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## *News Release*

### **City of Menlo Park NEWS RELEASE**

For Immediate Release: October 2, 2008

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#### **City Investment Portfolio Remains Stable through Financial Market Turbulence**

MENLO PARK, CA -- Although events in the financial markets battered many municipal portfolios last week, the City of Menlo Park's investments appear to be surviving the market ups and downs relatively unscathed. City Manager Glen Rojas confirmed today that the City has no participation in the San Mateo County Investment Pool. The pool was negatively impacted by the recent bankruptcy of Lehman Brothers.

Finance Director Carol Augustine stated that "the City's portfolio is invested in assets that, despite the market turmoil, are all still in good shape. Consistent with the City's Investment Policy, there are no equities in the portfolio." At last week's Council meeting, Ms. Augustine explained that the City's holdings in Fannie Mae and Freddie Mac (roughly 16% of the City's \$104 million portfolio) consists of senior debt securities only – instruments whose triple-A rating were recently affirmed.

Also at last week's meeting, Council approved the Investment Policy which allows for investments in U.S. Treasury notes, U.S. Instrumentality, and other conservative holdings. Much of the portfolio, (over 40%) is held by the Local Agency Investment Fund (LAIF) a state-wide investment pool that provides liquidity for over 2,500 state and local agencies and follows an investment policy similar to that of the City.

"The City is in very good overall financial condition with a strong balance sheet, sufficient cash and other assets to cover all expected requirements for the foreseeable future," said Mr. Rojas. "We will continue regular monitoring of our investments, given the current unpredictability of the market."

Interested persons may contact Carol Augustine at (650) 330-6643 for more information.

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