



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 27, 2010
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: June 30, 2010, Investment Report And June 30, 2010, Fiscal Agent Report

RECOMMENDATION: That Council:

- A. Accept the June 30, 2010, Investment Report; and
- B. Accept the June 30, 2010, Fiscal Agent Report.

DISCUSSION:

On a quarterly basis, staff submits a comprehensive report on the City's portfolio and related activity pursuant to the City's Annual Statement of Investment Policy. The current report covers the investment activity for April through June 2010.

The economy experienced a slowdown this quarter with the slowing of retail sales, lower industrial production, and continued high unemployment levels. All financial markets lost the momentum gained over the past 12 months. The Dow Jones Industrial Average (DJIA) index, which measures stocks from 30 industrial "blue-chip" companies, was down 9.97 percent from the previous quarter; S&P 500, composed of 500 "large-cap" companies across various sectors, was down 11.42 percent; and NASDAQ, which largely measures technology stocks, was down 12.04 percent.

The Consumer Price Index (CPI) is a general measure of inflation showing the average change over time in prices of goods and services purchased by households. The seasonally adjusted CPI for all items declined 0.1 percent due to declines in the energy index items. Core prices, excluding food and energy, were higher by 0.9 percent in June. Economists agree that there is a low risk of the U.S. entering an inflationary cycle in the near future given continued market volatility, high unemployment levels, and the slow economic recovery.

In continued efforts to spur growth U.S. economy, and without the immediate threat of inflation, the Federal Reserve Bank's Open Market Committee held the federal funds rate unchanged at a target range of 0-1/4 percent. Rates are expected to continue to remain low for an extended period.

Treasury yields were lower at the end of the quarter as shown in the table to the right. Investors continued to demand the safety of U.S. Treasuries, driving prices higher and yields lower. This is attributed to the European debt crisis, a “cooling” of China’s economic growth, and concerns over a possible double-dip in the U.S. economy surfacing during the quarter. Longer term yields on Treasury notes were lower, ranging from a decline of 8 basis points on the 1-year Treasury note to a decline of 89 basis points on the 10-year Treasury note over the quarter. Only the 3-month Treasury yield was slightly higher and by only 2 basis points at quarter end.

U.S. Treasury Market					
	3/31/2010	4/30/2010	5/31/2010	6/30/2010	Cumulative Change
3 Month	0.15%	0.16%	0.16%	0.17%	0.02%
6 Month	0.23%	0.23%	0.22%	0.22%	-0.01%
1 Year	0.38%	0.38%	0.31%	0.30%	-0.08%
2 Year	1.02%	0.96%	0.77%	0.60%	-0.42%
3 Year	1.57%	1.48%	1.23%	0.96%	-0.61%
4 Year	2.06%	1.95%	1.66%	1.37%	-0.69%
5 Year	2.55%	2.42%	2.09%	1.78%	-0.77%
10 Year	3.82%	3.66%	3.29%	2.93%	-0.89%
30 Year	4.71%	4.52%	4.21%	3.89%	-0.82%
LAIF	0.56%	0.56%	0.56%	0.56%	0.00%

Investment Activity

As shown in the table below, the City invested \$20 million during the quarter. The purchases consisted of \$14 million in “AAA” rated Federal Agency callable securities and \$6 million in “AAA” rated Federal Agency bullets (non-callable securities). During

Issuer	Face Amount	Purchase Date	Final Maturity	Call Date	Yield To Call	Yield To Maturity
<i>Purchases:</i>						
Federal Home Loan Bank (FHLB)	2,000,000	04/05/10	11/29/13	-	-	2.000%
Federal National Mortgage Association (FNMA)	2,000,000	04/15/10	07/15/13	10/15/10	2.000%	2.000%
Federal Home Loan Bank (FHLB)	2,000,000	04/15/10	10/15/13	-	-	2.000%
Federal Farm Credit Bank (FFCB)	2,000,000	04/30/10	04/09/15	04/09/12	2.940%	2.916%
Federal National Mortgage Association (FNMA)	2,000,000	05/19/10	05/19/15	11/19/10	3.125%	3.125%
Federal National Mortgage Association (FNMA)	2,000,000	05/24/10	06/24/13	06/24/11	1.999%	2.000%
Federal Home Loan Bank (FHLB)	2,000,000	05/28/10	05/28/15	11/28/12	2.000%	2.653%
Federal Home Loan Bank (FHLB)	2,000,000	06/29/10	10/29/12	-	-	1.125%
Federal Home Loan Bank (FHLB)	2,000,000	06/30/10	06/30/14	12/30/11	1.125%	2.277%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	06/30/10	06/30/15	06/30/11	2.000%	2.914%
	20,000,000					
<i>Calls:</i>						
Federal National Mortgage Association (FNMA)	2,000,000	10/29/09	10/29/14	04/29/10	2.250%	3.304%
Federal National Mortgage Association (FNMA)	2,000,000	05/04/09	05/04/12	05/04/10	2.252%	2.185%
Federal National Mortgage Association (FNMA)	2,000,000	05/20/09	11/20/12	05/20/10	2.250%	2.250%
Federal Home Loan Bank (FHLB)	1,333,333	02/12/10	02/12/15	06/04/10	3.310%	3.022%
Federal Home Loan Bank (FHLB)	666,667	02/12/10	02/12/15	06/15/10	3.280%	3.022%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	03/16/10	03/16/15	06/16/10	3.125%	3.125%
Federal National Mortgage Association (FNMA)	2,000,000	12/30/09	12/30/14	06/30/10	3.000%	3.000%
	12,000,000					
<i>Maturities:</i>						
Federal National Mortgage Association (FNMA)	2,000,000	04/27/06	04/20/10	-	-	5.270%
Federal Home Loan Bank (FHLB)	2,000,000	12/18/06	06/22/10	-	-	4.825%
Airport Promissory Note - Partial Redemption	1,089,361	07/14/09	06/30/29	-	-	7.000%
	5,089,361					

the quarter, \$12 million of “AAA” rated Federal Agency securities were called and \$4 million securities matured. Additionally, at fiscal year end, the Santa Barbara Airport made a regularly scheduled principal repayment of \$89,361 and an additional repayment of \$1 million. On June 30, 2010, the outstanding balance on the 20-year Airport Promissory Note held in the City’s investment portfolio was \$6,124,230.

The weighted average yield to maturity measures the average yield for securities with varying interest rates to help provide a measure of the future rate of return on the investment portfolio. The weighted average yield to maturity on the quarter’s purchases totaled 2.301 percent, compared to 3.849 percent on the quarter’s called and matured investments, reflecting the low interest rate environment.

The average rate at which the City earned interest at the Local Agency Investment Fund (LAIF), the State’s managed investment pool, was unchanged at 0.56 percent for the quarter ended June 30, 2010. Staff expects to reinvest a portion of the City’s LAIF balances in short-term securities during the next quarter.

Summary of Cash and Investments

The book rate of return, or portfolio yield, measures the percent return of actual interest earnings generated from the portfolio. During the quarter, the City’s book rate of return decreased by 21.5 basis points from 2.538 percent at March 31, 2010 to 2.323 percent at June 30, 2010. The book rate of return continues to decline through the attrition of higher-yielding securities, and reinvestment at considerably lower market rates. The portfolio’s average days to maturity decreased by 77 days from 919 to 842 days which includes the 20-year Airport promissory note authorized by Council in July 2009. The portfolio’s average days to maturity excluding the Airport note is 608 days, reflecting reinvestment of maturities and calls during the quarter in the one to five year range for regular day-to-day investment activities in accordance with the City’s Annual Statement of Investment Policy.

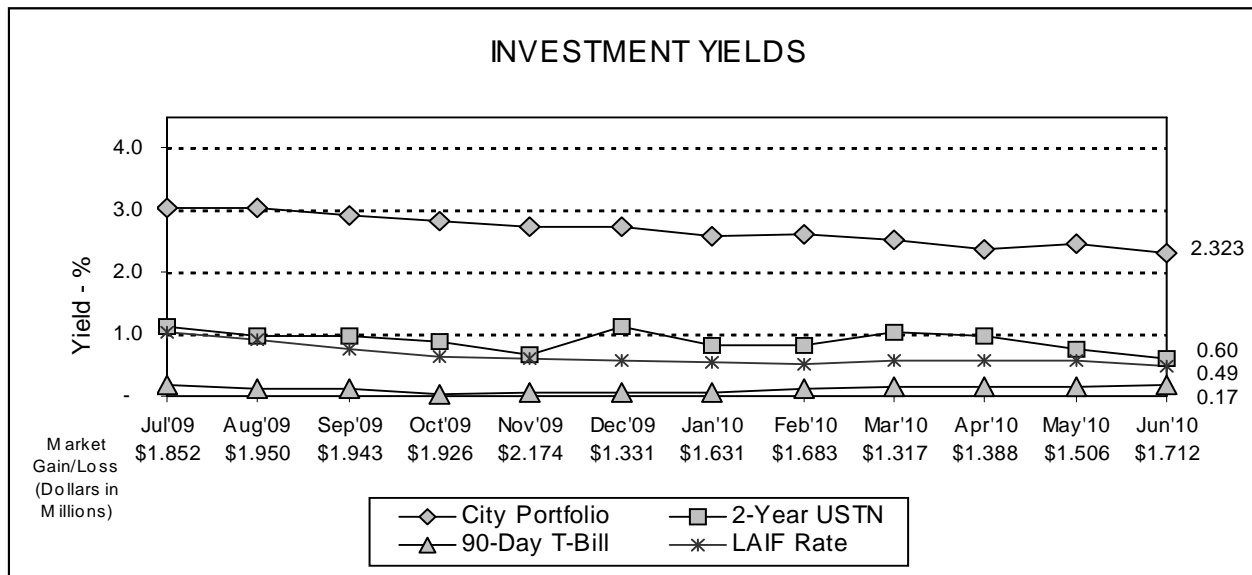
Mo. Ended	Yield	Days to Maturity
03/31/2010	2.538%	919
04/30/2010	2.385%	875
05/31/2010	2.459%	911
06/30/2010	2.323%	842

Credit Quality on Corporate Notes

Over the quarter ended June 30, 2010, there were no credit quality changes to the two corporate issuers of the medium-term notes held in the portfolio (i.e., General Electric Capital Corp and Wells Fargo & Company). All ratings remain within the City’s Investment Policy guidelines of “A” or better.

Portfolio Market Gains/Losses

As shown on the Investment Yields on the next page, the City’s portfolio continues to significantly outperform the three benchmark measures (the 90 day T-Bill, 2 year T-Note and LAIF). The portfolio also reflects unrealized market gains during the quarter due to lower market yields compared to the yields on securities held in the portfolio. At June 30, 2010, the portfolio had an unrealized market gain of \$1.712 million.



On a quarterly basis, staff reports the five securities with the largest percentage of unrealized losses as shown in the table below. Only one security was trading below purchase price at the end of the quarter. Note, however, since all securities in the portfolio are held to maturity, no market loss will be realized.

Issuer	Face Amount	Maturity	\$ Mkt Change	% Mkt Change
FEDERAL HOME LOAN BANK	\$2,000,000	06/30/2014	-\$1,380	-0.07%

Additional Reporting Requirements

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of June 30, 2010 is in compliance with the City's Statement of Investment Policy; and (2) there are sufficient funds available to meet the City's expenditure requirements for the next six months.

Fiscal Agent Investments

In addition to reporting requirements for public agency portfolios, a description of any of the agency's investments under the management of contracted parties is also required on a quarterly basis. Attachment 2 includes bond funds and the police and fire service retirement fund as of June 30, 2010.

ATTACHMENTS:

1. June 30, 2010, Investment Report
2. June 30, 2010, Fiscal Agent Report

PREPARED BY: Jill Taura, Treasury Manager

SUBMITTED BY: Robert Samario, Interim Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
June 30, 2010

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

6/7 LAIF Deposit - City	\$ 2,000,000
6/8 LAIF Deposit - City	1,000,000
6/10 LAIF Deposit - City	1,000,000
6/14 LAIF Deposit - City	1,000,000
6/22 LAIF Deposit - City	3,000,000
6/29 Federal Home Loan Bank (FHLB)	2,000,000
6/30 LAIF Deposit - City	1,000,000
6/30 Federal Home Loan Bank (FHLB)	2,000,000
6/30 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
Total	\$ 15,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

6/1 LAIF Withdrawal - City	\$ (3,000,000)
6/3 LAIF Withdrawal - City	(2,500,000)
6/4 Federal Home Loan Bank (FHLB) - Partial Call	(1,333,333)
6/15 Federal Home Loan Bank (FHLB) - Call	(666,667)
6/16 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
6/17 LAIF Withdrawal - City	(2,000,000)
6/22 Federal Home Loan Bank (FHLB) - Maturity	(2,000,000)
6/30 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
6/30 Santa Barbara Airport Promissory Note - Principal Paydown	(1,089,361)
Total	\$ (16,589,361)

ACTIVITY TOTAL

\$ (1,589,361)

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 317,630
Amortization	(2,179)
SBB&T Sweep Account Interest	136
Total	\$ 315,587

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 8,659
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TOTAL INTEREST EARNED

\$ 324,245

CITY OF SANTA BARBARA
Investment Portfolio
June 30, 2010

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	-	-	-	-	0.490	0.490	27,000,000.00	27,000,000.00	27,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.490	0.490	21,500,000.00	21,500,000.00	21,500,000.00	0.00	
Subtotal, LAIF							48,500,000.00	48,500,000.00	48,500,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/09	11/18/10	-	-	1.250	1.250	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
MONTECITO BANK & TRUST	11/18/09	11/18/11	-	-	1.750	1.750	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							4,000,000.00	4,000,000.00	4,000,000.00	0.00	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AAA	2.250	2.120	2,000,000.00	2,004,550.16	2,057,190.00	52,639.84	
FEDERAL FARM CREDIT BANK	10/14/09	10/14/14	Aaa	AAA	2.875	2.875	2,000,000.00	2,000,000.00	2,015,620.00	15,620.00	Callable 10/14/10, then cont.
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,007,298.52	2,059,690.00	52,391.48	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,999,018.26	2,013,760.00	14,741.74	
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.002	2,000,000.00	2,000,000.00	2,043,440.00	43,440.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,080,010.00	80,010.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,058,440.00	58,440.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,054,690.00	54,690.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,013,130.00	13,130.00	
FEDERAL FARM CREDIT BANK	12/01/09	12/01/14	Aaa	AAA	2.840	2.840	2,000,000.00	2,000,000.00	2,021,880.00	21,880.00	Callable 12/01/10, then cont.
FEDERAL FARM CREDIT BANK	01/13/10	01/13/15	Aaa	AAA	3.180	3.180	2,000,000.00	2,000,000.00	2,030,940.00	30,940.00	Callable 1/13/11, then cont.
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AAA	2.900	2.916	2,000,000.00	1,998,612.65	2,057,820.00	59,207.35	Callable 4/9/12, once
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,004,115.43	2,087,190.00	83,074.57	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,985,343.21	2,045,310.00	59,966.79	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,771,649.11	1,805,451.00	33,801.89	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,042,820.00	42,820.00	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	3.733	2,000,000.00	2,000,000.00	2,034,070.00	34,070.00	SU 5%, Callable 6/30/11, once
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AAA	3.125	2.440	2,000,000.00	2,044,606.40	2,115,630.00	71,023.60	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AAA	1.700	1.700	2,000,000.00	2,000,000.00	2,037,820.00	37,820.00	
FEDERAL HOME LOAN BANK	03/30/10	09/30/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,024,070.00	24,070.00	Callable 3/30/11, once
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,040,630.00	40,630.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,011,250.00	11,250.00	
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,113.70	1,011,720.00	11,606.30	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,992,972.78	2,045,630.00	52,657.22	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AAA	2.000	2.653	2,000,000.00	2,000,000.00	2,028,130.00	28,130.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,981.85	2,007,500.00	7,518.15	
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,995,390.07	2,026,260.00	30,869.93	

CITY OF SANTA BARBARA
Investment Portfolio
June 30, 2010

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,127,971.48	2,192,820.00	64,848.52	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AAA	3.125	2.130	2,000,000.00	2,065,569.63	2,115,630.00	50,060.37	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AAA	1.375	1.325	2,000,000.00	2,001,900.91	2,024,690.00	22,789.09	
FEDERAL HOME LOAN BANK	06/30/10	06/30/14	Aaa	AAA	1.125	2.277	2,000,000.00	2,000,000.00	1,998,620.00	(1,380.00)	SU 3% callable 12/30/2011, once
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,999,230.56	2,030,660.00	31,429.44	Callable 4/08/11, once
FEDERAL HOME LOAN MTG CORP	05/19/09	11/19/12	Aaa	AAA	2.170	2.170	2,000,000.00	2,000,000.00	2,027,560.00	27,560.00	Callable 5/19/11, once
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AAA	2.125	1.699	2,000,000.00	2,018,360.66	2,057,510.00	39,149.34	
FEDERAL HOME LOAN MTG CORP	05/13/09	05/13/13	Aaa	AAA	2.400	2.400	2,000,000.00	2,000,000.00	2,032,740.00	32,740.00	Callable 5/13/11, once
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,999,854.70	2,001,180.00	1,325.30	
FEDERAL HOME LOAN MTG CORP	07/30/09	01/30/13	Aaa	AAA	2.350	2.350	2,000,000.00	2,000,000.00	2,002,640.00	2,640.00	Callable 7/30/10, once
FEDERAL HOME LOAN MTG CORP	10/28/09	10/28/14	Aaa	AAA	3.000	3.000	2,000,000.00	2,000,000.00	2,016,980.00	16,980.00	Callable 10/28/10, then qtrly
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AAA	1.000	2.420	2,000,000.00	1,942,163.00	2,003,640.00	61,477.00	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AAA	1.125	1.197	1,000,000.00	998,707.72	1,007,790.00	9,082.28	
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,995,628.25	2,015,100.00	19,471.75	
FEDERAL HOME LOAN MTG CORP	04/29/09	10/29/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,011,920.00	11,920.00	Callable 10/29/10, once
FEDERAL HOME LOAN MTG CORP	06/30/10	06/30/15	Aaa	AAA	2.000	2.914	2,000,000.00	2,000,000.00	2,019,560.00	19,560.00	SU 2.0%-4.5%, Call 6/30/11, annual
FEDERAL NATL MORTGAGE ASSN	03/18/09	09/18/12	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,029,380.00	29,380.00	Callable 3/18/11, once
FEDERAL NATL MORTGAGE ASSN	03/23/09	03/23/12	Aaa	AAA	2.000	2.491	2,000,000.00	2,000,000.00	2,005,620.00	5,620.00	SU 3%, Callable 9/23/10, once
FEDERAL NATL MORTGAGE ASSN	09/09/09	09/09/14	Aaa	AAA	3.250	3.250	2,000,000.00	2,000,000.00	2,011,260.00	11,260.00	Callable 9/09/10, once
FEDERAL NATL MORTGAGE ASSN	03/16/10	09/16/13	Aaa	AAA	2.100	2.130	2,000,000.00	1,999,166.67	2,006,880.00	7,713.33	Callable 9/16/10, once
FEDERAL NATL MORTGAGE ASSN	04/15/10	07/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,008,760.00	8,760.00	Callable 10/15/10, once
FEDERAL NATL MORTGAGE ASSN	05/24/10	06/24/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,021,880.00	21,880.00	Callable 6/24/11, once
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,022,190.00	22,190.00	Callable 2/24/11, once
FEDERAL NATL MORTGAGE ASSN	03/09/10	03/09/15	Aaa	AAA	3.000	3.000	1,000,000.00	1,000,000.00	1,004,690.00	4,690.00	Callable 9/09/10, once
FEDERAL NATL MORTGAGE ASSN	05/19/10	05/19/15	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	2,018,120.00	18,120.00	Callable 11/19/10, then qtrly
Subtotal, Federal Agencies							100,700,000.00	100,952,205.72	102,557,911.00	1,605,705.28	
CORPORATE/MEDIUM TERM NOTES											
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,011,708.99	2,064,280.00	52,571.01	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,996,306.16	2,041,080.00	44,773.84	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA-	4.625	5.000	2,000,000.00	1,999,284.06	2,008,020.00	8,735.94	
Subtotal, Corporate Securities							6,000,000.00	6,007,299.21	6,113,380.00	106,080.79	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	6,124,299.81	6,124,299.81	6,124,299.81	0.00	
Subtotal, SBA Note							6,124,299.81	6,124,299.81	6,124,299.81	0.00	
TOTALS							165,324,299.81	165,583,804.74	167,295,590.81	1,711,786.07	

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.

**CITY OF SANTA BARBARA
Fiscal Agent Investments
June 30, 2010**

	CASH & CASH EQUIVALENTS Book & Market	Guaranteed Investment Contracts (GIC) Book & Market	STOCKS		BONDS		US GOVT & AGENCIES		TOTALS	
			Book	Market	Book	Market	Book	Market	Book	Market
BOND FUNDS										
<i>RESERVE FUNDS</i>										
2004 RDA - Housing Bonds	561,537.50	-	-	-	-	-	-	-	561,537.50	561,537.50
2002 Municipal Improvement - Refunding COPs	14,078.10	547,530.00	-	-	-	-	-	-	561,608.10	561,608.10
2002 Water - Refunding COPs	23,486.91	1,088,268.76	-	-	-	-	-	-	1,111,755.67	1,111,755.67
1994 Water - Revenue Bonds	19,698.48	757,680.00	-	-	-	-	-	-	777,378.48	777,378.48
2002 Waterfront - Reference COPs	438.10	1,393,262.50	-	-	-	-	-	-	1,393,700.60	1,393,700.60
1992 Seismic - Safety Bonds	87,465.19	-	-	-	-	-	-	-	87,465.19	87,465.19
Subtotal, Reserve Funds	706,704.28	3,786,741.26	-	-	-	-	-	-	4,493,445.54	4,493,445.54
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	3,453,516.07	-	-	-	-	-	-	-	3,453,516.07	3,453,516.07
2003 RDA Bonds	15,034,781.21	-	-	-	-	-	-	-	15,034,781.21	15,034,781.21
2004 Sewer Revenue Bonds	2,978,879.89	1,357,140.00	-	-	-	-	-	-	4,336,019.89	4,336,019.89
2009 Airport Bonds	32,380,757.21	-	-	-	-	-	3,100,000.00	3,202,052.00	35,480,757.21	35,582,809.21
Subtotal, Project Funds	53,847,934.38	1,357,140.00	-	-	-	-	3,100,000.00	3,202,052.00	58,305,074.38	58,407,126.38
Subtotal Bond Funds	54,554,638.66	5,143,881.26	-	-	-	-	3,100,000.00	3,202,052.00	62,798,519.92	62,900,571.92
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	33,506.50	-	196,150.77	192,372.22	-	-	-	-	229,657.27	225,878.72
	33,506.50	-	196,150.77	192,372.22	-	-	-	-	229,657.27	225,878.72
TOTAL FISCAL AGENT INVESTMENTS	<u>54,588,145.16</u>	<u>5,143,881.26</u>	<u>196,150.77</u>	<u>192,372.22</u>	<u>-</u>	<u>-</u>	<u>3,100,000.00</u>	<u>3,202,052.00</u>	<u>63,028,177.19</u>	<u>63,126,450.64</u>

Notes:

- (1) Cash & cash equivalents include money market funds.
- (2) Market values have been obtained from the following trustees: US Bank, Bank of New York and Santa Barbara Bank & Trust