

REPORT

To the Honorable Mayor and City Council
From the City Manager

April 11, 2013

Subject

Monthly Investment Report for Period Ending March 31, 2013.

Background

The attached investment report indicates that on March 31, 2013 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$133,812,052.75 were invested producing an average yield of 0.539%. The target Fed Funds rate for March 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 March:

Investment Type	Date purchased	Par Amount	Interest Rate	Matures
Certificate of Deposit	03/03/2013	\$ 95,000.00	0.350%	03/03/2014

Securities matured, called, or sold in the month of March:

Investment Type	Date	Par Amount	Interest Rate
Certificate of Deposit	03/03/2013	\$ 95,000.00	0.250 %
Federal Home Loan Bank	03/13/2013	\$ 3,000,000.00	0.550 %
Federal Farm Credit Bank	03/19/2013	\$ 3,000,000.00	0.580 %
Fannie Mae	03/26/2013	\$ 3,000,000.00	0.700 %

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)	\$ 66,858,526.38	\$ 127,885,222.75
With maturity greater than one year (max)	\$ 66,858,526.38	\$ 75,056,430.00
With maturity greater than two year (max)	\$ 33,426,263.19	\$ 54,030,390.00

The securities purchased for the City this month were purchased directly from First National Bank. There were no investment brokers used to purchase this certificate.

As of March 31, 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

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

30 APR 2013

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	NEXT CALL DATE

LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				0.285	28,943,080.18	21.630		0.22	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				0.720	26,773,972.57	20.009		0.20	
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Total Liquid Accounts				0.494	55,717,052.75	41.638		0.42	
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SUB-TOTAL			(average weighted yield)	0.539	133,812,052.75	100.00		15.71	
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CASH AND INVESTMENTS WITH FISCAL AGENTS									
2000A PACIFIC SHORES-RESERVE FUND-MMF				0.000	1.67				
2003 PFA LS REV REFDG BONDS - RESERVE FUND - FED HOM LOAN MTG				0.540	1,074,000.00	6.093			
2003 PFA LS REV REFDG BONDS-RESERVE FUND-MMF				0.000	56,419.38	0.320			
2003A RDA TAX ALLOCATION BONDS-CONSTRUCTION FUND MMF				0.000	108,909.34	0.618			
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	1,543,000.15	8.753			
2005 WATER REVENUE BONDS-FFCB			10-24-14	0.900	2,100,000.00	11.913			
2005A WATER REVENUE BONDS-RESERVE FUND -MMF				0.000	767.51	0.004			
2006 WATER REVENUE BONDS-FFCB			10-24-14	0.900	1,500,000.00	8.509			
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET				0.000	816.66	0.005			
2007 RECYCLED WATER-RESERVE FUND-FSA CAPITAL MANAGEMENT			02-01-35	5.451	950,950.00	5.395			
2012B RWX TRANS IMPRVMT BONDS-RESERVE FUND-MMF				0.020	734,610.00	4.167			
RECYCLE WATER 2007 RESERVE FUND -MMF				0.000	26,206.12	0.149			
RECYCLE WATER PROJECT 2007A-MMF				0.000	406.03	0.002			
RWC 05A RESERVE BANK OF INDIA->GE MONEY BANK			07-23-13	1.750	87,000.00	0.494			
RWC 06A RESERVE BANK OF INDIA->ALLY BANK - CD			07-23-13	1.800	90,000.00	0.511			
RWC ONE MARINA 2011 CAPITALIZED INTEREST ACCOUNT				0.040	3.24				
RWC ONE MARINA 2011 IMPROVEMENT FUND				0.040	442,346.08	2.509			
RWC ONE MARINA 2011 RESERVE FUND				0.040	506,051.50	2.871			
RWC PACIFIC SHORES 2000-1 BOND FUND-SPECIAL TAX-MMF				0.020	0.40				
RWC PACIFIC SHORES 2000A-COST OF ISSUANCE FUND				0.020	618.03	0.004			
RWC PACIFIC SHORES 2000A-RESERVE FUND				0.020	555,506.83	3.151			
TRAFFIC IMPACT FUND			03-05-14	0.470	4,300,000.00	24.393			
TRAFFIC IMPACT FUND - MONEY MARKET				0.000	2,078,387.44	11.790			
2007 WATER REV BONDS - LAIF				0.460	1,471,683.05	8.349			

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

30 APR 2013

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	Total with Fiscal Agents				17,627,683.74	100.0			
	TOTAL BOTH PORTFOLIOS				<u>151,439,736.49</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 APR 2013:

\$78,000,000.00 securities
 \$95,000.00 cds
 \$55,717,052.75 liquids

 \$133,812,052.75 securities & liquid = "idle funds"

\$95,000.00 cds
 \$55,717,052.75 liquids
 3,013,830.00 FNMA
 3,005,160.00 FNMA
 3,009,210.00 FNMA
 3,008,700.00 FHLMC
 3,000,150.00 FFC
 3,000,780.00 FNMA
 3,000,960.00 FNMA
 3,001,080.00 FNMA
 3,001,350.00 FFC

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

30 APR 2013

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	NEXT CALL DATE
	3,001,710.00	FNMA							
	3,001,740.00	FNMA							
	3,000,960.00	FNMA							
	3,002,490.00	FNMA							
	3,003,630.00	FFC							
	3,001,680.00	FHLMC							
	3,002,310.00	FFC							
	3,002,310.00	FFC							
	3,003,600.00	FNMA							
	3,002,040.00	FFC							
	3,001,650.00	FFC							
	3,001,620.00	FNMA							
	3,000,840.00	FNMA							
	3,004,290.00	FFC							
	3,001,080.00	FFC							

 \$127,885,222.75 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)

30 APR 2013 result:	Policy Requirements Based on Current Investments	Actual Investments
	1 \$66,858,526.38	\$127,885,222.75
	2 \$66,858,526.38	\$75,056,430.00
	3 \$33,429,263.19	\$54,030,390.00