



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** November 24, 2009  
**TO:** Mayor and Councilmembers  
**FROM:** Treasury Division, Finance Department  
**SUBJECT:** October 2009 Investment Report

**RECOMMENDATION:**

That Council accept the October 2009 Investment Report.

**DISCUSSION:**

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of October 31, 2009.

**ATTACHMENT:** October 2009 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  
October 31, 2009**

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

10/14 Federal Farm Credit Bank (FFCB)	\$ 2,000,000
10/15 LAIF Deposit - City	2,000,000
10/16 LAIF Deposit - City	1,500,000
10/20 LAIF Deposit - City	2,000,000
10/27 LAIF Deposit - City	4,000,000
10/28 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
10/29 Federal National Mortgage Association (FNMA)	2,000,000
10/30 LAIF Deposit - RDA	3,000,000
<b>Total</b>	<b>\$ 18,500,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

10/8 LAIF Withdrawal/City	\$ (1,000,000)
10/14 LAIF Withdrawal/City	(1,500,000)
10/15 Federal Home Loan Mortgage Corp (FHLMC) Call	(2,000,000)
10/16 Federal Home Loan Bank (FHLB) Call	(2,000,000)
10/22 LAIF Withdrawal/City	(2,500,000)
10/26 Federal Home Loan Bank (FHLB) Maturity	(2,345,000)
10/28 LAIF Withdrawal/City	(2,500,000)
10/29 LAIF Withdrawal/City	(2,000,000)
<b>Total</b>	<b>\$ (15,845,000)</b>

**ACTIVITY TOTAL**

**\$ 2,655,000**

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**INTEREST REVENUE**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 357,537
Amortization	5,958
SBB&T Trust Account MM Interest	1
SBB&T Sweep Account Interest	74
<b>Total</b>	<b>\$ 363,570</b>

**RDA INVESTMENTS**

Interest Earned on Investments (LAIF)	<b>\$ 11,637</b>
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**TOTAL INTEREST EARNED**

**\$ 375,207**

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**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**October 31, 2009**

**ENDING BALANCE AS OF SEPTEMBER 30, 2009**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 41,600,000	0.750%	26.27%	1
Certificates of Deposit	2,000,000	2.500%	1.26%	48
Federal Agency Issues - Coupon	97,213,984	3.351%	61.38%	910
Corporate/Medium Term Notes	10,256,386	4.797%	6.48%	307
	<u>151,070,369</u>	<u>2.722%</u>	<u>95.39%</u>	<u>607</u>
SB Airport Promissory Note	7,300,000	7.000%	4.61%	7,212
Totals and Averages	<u>\$ 158,370,369</u>	<u>2.919%</u>	<u>100.00%</u>	<u>912</u>
SBB&T Money Market Account	2,786,971			
<b>Total Cash and Investments</b>	<b><u>\$ 161,157,340</u></b>			

**NET CASH AND INVESTMENT ACTIVITY FOR OCTOBER 2009**      **\$ 3,433,534**

**ENDING BALANCE AS OF OCTOBER 31, 2009**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 44,600,000	0.650%	27.70%	1 (1)
Certificates of Deposit	2,000,000	2.500%	1.24%	17
Federal Agency Issues - Coupon	96,874,856	3.312%	60.16%	952
Corporate/Medium Term Notes	10,256,471	4.797%	6.37%	276
	<u>153,731,327</u>	<u>2.628%</u>	<u>95.47%</u>	<u>618</u>
SB Airport Promissory Note	7,300,000	7.000%	4.53%	7,181
Totals and Averages	<u>\$ 161,031,327</u>	<u>2.826%</u>	<u>100.00%</u>	<u>917</u>
SBB&T Money Market Account	3,559,547			
<b>Total Cash and Investments</b>	<b><u>\$ 164,590,874</u></b>			

Note:

(1) The average life of the LAIF portfolio as of October 31, 2009 is 253 days.

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**October 31, 2009**

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
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.650	0.650	19,500,000.00	19,500,000.00	19,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.650	0.650	25,100,000.00	25,100,000.00	25,100,000.00	0.00	
<b>Subtotal, LAIF</b>							44,600,000.00	44,600,000.00	44,600,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
MONTECITO BANK & TRUST	11/18/08	11/18/09	-	-	2.500	2.500	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	2,006,222.50	2,041,250.00	35,027.50	
FEDERAL FARM CREDIT BANK	10/14/09	10/14/14	Aaa	AAA	2.875	2.875	2,000,000.00	2,000,000.00	1,993,440.00	(6,560.00)	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	2,016,190.11	2,125,000.00	108,809.89	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,994,654.96	2,070,940.00	76,285.04	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,016,880.00	16,880.00	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	2,011,570.00	11,570.00	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	2,033,130.00	33,130.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,050,940.00	50,940.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,022,820.00	22,820.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,029,370.00	29,370.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	1,999,690.00	(310.00)	
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	996,826.20	1,010,000.00	13,173.80	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,999,863.00	2,000,000.00	137.00	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,007,029.01	2,137,500.00	130,470.99	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,969,639.51	2,086,880.00	117,240.49	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	999,084.50	1,017,190.00	18,105.50	
FEDERAL HOME LOAN BANK	02/26/09	02/24/14	Aaa	AAA	3.250	3.261	2,000,000.00	1,999,684.36	2,015,310.00	15,625.64	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	1,796,320.25	1,812,089.50	15,769.25	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,027,190.00	27,190.00	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	2,001,570.00	1,570.00	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	2,053,225.99	2,072,810.00	19,584.01	
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,423.81	1,041,405.00	40,981.19	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,987,997.76	2,067,190.00	79,192.24	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,831.62	2,069,070.00	69,238.38	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,996,202.39	2,053,440.00	57,237.61	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,996,591.87	2,033,440.00	36,848.13	
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,988,431.68	2,059,380.00	70,948.32	

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**October 31, 2009**

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	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,154,632.20	2,173,130.00	18,497.80	
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,998,563.89	2,022,480.00	23,916.11	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	2,020,560.00	20,560.00	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	2,023,868.85	2,034,690.00	10,821.15	
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	2,025,880.00	25,880.00	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	2,011,340.00	11,340.00	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	1,992,880.30	2,054,080.00	61,199.70	
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	2,014,040.00	14,040.00	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	1,995,220.00	(4,780.00)	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	1,924,041.74	1,968,180.00	44,138.26	
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,996,805.50	2,018,480.00	21,674.50	
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,981,822.73	2,058,060.00	76,237.27	
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	2,024,760.00	24,760.00	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	2,038,130.00	38,130.00	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	2,018,440.00	18,440.00	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	1,998,983.33	2,007,190.00	8,206.67	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	2,021,570.00	21,570.00	Callable 9/09/10, once
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,995,643.50	2,040,310.00	44,666.50	
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,030,630.00	30,630.00	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	2,009,690.00	9,690.00	Callable 5/20/10, once
FEDERAL NATL MORTGAGE ASSN	08/20/09	08/20/14	Aaa	AAA	3.625	3.636	2,000,000.00	1,999,394.44	2,003,120.00	3,725.56	Callable 11/20/09, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/29/09	10/29/14	Aaa	AAA	2.250	3.304	2,000,000.00	2,000,000.00	1,999,690.00	(310.00)	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	2,025,940.00	25,940.00	Callable 3/05/10, once
<b>Subtotal, Federal Agencies</b>							96,700,000.00	96,874,856.00	98,515,104.50	1,640,248.50	
<b>CORPORATE/MEDIUM TERM NOTES</b>											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aa2	AAA	4.125	3.630	2,250,000.00	2,252,187.62	2,266,965.00	14,777.38	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,023,874.17	2,116,780.00	92,905.83	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aa1	AA	4.250	5.140	2,000,000.00	1,993,982.02	2,020,740.00	26,757.98	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,991,664.69	2,077,280.00	85,615.31	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA-	4.625	5.000	2,000,000.00	1,994,762.30	2,060,580.00	65,817.70	
<b>Subtotal, Corporate Securities</b>							10,250,000.00	10,256,470.80	10,542,345.00	285,874.20	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29			7.000	7.000	7,300,000.00	7,300,000.00	7,300,000.00	0.00	
<b>Subtotal, SBA Note</b>							7,300,000.00	7,300,000.00	7,300,000.00	0.00	
<b>TOTALS</b>							160,850,000.00	161,031,326.80	162,957,449.50	1,926,122.70	

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.