



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 24, 2009
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: October 2009 Investment Report

RECOMMENDATION:

That Council accept the October 2009 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of October 31, 2009.

ATTACHMENT: October 2009 Investment 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
October 31, 2009**

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

10/14 Federal Farm Credit Bank (FFCB)	\$ 2,000,000
10/15 LAIF Deposit - City	2,000,000
10/16 LAIF Deposit - City	1,500,000
10/20 LAIF Deposit - City	2,000,000
10/27 LAIF Deposit - City	4,000,000
10/28 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
10/29 Federal National Mortgage Association (FNMA)	2,000,000
10/30 LAIF Deposit - RDA	3,000,000
Total	\$ 18,500,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

10/8 LAIF Withdrawal/City	\$ (1,000,000)
10/14 LAIF Withdrawal/City	(1,500,000)
10/15 Federal Home Loan Mortgage Corp (FHLMC) Call	(2,000,000)
10/16 Federal Home Loan Bank (FHLB) Call	(2,000,000)
10/22 LAIF Withdrawal/City	(2,500,000)
10/26 Federal Home Loan Bank (FHLB) Maturity	(2,345,000)
10/28 LAIF Withdrawal/City	(2,500,000)
10/29 LAIF Withdrawal/City	(2,000,000)
Total	\$ (15,845,000)

ACTIVITY TOTAL

\$ 2,655,000

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 357,537
Amortization	5,958
SBB&T Trust Account MM Interest	1
SBB&T Sweep Account Interest	74
Total	\$ 363,570

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 11,637
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TOTAL INTEREST EARNED

\$ 375,207

CITY OF SANTA BARBARA
Summary of Cash and Investments
October 31, 2009

ENDING BALANCE AS OF SEPTEMBER 30, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 41,600,000	0.750%	26.27%	1
Certificates of Deposit	2,000,000	2.500%	1.26%	48
Federal Agency Issues - Coupon	97,213,984	3.351%	61.38%	910
Corporate/Medium Term Notes	10,256,386	4.797%	6.48%	307
	<u>151,070,369</u>	<u>2.722%</u>	<u>95.39%</u>	<u>607</u>
SB Airport Promissory Note	7,300,000	7.000%	4.61%	7,212
Totals and Averages	<u>\$ 158,370,369</u>	<u>2.919%</u>	<u>100.00%</u>	<u>912</u>
SBB&T Money Market Account	2,786,971			
Total Cash and Investments	<u>\$ 161,157,340</u>			

NET CASH AND INVESTMENT ACTIVITY FOR OCTOBER 2009 **\$ 3,433,534**

ENDING BALANCE AS OF OCTOBER 31, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 44,600,000	0.650%	27.70%	1 (1)
Certificates of Deposit	2,000,000	2.500%	1.24%	17
Federal Agency Issues - Coupon	96,874,856	3.312%	60.16%	952
Corporate/Medium Term Notes	10,256,471	4.797%	6.37%	276
	<u>153,731,327</u>	<u>2.628%</u>	<u>95.47%</u>	<u>618</u>
SB Airport Promissory Note	7,300,000	7.000%	4.53%	7,181
Totals and Averages	<u>\$ 161,031,327</u>	<u>2.826%</u>	<u>100.00%</u>	<u>917</u>
SBB&T Money Market Account	3,559,547			
Total Cash and Investments	<u>\$ 164,590,874</u>			

Note:

(1) The average life of the LAIF portfolio as of October 31, 2009 is 253 days.

CITY OF SANTA BARBARA
Investment Portfolio
October 31, 2009

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.650	0.650	19,500,000.00	19,500,000.00	19,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.650	0.650	25,100,000.00	25,100,000.00	25,100,000.00	0.00	
Subtotal, LAIF							44,600,000.00	44,600,000.00	44,600,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/08	11/18/09	-	-	2.500	2.500	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	2,006,222.50	2,041,250.00	35,027.50	
FEDERAL FARM CREDIT BANK	10/14/09	10/14/14	Aaa	AAA	2.875	2.875	2,000,000.00	2,000,000.00	1,993,440.00	(6,560.00)	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	2,016,190.11	2,125,000.00	108,809.89	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,994,654.96	2,070,940.00	76,285.04	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,016,880.00	16,880.00	Callable 2/01/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	03/02/12	Aaa	AAA	2.370	2.370	2,000,000.00	2,000,000.00	2,011,570.00	11,570.00	Callable 3/02/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,033,130.00	33,130.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,050,940.00	50,940.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,022,820.00	22,820.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,029,370.00	29,370.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	1,999,690.00	(310.00)	
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	996,826.20	1,010,000.00	13,173.80	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,999,863.00	2,000,000.00	137.00	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,007,029.01	2,137,500.00	130,470.99	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,969,639.51	2,086,880.00	117,240.49	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	999,084.50	1,017,190.00	18,105.50	
FEDERAL HOME LOAN BANK	02/26/09	02/24/14	Aaa	AAA	3.250	3.261	2,000,000.00	1,999,684.36	2,015,310.00	15,625.64	Callable 2/24/10, then qtrly
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,796,320.25	1,812,089.50	15,769.25	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,027,190.00	27,190.00	StrNt, Callable 6/30/11, once
FEDERAL HOME LOAN BANK	09/30/09	09/30/14	Aaa	AAA	2.000	3.448	2,000,000.00	2,000,000.00	2,001,570.00	1,570.00	StrNt, Callable 12/30/09, qtrly
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AAA	3.125	2.440	2,000,000.00	2,053,225.99	2,072,810.00	19,584.01	
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,423.81	1,041,405.00	40,981.19	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,987,997.76	2,067,190.00	79,192.24	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,831.62	2,069,070.00	69,238.38	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,996,202.39	2,053,440.00	57,237.61	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,996,591.87	2,033,440.00	36,848.13	
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,988,431.68	2,059,380.00	70,948.32	

CITY OF SANTA BARBARA
Investment Portfolio
October 31, 2009

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	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,154,632.20	2,173,130.00	18,497.80	
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,998,563.89	2,022,480.00	23,916.11	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	2,020,560.00	20,560.00	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	2,023,868.85	2,034,690.00	10,821.15	
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	2,025,880.00	25,880.00	Callable 5/13/11, once
FEDERAL HOME LOAN MTG CORP	08/26/09	08/26/14	Aaa	AAA	3.625	3.625	2,000,000.00	2,000,000.00	2,011,340.00	11,340.00	Callable 2/26/10, then qtrly
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,992,880.30	2,054,080.00	61,199.70	
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	2,014,040.00	14,040.00	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	1,995,220.00	(4,780.00)	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	1,924,041.74	1,968,180.00	44,138.26	
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,996,805.50	2,018,480.00	21,674.50	
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,981,822.73	2,058,060.00	76,237.27	
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	2,024,760.00	24,760.00	Callable 10/29/10, once
FEDERAL NATL MORTGAGE ASSN	03/18/09	09/18/12	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,038,130.00	38,130.00	Callable 3/18/11, once
FEDERAL NATL MORTGAGE ASSN	03/23/09	03/23/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,018,440.00	18,440.00	StrNt, Callable 9/23/10, once
FEDERAL NATL MORTGAGE ASSN	05/04/09	05/04/12	Aaa	AAA	2.150	2.185	2,000,000.00	1,998,983.33	2,007,190.00	8,206.67	Callable 5/04/10, 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	2,021,570.00	21,570.00	Callable 9/09/10, once
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,995,643.50	2,040,310.00	44,666.50	
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,030,630.00	30,630.00	Callable 2/24/11, once
FEDERAL NATL MORTGAGE ASSN	05/20/09	11/20/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,009,690.00	9,690.00	Callable 5/20/10, once
FEDERAL NATL MORTGAGE ASSN	08/20/09	08/20/14	Aaa	AAA	3.625	3.636	2,000,000.00	1,999,394.44	2,003,120.00	3,725.56	Callable 11/20/09, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/29/09	10/29/14	Aaa	AAA	2.250	3.304	2,000,000.00	2,000,000.00	1,999,690.00	(310.00)	StrNt, Callable 4/29/10 cont.
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	2,025,940.00	25,940.00	Callable 3/05/10, once
Subtotal, Federal Agencies							96,700,000.00	96,874,856.00	98,515,104.50	1,640,248.50	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aa2	AAA	4.125	3.630	2,250,000.00	2,252,187.62	2,266,965.00	14,777.38	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,023,874.17	2,116,780.00	92,905.83	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aa1	AA	4.250	5.140	2,000,000.00	1,993,982.02	2,020,740.00	26,757.98	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,991,664.69	2,077,280.00	85,615.31	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA-	4.625	5.000	2,000,000.00	1,994,762.30	2,060,580.00	65,817.70	
Subtotal, Corporate Securities							10,250,000.00	10,256,470.80	10,542,345.00	285,874.20	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29			7.000	7.000	7,300,000.00	7,300,000.00	7,300,000.00	0.00	
Subtotal, SBA Note							7,300,000.00	7,300,000.00	7,300,000.00	0.00	
TOTALS							160,850,000.00	161,031,326.80	162,957,449.50	1,926,122.70	

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.