



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 23, 2010
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: January 2010 Investment Report

RECOMMENDATION:

That Council accept the January 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 January 31, 2010.

ATTACHMENT: January 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
January 31, 2010**

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

1/5 LAIF Deposit - City	\$ 2,500,000
1/7 LAIF Deposit - City	1,000,000
1/13 Federal Farm Credit Bank (FFCB)	2,000,000
1/15 LAIF Deposit - City	2,000,000
1/15 Federal Home Loan Bank (FHLB)	2,000,000
1/20 LAIF Deposit - City	1,000,000
1/21 LAIF Deposit - City	1,500,000
1/25 LAIF Deposit - City	1,500,000
1/26 LAIF Deposit - City	2,000,000
1/29 LAIF Deposit - City	7,500,000
Total	\$ 23,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

1/14 LAIF Withdrawal/City	\$ (7,000,000)
1/15 Berkshire Hathaway Fin (BERK) Maturity	(2,250,000)
1/25 Federal Home Loan Mortgage Corp. (FHLMC) Maturity	(2,000,000)
1/28 LAIF Withdrawal/City	(4,500,000)
Total	\$ (15,750,000)

ACTIVITY TOTAL

\$ 7,250,000

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 349,646
Amortization	3,980
SBB&T Sweep Account Interest	115
SBB&T Money Market Interest	1
Total	\$ 353,742

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 13,767
---------------------------------------	------------------

TOTAL INTEREST EARNED

\$ 367,509

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

ENDING BALANCE AS OF DECEMBER 31, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 45,100,000	0.569%	27.59%	1
Certificates of Deposit	4,000,000	1.500%	2.45%	504
Federal Agency Issues - Coupon	96,882,898	3.258%	59.27%	932
Corporate/Medium Term Notes	10,256,641	4.797%	6.28%	215
	<u>156,239,539</u>	<u>2.538%</u>	<u>95.59%</u>	<u>605</u>
SB Airport Promissory Note	7,213,661	7.000%	4.41%	7,120
Totals and Averages	<u>\$ 163,453,200</u>	<u>2.735%</u>	<u>100.00%</u>	<u>893</u>
SBB&T Money Market Account	2,860,497			
Total Cash and Investments	<u>\$ 166,313,697</u>			

NET CASH AND INVESTMENT ACTIVITY FOR JANUARY 2010 **\$ 7,263,411**

ENDING BALANCE AS OF JANUARY 31, 2010

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 52,600,000	0.558%	30.81%	1 (1)
Certificates of Deposit	4,000,000	1.500%	2.34%	473
Federal Agency Issues - Coupon	98,886,319	3.187%	57.93%	940
Corporate/Medium Term Notes	8,007,199	5.125%	4.69%	241
	<u>163,493,519</u>	<u>2.395%</u>	<u>95.77%</u>	<u>592</u>
SB Airport Promissory Note	7,213,661	7.000%	4.23%	7,089
Totals and Averages	<u>\$ 170,707,180</u>	<u>2.590%</u>	<u>100.00%</u>	<u>867</u>
SBB&T Money Market Account	2,869,929			
Total Cash and Investments	<u>\$ 173,577,109</u>			

Note:

(1) The average life of the LAIF portfolio as of January 31, 2010 is 216 days.

CITY OF SANTA BARBARA
Investment Portfolio
January 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
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.558	0.558	23,000,000.00	23,000,000.00	23,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.558	0.558	29,600,000.00	29,600,000.00	29,600,000.00	0.00	
Subtotal, LAIF							52,600,000.00	52,600,000.00	52,600,000.00	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	2,005,595.37	2,045,630.00	40,034.63	
FEDERAL FARM CREDIT BANK	10/14/09	10/14/14	Aaa	AAA	2.875	2.875	2,000,000.00	2,000,000.00	2,003,130.00	3,130.00	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	2,012,855.76	2,103,130.00	90,274.24	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,996,291.20	2,050,310.00	54,018.80	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,000,000.00	0.00	Callable 2/01/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	03/02/12	Aaa	AAA	2.370	2.370	2,000,000.00	2,000,000.00	2,003,120.00	3,120.00	Callable 3/02/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,036,560.00	36,560.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,057,820.00	57,820.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,031,560.00	31,560.00	
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	2,005,630.00	5,630.00	
FEDERAL FARM CREDIT BANK	12/01/09	12/01/14	Aaa	AAA	2.840	2.840	2,000,000.00	2,000,000.00	1,999,070.00	(930.00)	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	2,013,750.00	13,750.00	Callable 1/13/11, then cont.
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	999,654.34	1,001,250.00	1,595.66	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,005,936.42	2,119,380.00	113,443.58	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,975,528.40	2,073,440.00	97,911.60	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	999,713.47	1,005,630.00	5,916.53	
FEDERAL HOME LOAN BANK	02/26/09	02/24/14	Aaa	AAA	3.250	3.261	2,000,000.00	1,999,935.75	2,003,760.00	3,824.25	Callable 2/24/10, then qtrly
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,787,068.57	1,805,986.50	18,917.93	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,030,000.00	30,000.00	StrNt, Callable 6/30/11, once
FEDERAL HOME LOAN BANK	09/30/09	09/30/14	Aaa	AAA	2.000	3.448	2,000,000.00	2,000,000.00	2,003,120.00	3,120.00	StrNt, Callable 12/30/09, qtrly
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AAA	3.125	2.440	2,000,000.00	2,049,993.64	2,065,630.00	15,636.36	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AAA	1.700	1.700	2,000,000.00	2,000,000.00	2,013,130.00	13,130.00	
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,307.52	1,030,785.00	30,477.48	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,989,863.39	2,059,380.00	69,516.61	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,887.96	2,047,810.00	47,922.04	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,997,681.98	2,034,380.00	36,698.02	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,998,933.33	2,010,620.00	11,686.67	
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,991,041.07	2,048,130.00	57,088.93	

CITY OF SANTA BARBARA
Investment Portfolio
January 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	2,144,634.43	2,164,690.00	20,055.57	
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,998,813.89	2,026,400.00	27,586.11	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	2,025,020.00	25,020.00	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	2,021,803.28	2,041,250.00	19,446.72	
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	2,028,940.00	28,940.00	Callable 5/13/11, once
FEDERAL HOME LOAN MTG CORP	08/26/09	08/26/14	Aaa	AAA	3.625	3.625	2,000,000.00	2,000,000.00	2,004,200.00	4,200.00	Callable 2/26/10, then qtrly
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,995,495.70	2,036,340.00	40,844.30	
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	2,013,100.00	13,100.00	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	1,999,980.00	(20.00)	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	1,930,837.21	1,978,120.00	47,282.79	
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,986,999.80	2,042,920.00	55,920.20	
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	2,024,300.00	24,300.00	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	2,038,750.00	38,750.00	Callable 3/18/11, once
FEDERAL NATL MORTGAGE ASSN	03/23/09	03/23/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,015,940.00	15,940.00	StrNt, 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	1,999,483.33	2,008,440.00	8,956.67	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	2,019,070.00	19,070.00	Callable 9/09/10, 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	1,995,940.00	(4,060.00)	Callable 6/30/10, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,997,963.53	2,019,690.00	21,726.47	
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,032,500.00	32,500.00	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	2,008,760.00	8,760.00	Callable 5/20/10, once
FEDERAL NATL MORTGAGE ASSN	10/29/09	10/29/14	Aaa	AAA	2.250	3.304	2,000,000.00	2,000,000.00	2,004,070.00	4,070.00	StrNt, Callable 4/29/10 cont.
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	2,006,880.00	6,880.00	Callable 3/05/10, once
Subtotal, Federal Agencies							98,700,000.00	98,886,319.34	100,276,501.50	1,390,182.16	
CORPORATE/MEDIUM TERM NOTES											
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,019,312.23	2,112,820.00	93,507.77	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aa1	AA	4.250	5.140	2,000,000.00	1,998,023.95	2,009,260.00	11,236.05	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,993,405.24	2,080,980.00	87,574.76	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA-	4.625	5.000	2,000,000.00	1,996,457.96	2,044,460.00	48,002.04	
Subtotal, Corporate Securities							8,000,000.00	8,007,199.38	8,247,520.00	240,320.62	
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							170,513,660.84	170,707,179.56	172,337,682.34	1,630,502.78	

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.