



Agenda Item No. _____

File Code No. 260.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 24, 2010
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: July 2010 Investment Report

RECOMMENDATION:

That Council accept the July 2010 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of July 31, 2010.

ATTACHMENT: July 2010 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
July 31, 2010

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

7/7 LAIF Deposit - City	\$ 1,000,000
7/7 Federal National Mortgage Association (FNMA)	2,000,000
7/14 Federal Home Loan Bank (FHLB)	2,000,000
7/21 LAIF Deposit - City	2,000,000
7/26 LAIF Deposit - City	1,000,000
7/27 LAIF Deposit - City	1,000,000
7/30 LAIF Deposit - City	2,000,000
Total	\$ 11,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

7/1 LAIF Withdrawal - City	\$ (5,500,000)
7/6 Federal Home Loan Mortgage Corp (FHLMC) - Maturity	(2,000,000)
7/15 LAIF Withdrawal - City	(5,000,000)
7/19 LAIF Withdrawal - City	(1,000,000)
7/20 LAIF Withdrawal - City	(3,000,000)
7/29 LAIF Withdrawal - City	(2,000,000)
7/30 LAIF Withdrawal - RDA	(1,000,000)
7/30 Federal Home Loan Bank (FHLB) - Maturity	(2,000,000)
7/30 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
Total	\$ (23,500,000)

ACTIVITY TOTAL

\$ (12,500,000)

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 302,127
Amortization	(3,251)
SBB&T Sweep Account Interest	395
SBB&T Trust Account Money Market Interest	4
Total	\$ 299,274

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	<u>\$ 9,569</u>
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TOTAL INTEREST EARNED

\$ 308,843

CITY OF SANTA BARBARA
Summary of Cash and Investments
July 31, 2010

ENDING BALANCE AS OF JUN 30, 2010

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 48,500,000	0.490%	29.29%	1
Certificates of Deposit	4,000,000	1.500%	2.42%	323
Federal Agency Issues - Coupon	100,952,206	2.786%	60.97%	937
Corporate/Medium Term Notes	6,007,299	5.120%	3.63%	157
	<u>159,459,505</u>	<u>2.143%</u>	<u>96.31%</u>	<u>608</u>
SB Airport Promissory Note	6,124,300	7.000%	3.70%	6,939
Totals and Averages	\$ <u>165,583,805</u>	<u>2.323%</u>	<u>100.00%</u>	<u>842</u>
SBB&T Money Market Account	<u>1,129,787</u>			
Total Cash and Investments	<u>\$ 166,713,591</u>			

NET CASH AND INVESTMENT ACTIVITY FOR JULY 2010 **\$ (9,284,556)**

ENDING BALANCE AS OF JUL 31, 2010

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 38,000,000	0.520%	24.82%	1 (1)
Certificates of Deposit	4,000,000	1.500%	2.61%	292
Federal Agency Issues - Coupon	98,949,330	2.686%	64.64%	980
Corporate/Medium Term Notes	6,006,924	5.120%	3.92%	126
	<u>146,956,254</u>	<u>2.193%</u>	<u>95.99%</u>	<u>673</u>
SB Airport Promissory Note	6,124,300	7.000%	4.00%	6,908
Totals and Averages	\$ <u>153,080,553</u>	<u>2.385%</u>	<u>100.00%</u>	<u>922</u>
SBB&T Money Market Account	<u>4,348,482</u>			
Total Cash and Investments	<u>\$ 157,429,035</u>			

Note:

(1) The average life of the LAIF portfolio as of July 31, 2010 is 199 days.

CITY OF SANTA BARBARA
Investment Portfolio
July 31, 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	-	-	-	-	0.520	0.520	17,500,000.00	17,500,000.00	17,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.520	0.520	20,500,000.00	20,500,000.00	20,500,000.00	0.00	
Subtotal, LAIF							38,000,000.00	38,000,000.00	38,000,000.00	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	2,004,341.12	2,057,190.00	52,848.88	
FEDERAL FARM CREDIT BANK	10/14/09	10/14/14	Aaa	AAA	2.875	2.875	2,000,000.00	2,000,000.00	2,011,260.00	11,260.00	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	2,006,187.07	2,051,260.00	45,072.93	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,999,563.67	2,005,620.00	6,056.33	
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.002	2,000,000.00	2,000,000.00	2,044,690.00	44,690.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,088,130.00	88,130.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,068,750.00	68,750.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,056,560.00	56,560.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,015,000.00	15,000.00	
FEDERAL FARM CREDIT BANK	12/01/09	12/01/14	Aaa	AAA	2.840	2.840	2,000,000.00	2,000,000.00	2,018,120.00	18,120.00	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	2,027,190.00	27,190.00	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	1,998,677.88	2,071,560.00	72,882.12	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	2,003,751.23	2,081,570.00	77,818.77	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,987,306.17	2,040,000.00	52,693.83	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,768,565.21	1,804,397.00	35,831.79	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,060,320.00	60,320.00	
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	2,043,528.95	2,133,440.00	89,911.05	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AAA	1.700	1.700	2,000,000.00	2,000,000.00	2,041,870.00	41,870.00	
FEDERAL HOME LOAN BANK	03/30/10	09/30/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,022,810.00	22,810.00	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	2,059,690.00	59,690.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,016,250.00	16,250.00	
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,074.94	1,007,655.00	7,580.06	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,993,594.66	2,043,440.00	49,845.34	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AAA	2.000	2.653	2,000,000.00	2,000,000.00	2,049,370.00	49,370.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,996,259.87	2,021,570.00	25,310.13	

CITY OF SANTA BARBARA
Investment Portfolio
July 31, 2010

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 BANK	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,124,638.89	2,205,940.00	81,301.11	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AAA	3.125	2.130	2,000,000.00	2,063,985.82	2,133,440.00	69,454.18	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AAA	1.375	1.325	2,000,000.00	2,001,819.09	2,027,820.00	26,000.91	
FEDERAL HOME LOAN BANK	07/14/10	07/14/15	Aaa	AAA	2.000	2.336	2,000,000.00	2,000,000.00	2,023,130.00	23,130.00	SU 2.0% - 3.5% Call 7/14/11, then qtrly
FEDERAL HOME LOAN BANK	06/30/10	06/30/14	Aaa	AAA	1.125	2.277	2,000,000.00	2,000,000.00	2,015,630.00	15,630.00	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	1,999,313.89	2,027,700.00	28,386.11	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	2,025,720.00	25,720.00	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	2,017,672.13	2,059,690.00	42,017.87	
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	2,030,160.00	30,160.00	Callable 5/13/11, 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	2,013,000.00	13,000.00	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	1,944,428.15	2,007,420.00	62,991.85	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AAA	1.125	1.197	1,000,000.00	998,767.00	1,009,280.00	10,513.00	
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,997,353.94	2,009,040.00	11,686.06	
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	2,008,940.00	8,940.00	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	2,027,760.00	27,760.00	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	2,026,880.00	26,880.00	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	2,003,760.00	3,760.00	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	2,006,260.00	6,260.00	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	1,999,500.00	2,003,760.00	4,260.00	Callable 9/16/10, once
FEDERAL NATL MORTGAGE ASSN	07/07/10	07/07/15	Aaa	AAA	2.350	2.350	2,000,000.00	2,000,000.00	2,021,250.00	21,250.00	Callable 7/7/2011, 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	2,006,260.00	6,260.00	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	2,021,250.00	21,250.00	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	2,020,310.00	20,310.00	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	1,002,810.00	2,810.00	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	2,015,310.00	15,310.00	Callable 11/19/10, then qtrly
Subtotal, Federal Agencies							98,700,000.00	98,949,329.68	100,684,302.00	1,734,972.32	
CORPORATE/MEDIUM TERM NOTES											
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,010,188.34	2,058,920.00	48,731.66	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,996,886.34	2,036,820.00	39,933.66	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA-	4.625	5.000	2,000,000.00	1,999,849.27	2,001,340.00	1,490.73	
Subtotal, Corporate Securities							6,000,000.00	6,006,923.95	6,097,080.00	90,156.05	
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							152,824,299.81	153,080,553.44	154,905,681.81	1,825,128.37	

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.