



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** December 13, 2011  
**TO:** Mayor and Councilmembers  
**FROM:** Treasury Division, Finance Department  
**SUBJECT:** November 2011 Investment Report

**RECOMMENDATION:**

That Council accept the November 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 November 30, 2011.

**ATTACHMENT:** November 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**  
November 30, 2011

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

11/9 Federal National Mortgage Association (FNMA)	\$ 2,000,000
11/9 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
11/18 Montecito Bank & Trust CD (MBTCD)	2,000,000
11/28 LAIF Deposit - City	2,000,000
11/30 LAIF Deposit - City	3,000,000
<b>Total</b>	<b>\$ 11,000,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

11/2 LAIF Withdrawal - City	\$ (2,500,000)
11/8 LAIF Withdrawal - City	(3,500,000)
11/8 Federal Farm Credit Bank (FFCB) - Call	(2,000,000)
11/14 LAIF Withdrawal - City	(2,000,000)
11/17 LAIF Withdrawal - City	(2,000,000)
11/18 Montecito Bank & Trust CD (MBTCD) - Maturity	(2,000,000)
11/23 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
<b>Total</b>	<b>\$ (16,000,000)</b>

**ACTIVITY TOTAL**

**\$ (5,000,000)**

**INTEREST REVENUE**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 255,733
Amortization	(19,844)
Interest on SBB&T Accounts	363
<b>Total</b>	<b>\$ 236,253</b>

**TOTAL INTEREST EARNED**

**\$ 236,253**

**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**November 30, 2011**

**ENDING BALANCE AS OF OCTOBER 31, 2011**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 39,000,000	0.385%	23.19%	1
Certificates of Deposit	2,000,000	1.750%	1.19%	17
Federal Agency Issues - Coupon	109,005,345	1.917%	64.80%	1,117
Corporate/Medium Term Notes	<u>12,242,497</u>	<u>1.779%</u>	<u>7.28%</u>	<u>1,300</u>
	162,247,842	1.536%	96.46%	849
SB Airport Promissory Note	<u>5,962,504</u>	<u>7.000%</u>	<u>3.54%</u>	<u>6,451</u>
Totals and Averages	<u>\$ 168,210,346</u>	<u>1.730%</u>	<u>100.00%</u>	<u>1,048</u>
SBB&T Money Market Account	1,348,739			
<b>Total Cash and Investments</b>	<b><u>\$ 169,559,085</u></b>			

**NET CASH AND INVESTMENT ACTIVITY FOR NOVEMBER 2011**      **\$ 1,193,643**

**ENDING BALANCE AS OF NOVEMBER 30, 2011**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 34,000,000	0.385%	20.83%	1 (1)
Certificates of Deposit	2,000,000	0.800%	1.23%	718
Federal Agency Issues - Coupon	108,992,923	1.921%	66.79%	1,101
Corporate/Medium Term Notes	<u>12,234,575</u>	<u>1.780%</u>	<u>7.50%</u>	<u>1,270</u>
	157,227,499	1.564%	96.35%	871
SB Airport Promissory Note	<u>5,962,504</u>	<u>7.000%</u>	<u>3.65%</u>	<u>6,421</u>
Totals and Averages	<u>\$ 163,190,003</u>	<u>1.762%</u>	<u>100.00%</u>	<u>1,074</u>
SBB&T Money Market Account	7,562,726			
<b>Total Cash and Investments</b>	<b><u>\$ 170,752,729</u></b>			

Note:

(1) The average life of the LAIF portfolio as of November 30, 2011 is 220 days.

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**November 30, 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							
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.385	0.385	34,000,000.00	34,000,000.00	34,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.385	0.385	0.00	0.00	0.00	0.00	
<b>Subtotal, LAIF</b>							<b>34,000,000.00</b>	<b>34,000,000.00</b>	<b>34,000,000.00</b>	<b>0.00</b>	
<b>CERTIFICATES OF DEPOSIT</b>											
MONTECITO BANK & TRUST	11/18/11	11/18/13	-	-	0.800	0.800	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
<b>Subtotal, Certificates of deposit</b>							<b>2,000,000.00</b>	<b>2,000,000.00</b>	<b>2,000,000.00</b>	<b>0.00</b>	
<b>FEDERAL AGENCY ISSUES - COUPON</b>											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AA+	2.250	2.120	2,000,000.00	2,000,996.44	2,016,880.00	15,883.56	
FEDERAL FARM CREDIT BANK	12/10/10	12/08/14	Aaa	AA+	1.500	1.662	2,000,000.00	1,999,755.59	2,000,340.00	584.41	Callable 12/08/11, then cont.
FEDERAL FARM CREDIT BANK	02/02/11	02/02/15	Aaa	AA+	2.000	2.000	1,500,000.00	1,500,000.00	1,503,105.00	3,105.00	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	2,039,660.00	39,660.00	
FEDERAL FARM CREDIT BANK	03/09/11	03/09/16	Aaa	AA+	2.600	2.621	2,000,000.00	1,999,455.56	2,013,420.00	13,964.44	Callable 03/09/12, then cont.
FEDERAL FARM CREDIT BANK	12/15/10	12/15/15	Aaa	AA+	2.480	2.480	2,000,000.00	2,000,000.00	2,001,620.00	1,620.00	Callable 12/15/11, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AA+	2.000	2.002	2,000,000.00	2,000,000.00	2,004,860.00	4,860.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AA+	2.600	2.600	2,000,000.00	2,000,000.00	2,058,080.00	58,080.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,051,220.00	51,220.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AA+	2.125	2.125	2,000,000.00	2,000,000.00	2,021,000.00	21,000.00	
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AA+	2.900	2.916	2,000,000.00	1,999,721.66	2,013,120.00	13,398.34	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	2,015,160.00	15,160.00	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	2,123,560.00	123,560.00	
FEDERAL HOME LOAN BANK	06/30/11	06/30/16	Aaa	AA+	1.300	2.297	2,000,000.00	2,000,000.00	2,001,560.00	1,560.00	SU 3% Callable 12/30/11, then qtrly
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AA+	4.375	2.110	1,700,000.00	1,719,222.93	1,737,111.00	17,888.07	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,059,540.00	59,540.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,042,260.00	42,260.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,026,289.76	2,100,500.00	74,210.24	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	2,026,740.00	26,740.00	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,062,520.00	62,520.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	2,016,200.00	16,200.00	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AA+	2.000	2.653	2,000,000.00	2,000,000.00	2,030,960.00	30,960.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	06/30/10	06/30/14	Aaa	AA+	1.125	2.277	2,000,000.00	2,000,000.00	2,000,600.00	600.00	SU 3% Callable 12/30/11, once
FEDERAL HOME LOAN BANK	09/26/11	08/28/13	Aaa	AA+	1.000	0.381	1,000,000.00	1,010,736.92	1,010,730.00	(6.92)	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,071,317.44	2,141,620.00	70,302.56	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,038,644.90	2,100,500.00	61,855.10	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AA+	1.375	1.325	2,000,000.00	2,000,510.00	2,012,520.00	12,010.00	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,065,460.00	65,460.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,083,000.00	83,000.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,545,698.79	1,545,435.00	(263.79)	
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	2,002,620.00	2,620.00	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	2,006,655.74	2,031,220.00	24,564.26	

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**November 30, 2011**

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
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	2,032,860.00	32,860.00	
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	2,008,500.00	8,500.00	Callable 05/09/12, then qtrly
FEDERAL HOME LOAN MTG CORP	09/27/11	09/27/16	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,998,740.00	(1,260.00)	Callable 12/27/11, then qtrly
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	1,997,460.00	(2,540.00)	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	1,980,670.66	2,009,720.00	29,049.34	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AA+	1.125	1.197	1,000,000.00	999,715.46	1,004,140.00	4,424.54	
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,130,871.79	2,178,980.00	48,108.21	
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	1,996,580.00	(3,420.00)	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	999,587.50	1,001,710.00	2,122.50	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	1,999,530.56	2,007,360.00	7,829.44	SU 1.5%-3.5%, Call 11/09/12, 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	2,010,160.00	10,160.00	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	2,016,300.00	16,300.00	Callable 06/07/12, once
FEDERAL NATL MORTGAGE ASSN	07/05/11	07/05/16	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,003,320.00	3,320.00	Callable 01/05/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	07/19/11	07/19/16	Aaa	AA+	1.900	2.106	1,000,000.00	1,000,000.00	1,002,230.00	2,230.00	SU 2%-3.5%, Call 01/19/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.300	1.475	2,000,000.00	2,000,000.00	1,999,820.00	(180.00)	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	1,998,091.67	1,992,640.00	(5,451.67)	Callable 10/28/13, once
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AA+	2.000	2.055	2,000,000.00	1,998,201.67	2,022,620.00	24,418.33	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	2,038,260.00	38,260.00	
FEDERAL NATL MORTGAGE ASSN	12/28/10	12/28/15	Aaa	AA+	2.000	2.011	2,000,000.00	1,999,925.00	2,002,380.00	2,455.00	Callable 12/28/11, once
FEDERAL NATL MORTGAGE ASSN	04/11/11	04/11/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,015,500.00	15,500.00	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	2,026,200.00	26,200.00	Callable 06/27/13, 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	2,075,080.00	75,080.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,967,323.35	2,042,420.00	75,096.65	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,052,280.00	52,280.00	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	2,005,800.00	5,800.00	Callable 03/29/12, once
<b>Subtotal, Federal Agencies</b>							<b>108,700,000.00</b>	<b>108,992,923.39</b>	<b>110,474,181.00</b>	<b>1,481,257.61</b>	
<b>CORPORATE/MEDIUM TERM NOTES</b>											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,993,941.67	2,057,040.00	63,098.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	Aa2	AA+	2.250	2.250	2,000,000.00	2,000,000.00	1,981,100.00	(18,900.00)	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	Aa2	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,012,720.00	12,720.00	
PRES & FELLOWS OF HARVARD COLL	07/12/11	01/15/14	Aaa	AAA	5.000	1.000	2,000,000.00	2,167,250.85	2,186,540.00	19,289.15	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,055,150.23	2,057,500.00	2,349.77	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,018,232.58	1,989,660.00	(28,572.58)	
<b>Subtotal, Corporate Securities</b>							<b>12,000,000.00</b>	<b>12,234,575.33</b>	<b>12,284,560.00</b>	<b>49,984.67</b>	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	5,962,504.03	5,962,504.03	5,962,504.03	0.00	
<b>Subtotal, SBA Note</b>							<b>5,962,504.03</b>	<b>5,962,504.03</b>	<b>5,962,504.03</b>	<b>0.00</b>	
<b>TOTALS</b>							<b>162,662,504.03</b>	<b>163,190,002.75</b>	<b>164,721,245.03</b>	<b>1,531,242.28</b>	

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.