

# *REPORT*

To the Honorable Mayor and City Council  
From the City Manager

October 18, 2005

## **Subject**

Monthly Investment Report for Period Ending September 30, 2005

## **Background**

The attached investment report indicates that on September 30, 2005 surplus funds (excluding cash with fiscal agents) from all sources in the amount of \$106,253,246.30 were invested producing an average yield of 3.158%. The target Fed Funds rate for September is 3.75%.

The attached investment listing represents all securities in which City funds, including all trust funds and agency funds, are invested (excluding deferred compensation plans) and indicates any security dealers that were used to invest City funds during the month.

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

The City's Investment Policy requires that the Council be advised each month of the current value of any securities with a maturity of greater than one year. The City presently has 19 securities meeting the criteria.

All City investments are in compliance with the City's Investment Policy.

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Brian J. Ponty  
Director of Finance and Financial Planning

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Sandy Jennings  
Deputy Treasurer

cc: Edward P. Everett, City Manager

**INVESTMENT PORTFOLIO**

September 30, 2005

TYPE	CUSIP NO.	DATE PURCHASED	PURCHASE PRICE (\$)	MATURITY DATE	YIELD %	PAR VALUE (\$)	% OF PORTFOLIO	MARKET VALUE (\$)	Average MATURITY (Months)	CALL DATE	BROKER USED FOR CURRENT MONTH
<b>US AGENCIES, SECURITIES, AND CORPORATE NOTES</b>											
Fed Nat'l Mort. Association	3136F3U53	7/24/2003	3,000,000.00	7/24/2006	2.070	3,000,000.00	1.741	2,962,500.00	(2)	0.39	
Fed Home Loan Bank	31339Y2P0	8/14/2003	2,000,000.00	8/14/2006	2.550	2,000,000.00	1.160	1,969,380.00	(2)	0.29	
Fed Home Loan Bank	31339Y2P0	8/14/2003	2,991,000.00	8/14/2006	2.655	3,000,000.00	1.741	2,954,070.00	(2)	0.43	
Citigroup	172967BH3	10/9/2003	1,080,380.00	8/9/2006	2.540	1,000,000.00	0.580	1,009,010.00	(2)	0.14	
Fed Home Loan Bank	3133X14N4	1/2/2004	3,031,875.00	9/15/2006	2.460	3,000,000.00	1.741	2,958,750.00	(2)	0.48	
Fed Home Loan Bank	(1) 3133X2F89	11/24/2003	2,998,125.00	11/24/2006	2.872	3,000,000.00	1.741	2,949,390.00	(2)	0.57	
Fed Home Loan Bank	(1) 3133X2UH6	12/29/2003	3,000,000.00	12/29/2006	3.140	3,000,000.00	1.741	2,955,930.00	(2)	0.61	
Fed Nat'l Mort. Association	(1) 31339MLZ4	1/22/2004	3,221,640.00	1/15/2007	2.416	3,000,000.00	1.741	3,022,500.00	(2)	0.65	
Fed Home Loan Mtg Corp	(1) 3128X2TX3	2/9/2004	2,995,560.00	2/9/2007	2.802	3,000,000.00	1.741	2,937,150.00	(2)	0.70	
Fed Home Loan Mtg Corp	(1) 3128X2TX3	3/12/2004	3,019,410.00	2/9/2007	2.026	3,000,000.00	1.741	2,937,150.00	(2)	0.70	
Fed Home Loan Mtg Corp	(1) 3134A4UN2	2/3/2004	2,984,700.00	2/15/2007	2.550	3,000,000.00	1.741	2,921,250.00	(2)	0.70	
Fed Nat'l Mort. Association	(1) 31339MFL2	3/2/2004	3,412,500.00	3/15/2007	2.401	3,000,000.00	1.741	3,114,390.00	(2)	0.74	
Fed Home Loan Mtg Corp	(1) 3134A4NWO	3/16/2004	3,236,430.00	3/15/2007	2.146	3,000,000.00	1.741	3,021,570.00	(2)	0.74	
Fed Nat'l Mort. Association	(1) 31339MMP5	4/19/2004	3,206,790.00	4/15/2007	2.829	3,000,000.00	1.741	3,037,500.00	(2)	0.78	
Fed Nat'l Mort. Association	(1) 3136F5RY9	4/27/2004	2,988,000.00	4/27/2007	3.015	3,000,000.00	1.741	2,931,570.00	(2)	0.78	
Fed Nat'l Mort. Association	(1) 3133MNPQ8	5/11/2004	3,116,790.00	5/15/2007	3.501	3,000,000.00	1.741	3,021,570.00	(2)	0.83	
Fed Home Loan Bank	(1) 3133XAM79	3/21/2005	2,978,940.00	8/24/2007	4.106	3,000,000.00	1.741	2,967,180.00	(2)	0.96	
Fed Nat'l Mort. Association	(1) 3136F6AG4	9/7/2004	3,000,000.00	9/7/2007	2.750	3,000,000.00	1.741	2,981,250.00	(2)	1.00	
Fed Nat'l Mort. Association	(1) 31339MQM8	1/4/2005	2,975,625.00	1/15/2008	3.535	3,000,000.00	1.741	2,923,140.00	(2)	1.17	
Fed Home Loan Bank	(1) 3133XAN37	2/17/2005	2,986,875.00	2/15/2008	3.781	3,000,000.00	1.741	2,946,570.00	(2)	1.22	
Fed Home Loan Bank	(1) 3133XAY68	7/8/2005	2,991,600.00	3/24/2008	4.358	3,000,000.00	1.741	2,973,750.00	(2)	1.26	
Fed Nat'l Mort. Association	(1) 31339MDU4	5/3/2005	3,171,562.50	5/15/2008	3.979	3,000,000.00	1.741	3,115,320.00	(2)	1.35	
Fed Home Loan Mtg Corp	(1) 3128X4BD2	6/2/2005	3,007,500.00	6/2/2008	4.260	3,000,000.00	1.741	2,977,710.00	(2)	1.39	6/2/2006
Fed Nat'l Mort. Association	(1) 31339MSB0	6/29/2005	2,891,880.00	6/15/2008	3.798	3,000,000.00	1.741	2,850,930.00	(2)	1.39	
<i>Total Governments</i>			<u>70,287,182.50</u>		*	<u>69,000,000.00</u>	<u>40.034</u>	<u>68,439,530.00</u>		<u>19.26</u>	
<b>LIQUID ACCOUNTS</b>											
County of San Mateo - City of Redwood City					3.270	7,756,922.03	4.501			142.66	
County of San Mateo - Redevelopment Agency					3.270	14,664,812.06	8.509			269.71	
County of San Mateo - Public Financing Authority					3.270	6,725,999.74	3.902			123.70	
State of California LAIF - City of Redwood City					3.324	8,105,512.47	4.703			149.07	
<i>Total Liquid Accounts</i>						<u>37,253,246.30</u>	<u>21.614</u>			<u>685.14</u>	
<b>SUB-TOTAL</b>			(average weighted yield)	3.158		<u>106,253,246.30</u>	<u>61.65</u>			<u>704.40</u>	
<b>CASH AND INVESTMENTS WITH FISCAL AGENTS</b>											
1997 Tax Alloc Refunding Bonds - Reserve Fund					6.190	1,543,018.60	0.895			US Bank	
1997 Tax Alloc Refunding Bonds - I&R Fund					3.200	16,287.81	0.009			US Bank	
1998 City Hall COP - Reserve Fund					0.000	1.67	0.000			US Bank	
1998 Refunding Bonds Series A - US Treasury					2.540	1,207,626.76	0.701			US Bank	
1998 Refunding Bonds Series A - I&R Fund					3.200	566.12	0.000			US Bank	
1999 Seaport Consolidated Bonds - US Treasury					2.960	1,024,929.71	0.595			US Bank	
2000A Pacific Shores Bonds - Construction Fund - Money Market					3.110	1,282,250.90	0.744			Bank Of New York	
2000A Pacific Shores Bonds - Reserve Fund					3.110	2,133,160.79	1.238			Bank Of New York	
2000A Pacific Shores Bonds - Special Tax Fund					3.110	15,088.01	0.009			Bank Of New York	
2000A Pacific Shores Bonds - I&R Fund					3.100	959.54	0.001			Bank Of New York	
2001A RWS Trans Imprvmt Bonds - Adm Expense Fund					3.140	4.14	0.000			Bank Of New York	
2001A RWS Trans Imprvmt Bonds - Reserve Fund					3.110	325,960.76	0.189			Bank Of New York	
2001A RWS Trans Imprvmt Bonds - I&R Fund					3.100	129.92	0.000			Bank Of New York	
2003 PFA Lease Revenue Refunding Bonds - Reserve Fund					3.110	1,084,362.02	0.629			Bank Of New York	
2003 PFA Lease Revenue Refunding Bonds - I&R Fund					3.110	909.89	0.001			Bank Of New York	
2003 PFA Lease Revenue Refunding Bonds - Courthouse Project					3.110	2,882,665.12	1.673			Bank Of New York	
2003A RDA Tax Allocation Bonds - Money Market					3.200	872,763.34	0.506			US Bank	
2003A RDA Tax Allocation Bonds - Construction Fund					3.110	5,093,497.63	2.955			Bank Of New York	
2003A RDA Tax Allocation Bonds - I&R Fund					3.190	4,508.64	0.003			US Bank	
2003B RWS Traffic Improvement Phase II Bonds - Construction Fund					0.000	4,277.64	0.002			Bank Of New York	
2003B RWS Traffic Improvement Phase II Bonds - Reserve Fund					3.110	437,450.35	0.254			Bank Of New York	
2003B RWS Traffic Improvement Phase II Bonds - I&R Fund					3.100	152.23	0.000			Bank Of New York	
2005A PFA Water Bonds Project					3.100	24,006,369.65	13.929			Bank Of New York	
2005A PFA Water Bonds Project - Reserve Fund					3.100	2,203,429.57	1.278			Bank Of New York	
LAIF-PFA Certificates of Participation - City Hall - Reserve Fund					3.324	1,042,152.53	0.605			US Bank	
PFA Bonds - Housing Project Fund					3.490	157,116.00	0.091			California Arbitrage Management Program	
Traffic Impact Fund					3.110	6,137,417.95	3.561			Bank Of New York	
Capital Project Fund					3.110	13,091,937.82	7.596			Bank Of New York	
PAL Bldg. Loan & RDA Projects					3.100	1,530,867.68	0.888			Bank Of New York	
<i>Total with Fiscal Agents</i>						<u>66,099,862.79</u>	<u>38.351</u>				
<b>TOTAL PORTFOLIO</b>						<u>172,353,109.09</u>	<u>100.000</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 date greater than one (1) year.

(2) Market values obtained from the Principal Portfolio Statement issued by Union Bank of California, Redwood City's third party administrator.