



# 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
<b>Total</b>	<b>\$ 14,000,000</b>

**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)
<b>Total</b>	<b>\$ (14,000,000)</b>

**ACTIVITY TOTAL**

\$ -

**INTEREST REVENUE**

---

**POOLED INVESTMENTS**

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

**RDA INVESTMENTS**

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

**TOTAL INTEREST EARNED**

\$ 258,660



**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							
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
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	
<b>Subtotal, LAIF</b>							49,500,000.00	49,500,000.00	49,500,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
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	
<b>Subtotal, Certificates of deposit</b>							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
<b>FEDERAL AGENCY ISSUES - COUPON</b>											
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
<b>Subtotal, Federal Agencies</b>							<u>113,700,000.00</u>	<u>113,995,100.30</u>	<u>115,564,392.50</u>	<u>1,569,292.20</u>	
<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	1,993,191.67	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>	
<b>Subtotal, Corporate Securities</b>							<u>6,000,000.00</u>	<u>5,993,191.67</u>	<u>6,019,720.00</u>	<u>26,528.33</u>	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
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>	
<b>Subtotal, SBA Note</b>							<u>6,044,793.28</u>	<u>6,044,793.28</u>	<u>6,044,793.28</u>	<u>0.00</u>	
<b>TOTALS</b>							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.