

# REPORT

To the Honorable Mayor and City Council  
From the City Manager

May 12, 2014

## Subject

Monthly Investment Report for Period Ending April 30, 2014.

## Background

The attached investment report indicates that on April 30, 2014 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$182,158,090.08 were invested producing an average yield of 0.485%. The target Fed Funds rate for April 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 April:

Investment Type	Date purchased	Par Amount	Interest Rate	Matures
Federal Home Loan Mortgage Corp	04/10/2014	\$ 3,000,000.00	1.000%	04/10/2017
Federal Home Loan Bank	04/17/2014	\$ 3,000,000.00	1.000%	04/17/2017
Federal Home Loan Bank	04/30/2014	\$ 3,000,000.00	0.850%	01/30/2017

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

Investment Type	Date	Par Amount	Interest Rate
Federal National Mortgage Assoc.	04/07/2014	\$ 3,000,000.00	1.125%
Federal Home Loan Bank	04/30/2014	\$ 3,000,000.00	1.050%

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)	\$ 91,031,545.04	\$ 140,180,890.08
With maturity greater than one year (max)	\$ 91,031,545.04	\$ 56,954,670.00
With maturity greater than two year (max)	\$ 45,515,772.52	\$ 44,958,690.00

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



Brian J. Ponty  
Director of Finance/ Treasurer



Sylvia Bravo Peters  
Management Analyst / 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 APR 2014

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 Bank	02-13-14	3,000,000.00	05-13-14	1.000	3,000,000.00	1.647	3,000,870.00	0.00	05-13-14
Federal Home Loan Bank	02-14-14	3,000,000.00	05-14-14	1.050	3,000,000.00	1.647	3,001,050.00	0.00	05-14-14
Federal National Mortgage Assoc.	(1) 11-27-12	3,002,250.00	11-25-15	0.480	3,000,000.00	1.647	3,004,950.00	0.31	
Fed Farm Credit	(1) 12-17-12	2,999,100.00	12-17-15	0.400	3,000,000.00	1.647	2,994,750.00	0.31	
Fed Farm Credit	(1) 02-11-13	3,000,000.00	02-11-16	0.490	3,000,000.00	1.647	2,998,560.00	0.35	
Fed Farm Credit	(1) 02-22-13	2,999,400.00	02-22-16	0.490	3,000,000.00	1.647	2,997,720.00	0.36	
Federal National Mortgage Assoc.	(1) 05-22-13	3,000,750.00	05-20-16	0.449	3,000,000.00	1.647	3,000,330.00	0.41	
Fed Farm Credit	(1) 06-06-13	2,998,062.00	06-06-16	0.540	3,000,000.00	1.647	2,997,870.00	0.41	06-06-14
Federal Home Loan Mortgage Corp.	(1) 10-07-13	2,993,220.00	09-14-16	0.728	3,000,000.00	1.647	2,999,040.00	0.46	
Federal Home Loan Bank	(1) 11-14-13	3,000,000.00	11-14-16	0.875	3,000,000.00	1.647	3,007,620.00	0.49	
Federal Home Loan Mortgage Corp.	(1) 12-20-13	3,000,000.00	12-20-16	0.720	3,000,000.00	1.647	2,991,360.00	0.53	
Federal Home Loan Mortgage Corp.	(1) 12-27-13	3,000,000.00	12-27-16	0.500	3,000,000.00	1.647	2,999,670.00	0.53	06-27-14
Federal Home Loan Bank	(1) 01-17-14	3,000,000.00	01-17-17	0.875	3,000,000.00	1.647	3,003,990.00	0.54	
Federal Home Loan Bank	(1) 01-21-14	3,000,000.00	01-17-17	0.088	3,000,000.00	1.647	3,003,990.00	0.54	
Federal Home Loan Bank	(1) 04-30-14	3,000,000.00	01-30-17	0.850	3,000,000.00	1.647	2,994,690.00	0.54	
Federal Home Loan Bank	(1) 03-10-14	3,000,000.00	03-10-17	0.900	3,000,000.00	1.647	2,993,730.00	0.56	
Federal Home Loan Mortgage Corp.	(1) 03-10-14	3,000,000.00	03-10-17	0.850	3,000,000.00	1.647	2,989,830.00	0.56	
Federal Home Loan Bank	(1) 03-17-14	3,000,000.00	03-17-17	0.900	3,000,000.00	1.647	2,991,420.00	0.58	06-17-14
Federal Home Loan Mortgage Corp.	(1) 03-17-14	3,000,000.00	03-17-17	0.850	3,000,000.00	1.647	2,988,840.00	0.58	06-17-14
Federal Home Loan Mortgage Corp.	(1) 04-10-14	3,000,000.00	04-10-17	1.000	3,000,000.00	1.647	2,997,120.00	0.58	
Federal Home Loan Bank	(1) 04-17-14	3,000,000.00	04-17-17	1.000	3,000,000.00	1.647	2,999,190.00	0.59	
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Total Securities		62,992,782.00		0.716	63,000,000.00	34.585	62,956,590.00	9.24	
CERTIFICATE OF DEPOSITS									
FIRST NATIONAL BANK	03-03-14	95,000.00	03-03-15	0.350	95,000.00	0.052		0.01	
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Total Certificate of Deposits				0.350	95,000.00	0.052		0.01	
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LIQUID ACCOUNTS									
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				0.233	61,299,279.70	33.652		0.34	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				0.500	57,763,810.38	31.711		0.32	
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I N V E S T M E N T P O R T F O L I O

30 APR 2014

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	NEXT CALL DATE
Total Liquid Accounts				0.363	119,063,090.08	65.363		0.65	
SUB-TOTAL				(average weighted yield)	0.485	182,158,090.08	100.00	9.90	

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	0.694			
2003A RDA TAX ALLOCATION BONDS-FNMAMTN			11-07-16	0.400	1,543,000.04	9.838			
2003A RDA TAX ALLOCATION BONDS-I&R FUND-MMF				0.000	0.30				
2005A WATER REVENUE BONDS-RESERVE FUND -MMF				0.000	29.51				
2006 WATER REVENUE BONDS-FFCB			06-19-17	0.625	1,500,000.00	9.564			
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET				0.000	73,906.25	0.471			
2007 RECYCLED WATER-RESERVE FUND-FSA CAPITAL MANAGEMENT				5.451	950,950.00	6.063			
2012B RWC TRANS IMPRMT BONDS-RESERVE FUND-FHLMC				0.870	733,352.00	4.676			
2012B RWS TRANS IMPRVMT BONDS-SPECIAL TAX-MMF				0.000	13,890.35	0.089			
2012B RWX TRANS IMPRVMT BONDS-RESERVE FUND-MMF				0.010	14,468.50	0.092			
RECYCLE WATER 2007 RESERVE FUND -MMF				0.000	25,918.14	0.165			
RECYCLE WATER PROJECT 2007A-MMF				0.000	749.74	0.005			
RWC ONE MARINA 2011 CAPITALIZED INTEREST ACCOUNT				0.040	2.28				
RWC ONE MARINA 2011 IMPROVEMENT FUND				0.040	6.55				
RWC ONE MARINA 2011 RESERVE FUND				0.040	515,644.78	3.288			
RWC PACIFIC SHORES 2000-1 BOND FUND-SPECIAL TAX-MMF				0.000	618.18	0.004			
RWC PACIFIC SHORES 2000-1-FHLMC			03-10-17	0.870	551,278.40	3.515			
RWC PACIFIC SHORES 2000A-RESERVE FUND				0.010	14,819.27	0.094			
RWC PFA WATER REVENUE REFUNDING BONDS SERIES 2013				0.030	20,684.41	0.132			
RWC PFA WTR REV REFUNDING BONDS SER2013-RESERVE-FHLMC			06-19-17	0.625	2,000,000.00	12.752			
RWC PFA WTR REV REFUNDING BONDS SERIES2013 RESERVE-CD				1.750	63,037.49	0.402			
TRAFFIC IMPACT FUND - CUSIP 3134G4UP1			05-27-16	0.600	4,300,000.00	27.416			
TRAFFIC IMPACT FUND - MONEY MARKET				0.000	2,096,505.47	13.367			
WATER REVENUE REFUNDING BONDS 2013-GOOD FAITH DEPOSIT				0.000	4.07				
2007 WATER REV BONDS - LAIF				0.460	1,156,346.43	7.373			
Total with Fiscal Agents					15,684,123.17	100.0			
TOTAL BOTH PORTFOLIOS					197,842,213.25				

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30 APR 2014

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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 APR 2014:

\$63,000,000.00	securities
\$95,000.00	cds
\$119,063,090.08	liquids
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\$182,158,090.08	securities & liquid = "idle funds"
\$95,000.00	cds
\$119,063,090.08	liquids
3,000,870.00	FHLB
3,001,050.00	FHLB
3,004,950.00	FNMA
3,000,330.00	FNMA
3,007,620.00	FHLB
3,003,990.00	FHLB
3,003,990.00	FHLB
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\$140,180,890.08	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

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(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 2014  
result:

Policy Requirements

Based on

Current Investments

Actual

Investments

	Based on Current Investments	Actual Investments
1	\$91,031,545.04	\$140,180,890.08
2	\$91,031,545.04	\$56,954,670.00
3	\$45,515,772.52	\$44,958,690.00