

Agenda Item No. \_\_\_\_\_

File Code No.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** June 29, 2010  
**TO:** Mayor and Councilmembers  
**FROM:** Treasury Division, Finance Department  
**SUBJECT:** May 2010 Investment Report

**RECOMMENDATION:**

That Council accept the May 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 May 31, 2010.

**ATTACHMENT:** May 2010 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**  
**May 31, 2010**

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

5/3 LAIF Deposit - City	\$ 2,000,000
5/13 LAIF Deposit - City	1,000,000
5/17 LAIF Deposit - City	1,000,000
5/19 Federal National Mortgage Association (FNMA)	2,000,000
5/24 Federal National Mortgage Association (FNMA)	2,000,000
5/26 LAIF Deposit - City	2,000,000
5/28 Federal Home Loan Bank (FHLB)	2,000,000
5/28 LAIF Deposit - City	3,500,000
<b>Total</b>	<b>\$ 15,500,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

5/4 Federal National Mortgage Association (FNMA) - Call	\$ (2,000,000)
5/6 LAIF Withdrawal - City	(1,000,000)
5/7 LAIF Withdrawal - RDA	(7,000,000)
5/10 LAIF Withdrawal - City	(2,000,000)
5/19 LAIF Withdrawal - City	(1,000,000)
5/20 LAIF Withdrawal - City	(2,500,000)
5/20 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
5/24 LAIF Withdrawal - City	(2,000,000)
<b>Total</b>	<b>\$ (19,500,000)</b>

**ACTIVITY TOTAL**

**\$ (4,000,000)**

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**INTEREST REVENUE**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 322,979
Amortization	(1,770)
SBB&T Sweep Account Interest	276
<b>Total</b>	<b>\$ 321,485</b>

**RDA INVESTMENTS**

Interest Earned on Investments (LAIF)	<b>\$ 11,258</b>
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**TOTAL INTEREST EARNED**

**\$ 332,744**

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**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**May 31, 2010**

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.580	0.580	25,500,000.00	25,500,000.00	25,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.580	0.580	21,500,000.00	21,500,000.00	21,500,000.00	0.00	
<b>Subtotal, LAIF</b>							47,000,000.00	47,000,000.00	47,000,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
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	
<b>Subtotal, Certificates of deposit</b>							4,000,000.00	4,000,000.00	4,000,000.00	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	2,004,759.20	2,048,440.00	43,680.80	
FEDERAL FARM CREDIT BANK	10/14/09	10/14/14	Aaa	AAA	2.875	2.875	2,000,000.00	2,000,000.00	2,019,380.00	19,380.00	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	2,008,409.97	2,067,190.00	58,780.03	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,998,472.85	2,021,260.00	22,787.15	
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,037,820.00	37,820.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,065,940.00	65,940.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,043,130.00	43,130.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,044,690.00	44,690.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,008,750.00	8,750.00	
FEDERAL FARM CREDIT BANK	12/01/09	12/01/14	Aaa	AAA	2.840	2.840	2,000,000.00	2,000,000.00	2,022,810.00	22,810.00	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	2,033,440.00	33,440.00	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	1,998,547.41	2,020,320.00	21,772.59	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	2,004,479.63	2,091,250.00	86,770.37	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,983,380.25	2,049,690.00	66,309.75	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,774,733.00	1,800,147.00	25,414.00	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,023,440.00	23,440.00	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	3.733	2,000,000.00	2,000,000.00	2,036,250.00	36,250.00	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	2,045,683.85	2,096,880.00	51,196.15	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AAA	1.700	1.700	2,000,000.00	2,000,000.00	2,023,440.00	23,440.00	
FEDERAL HOME LOAN BANK	02/12/10	02/12/15	Aaa	AAA	3.000	3.022	2,000,000.00	2,000,000.00	2,000,000.00	0.00	Callable 5/12/10, then cont.
FEDERAL HOME LOAN BANK	03/30/10	09/30/13	Aaa	AAA	2.000	2.001	2,000,000.00	2,000,000.00	2,018,440.00	18,440.00	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	2,020,940.00	20,940.00	
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,152.47	1,015,630.00	15,477.53	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,992,350.90	2,046,250.00	53,899.10	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AAA	2.000	2.653	2,000,000.00	2,000,000.00	2,007,510.00	7,510.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,963.07	2,015,620.00	15,656.93	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,999,654.76	2,005,000.00	5,345.24	
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,994,520.27	2,029,690.00	35,169.73	

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**May 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							
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,131,304.07	2,176,560.00	45,255.93	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AAA	3.125	2.130	2,000,000.00	2,067,153.44	2,096,880.00	29,726.56	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AAA	1.375	1.325	2,000,000.00	2,001,982.73	2,014,690.00	12,707.27	
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,999,147.22	2,032,360.00	33,212.78	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	2,027,100.00	27,100.00	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	2,019,049.18	2,044,690.00	25,640.82	
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	2,033,600.00	33,600.00	Callable 5/13/11, once
FEDERAL HOME LOAN MTG CORP	03/16/10	03/16/15	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	2,002,220.00	2,220.00	Callable 6/16/10, then qtrly
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,998,982.90	2,008,280.00	9,297.10	
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	2,005,060.00	5,060.00	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	2,020,440.00	20,440.00	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	1,939,897.84	1,990,160.00	50,262.16	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AAA	1.125	1.197	1,000,000.00	998,648.44	1,003,110.00	4,461.56	
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,993,902.56	2,020,920.00	27,017.44	
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	2,013,960.00	13,960.00	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	2,030,940.00	30,940.00	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	2,007,190.00	7,190.00	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	2,016,260.00	16,260.00	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	1,998,833.33	2,008,120.00	9,286.67	Callable 9/16/10, once
FEDERAL NATL MORTGAGE ASSN	12/30/09	12/30/14	Aaa	AAA	3.000	3.000	2,000,000.00	2,000,000.00	2,004,380.00	4,380.00	Callable 6/30/10, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/15/10	07/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,009,690.00	9,690.00	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	2,005,310.00	5,310.00	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	2,023,440.00	23,440.00	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	1,006,880.00	6,880.00	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	2,017,810.00	17,810.00	Callable 11/19/10, then qtrly
<b>Subtotal, Federal Agencies</b>							102,700,000.00	102,954,009.34	104,333,397.00	1,379,387.66	
<b>CORPORATE/MEDIUM TERM NOTES</b>											
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,013,229.64	2,072,100.00	58,870.36	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,995,725.98	2,049,140.00	53,414.02	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA-	4.625	5.000	2,000,000.00	1,998,718.84	2,013,380.00	14,661.16	
<b>Subtotal, Corporate Securities</b>							6,000,000.00	6,007,674.46	6,134,620.00	126,945.54	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	7,213,660.84	7,213,660.84	7,213,660.84	0.00	
<b>Subtotal, SBA Note</b>							7,213,660.84	7,213,660.84	7,213,660.84	0.00	
<b>TOTALS</b>							166,913,660.84	167,175,344.64	168,681,677.84	1,506,333.20	

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.