



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 29, 2009
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: August 2009 Investment Report

RECOMMENDATION:

That Council accept the August 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 August 31, 2009.

ATTACHMENT: August 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
August 31, 2009

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

08/04	LAIF Deposit/City	\$ 1,500,000
08/10	LAIF Deposit/City	1,000,000
08/12	LAIF Deposit/City	1,000,000
08/17	LAIF Deposit/City	2,000,000
08/18	LAIF Deposit/City	3,500,000
08/20	Federal National Mortgage Assn. (FNMA)	2,000,000
08/26	Federal Home Loan Mortgage Corp. (FHLMC)	2,000,000
	Total	\$ 13,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

08/13	LAIF Withdrawal/City	\$ (6,000,000)
08/17	Federal Farm Credit Bank (FFCB) Maturity	(2,000,000)
08/18	Federal Home Loan Bank (FHLB) Maturity	(2,000,000)
08/20	LAIF Withdrawal/City	(1,500,000)
08/26	LAIF Withdrawal/City	(1,000,000)
08/27	LAIF Withdrawal/City	(4,000,000)
08/31	LAIF Withdrawal/RDA	(1,000,000)
	Total	\$ (17,500,000)

ACTIVITY TOTAL **\$ (4,500,000)**

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 372,734
Amortization	12,104
SBB&T Sweep Account Interest	165
Total	\$ 385,004

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 18,908
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TOTAL INTEREST EARNED **\$ 403,912**

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

ENDING BALANCE AS OF JULY 31, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 50,100,000	1.040%	30.81%	1
Certificates of Deposit	2,000,000	2.500%	1.23%	109
Federal Agency Issues - Coupon	90,956,242	3.578%	55.93%	800
Corporate/Medium Term Notes	<u>12,254,708</u>	<u>4.878%</u>	<u>7.54%</u>	<u>316</u>
	155,310,950	2.848%	95.51%	495
SB Airport Promissory Note	7,300,000	7.000%	4.49%	7,273
Totals and Averages	<u>\$ 162,610,950</u>	<u>3.034%</u>	<u>100.00%</u>	<u>799</u>
SBB&T Money Market Account	2,398,223			
Total Cash and Investments	<u>\$ 165,009,173</u>			

NET CASH AND INVESTMENT ACTIVITY FOR AUGUST 2009 **\$ (3,672,781)**

ENDING BALANCE AS OF AUGUST 31, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 45,600,000	0.925%	28.84%	1 (1)
Certificates of Deposit	2,000,000	2.500%	1.26%	78
Federal Agency Issues - Coupon	90,966,234	3.553%	57.53%	849
Corporate/Medium Term Notes	<u>12,255,821</u>	<u>4.879%</u>	<u>7.75%</u>	<u>285</u>
	150,822,055	2.852%	95.38%	537
SB Airport Promissory Note	7,300,000	7.000%	4.62%	7,242
Totals and Averages	<u>\$ 158,122,055</u>	<u>3.044%</u>	<u>100.00%</u>	<u>846</u>
SBB&T Money Market Account	3,214,338			
Total Cash and Investments	<u>\$ 161,336,392</u>			

Note:

(1) The average life of the LAIF portfolio as of August 31, 2009 is 203 days .

CITY OF SANTA BARBARA
Investment Portfolio
August 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
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.925	0.925	22,500,000.00	22,500,000.00	22,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.925	0.925	23,100,000.00	23,100,000.00	23,100,000.00	0.00	
Subtotal, LAIF							45,600,000.00	45,600,000.00	45,600,000.00	0.00	
CERTIFICATES OF DEPOSIT											
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	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	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	2,006,640.59	2,027,820.00	21,179.41	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,018,413.01	2,136,880.00	118,466.99	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,993,564.14	2,083,440.00	89,875.86	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,025,620.00	25,620.00	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	2,012,190.00	12,190.00	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	2,021,250.00	21,250.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,026,250.00	26,250.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	1,995,320.00	(4,680.00)	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,013,440.00	13,440.00	
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	994,940.78	1,015,785.00	20,844.22	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,995,752.85	2,010,620.00	14,867.15	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,007,757.41	2,144,690.00	136,932.59	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,965,713.58	2,093,750.00	128,036.42	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	998,665.18	1,024,535.00	25,869.82	
FEDERAL HOME LOAN BANK	02/26/09	02/24/14	Aaa	AAA	3.250	3.261	2,000,000.00	1,999,516.76	2,013,440.00	13,923.24	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	1,802,488.03	1,819,799.00	17,310.97	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,012,820.00	12,820.00	StrNt, Callable 6/30/11, once
FEDERAL HOME LOAN BANK	07/16/09	07/16/12	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,003,120.00	3,120.00	Callable 10/16/09, once
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,501.33	1,047,815.00	47,313.67	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,986,754.00	2,067,190.00	80,436.00	
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,000,047.08	1,001,250.00	1,202.92	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,997.59	2,361,860.55	16,862.96	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,794.07	2,082,500.00	82,705.93	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,995,216.00	2,065,310.00	70,094.00	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,995,030.89	2,047,810.00	52,779.11	
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,986,692.08	2,064,380.00	77,687.92	
FEDERAL HOME LOAN BANK	09/25/08	09/25/09	Aaa	AAA	3.250	3.250	2,000,000.00	2,000,000.00	2,003,760.00	3,760.00	
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,998,397.22	2,009,240.00	10,842.78	Callable 4/08/11, once

CITY OF SANTA BARBARA
Investment Portfolio
August 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 MTG CORP	05/19/09	11/19/12	Aaa	AAA	2.170	2.170	2,000,000.00	2,000,000.00	2,007,440.00	7,440.00	Callable 5/19/11, once
FEDERAL HOME LOAN MTG CORP	03/24/09	03/24/14	Aaa	AAA	3.500	3.500	2,000,000.00	2,000,000.00	2,003,560.00	3,560.00	Callable quarterly
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	2,012,400.00	12,400.00	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	2,015,100.00	15,100.00	Callable 2/26/10, then qtrly
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	1,000,000.00	1,000,000.00	0.00	
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,991,136.71	2,065,900.00	74,763.29	
FEDERAL HOME LOAN MTG CORP	10/15/07	10/15/12	Aaa	AAA	5.050	5.050	2,000,000.00	2,000,000.00	2,010,880.00	10,880.00	Callable 10/15/09, once
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	2,000,220.00	220.00	Callable 7/30/10, once
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AAA	1.000	2.420	2,000,000.00	1,919,511.43	1,949,280.00	29,768.57	
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,994,523.72	2,031,660.00	37,136.28	
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,978,371.35	2,067,680.00	89,308.65	
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	2,015,580.00	15,580.00	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	2.000	2,000,000.00	2,000,000.00	2,015,310.00	15,310.00	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	1,998,650.00	2,010,310.00	11,660.00	Callable 5/04/10, once
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,994,096.82	2,053,440.00	59,343.18	
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,025,630.00	25,630.00	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	2,003,130.00	3,130.00	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	1,999,061.11	2,010,000.00	10,938.89	Callable 11/20/09, then qtrly
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	2,038,440.00	38,440.00	Callable 3/05/10, once
Subtotal, Federal Agencies							91,045,000.00	90,966,233.73	92,600,974.55	1,634,740.82	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aa2	AAA	4.125	3.630	2,250,000.00	2,253,961.37	2,284,065.00	30,103.63	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,026,915.47	2,113,820.00	86,904.53	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aa2	AA+	4.625	5.300	2,000,000.00	1,999,520.47	2,002,460.00	2,939.53	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aa1	AA	4.250	5.140	2,000,000.00	1,991,287.41	2,029,000.00	37,712.59	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,990,504.32	2,075,000.00	84,495.68	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA-	4.625	5.000	2,000,000.00	1,993,631.86	2,067,200.00	73,568.14	
Subtotal, Corporate Securities							12,250,000.00	12,255,820.90	12,571,545.00	315,724.10	
SB AIRPORT PROMISSORY NOTE (LT)											
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	
Subtotal, SBA Note							7,300,000.00	7,300,000.00	7,300,000.00	0.00	
TOTALS							158,195,000.00	158,122,054.63	160,072,519.55	1,950,464.92	

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.