

# REPORT

To the Honorable Mayor and City Council  
From the City Manager

July 25, 2013

## Subject

Monthly Investment Report for Period Ending June 30, 2013.

## Background

The attached investment report indicates that on June 30, 2013 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$147,326,179.47 were invested producing an average yield of 0.463%. The target Fed Funds rate for June 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 June:

Investment Type	Date purchased	Par Amount	Interest Rate	Matures
Federal Farm Credit Bank	06/06/2013	\$ 3,000,000.00	0.540%	06/06/2016
Federal Home Loan Mortgage Corp	06/24/2013	\$ 3,000,000.00	0.500%	12/24/2015

No securities matured, were called, or sold in the month of June.

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)	\$ 73,615,589.74	\$ 96,347,599.47
With maturity greater than one year (max)	\$ 73,615,589.74	\$ 59,826,360.00
With maturity greater than two year (max)	\$ 36,807,794.87	\$ 50,811,180.00

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



Brian J. Ponty  
Director of Finance



Sylvia Bravo Peters  
Deputy Treasurer

c: Robert Bell, City Manager  
Audrey Ramberg, Assistant City Manager

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

30 JUN 2013

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 National Mortgage Assoc.	09-17-10	3,000,000.00	09-17-13	1.125	3,000,000.00	2.036	3,006,240.00	0.04	
Federal National Mortgage Assoc.	(1) 09-12-11	3,000,000.00	09-12-14	0.625	3,000,000.00	2.036	3,002,490.00	0.29	09-12-13
Federal National Mortgage Assoc.	(1) 12-23-11	3,000,000.00	12-23-14	0.825	3,000,000.00	2.036	3,006,120.00	0.37	12-23-13
Federal Home Loan Mortgage Corp.	(1) 02-13-12	3,000,000.00	02-13-15	0.550	3,000,000.00	2.036	3,006,570.00	0.39	02-13-14
Federal National Mortgage Assoc.	(1) 08-20-12	3,000,000.00	08-20-15	0.500	3,000,000.00	2.036	2,997,990.00	0.53	08-20-13
Fed Farm Credit	(1) 10-29-12	3,000,000.00	08-27-15	0.479	3,000,000.00	2.036	2,997,720.00	0.53	08-27-13
Federal Home Loan Mortgage Corp.	(1) 09-10-12	3,000,000.00	09-10-15	0.495	3,000,000.00	2.036	2,996,220.00	0.53	
Fed Farm Credit	(1) 09-17-12	3,000,000.00	09-17-15	0.480	3,000,000.00	2.036	2,991,870.00	0.53	
Fed Farm Credit	(1) 10-29-12	3,000,000.00	09-17-15	0.479	3,000,000.00	2.036	2,991,870.00	0.53	09-17-13
Federal National Mortgage Assoc.	(1) 09-25-12	3,000,000.00	09-25-15	0.500	3,000,000.00	2.036	2,998,050.00	0.55	
Fed Farm Credit	(1) 10-01-12	3,000,000.00	10-01-15	0.440	3,000,000.00	2.036	2,990,970.00	0.55	10-01-13
Fed Farm Credit	(1) 11-15-12	3,000,000.00	11-13-15	0.440	3,000,000.00	2.036	2,987,910.00	0.57	
Federal National Mortgage Assoc.	(1) 11-27-12	3,002,250.00	11-25-15	0.480	3,000,000.00	2.036	2,990,130.00	0.59	
Fed Farm Credit	(1) 12-17-12	2,999,100.00	12-17-15	0.400	3,000,000.00	2.036	2,981,670.00	0.61	
Federal Home Loan Mortgage Corp.	(1) 06-24-13	3,000,000.00	12-24-15	0.500	3,000,000.00	2.036	2,988,390.00	0.61	
Federal National Mortgage Assoc.	(1) 01-29-13	3,001,500.00	01-29-16	0.450	3,000,000.00	2.036	2,985,720.00	0.63	
Fed Farm Credit	(1) 02-11-13	3,000,000.00	02-11-16	0.490	3,000,000.00	2.036	2,985,360.00	0.63	
Federal Home Loan Bank	(1) 02-12-13	3,000,900.00	02-12-16	0.550	3,000,000.00	2.036	2,983,800.00	0.63	
Fed Farm Credit	(1) 02-22-13	2,999,400.00	02-22-16	0.490	3,000,000.00	2.036	2,983,890.00	0.65	
Federal National Mortgage Assoc.	(1) 05-22-13	3,000,750.00	05-20-16	0.449	3,000,000.00	2.036	2,977,800.00	0.71	
Fed Farm Credit	(1) 06-06-13	2,998,062.00	06-06-16	0.540	3,000,000.00	2.036	2,981,820.00	0.71	06-06-14
Total Securities		63,001,962.00		0.537	63,000,000.00	42.762	62,832,600.00	11.18	
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CERTIFICATE OF DEPOSITS									
FIRST NATIONAL BANK	03-03-13	95,000.00	03-03-14	0.350	95,000.00	0.064		0.01	
Total Certificate of Deposits				0.350	95,000.00	0.064		0.01	
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LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				0.244	46,576,387.80	31.614		0.32	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				0.610	37,654,791.67	25.559		0.26	
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I N V E S T M E N T P O R T F O L I O

30 JUN 2013

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	NEXT CALL DATE
Total Liquid Accounts				0.408	84,231,179.47	57.173		0.57	
SUB-TOTAL				(average weighted yield)	147,326,179.47	100.00		11.76	
CASH AND INVESTMENTS WITH FISCAL AGENTS									
2000A PACIFIC SHORES-RESERVE FUND-MMF				0.000	1.67				
2003A RDA TAX ALLOCATION BONDS-CONSTRUCTION FUND MMF				0.000	108,909.34	0.662			
2003A RDA TAX ALLOCATION BONDS-I&R FUND-MMF				0.000	0.10				
2003A RDA TAX ALLOCATION BONDS-INTEREST FUND				0.000	0.21				
2003A RDA TAX ALLOCATION BONDS-RESERVE FUND			09-28-15	1.050	1,546,086.18	9.391			
2005A WATER REVENUE BONDS-RESERVE FUND -MMF				0.000	29.51				
2006 WATER REVENUE BONDS-FFCB			10-24-14	0.900	1,500,000.00	9.111			
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET				0.000	5,504.16	0.033			
2007 RECYCLED WATER-RESERVE FUND-FSA CAPITAL MANAGEMENT			02-01-35	5.451	950,950.00	5.776			
2012B RWX TRANS IMPRVMT BONDS-RESERVE FUND-MMF				0.020	734,610.00	4.462			
RECYCLE WATER 2007 RESERVE FUND -MMF				0.000	26,206.12	0.159			
RECYCLE WATER PROJECT 2007A-MMF				0.000	827.59	0.005			
RWC 06A RESERVE BANK OF INDIA->ALLY BANK - CD			07-23-13	1.800	90,000.00	0.547			
RWC ONE MARINA 2011 CAPITALIZED INTEREST ACCOUNT				0.040	3.24				
RWC ONE MARINA 2011 IMPROVEMENT FUND				0.040	442,390.68	2.687			
RWC ONE MARINA 2011 RESERVE FUND				0.040	505,655.60	3.071			
RWC PACIFIC SHORES 2000-1 BOND FUND-SPECIAL TAX-MMF				0.020	0.40				
RWC PACIFIC SHORES 2000-1-FHLMC			03-10-17	0.875	551,278.40	3.348			
RWC PACIFIC SHORES 2000A-COST OF ISSUANCE FUND				0.020	618.06	0.004			
RWC PACIFIC SHORES 2000A-RESERVE FUND				0.020	3,775.85	0.023			
RWC PFA WTR REV REFUNDING BONDS SER2013-RESERVE-FHLMC			05-20-16	0.625	2,000,000.00	12.148			
RWC PFA WTR REV REFUNDING BONDS SERIES2013 RESERVE-CD			07-23-13	1.750	87,000.00	0.528			
TRAFFIC IMPACT FUND			03-05-14	0.470	4,300,000.00	26.118			
TRAFFIC IMPACT FUND - MONEY MARKET				0.000	2,078,387.57	12.624			
WATER REVENUE REFUNDING BONDS 2013-DELIVERY COSTS				0.040	90,620.57	0.550			
2007 WATER REV BONDS - LAIF				0.460	1,440,694.58	8.751			
Total with Fiscal Agents					16,463,549.83	100.0			
TOTAL BOTH PORTFOLIOS					163,789,729.30				

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30 JUN 2013

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\* 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 2013:

\$63,000,000.00 securities  
 \$95,000.00 cds  
 \$84,231,179.47 liquids

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 \$147,326,179.47 securities & liquid = "idle funds"

\$95,000.00 cds  
 \$84,231,179.47 liquids  
 3,006,240.00 FNMA  
 3,002,490.00 FNMA  
 3,006,120.00 FNMA  
 3,006,570.00 FHLMC

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 \$96,347,599.47 Total investments that can be sold at face value in emergency

The following summarizes 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)

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30 JUN 2013

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30 JUN 2013  
result: Policy Requirements  
Based on  
Current Investments

Actual  
Investments

1	\$73,615,589.74	\$96,347,599.47
2	\$73,615,589.74	\$59,826,360.00
3	\$36,807,794.87	\$50,811,180.00