fed Farm Credit	(1)	10-24-11	3,000,000.00	10-24-14	0.900	3,000,000.00	2.778	2,997,150.00	0.97	10-24-12
Federal Home Loan Mortgage Corp.	(1)	11-03-11	3,000,000.00	11-03-14	1.000	3,000,000.00	2.778	3,005,550.00	0.97	05-03-12
Federal National Mortgage Assoc.	(1)	11-07-11	3,000,000.00	11-07-14	0.900	3,000,000.00	2.778	3,004,230.00	0.97	11-07-12
Total Securities			89,997,375.00		0.931	90,000,000.00	83.333	90,116,850.00	24.31	

CERTIFICATE OF DEPOSITS

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

30 NOV 2011

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	NEXT CALL DATE
CERTIFICATE OF DEPOSIT	03-03-11	95,000.00	03-03-12	0.450	95,000.00	0.088		0.00	
Total Certificate of Deposits				0.450	95,000.00	0.088		0.00	
LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				0.401	4,666,583.69	4.321		0.04	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				0.950	7,785,556.58	7.209		0.07	
COUNTY OF SAN MATEO - REDEVELOPMENT AGENCY				0.950	5,453,229.91	5.049		0.05	
Total Liquid Accounts				0.807	17,905,370.18	16.579		0.17	
SUB-TOTAL		(average weighted yield)		0.910	108,000,370.18	100.00		24.47	
CASH AND INVESTMENTS WITH FISCAL AGENTS									
2000A PACIFIC SHORES BONDS-SPECIAL TAX FUND				0.000	4.45				
2000A PACIFIC SHORES-RESERVE FUND-MMF				0.100	1.67				
2001A RWC TRANS IMPROVMT - CITIBANK CD			08-26-13	1.000	182,000.00	0.889			
2001A RWC TRANS IMPROVMT - MEDALLION BANK CD			09-03-13	1.250	182,000.00	0.889			
2001A RWC TRANS IMPRVMT BONDS-RESERVE FUND-MMF				0.000	10,107.21	0.049			
2003 A RDA TAX ALLOCATION BONDS-RESERVE FUND			09-28-15	1.050	1,543,000.00	7.533			
2003 PFA LS REV REFDG BONDS - RESERVE FUND - FED HOM LOAN MTG			01-20-12	1.680	1,100,000.00	5.370			
2003 PFA LS REV REFDG BONDS-RESERVE FUND-MMF				0.000	10,256.05	0.050			
2003A RDA TAX ALLOCATION BONDS-CONSTRUCTION FUND MMF				0.000	108,909.34	0.532			
2003A RDA TAX ALLOCATION BONDS-I&R FUND-MMF				0.000	453.56	0.002			
2003B IMPRV PHASE 2 - SYNOVUS BANK CD			03-02-12	0.006	187,000.00	0.913			
2003B IMPRV PHASE2 - GE MONEY CD			08-27-13	0.015	150,000.00	0.732			
2003B RWS TRAF IMPRV PHASE II BONDS-RESERVE-MMF				0.000	46,452.27	0.227			
2005 WATER REVENUE BONDS-FFCB			10-24-14	0.900	2,100,000.00	10.252			
2005A WATER REVENUE BONDS-RESERVE FUND -MMF				0.000	42,120.07	0.206			
2006 WATER REVENUE BONDS-FFCB			10-24-14	0.900	1,500,000.00	7.323			
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET				0.000	30,657.09	0.150			
2007 RECYCLED WATER-RESERVE FUND-FSA CAPITAL MANAGEMENT			02-01-35	5.451	950,950.00	4.643			
RDA PROJECT AREA #2 SERIES 2003A-SPECIAL FUND				0.000	960,562.00	4.689			
RECYCLE WATER 2007 RESERVE FUND -MMF				0.000	103,731.29	0.506			
RECYCLE WATER PROJECT 2007A-MMF				0.000	1,105.95	0.005			

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30 NOV 2011

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RWC 05A RESERVE BANK OF INDIA->GE MONEY BANK			07-23-13	1.750	87,000.00	0.425			
RWC 06A RESERVE BANK OF INDIA->ALLY BANK - CD			07-23-13	1.800	90,000.00	0.439			
RWC ONE MARINA 2011 CAPITALIZED INTEREST ACCOUNT				0.050	476,921.78	2.328			
RWC ONE MARINA 2011 IMPROVEMENT FUND				0.050	1,327,339.40	6.480			
RWC ONE MARINA 2011 RESERVE FUND				0.050	506,082.64	2.471			
RWC PACIFIC SHORES 2000A BOND FUND-SPECIAL TAX				0.000	26.59				
RWC PACIFIC SHORES PRINCIPAL 2001-1 RESERVE FUND-MMF				0.000	47,414.83	0.231			
TRAFFIC IMPACT FUND - MONEY MARKET				0.000	960.17	0.005			
2003A TAX ALLOCATION BONDS/TRAFFIC IMPACT FUND-LAIF				0.460	6,353,514.37	31.018			
2007 WATER REV BONDS - LAIF				0.460	2,384,811.59	11.643			
Total with Fiscal Agents					20,483,382.32	100.0			
TOTAL BOTH PORTFOLIOS					<u>128,483,752.50</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 30 NOV 2011:

\$90,000,000.00 securities

\$95,000.00 cds

\$17,905,370.18 liquids

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\$108,000,370.18 securities & liquid = "idle funds"

\$95,000.00 cds



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30 NOV 2011

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	1		\$53,952,685.09			\$81,166,570.18				
	2		\$53,952,685.09			\$90,116,850.00				
	3		\$26,976,342.55			\$72,079,530.00				