

**Council Meeting: January 29, 2008****SUBJECT: CITY OF SUNNYVALE INVESTMENT REPORT 4TH QUARTER
2007****BACKGROUND**

All local agencies are required to file reports on a quarterly basis with their legislative body on the status of their investment portfolio. The report must be submitted within 30 days following the end of the quarter covered by the report.

The report includes all investments managed by the City of Sunnyvale and provides information on the values (par, book, and market), term, and yield of each security. Summary information by type of security and detailed information on each security is provided. An evaluation of portfolio performance this accounting period compared to the previous accounting period and compared to the same accounting period of last fiscal year is also included.

Short term cash is invested in an interest bearing checking account with our primary banking institution, Union Bank and with the State Treasurer Local Agency Investment Fund (LAIF) to meet the liquidity needs of the City. Both investment vehicles provide liquidity within 24 hours.

Securities are priced at the end of every accounting period. In some cases, the City may have investments with a current market value that is greater or less than the recorded value. These changes in market value are due to fluctuations in the marketplace having no effect on yield, as the City does not intend to sell securities prior to maturity.

The market value is higher than recorded value for this quarter due to changes in the market as mentioned in the previous paragraph.

FISCAL IMPACT

Interest earnings for FY 2007/2008 as of Period 6 for all City funds totaled \$5,163,359.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the

Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

RECOMMENDATION

It is recommended that the City Council receive and file the investment report.

Reviewed by:

Mary J. Bradley Director, Finance

Prepared by: Therese B. Balbo, Finance Manager

Approved by:

Amy Chan

City Manager

Attachments

1. City of Sunnyvale's FY 2007/2008 Period 6 Investment Report



CITY OF SUNNYVALE

PORTFOLIO EVALUATION PERIOD 6 FY 2007/2008

INFORMATION UPDATE:

As required by California Government Code Section 53646, the Treasurer may render a quarterly report to the City Council and City Manager containing detailed information on all securities, investments, and moneys held by the City. The quarterly report shall be submitted within 30 days following the end of the quarter covered by the report.

It should be noted that the Finance Department has routinely provided this information on an accounting period basis within 30 days following the end of each accounting period.

I hereby certify that the City's portfolio complies with the City's adopted Investment Policy and the reporting requirements of State Law, and that the amount of the funds available are sufficient to meet expenditure requirements for the next 6 months, ending July 2008.

Date: January 15, 2008

Mary J. Bradley, Director of Finance

cc: Members of the City Council
City Manager

PORTFOLIO EVALUATION - PERIOD 6 FY 2007/2008 11/18/2007 - 12/15/2007)

DESCRIPTION	DOLLAR AMOUNT	FY 07/08 PERIOD 6 (11/18/07 - 12/15/07)	FY 07/08 PERIOD 5 (10/21/07 - 11/17/07)	FY 06/07 PERIOD 6 (11/19/06- 12/16/06)
TOTAL PORTFOLIO MARKET VALUE		\$219,765,660.22	\$223,682,041.71	\$203,174,818.74
AVERAGE LIFE OF PORTFOLIO (DAYS)		144	153	222
CITY - WEIGHTED YIELD (Current Period)		4.96%	5.04%	4.81%
STATE POOL YIELD		4.89%	5.03%	5.13%
90 DAY T-BILL RATE (Current Period)		3.09%	3.67%	4.99%
VARIANCE FROM CITY YIELD		1.87%	1.37%	-0.18%
1 YEAR TREASURY RATE (Current Period)		3.23%	3.81%	4.95%
VARIANCE FROM CITY YIELD		1.73%	1.23%	-0.14%
TREASURY YIELD WITH SAME AVG LIFE AS PORTFOLIO		3.18%	3.81%	4.99%
VARIANCE FROM CITY YIELD		1.78%	1.23%	-0.18%
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TOTAL INVESTMENTS MATURING WITHIN 0 TO 1 YEAR	\$195,767,343.68	89.08%	87.93%	71.82%
TOTAL INVESTMENTS MATURING WITHIN 1 TO 3 YEARS	\$23,997,359.04	10.92%	12.07%	28.18%
TOTAL INVESTMENTS MATURING WITHIN 3 TO 5 YEARS	\$0.00	0.00%	0.00%	0.00%
TOTAL INVESTMENTS MATURING OVER 5 YEARS **	\$957.50	0.00%	0.00%	0.00%
TOTAL	\$219,765,660.22	100.0%	100.0%	100.0%

** In accordance with Government Code 53601, the City Council, as part of the City's investment program, granted express authority to invest in US Treasury and US Agency securities with final stated maturities up to seven years. No investment shall be made in any other security type that at the time of investment has a term remaining to maturity in excess of five years unless granted express authority by the City Council to do so.



CITY OF SUNNYVALE
Portfolio Management
Portfolio Summary
November 18, 2007 through December 15, 2007

City of Sunnyvale
 650 West Olive Ave.
 Sunnyvale, CA, 94086
 (408)730-7604

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Managed Pool Accounts	39,999,403.08	39,999,403.08	39,999,403.08	18.24	1	1	5.168	5.240
Passbook/Checking Accounts	15,111,560.50	15,111,560.50	15,111,560.50	6.89	1	1	4.498	4.560
Medium Term Notes	19,820,000.00	19,706,812.81	19,626,338.29	8.95	706	262	5.174	5.246
Federal Agency Issues - Coupon	122,966,000.00	122,974,830.18	122,718,625.29	55.96	510	182	4.824	4.891
Treasury Securities - Coupon	15,000,000.00	15,003,125.00	14,888,807.97	6.79	458	242	4.635	4.699
US Govt Mortgage Passthroughs	11,863.00	12,329.01	11,783.18	0.01	5,632	716	9.209	9.337
Federal Agency Disc. -Amortizing	7,000,000.00	6,957,599.64	6,948,671.67	3.17	288	54	5.195	5.267
Investments	219,908,826.58	219,765,660.22	219,305,189.98	100.00%	389	144	4.895	4.963
Cash and Accrued Interest								
Accrued Interest at Purchase		223,836.65	223,836.65					
Subtotal		223,836.65	223,836.65					
Total Cash and Investments	219,908,826.58	219,989,496.87	219,529,026.63		389	144	4.895	4.963
Total Earnings	December 15 Month Ending	Fiscal Year To Date						
Current Year	845,490.90	5,163,358.53						

MARY J. BRADLEY, TREASURER

CITY OF SUNNYVALE
Portfolio Management
Portfolio Details - Investments
December 15, 2007

CUSIP	Investment #	Issuer	Purchase	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
Managed Pool Accounts											
SYS90-119	90-119	STATEPOOL		39,999,403.08	39,999,403.08	39,999,403.08	5.240		5.240	1	
Subtotal and Average				39,999,403.08	39,999,403.08	39,999,403.08			5.240	1	
Passbook/Checking Accounts											
SYS08-006	08-006	UNION BANK OF CALIFORNIA	09/04/2007	15,111,560.50	15,111,560.50	15,111,560.50	4.560		4.560	1	
Subtotal and Average				15,111,560.50	15,111,560.50	15,111,560.50			4.560	1	
Medium Term Notes											
060505AW4	07-016	BANK OF AMERICA	02/13/2007	3,120,000.00	3,117,107.85	3,116,601.55	3.875		5.274	30	01/15/2008
36962GZZ0	06-059	GENERAL ELECTRIC	11/18/2005	3,000,000.00	2,998,341.06	2,998,857.92	4.250		4.750	30	01/15/2008
36962GB78	06-093	GENERAL ELECTRIC	05/19/2006	2,700,000.00	2,684,674.90	2,682,979.62	3.500		5.290	137	05/01/2008
36962GR48	07-036	GENERAL ELECTRIC	06/15/2007	3,000,000.00	2,987,906.80	2,935,100.50	4.125		5.484	625	09/01/2009
892332AL1	06-092	TOYOTA	05/11/2006	3,000,000.00	2,953,584.14	2,957,761.88	2.875		5.290	229	08/01/2008
892332AL1	06-094	TOYOTA	05/19/2006	2,000,000.00	1,969,056.09	1,972,051.14	2.875		5.270	229	08/01/2008
98153BAE4	07-035	World Savings Bank	06/12/2007	3,000,000.00	2,996,141.97	2,962,985.68	4.500		5.380	547	06/15/2009
Subtotal and Average				19,820,000.00	19,706,812.81	19,626,338.29			5.246	262	
Federal Agency Issues - Coupon											
31331S6K4	06-054	FEDERAL FARM CREDIT BANK	10/07/2005	4,000,000.00	4,000,000.00	3,999,870.67	4.100		4.382	4	12/20/2007
31331VUX2	06-089	FEDERAL FARM CREDIT BANK	04/26/2006	3,000,000.00	3,003,750.00	2,997,817.02	4.875		5.133	109	04/03/2008
31331RWC5	06-097	FEDERAL FARM CREDIT BANK	06/27/2006	1,355,000.00	1,365,162.50	1,357,494.04	5.960		5.565	183	06/16/2008
31331LCV8	06-098	FEDERAL FARM CREDIT BANK	06/27/2006	1,000,000.00	1,002,812.50	1,000,483.36	5.800		5.560	80	03/05/2008
3133XMQG9	08-012	FEDERAL FARM CREDIT BANK	10/24/2007	4,000,000.00	4,011,250.00	4,004,312.00	4.625		4.495	313	10/24/2008
31331TQV6	08-013	FEDERAL FARM CREDIT BANK	11/16/2007	3,000,000.00	2,970,937.50	2,976,012.65	3.300		4.047	404	01/23/2009
31331S2L6	08-014	FEDERAL FARM CREDIT BANK	11/16/2007	3,000,000.00	2,999,062.50	3,001,116.11	4.250		4.199	299	10/10/2008
3133MVZA4	06-076	FEDERAL HOME LOAN BANK	01/26/2006	1,930,000.00	1,926,984.38	1,926,075.41	3.375		4.690	61	02/15/2008
3133XCUQ4	06-079	FEDERAL HOME LOAN BANK	01/30/2006	2,000,000.00	2,000,000.00	1,998,447.33	4.375		4.710	89	03/14/2008
3133XENC9	06-081	FEDERAL HOME LOAN BANK	02/16/2006	3,000,000.00	3,001,875.00	2,999,623.94	4.850		4.945	52	02/06/2008
3133XDT76	06-084	FEDERAL HOME LOAN BANK	03/08/2006	3,000,000.00	3,015,000.00	2,991,361.45	4.750		5.058	362	12/12/2008
3133XFJX5	06-095	FEDERAL HOME LOAN BANK	06/16/2006	3,000,000.00	3,010,312.50	2,995,512.05	5.125		5.447	180	06/13/2008
3133XAT56	07-019	FEDERAL HOME LOAN BANK	03/09/2007	2,050,000.00	2,048,078.13	2,044,896.01	4.000		5.108	85	03/10/2008
3133X5ZR2	07-021	FEDERAL HOME LOAN BANK	04/05/2007	4,000,000.00	3,987,500.00	3,977,874.90	3.530		5.085	135	04/29/2008
3133XETW9	07-030	FEDERAL HOME LOAN BANK	05/15/2007	4,000,000.00	4,006,250.00	3,998,823.37	5.100		5.227	81	03/06/2008
3133XFLG9	07-037	FEDERAL HOME LOAN BANK	06/15/2007	3,000,000.00	3,047,812.50	2,996,366.86	5.250		5.337	544	06/12/2009
3133XC4D2	08-002	FEDERAL HOME LOAN BANK	08/13/2007	3,000,000.00	2,995,312.50	2,986,903.77	4.100		5.011	180	06/13/2008
3133XJMQ8	08-007	FEDERAL HOME LOAN BANK	09/05/2007	3,000,000.00	3,010,312.50	3,000,931.83	5.000		4.938	213	07/16/2008
31339YVV1	08-008	FEDERAL HOME LOAN BANK	09/19/2007	3,000,000.00	2,982,187.50	2,975,609.60	3.375		4.775	218	07/21/2008
3133XLRX3	08-016	FEDERAL HOME LOAN BANK	12/12/2007	3,000,000.00	3,030,000.00	3,039,723.58	5.250		3.985	397	01/16/2009

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CITY OF SUNNYVALE
Portfolio Management
Portfolio Details - Investments
December 15, 2007

CUSIP	Investment #	Issuer	Purchase	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon											
3128X2JR7	06-069	FEDERAL HOME LOAN MORT CORP	12/21/2005	1,300,000.00	1,299,615.17	1,299,476.64	3.450		4.730	12	12/28/2007
3128X2WR2	06-071	FEDERAL HOME LOAN MORT CORP	01/13/2006	2,670,000.00	2,665,017.79	2,663,699.43	3.400		4.706	71	02/25/2008
3128X3D91	06-086	FEDERAL HOME LOAN MORT CORP	03/30/2006	3,000,000.00	2,991,468.20	2,984,468.05	3.560		5.099	131	04/25/2008
3128X4GR6	07-017	FEDERAL HOME LOAN MORT CORP	02/09/2007	4,000,000.00	3,999,951.78	3,995,537.92	4.500		5.207	61	02/15/2008
3128X4F22	07-028	FEDERAL HOME LOAN MORT CORP	05/04/2007	5,000,000.00	5,005,795.29	4,998,446.43	5.050		5.239	60	02/14/2008
3134A2DT2	07-032	FEDERAL HOME LOAN MORT CORP	05/21/2007	3,000,000.00	3,013,125.00	3,004,804.07	5.750		5.241	121	04/15/2008
31359MQP1	06-066	FEDERAL NATL MORTGAGE ASSN	12/16/2005	3,000,000.00	2,997,187.50	2,996,137.32	3.500		4.670	43	01/28/2008
3136F7QG5	06-068	FEDERAL NATL MORTGAGE ASSN	12/21/2005	2,000,000.00	2,000,000.00	1,999,996.53	4.890		4.903	5	12/21/2007
3136F3CT1	06-072	FEDERAL NATL MORTGAGE ASSN	01/13/2006	602,000.00	600,306.88	599,901.65	3.250		4.715	92	03/17/2008
3136F53Y5	06-077	FEDERAL NATL MORTGAGE ASSN	01/26/2006	982,000.00	981,079.38	980,738.64	3.700		4.700	51	02/05/2008
31359MYA5	06-087	FEDERAL NATL MORTGAGE ASSN	04/07/2006	2,276,000.00	2,274,577.50	2,270,605.20	4.200		5.125	99	03/24/2008
3136F5C90	06-099	FEDERAL NATL MORTGAGE ASSN	06/30/2006	3,000,000.00	3,010,312.50	2,995,243.09	5.200		5.565	169	06/02/2008
31359MQM8	07-023	FEDERAL NATL MORTGAGE ASSN	04/18/2007	3,967,000.00	3,963,280.94	3,960,838.52	3.250		5.234	30	01/15/2008
31359MXP3	07-029	FEDERAL NATL MORTGAGE ASSN	05/15/2007	4,000,000.00	3,997,500.00	3,993,137.50	3.875		5.283	47	02/01/2008
31359MRW5	07-031	FEDERAL NATL MORTGAGE ASSN	05/21/2007	3,834,000.00	3,810,037.50	3,797,378.34	2.875		5.210	155	05/19/2008
31359MRW5	08-003	FEDERAL NATL MORTGAGE ASSN	08/20/2007	3,000,000.00	2,981,250.00	2,975,702.01	2.875		4.832	155	05/19/2008
31359M5T6	08-010	FEDERAL NATL MORTGAGE ASSN	09/21/2007	4,000,000.00	4,021,250.00	4,014,384.05	5.125		4.599	261	09/02/2008
31359MTR4	08-011	FEDERAL NATL MORTGAGE ASSN	10/19/2007	3,000,000.00	2,975,625.00	2,970,473.11	3.375		4.395	365	12/15/2008
31359MUQ4	08-015	FEDERAL NATL MORTGAGE ASSN	11/16/2007	4,000,000.00	3,950,000.00	3,958,000.00	3.125		3.993	456	03/16/2009
31359MSQ7	08-017	FEDERAL NATL MORTGAGE ASSN	12/12/2007	3,000,000.00	2,978,437.50	2,982,536.03	3.250		4.142	243	08/15/2008
880591DB5	06-090	TENNESSEE VALLEY AUTHORITY	05/04/2006	3,000,000.00	3,022,206.12	3,005,029.11	5.375		5.175	333	11/13/2008
880591DB5	07-034	TENNESSEE VALLEY AUTHORITY	06/11/2007	3,000,000.00	3,022,206.12	3,002,835.70	5.375		5.262	333	11/13/2008
Subtotal and Average				122,966,000.00	122,974,830.18	122,718,625.29			4.891	182	
Treasury Securities - Coupon											
912828DT4	06-096	UNITED STATE TREASURY	06/26/2006	3,000,000.00	3,003,750.00	2,982,279.01	3.750		5.268	151	05/15/2008
912828CH1	07-033	UNITED STATE TREASURY	06/08/2007	2,000,000.00	2,015,000.00	1,970,121.99	3.875		4.997	516	05/15/2009
912828ER7	08-001	UNITED STATE TREASURY	07/30/2007	4,000,000.00	4,001,250.00	3,999,117.29	4.375		4.908	15	12/31/2007
912828BZ2	08-004	UNITED STATE TREASURY	08/24/2007	3,000,000.00	2,988,750.00	2,959,302.80	3.000		4.213	427	02/15/2009
912828BK5	08-005	UNITED STATE TREASURY	08/24/2007	3,000,000.00	2,994,375.00	2,977,986.88	3.125		4.136	274	09/15/2008
Subtotal and Average				15,000,000.00	15,003,125.00	14,888,807.97			4.699	242	
US Govt Mortgage Passthroughs											
313401KA8	86-081	FEDERAL HOME LOAN MORT CORP	07/01/1994	289.14	320.94	311.73	13.500		12.154	1,020	10/01/2010
313401TJ0	87-009	FEDERAL HOME LOAN MORT CORP	07/01/1994	845.01	957.50	865.61	10.000		9.680	2,998	03/01/2016
31340RGH1	88-137	FEDERAL HOME LOAN MORT CORP	07/01/1994	4,440.44	4,579.47	4,396.04	9.000		9.215	472	04/01/2009
362055UF0	88-135	GOVT NATL MORTGAGE ASSN	07/01/1994	553.35	561.24	546.43	9.000		9.241	335	11/15/2008
362063F46	88-136	GOVT NATL MORTGAGE ASSN	07/01/1994	5,735.06	5,909.86	5,663.37	9.000		9.234	577	07/15/2009

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CITY OF SUNNYVALE
Portfolio Management
Portfolio Details - Investments
December 15, 2007

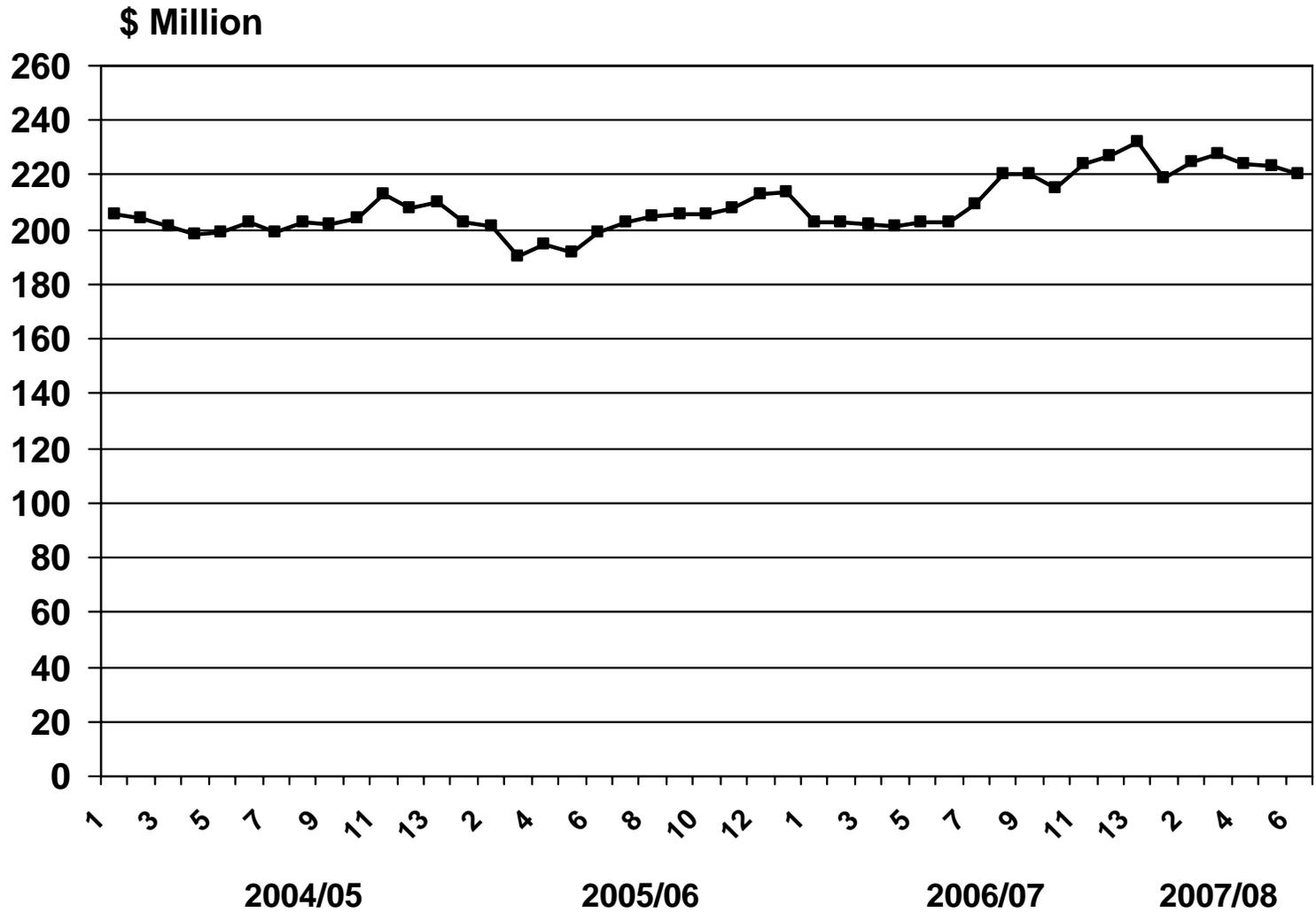
CUSIP	Investment #	Issuer	Purchase	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
Subtotal and Average				11,863.00	12,329.01	11,783.18			9.337	716	
Federal Agency Disc. -Amortizing											
313396TV5	07-020	FEDERAL HOME LOAN MORT CORP	03/09/2007	4,000,000.00	3,964,799.80	3,957,966.67	4.850		5.190	78	03/03/2008
313396RM7	07-038	FEDERAL HOME LOAN MORT CORP	06/29/2007	3,000,000.00	2,992,799.84	2,990,705.00	5.070		5.368	22	01/07/2008
Subtotal and Average				7,000,000.00	6,957,599.64	6,948,671.67			5.267	54	
Total and Average				219,908,826.58	219,765,660.22	219,305,189.98			4.963	144	

**CITY OF SUNNYVALE
Portfolio Management
Portfolio Details - Cash
December 15, 2007**

CUSIP	Investment #	Issuer	Purchase	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity
Subtotal and Average			Accrued Interest at Purchase		223,836.65	223,836.65				0
			Subtotal		223,836.65	223,836.65				
Total Cash and Investmentss				219,908,826.58	219,989,496.87	219,529,026.63			4.963	144

INVESTMENT PORTFOLIO

PORTFOLIO TREND



INVESTMENT PORTFOLIO COMPARISON OF ANNUAL YIELDS

