



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2011
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: May 2011 Investment Report

RECOMMENDATION:

That Council accept the May 2011 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of May 31, 2011.

ATTACHMENT: May 2011 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
May 31, 2011

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

5/13 LAIF Deposit - City	\$ 2,000,000
5/16 LAIF Deposit - City	1,500,000
5/17 LAIF Deposit - City	1,000,000
5/25 Federal Home Loan Bank (FHLB)	2,000,000
5/26 Federal Home Loan Bank (FHLB)	2,000,000
5/31 LAIF Deposit - City	5,500,000
Total	\$ 14,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

5/5 LAIF Withdrawal - City	\$ (2,000,000)
5/9 LAIF Withdrawal - City	(2,000,000)
5/13 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
5/19 LAIF Withdrawal - City	(2,000,000)
5/19 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
5/24 LAIF Withdrawal - City	(2,500,000)
5/26 LAIF Withdrawal - City	(1,500,000)
Total	\$ (14,000,000)

ACTIVITY TOTAL

\$ -

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 238,567
Amortization	(8,825)
Interest on SBB&T Accounts	222
Total	\$ 229,964

RDA INVESTMENTS

Interest Earned on LAIF Investment	\$ 5,262
Interest Earned on Pooled Investments	23,434
	\$ 28,696

TOTAL INTEREST EARNED

\$ 258,660

CITY OF SANTA BARBARA
Summary of Cash and Investments
May 31, 2011

ENDING BALANCE AS OF APRIL 30, 2011

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 49,500,000	0.560%	27.88%	1
Certificates of Deposit	2,000,000	1.750%	1.13%	201
Federal Agency Issues - Coupon	114,004,050	2.141%	64.21%	1,120
Corporate/Medium Term Notes	5,993,067	2.293%	3.38%	1,441
	<u>171,497,117</u>	<u>1.685%</u>	<u>96.60%</u>	<u>798</u>
SB Airport Promissory Note	6,044,793	7.000%	3.40%	6,635
Totals and Averages	<u>\$ 177,541,910</u>	<u>1.867%</u>	<u>100.00%</u>	<u>996</u>
SBB&T Money Market Account	4,142,914			
Total Cash and Investments	<u>\$ 181,684,824</u>			

NET CASH AND INVESTMENT ACTIVITY FOR MAY 2011 **\$ 1,507,813**

ENDING BALANCE AS OF MAY 31, 2011

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 49,500,000	0.413%	27.88%	1 (1)
Certificates of Deposit	2,000,000	1.750%	1.13%	170
Federal Agency Issues - Coupon	113,995,100	2.149%	64.21%	1,128
Corporate/Medium Term Notes	5,993,192	2.293%	3.38%	1,410
	<u>171,488,292</u>	<u>1.648%</u>	<u>96.60%</u>	<u>801</u>
SB Airport Promissory Note	6,044,793	7.000%	3.40%	6,604
Totals and Averages	<u>\$ 177,533,085</u>	<u>1.830%</u>	<u>100.00%</u>	<u>999</u>
SBB&T Money Market Account	5,659,552			
Total Cash and Investments	<u>\$ 183,192,637</u>			

Note:
(1) The average life of the LAIF portfolio as of May 31, 2011 is 185 days.

CITY OF SANTA BARBARA
Investment Portfolio
May 31, 2011

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	-	-	-	-	0.413	0.413	34,500,000.00	34,500,000.00	34,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.413	0.413	15,000,000.00	15,000,000.00	15,000,000.00	0.00	
Subtotal, LAIF							49,500,000.00	49,500,000.00	49,500,000.00	0.00	
CERTIFICATES OF DEPOSIT											
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							2,000,000.00	2,000,000.00	2,000,000.00	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	2,002,250.69	2,035,400.00	33,149.31	
FEDERAL FARM CREDIT BANK	10/28/10	10/28/15	Aaa	AAA	1.540	1.540	2,000,000.00	2,000,000.00	1,993,460.00	(6,540.00)	Callable 10/28/11, then cont.
FEDERAL FARM CREDIT BANK	12/10/10	12/08/14	Aaa	AAA	1.500	1.662	2,000,000.00	1,993,470.67	2,012,780.00	19,309.33	Callable 12/08/11, then cont.
FEDERAL FARM CREDIT BANK	02/02/11	02/02/15	Aaa	AAA	2.000	2.000	1,500,000.00	1,500,000.00	1,511,715.00	11,715.00	Callable 02/02/12, then cont.
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AAA	1.375	1.375	2,000,000.00	2,000,000.00	2,029,860.00	29,860.00	
FEDERAL FARM CREDIT BANK	03/09/11	03/09/16	Aaa	AAA	2.600	2.621	2,000,000.00	1,998,455.56	2,032,450.00	33,994.44	Callable 03/09/12, then cont.
FEDERAL FARM CREDIT BANK	12/15/10	12/15/15	Aaa	AAA	2.480	2.480	2,000,000.00	2,000,000.00	2,019,350.00	19,350.00	Callable 12/15/11, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.002	2,000,000.00	2,000,000.00	2,022,440.00	22,440.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,076,560.00	76,560.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,064,960.00	64,960.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,038,470.00	38,470.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,006,430.00	6,430.00	
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AAA	2.900	2.916	2,000,000.00	1,999,330.24	2,035,980.00	36,649.76	Callable 04/09/12, once
FEDERAL FARM CREDIT BANK	11/23/10	11/23/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,009,400.00	9,400.00	Callable 05/23/12, then cont.
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AAA	2.570	2.570	2,000,000.00	2,000,000.00	2,074,100.00	74,100.00	
FEDERAL HOME LOAN BANK	05/26/11	05/26/16	Aaa	AAA	1.250	2.421	2,000,000.00	2,000,000.00	2,003,120.00	3,120.00	SU 3.25% Callable 08/26/11, then qtrly
FEDERAL HOME LOAN BANK	05/25/11	11/25/15	Aaa	AAA	1.000	2.555	2,000,000.00	2,000,000.00	2,004,160.00	4,160.00	SU 1.0%-7.0%, Call 08/25/11, then qtrly
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,000,109.26	2,002,500.00	2,390.74	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,737,726.29	1,771,357.50	33,631.21	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,062,100.00	62,100.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AAA	1.375	1.375	2,000,000.00	2,000,000.00	2,023,180.00	23,180.00	
FEDERAL HOME LOAN BANK	12/28/10	07/28/14	Aaa	AAA	0.650	1.816	2,000,000.00	2,000,000.00	2,001,740.00	1,740.00	SU 2.05% Callable 07/28/11, once
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	3.733	2,000,000.00	2,000,000.00	2,001,360.00	1,360.00	SU 5%, Callable 06/30/11, once
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AAA	3.125	2.440	2,000,000.00	2,032,754.46	2,118,560.00	85,805.54	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AAA	1.700	1.700	2,000,000.00	2,000,000.00	2,038,650.00	38,650.00	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,061,930.00	61,930.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,022,410.00	22,410.00	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,999,813.44	2,001,390.00	1,576.56	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AAA	2.000	2.653	2,000,000.00	2,000,000.00	2,054,380.00	54,380.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	06/30/10	06/30/14	Aaa	AAA	1.125	2.277	2,000,000.00	2,000,000.00	2,019,300.00	19,300.00	SU 3% Callable 12/30/11, once
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,091,312.98	2,169,470.00	78,157.02	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AAA	3.125	2.130	2,000,000.00	2,048,147.75	2,118,560.00	70,412.25	

CITY OF SANTA BARBARA
Investment Portfolio
May 31, 2011

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 BANK	03/26/10	06/08/12	Aaa	AAA	1.375	1.325	2,000,000.00	2,001,000.91	2,022,900.00	21,899.09	
FEDERAL HOME LOAN BANK	07/14/10	07/14/15	Aaa	AAA	2.000	2.336	2,000,000.00	2,000,000.00	2,005,560.00	5,560.00	SU 2.0%-3.5% Call 07/14/11, then qtrly
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AAA	1.750	1.750	2,000,000.00	2,000,000.00	2,038,700.00	38,700.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,048,780.00	48,780.00	
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AAA	2.125	1.699	2,000,000.00	2,010,786.89	2,047,320.00	36,533.11	
FEDERAL HOME LOAN MTG CORP	11/23/10	11/23/15	Aaa	AAA	1.750	1.845	2,000,000.00	1,995,700.00	1,995,100.00	(600.00)	Callable 11/23/11, once
FEDERAL HOME LOAN MTG CORP	01/06/11	02/25/14	Aaa	AAA	1.375	1.375	2,000,000.00	2,000,000.00	2,027,140.00	27,140.00	
FEDERAL HOME LOAN MTG CORP	12/15/10	12/15/15	Aaa	AAA	2.100	2.100	2,000,000.00	2,000,000.00	2,001,700.00	1,700.00	Callable 06/15/11, then qtrly
FEDERAL HOME LOAN MTG CORP	02/22/11	08/22/14	Aaa	AAA	1.700	1.700	1,500,000.00	1,500,000.00	1,504,230.00	4,230.00	Callable 08/22/11, once
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AAA	1.000	2.420	2,000,000.00	1,967,079.72	2,013,920.00	46,840.28	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AAA	1.125	1.197	1,000,000.00	999,359.79	1,007,790.00	8,430.21	
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	2,003,420.00	3,420.00	SU 2.0%-4.5%, Call 06/30/11, annually
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AAA	4.500	1.615	2,000,000.00	2,158,882.40	2,193,900.00	35,017.60	
FEDERAL NATL MORTGAGE ASSN	07/07/10	07/07/15	Aaa	AAA	2.350	2.350	2,000,000.00	2,000,000.00	2,004,570.00	4,570.00	Callable 07/07/11, once
FEDERAL NATL MORTGAGE ASSN	02/17/11	02/17/16	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,032,520.00	32,520.00	Callable 02/17/12, 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	2,001,890.00	1,890.00	Callable 06/24/11, once
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AAA	2.000	2.055	2,000,000.00	1,996,901.67	2,026,720.00	29,818.33	Callable 08/10/12, once
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AAA	1.300	1.300	2,000,000.00	2,000,000.00	2,010,680.00	10,680.00	
FEDERAL NATL MORTGAGE ASSN	12/28/10	12/28/15	Aaa	AAA	2.000	2.011	2,000,000.00	1,999,425.00	2,017,190.00	17,765.00	Callable 12/28/11, once
FEDERAL NATL MORTGAGE ASSN	04/11/11	04/11/16	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,028,000.00	28,000.00	Callable 04/11/12, once
FEDERAL NATL MORTGAGE ASSN	08/05/10	08/05/15	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,006,290.00	6,290.00	Callable 08/05/11, once
FEDERAL NATL MORTGAGE ASSN	09/09/10	09/09/15	Aaa	AAA	1.850	1.871	2,000,000.00	1,999,455.56	2,002,400.00	2,944.44	Callable 09/09/11, once
FEDERAL NATL MORTGAGE ASSN	12/15/10	12/15/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,001,460.00	1,460.00	Callable 06/15/11, once
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,039,820.00	39,820.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AAA	1.625	2.067	2,000,000.00	1,963,137.02	2,005,040.00	41,902.98	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,039,830.00	39,830.00	Callable 04/18/13, once
Subtotal, Federal Agencies							<u>113,700,000.00</u>	<u>113,995,100.30</u>	<u>115,564,392.50</u>	<u>1,569,292.20</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,993,191.67	2,023,460.00	30,268.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	Aa2	AA+	2.250	2.250	2,000,000.00	2,000,000.00	1,972,800.00	(27,200.00)	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	Aa2	AA+	2.100	2.100	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>2,023,460.00</u>	<u>23,460.00</u>	
Subtotal, Corporate Securities							<u>6,000,000.00</u>	<u>5,993,191.67</u>	<u>6,019,720.00</u>	<u>26,528.33</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	<u>6,044,793.28</u>	<u>6,044,793.28</u>	<u>6,044,793.28</u>	<u>0.00</u>	
Subtotal, SBA Note							<u>6,044,793.28</u>	<u>6,044,793.28</u>	<u>6,044,793.28</u>	<u>0.00</u>	
TOTALS							177,244,793.28	177,533,085.25	179,128,905.78	1,595,820.53	

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.