



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 28, 2012
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: January 2012 Investment Report

RECOMMENDATION:

That Council accept the January 2012 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of January 31, 2012.

ATTACHMENT: January 2012 Investment Report
PREPARED BY: Jill Taura, Treasury Manager
SUBMITTED BY: Robert Samario, Finance Director
APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
January 31, 2012

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

1/3 LAIF Deposit - City	\$ 7,000,000
1/5 LAIF Deposit - City	1,000,000
1/25 Federal National Mortgage Association (FNMA)	2,000,000
1/30 Federal National Mortgage Association (FNMA)	2,000,000
Total	\$ 12,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

1/5 Federal National Mortgage Association (FNMA) - Call	\$ (2,000,000)
1/17 Federal Farm Credit Bank (FFCB) - Maturity	(2,000,000)
1/19 Federal National Mortgage Association (FNMA) - Call	(1,000,000)
Total	\$ (5,000,000)

ACTIVITY TOTAL

\$ 7,000,000

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 241,741
Amortization	(21,497)
Interest on SBB&T Accounts	298
Total	\$ 220,543

TOTAL INTEREST EARNED

\$ 220,543

CITY OF SANTA BARBARA
Summary of Cash and Investments
January 31, 2012

ENDING BALANCE AS OF DECEMBER 31, 2011

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 42,000,000	0.385%	25.75%	1
Certificates of Deposit	2,000,000	0.800%	1.23%	687
Federal Agency Issues - Coupon	100,979,651	1.894%	61.92%	1,063
Corporate/Medium Term Notes	<u>12,226,654</u>	<u>1.780%</u>	<u>7.50%</u>	<u>1,239</u>
	157,206,305	1.468%	96.40%	788
SB Airport Promissory Note	<u>5,877,335</u>	<u>7.000%</u>	<u>3.60%</u>	<u>6,390</u>
Totals and Averages	<u>\$ 163,083,639</u>	<u>1.668%</u>	<u>100.00%</u>	<u>990</u>
SBB&T Money Market Account	<u>7,958,912</u>			
Total Cash and Investments	<u>\$ 171,042,551</u>			

NET CASH AND INVESTMENT ACTIVITY FOR JANUARY 2012 **\$ 5,866,614**

ENDING BALANCE AS OF JANUARY 31, 2012

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 50,000,000	0.385%	29.40%	1 (1)
Certificates of Deposit	2,000,000	0.800%	1.18%	656
Federal Agency Issues - Coupon	99,965,076	1.859%	58.78%	1,067
Corporate/Medium Term Notes	<u>12,218,732</u>	<u>1.781%</u>	<u>7.18%</u>	<u>1,209</u>
	164,183,808	1.391%	96.54%	748
SB Airport Promissory Note	<u>5,877,335</u>	<u>7.000%</u>	<u>3.46%</u>	<u>6,359</u>
Totals and Averages	<u>\$ 170,061,143</u>	<u>1.585%</u>	<u>100.00%</u>	<u>942</u>
SBB&T Money Market Account	<u>6,848,022</u>			
Total Cash and Investments	<u>\$ 176,909,165</u>			

Note:

(1) The average life of the LAIF portfolio as of January 31, 2012 is 245 days.

CITY OF SANTA BARBARA
Investment Portfolio
January 31, 2012

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
			MOODY'S	S & P							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.385	0.385	50,000,000.00	50,000,000.00	50,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.385	0.385	0.00	0.00	0.00	0.00	
Subtotal, LAIF							<u>50,000,000.00</u>	<u>50,000,000.00</u>	<u>50,000,000.00</u>	<u>0.00</u>	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/11	11/18/13	-	-	0.800	0.800	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>0.00</u>	
Subtotal, Certificates of deposit							<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>0.00</u>	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AA+	2.250	2.120	2,000,000.00	2,000,578.35	2,009,880.00	9,301.65	
FEDERAL FARM CREDIT BANK	02/02/11	02/02/15	Aaa	AA+	2.000	2.000	1,500,000.00	1,500,000.00	1,500,060.00	60.00	Callable 02/02/12, then cont.
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,042,240.00	42,240.00	
FEDERAL FARM CREDIT BANK	03/09/11	03/09/16	Aaa	AA+	2.600	2.621	2,000,000.00	1,999,788.89	2,005,100.00	5,311.11	Callable 03/09/12, then cont.
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AA+	2.600	2.600	2,000,000.00	2,000,000.00	2,051,840.00	51,840.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,046,440.00	46,440.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AA+	2.125	2.125	2,000,000.00	2,000,000.00	2,015,440.00	15,440.00	
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AA+	2.900	2.916	2,000,000.00	1,999,852.13	2,006,920.00	7,067.87	Callable 04/09/12, once
FEDERAL FARM CREDIT BANK	11/23/10	11/23/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,009,960.00	9,960.00	Callable 05/23/12, then cont.
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,140,840.00	140,840.00	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AA+	4.375	2.110	1,700,000.00	1,713,055.15	1,725,840.00	12,784.85	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,056,780.00	56,780.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,049,060.00	49,060.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,024,134.86	2,103,200.00	79,065.14	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	2,023,060.00	23,060.00	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,060,280.00	60,280.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	2,014,440.00	14,440.00	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AA+	2.000	2.653	2,000,000.00	2,000,000.00	2,024,820.00	24,820.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	09/26/11	08/28/13	Aaa	AA+	1.000	0.381	1,000,000.00	1,009,709.47	1,010,720.00	1,010.53	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,064,652.26	2,130,700.00	66,047.74	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,035,477.29	2,103,200.00	67,722.71	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AA+	1.375	1.325	2,000,000.00	2,000,346.36	2,009,240.00	8,893.64	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,073,360.00	73,360.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,089,540.00	89,540.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,541,719.22	1,543,485.00	1,765.78	
FEDERAL HOME LOAN MTG CORP	10/19/11	10/19/16	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,009,040.00	9,040.00	Callable 07/19/12, then qtrly
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AA+	2.125	1.699	2,000,000.00	2,005,278.69	2,025,400.00	20,121.31	
FEDERAL HOME LOAN MTG CORP	01/06/11	02/25/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,033,220.00	33,220.00	
FEDERAL HOME LOAN MTG CORP	11/09/11	11/09/16	Aaa	AA+	1.800	1.800	2,000,000.00	2,000,000.00	2,007,140.00	7,140.00	Callable 05/09/12, then qtrly

CITY OF SANTA BARBARA

Investment Portfolio

January 31, 2012

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P	RATE	365	VALUE	VALUE	VALUE	GAIN/(LOSS)	
FEDERAL HOME LOAN MTG CORP	09/28/11	09/28/16	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	2,009,360.00	9,360.00	Callable 09/28/12, once
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AA+	1.000	2.420	2,000,000.00	1,985,200.98	2,008,080.00	22,879.02	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AA+	1.125	1.197	1,000,000.00	999,834.02	1,002,410.00	2,575.98	
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,121,534.92	2,169,340.00	47,805.08	
FEDERAL HOME LOAN MTG CORP	10/03/11	10/03/16	Aaa	AA+	1.000	1.612	2,000,000.00	2,000,000.00	2,001,340.00	1,340.00	SU 2.25% Callable 04/03/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.000	1.401	1,000,000.00	999,670.83	1,005,420.00	5,749.17	SU 1%-3%, Call 09/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/09/11	11/09/16	Aaa	AA+	1.500	1.807	2,000,000.00	1,999,613.89	2,014,860.00	15,246.11	SU 1.5%-3.5%, Call 11/09/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/28/11	12/28/16	Aaa	AA+	1.125	1.641	2,000,000.00	2,000,000.00	2,004,980.00	4,980.00	SU 2% Callable 12/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	02/17/11	02/17/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,002,100.00	2,100.00	Callable 02/17/12, once
FEDERAL NATL MORTGAGE ASSN	06/07/11	03/07/16	Aaa	AA+	2.075	2.075	2,000,000.00	2,000,000.00	2,012,140.00	12,140.00	Callable 06/07/12, once
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.300	1.475	2,000,000.00	2,000,000.00	2,003,320.00	3,320.00	SU 1.3%-2.25%, Call 03/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,998,258.33	2,016,020.00	17,761.67	Callable 10/28/13, once
FEDERAL NATL MORTGAGE ASSN	01/25/12	01/25/17	Aaa	AA+	1.000	1.256	2,000,000.00	1,999,016.67	2,006,280.00	7,263.33	SU 1.5%, Callable 01/25/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AA+	2.000	2.055	2,000,000.00	1,998,635.00	2,016,300.00	17,665.00	Callable 08/10/12, once
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,042,080.00	42,080.00	
FEDERAL NATL MORTGAGE ASSN	04/11/11	04/11/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,008,420.00	8,420.00	Callable 04/11/12, once
FEDERAL NATL MORTGAGE ASSN	06/27/11	06/27/16	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,033,000.00	33,000.00	Callable 06/27/13, once
FEDERAL NATL MORTGAGE ASSN	12/28/11	12/28/16	Aaa	AA+	1.625	1.625	2,000,000.00	2,000,000.00	2,013,460.00	13,460.00	Callable 12/28/12, once
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,086,180.00	86,180.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,968,718.79	2,072,320.00	103,601.21	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,050,220.00	50,220.00	Callable 04/18/13, once
FEDERAL NATL MORTGAGE ASSN	06/29/11	12/29/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,002,760.00	2,760.00	Callable 03/29/12, once
FEDERAL NATL MORTGAGE ASSN	01/30/12	01/30/17	Aaa	AA+	1.300	1.300	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>2,005,040.00</u>	<u>5,040.00</u>	Callable 01/30/13, then qtrly
Subtotal, Federal Agencies							<u>99,700,000.00</u>	<u>99,965,076.10</u>	<u>101,506,675.00</u>	<u>1,541,598.90</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,994,191.67	2,097,420.00	103,228.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	Aa2	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,055,600.00	55,600.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	Aa2	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,036,160.00	36,160.00	
PRES & FELLOWS OF HARVARD COLL	07/12/11	01/15/14	Aaa	AAA	5.000	1.000	2,000,000.00	2,154,115.97	2,167,900.00	13,784.03	Callable 03/12/12
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,052,826.49	2,078,340.00	25,513.51	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	<u>2,000,000.00</u>	<u>2,017,598.03</u>	<u>2,034,460.00</u>	<u>16,861.97</u>	
Subtotal, Corporate Securities							<u>12,000,000.00</u>	<u>12,218,732.16</u>	<u>12,469,880.00</u>	<u>251,147.84</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	<u>5,877,334.65</u>	<u>5,877,334.65</u>	<u>5,877,334.65</u>	<u>0.00</u>	
Subtotal, SBA Note							<u>5,877,334.65</u>	<u>5,877,334.65</u>	<u>5,877,334.65</u>	<u>0.00</u>	
TOTALS							<u>169,577,334.65</u>	<u>170,061,142.91</u>	<u>171,853,889.65</u>	<u>1,792,746.74</u>	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.