

REPORT

To the Honorable Mayor and City Council
From the City Manager

November 19, 2013

Subject

Monthly Investment Report for Period Ending October 31, 2013.

Background

The attached investment report indicates that on October 31, 2013 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$136,014,841.55 were invested producing an average yield of 0.524%. The target Fed Funds rate for October 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 October:

Investment Type	Date purchased	Par Amount	Interest Rate	Matures
Fannie Mae	10/07/2013	\$ 3,000,000.00	1.125%	10/07/2016
Federal Home Loan Mortgage Corp.	10/07/2013	\$ 3,000,000.00	1.000%	09/12/2016

No securities matured, were called, or sold in the month of October:

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)	\$ 67,959,920.78	\$ 115,056,227.55
With maturity greater than one year (max)	\$ 67,959,920.78	\$ 72,025,516.00
With maturity greater than two year (max)	\$ 33,979,960.39	\$ 45,015,646.00

As of October 31, 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

31 OCT 2013

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

US AGENCIES, SECURITIES, AND CORPORATE NOTES										
Federal National Mortgage Assoc.	(1)	12-23-11	3,000,000.00	12-23-14	0.825	3,000,000.00	2.206	3,002,130.00	0.29	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	2.206	3,003,780.00	0.33	02-13-14
Federal National Mortgage Assoc.	(1)	08-20-12	3,000,000.00	08-20-15	0.500	3,000,000.00	2.206	3,000,570.00	0.46	
Fed Farm Credit	(1)	10-29-12	3,000,000.00	08-27-15	0.479	3,000,000.00	2.206	3,000,150.00	0.49	
Federal Home Loan Mortgage Corp.	(1)	09-10-12	3,000,000.00	09-10-15	0.495	3,000,000.00	2.206	3,001,080.00	0.49	
Fed Farm Credit	(1)	09-17-12	3,000,000.00	09-17-15	0.480	3,000,000.00	2.206	3,000,120.00	0.49	
Fed Farm Credit	(1)	10-29-12	3,000,000.00	09-17-15	0.479	3,000,000.00	2.206	3,000,120.00	0.49	
Federal National Mortgage Assoc.	(1)	09-25-12	3,000,000.00	09-25-15	0.500	3,000,000.00	2.206	3,001,800.00	0.51	
Fed Farm Credit	(1)	10-01-12	3,000,000.00	10-01-15	0.440	3,000,000.00	2.206	3,000,120.00	0.51	
Fed Farm Credit	(1)	11-15-12	3,000,000.00	11-13-15	0.440	3,000,000.00	2.206	3,000,330.00	0.53	
Federal National Mortgage Assoc.	(1)	11-27-12	3,002,250.00	11-25-15	0.480	3,000,000.00	2.206	3,002,670.00	0.55	
Fed Farm Credit	(1)	12-17-12	2,999,100.00	12-17-15	0.400	3,000,000.00	2.206	2,998,290.00	0.55	
Federal Home Loan Mortgage Corp.	(1)	06-24-13	3,000,000.00	12-24-15	0.500	3,000,000.00	2.206	2,999,700.00	0.57	
Federal National Mortgage Assoc.	(1)	01-29-13	3,001,500.00	01-29-16	0.450	3,000,000.00	2.206	3,000,150.00	0.60	
Fed Farm Credit	(1)	02-11-13	3,000,000.00	02-11-16	0.490	3,000,000.00	2.206	3,000,690.00	0.60	
Federal Home Loan Bank	(1)	02-12-13	3,000,900.00	02-12-16	0.550	3,000,000.00	2.206	2,998,590.00	0.60	11-12-13
Federal National Mortgage Assoc.	(1)	08-19-13	3,000,000.00	02-19-16	0.650	3,000,000.00	2.206	3,003,750.00	0.62	
Fed Farm Credit	(1)	02-22-13	2,999,400.00	02-22-16	0.490	3,000,000.00	2.206	2,999,400.00	0.62	
Federal National Mortgage Assoc.	(1)	05-22-13	3,000,750.00	05-20-16	0.449	3,000,000.00	2.206	2,994,450.00	0.68	
Fed Farm Credit	(1)	06-06-13	2,998,062.00	06-06-16	0.540	3,000,000.00	2.206	2,996,670.00	0.68	06-06-14
Federal National Mortgage Assoc.	(1)	08-19-13	3,000,000.00	08-19-16	0.900	3,000,000.00	2.206	3,005,520.00	0.75	
Federal National Mortgage Assoc.	(1)	09-06-13	1,300,000.00	09-06-16	1.000	1,300,000.00	0.956	1,302,639.00	0.32	
Federal National Mortgage Assoc.	(1)	09-12-13	1,700,000.00	09-12-16	1.000	1,700,000.00	1.250	1,703,587.00	0.42	
Federal Home Loan Mortgage Corp.	(1)	10-07-13	2,993,220.00	09-14-16	0.728	3,000,000.00	2.206	2,997,030.00	0.75	12-14-13
Federal National Mortgage Assoc.	(1)	10-07-13	3,000,000.00	10-07-16	1.125	3,000,000.00	2.206	3,012,180.00	0.77	04-07-14
Total Securities			71,995,182.00		0.581	72,000,000.00	52.935	72,025,516.00	13.65	

CERTIFICATE OF DEPOSITS										
FIRST NATIONAL BANK		03-03-13	95,000.00	03-03-14	0.350	95,000.00	0.070		0.00	
Total Certificate of Deposits					0.350	95,000.00	0.070		0.00	

LIQUID ACCOUNTS										

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

31 OCT 2013

TYPE	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)(2)	Average MATURITY (Months)	NEXT CALL DATE
STATE OF CALIFORNIA LAIF - CITY OF REDWOOD CITY				0.266	29,991,970.05	22.051		0.22	
COUNTY OF SAN MATEO - CITY OF REDWOOD CITY				0.630	33,927,871.50	24.944		0.25	

Total Liquid Accounts				0.459	63,919,841.55	46.995		0.47	

SUB-TOTAL			(average weighted yield)	0.524	136,014,841.55	100.00		14.13	

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	0.666			
2003A RDA TAX ALLOCATION BONDS-FNMAMTN			11-07-16	0.400	1,544,959.72	9.443			
2003A RDA TAX ALLOCATION BONDS-I&R FUND-MMF				0.000	9.60				
2005A WATER REVENUE BONDS-RESERVE FUND -MMF				0.000	29.51				
2006 WATER REVENUE BONDS-FFCB			05-20-16	0.625	1,500,000.00	9.168			
2006A WATER REV BONDS - RESERVE FUND - MONEY MARKET				0.000	90,803.34	0.555			
2007 RECYCLED WATER-RESERVE FUND-FSA CAPITAL MANAGEMENT			02-01-35	5.451	950,950.00	5.812			
2012B RWC TRANS IMPRMT BONDS-RESERVE FUND-FHLMC				0.870	733,352.00	4.482			
2012B RWS TRANS IMPRVMT BONDS-COST OF ISSUANCE FUND				0.020	13,889.54	0.085			
2012B RWS TRANS IMPRVMT BONDS-SPECIAL TAX-MMF				0.020	4.23				
2012B RWX TRANS IMPRVMT BONDS-RESERVE FUND-MMF				0.010	3,836.75	0.023			
RECYCLE WATER 2007 RESERVE FUND -MMF				0.000	25,918.14	0.158			
RECYCLE WATER PROJECT 2007A-MMF				0.000	869.42	0.005			
RWC ONE MARINA 2011 IMPROVEMENT FUND				0.040	442,446.43	2.704			
RWC ONE MARINA 2011 RESERVE FUND				0.040	507,821.89	3.104			
RWC PACIFIC SHORES 2000-1 BOND FUND-SPECIAL TAX-MMF				0.000	7.66				
RWC PACIFIC SHORES 2000-1-FHLMC			03-10-17	0.875	551,278.40	3.369			
RWC PACIFIC SHORES 2000A-COST OF ISSUANCE FUND				0.020	618.09	0.004			
RWC PACIFIC SHORES 2000A-RESERVE FUND				0.010	6,160.41	0.038			
RWC PFA WTR REV REFUNDING BONDS SER2013-RESERVE-FHLMC			05-20-16	0.625	2,000,000.00	12.224			
RWC PFA WTR REV REFUNDING BONDS SERIES2013 RESERVE-CD				1.750	87,761.05	0.536			
TRAFFIC IMPACT FUND			09-17-14	0.480	4,300,000.00	26.281			
TRAFFIC IMPACT FUND - MONEY MARKET				0.000	2,088,707.73	12.766			
WATER REVENUE REFUNDING BONDS 2013-DELIVERY COSTS				0.040	26,625.96	0.163			
WATER REVENUE REFUNDING BONDS 2013-GOOD FAITH DEPOSIT				0.000	4.07				
WATER REVENUE REFUNDING BONDS SERIES 2013-PAYMENT ACCT				0.040	0.31				

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2007 WATER REV BONDS - LAIF				0.460	1,376,575.88	8.413			

Total with Fiscal Agents					16,361,541.14	100.0			
TOTAL BOTH PORTFOLIOS					<u>152,376,382.69</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 31 OCT 2013:

- \$72,000,000.00 securities
- \$95,000.00 cds
- \$63,919,841.55 liquids
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- \$136,014,841.55 securities & liquid = "idle funds"
- \$95,000.00 cds
- \$63,919,841.55 liquids
- 3,002,130.00 FNMA
- 3,003,780.00 FHLMC
- 3,000,570.00 FNMA
- 3,000,150.00 FFC
- 3,001,080.00 FHLMC
- 3,000,120.00 FFC
- 3,000,120.00 FFC
- 3,001,800.00 FNMA

