



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 25, 2010
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: April 2010 Investment Report

RECOMMENDATION:

That Council accept the April 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 April 30, 2010.

ATTACHMENT: April 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
April 30, 2010

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

4/5 Federal Home Loan Bank (FHLB)	\$ 2,000,000
4/15 Federal National Mortgage Association (FNMA)	2,000,000
4/15 Federal Home Loan Bank (FHLB)	2,000,000
4/20 LAIF Deposit - City	2,000,000
4/30 Federal Farm Credit Bank (FFCB)	2,000,000
4/30 LAIF Deposit - City	8,000,000
4/30 LAIF Deposit - RDA	5,500,000
Total	\$ 23,500,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

4/8 LAIF Withdrawal - City	\$ (2,000,000)
4/14 LAIF Withdrawal - City	(3,500,000)
4/20 Federal National Mortgage Association (FNMA) - Maturity	(2,000,000)
4/27 LAIF Withdrawal - City	(1,000,000)
4/29 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
Total	\$ (10,500,000)

ACTIVITY TOTAL

\$ 13,000,000

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 321,665
Amortization	(771)
SBB&T Sweep Account Interest	182
Total	\$ 321,077

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 11,537
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TOTAL INTEREST EARNED

\$ 332,614

CITY OF SANTA BARBARA
Summary of Cash and Investments
April 30, 2010

ENDING BALANCE AS OF MARCH 31, 2010

<u>Description</u>	<u>Book Value</u>	<u>Yield to Maturity (365 days)</u>	<u>Percent of Portfolio</u>	<u>Average Days to Maturity</u>
State of California LAIF	\$ 44,000,000	0.570%	27.82%	1
Certificates of Deposit	4,000,000	1.500%	2.53%	414
Federal Agency Issues - Coupon	96,957,320	2.982%	61.30%	943
Corporate/Medium Term Notes	6,008,425	5.120%	3.80%	248
	<u>150,965,744</u>	<u>2.325%</u>	<u>95.45%</u>	<u>627</u>
SB Airport Promissory Note	7,213,661	7.000%	4.56%	7,030
Totals and Averages	<u>\$ 158,179,405</u>	<u>2.538%</u>	<u>100.00%</u>	<u>919</u>
SBB&T Money Market Account	4,534,867			
Total Cash and Investments	<u>\$ 162,714,272</u>			

NET CASH AND INVESTMENT ACTIVITY FOR APRIL 2010 **\$ 11,073,390**

ENDING BALANCE AS OF APRIL 30, 2010

<u>Description</u>	<u>Book Value</u>	<u>Yield to Maturity (365 days)</u>	<u>Percent of Portfolio</u>	<u>Average Days to Maturity</u>
State of California LAIF	\$ 53,000,000	0.588%	30.96%	1 (1)
Certificates of Deposit	4,000,000	1.500%	2.34%	384
Federal Agency Issues - Coupon	100,955,404	2.871%	58.98%	955
Corporate/Medium Term Notes	6,008,050	5.120%	3.51%	218
	<u>163,963,454</u>	<u>2.182%</u>	<u>95.79%</u>	<u>606</u>
SB Airport Promissory Note	7,213,661	7.000%	4.21%	7,000
Totals and Averages	<u>\$ 171,177,114</u>	<u>2.385%</u>	<u>100.00%</u>	<u>875</u>
SBB&T Money Market Account	2,610,547			
Total Cash and Investments	<u>\$ 173,787,662</u>			

Note:

(1) The average life of the LAIF portfolio as of April 30, 2010 is 190 days.

CITY OF SANTA BARBARA
Investment Portfolio
April 30, 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	-	-	-	-	0.588	0.588	24,500,000.00	24,500,000.00	24,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.588	0.588	28,500,000.00	28,500,000.00	28,500,000.00	0.00	
Subtotal, LAIF							53,000,000.00	53,000,000.00	53,000,000.00	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	2,004,968.24	2,045,320.00	40,351.76	
FEDERAL FARM CREDIT BANK	10/14/09	10/14/14	Aaa	AAA	2.875	2.875	2,000,000.00	2,000,000.00	2,016,570.00	16,570.00	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	2,009,521.42	2,074,070.00	64,548.58	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,997,927.43	2,028,120.00	30,192.57	
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,036,250.00	36,250.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,052,510.00	52,510.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,028,440.00	28,440.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,039,060.00	39,060.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,007,820.00	7,820.00	
FEDERAL FARM CREDIT BANK	12/01/09	12/01/14	Aaa	AAA	2.840	2.840	2,000,000.00	2,000,000.00	2,012,810.00	12,810.00	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	2,028,440.00	28,440.00	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	1,998,482.17	2,010,940.00	12,457.83	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	2,004,843.83	2,097,500.00	92,656.17	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,981,417.28	2,053,750.00	72,332.72	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,777,816.89	1,798,022.00	20,205.11	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,007,820.00	7,820.00	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	3.733	2,000,000.00	2,000,000.00	2,036,880.00	36,880.00	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	2,046,761.30	2,091,250.00	44,488.70	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AAA	1.700	1.700	2,000,000.00	2,000,000.00	2,013,750.00	13,750.00	
FEDERAL HOME LOAN BANK	02/12/10	02/12/15	Aaa	AAA	3.000	3.022	2,000,000.00	1,999,755.56	2,001,260.00	1,504.44	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	2,006,250.00	6,250.00	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	2,003,440.00	3,440.00	
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,191.23	1,019,535.00	19,343.77	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,991,729.02	2,049,070.00	57,340.98	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,944.29	2,023,120.00	23,175.71	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,999,161.57	2,011,880.00	12,718.43	
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,993,650.47	2,031,570.00	37,919.53	

CITY OF SANTA BARBARA
Investment Portfolio
April 30, 2010

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,134,636.66	2,164,380.00	29,743.34	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AAA	3.125	2.130	2,000,000.00	2,068,737.24	2,091,250.00	22,512.76	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AAA	1.375	1.325	2,000,000.00	2,002,064.55	2,008,440.00	6,375.45	
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,999,063.89	2,033,260.00	34,196.11	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	2,024,200.00	24,200.00	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	2,019,737.70	2,034,060.00	14,322.30	
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	2,031,700.00	31,700.00	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	2,006,520.00	6,520.00	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	1,998,111.10	2,014,960.00	16,848.90	
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	2,007,580.00	7,580.00	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	2,014,340.00	14,340.00	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	1,937,632.68	1,978,740.00	41,107.32	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AAA	1.125	1.197	1,000,000.00	998,589.16	998,890.00	300.84	
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,992,176.87	2,026,620.00	34,443.13	
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	2,016,360.00	16,360.00	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	2,033,130.00	33,130.00	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	2,009,690.00	9,690.00	SU 3%, 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	1,999,983.33	2,000,000.00	16.67	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	2,020,310.00	20,310.00	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	1,998,500.00	2,000,630.00	2,130.00	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	2,005,940.00	5,940.00	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	2,002,810.00	2,810.00	Callable 10/15/10, 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	2,026,250.00	26,250.00	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	2,001,260.00	1,260.00	Callable 5/20/10, 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	1,006,095.00	6,095.00	Callable 9/09/10, once
Subtotal, Federal Agencies							100,700,000.00	100,955,403.88	102,182,862.00	1,227,458.12	
CORPORATE/MEDIUM TERM NOTES											
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,014,750.28	2,083,700.00	68,949.72	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,995,145.79	2,063,140.00	67,994.21	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA-	4.625	5.000	2,000,000.00	1,998,153.62	2,021,820.00	23,666.38	
Subtotal, Corporate Securities							6,000,000.00	6,008,049.69	6,168,660.00	160,610.31	
SB AIRPORT PROMISSORY NOTE (LT)											
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	
Subtotal, SBA Note							7,213,660.84	7,213,660.84	7,213,660.84	0.00	
TOTALS							170,913,660.84	171,177,114.41	172,565,182.84	1,388,068.43	

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.