



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 25, 2009
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: July 2009 Investment Report

RECOMMENDATION:

That Council accept the July 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 July 31, 2009.

ATTACHMENT: July 2009 Investment Report
SUBMITTED BY: Robert D. Peirson, Finance Director
APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
July 31, 2009

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

| | | |
|-------|--|----------------------|
| 07/01 | LAIF Deposit/City | \$ 1,000,000 |
| 07/06 | LAIF Deposit/City | 1,000,000 |
| 07/08 | LAIF Deposit/City | 1,500,000 |
| 07/13 | LAIF Deposit/City | 1,000,000 |
| 07/16 | Federal Home Loan Mortgage Corp. (FHLMC) | 2,000,000 |
| 07/21 | LAIF Deposit/City | 2,000,000 |
| 07/22 | LAIF Deposit/City | 1,000,000 |
| 07/27 | LAIF Deposit/City | 1,000,000 |
| 07/30 | Federal Home Loan Bank (FHLB) | 2,000,000 |
| | Total | \$ 12,500,000 |

SALES, MATURITIES, CALLS OR WITHDRAWALS

| | | |
|-------|---|------------------------|
| 07/02 | LAIF Withdrawal/City | \$ (2,000,000) |
| 07/10 | LAIF Withdrawal/City | (1,500,000) |
| 07/14 | Santa Barbara Airport Promissory Note - Principal Paydown | (500,000) |
| 07/15 | Federal Home Loan Bank (FHLB) Call | (2,000,000) |
| 07/16 | LAIF Withdrawal/City | (1,000,000) |
| 07/20 | LAIF Withdrawal/City | (3,000,000) |
| 07/21 | Federal Home Loan Bank (FHLB) Call | (2,000,000) |
| 07/24 | LAIF Withdrawal/City | (1,000,000) |
| 07/30 | LAIF Withdrawal/City | (5,500,000) |
| 07/31 | LAIF Withdrawal/City | (500,000) |
| | Total | \$ (19,000,000) |

ACTIVITY TOTAL

\$ (6,500,000)

INTEREST REVENUE

POOLED INVESTMENTS

| | |
|--------------------------------|-------------------|
| Interest Earned on Investments | \$ 383,521 |
| Amortization | 11,696 |
| SBB&T Sweep Account Interest | 178 |
| Total | \$ 395,396 |

RDA INVESTMENTS

| | |
|---------------------------------------|------------------|
| Interest Earned on Investments (LAIF) | \$ 21,670 |
|---------------------------------------|------------------|

TOTAL INTEREST EARNED

\$ 417,065

CITY OF SANTA BARBARA
Investment Portfolio
July 31, 2009

| 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 | - | - | - | - | 1.040 | 1.040 | 26,000,000.00 | 26,000,000.00 | 26,000,000.00 | 0.00 | |
| LOCAL AGENCY INV FUND/RDA | - | - | - | - | 1.040 | 1.040 | 24,100,000.00 | 24,100,000.00 | 24,100,000.00 | 0.00 | |
| Subtotal, LAIF | | | | | | | 50,100,000.00 | 50,100,000.00 | 50,100,000.00 | 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 | 2,006,849.63 | 2,028,130.00 | 21,280.37 | |
| FEDERAL FARM CREDIT BANK | 08/17/06 | 08/17/09 | Aaa | AAA | 5.125 | 5.150 | 2,000,000.00 | 1,999,979.56 | 2,003,760.00 | 3,780.44 | |
| FEDERAL FARM CREDIT BANK | 11/07/06 | 01/18/11 | Aaa | AAA | 5.750 | 5.000 | 2,000,000.00 | 2,019,524.46 | 2,142,190.00 | 122,665.54 | |
| FEDERAL FARM CREDIT BANK | 01/29/07 | 08/25/10 | Aaa | AAA | 4.750 | 5.111 | 2,000,000.00 | 1,993,018.72 | 2,086,570.00 | 93,551.28 | |
| FEDERAL FARM CREDIT BANK | 02/01/08 | 02/01/13 | Aaa | AAA | 3.790 | 3.790 | 2,000,000.00 | 2,000,000.00 | 2,026,880.00 | 26,880.00 | 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 | 2,021,250.00 | 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 | 2,021,250.00 | 21,250.00 | |
| FEDERAL FARM CREDIT BANK | 05/08/09 | 04/08/13 | Aaa | AAA | 2.200 | 2.200 | 2,000,000.00 | 2,000,000.00 | 1,988,750.00 | (11,250.00) | |
| FEDERAL FARM CREDIT BANK | 06/19/09 | 06/18/12 | Aaa | AAA | 2.125 | 2.125 | 2,000,000.00 | 2,000,000.00 | 2,013,130.00 | 13,130.00 | |
| FEDERAL HOME LOAN BANK | 10/25/06 | 02/12/10 | Aaa | AAA | 3.875 | 5.117 | 1,000,000.00 | 993,998.06 | 1,018,440.00 | 24,441.94 | |
| FEDERAL HOME LOAN BANK | 12/18/06 | 11/03/09 | Aaa | AAA | 3.500 | 4.834 | 2,000,000.00 | 1,993,697.78 | 2,015,620.00 | 21,922.22 | |
| FEDERAL HOME LOAN BANK | 05/22/07 | 06/10/11 | Aaa | AAA | 5.250 | 5.005 | 2,000,000.00 | 2,008,121.60 | 2,144,060.00 | 135,938.40 | |
| FEDERAL HOME LOAN BANK | 07/09/07 | 02/15/11 | Aaa | AAA | 4.000 | 5.308 | 2,000,000.00 | 1,963,750.62 | 2,093,750.00 | 129,999.38 | |
| FEDERAL HOME LOAN BANK | 07/09/07 | 03/12/10 | Aaa | AAA | 5.000 | 5.268 | 1,000,000.00 | 998,455.52 | 1,027,970.00 | 29,514.48 | |
| FEDERAL HOME LOAN BANK | 02/26/09 | 02/24/14 | Aaa | AAA | 3.250 | 3.261 | 2,000,000.00 | 1,999,432.96 | 2,001,250.00 | 1,817.04 | 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 | 1,805,571.93 | 1,811,299.00 | 5,727.07 | |
| FEDERAL HOME LOAN BANK | 06/30/09 | 06/30/14 | Aaa | AAA | 2.000 | 2.000 | 2,000,000.00 | 2,000,000.00 | 1,995,320.00 | (4,680.00) | 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 | 1,995,010.00 | (4,990.00) | 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 | 1,000,540.10 | 1,049,375.00 | 48,834.90 | |
| FEDERAL HOME LOAN BANK | 05/23/08 | 06/10/11 | Aaa | AAA | 3.125 | 3.520 | 2,000,000.00 | 1,986,132.12 | 2,063,440.00 | 77,307.88 | |
| FEDERAL HOME LOAN BANK | 09/25/08 | 08/18/09 | Aaa | AAA | 3.750 | 3.231 | 2,000,000.00 | 2,000,476.84 | 2,003,120.00 | 2,643.16 | |
| FEDERAL HOME LOAN BANK | 10/18/06 | 09/11/09 | Aaa | AAA | 5.250 | 5.060 | 1,000,000.00 | 1,000,188.30 | 1,005,000.00 | 4,811.70 | |
| FEDERAL HOME LOAN BANK | 11/07/06 | 10/26/09 | Aaa | AAA | 5.000 | 5.000 | 2,345,000.00 | 2,344,996.27 | 2,370,654.30 | 25,658.03 | |
| FEDERAL HOME LOAN BANK | 11/08/06 | 07/30/10 | Aaa | AAA | 5.000 | 5.010 | 2,000,000.00 | 1,999,775.29 | 2,086,570.00 | 86,794.71 | |
| FEDERAL HOME LOAN BANK | 12/18/06 | 06/22/10 | Aaa | AAA | 4.500 | 4.825 | 2,000,000.00 | 1,994,722.80 | 2,069,690.00 | 74,967.20 | |
| FEDERAL HOME LOAN BANK | 06/18/07 | 03/12/10 | Aaa | AAA | 4.875 | 5.382 | 2,000,000.00 | 1,994,250.41 | 2,054,070.00 | 59,819.59 | |
| FEDERAL HOME LOAN BANK | 06/16/08 | 12/10/10 | Aaa | AAA | 3.250 | 3.800 | 2,000,000.00 | 1,985,822.28 | 2,064,380.00 | 78,557.72 | |

CITY OF SANTA BARBARA
Investment Portfolio
July 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 | 09/25/08 | 09/25/09 | Aaa | AAA | 3.250 | 3.250 | 2,000,000.00 | 2,000,000.00 | 2,008,760.00 | 8,760.00 | |
| FEDERAL HOME LOAN MTG CORP | 04/08/09 | 04/08/13 | Aaa | AAA | 2.500 | 2.526 | 2,000,000.00 | 1,998,313.89 | 1,996,960.00 | (1,353.89) | 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 | 1,999,680.00 | (320.00) | 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 | 1,995,940.00 | (4,060.00) | 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 | 1,999,600.00 | (400.00) | Callable 5/13/11, once |
| FEDERAL HOME LOAN MTG CORP | 09/14/06 | 09/01/09 | Aaa | AAA | 4.125 | 5.070 | 1,000,000.00 | 999,276.57 | 1,002,800.00 | 3,523.43 | |
| FEDERAL HOME LOAN MTG CORP | 05/29/07 | 07/06/10 | Aaa | AAA | 4.500 | 5.070 | 2,000,000.00 | 1,990,264.91 | 2,069,600.00 | 79,335.09 | |
| 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 | 2,018,180.00 | 18,180.00 | 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 | 1,990,580.00 | (9,420.00) | 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 | 1,917,246.27 | 1,943,200.00 | 25,953.73 | |
| FEDERAL HOME LOAN MTG CORP | 01/29/07 | 01/25/10 | Aaa | AAA | 4.375 | 5.122 | 2,000,000.00 | 1,993,382.83 | 2,037,500.00 | 44,117.17 | |
| FEDERAL HOME LOAN MTG CORP | 05/22/07 | 09/17/10 | Aaa | AAA | 3.880 | 5.015 | 2,000,000.00 | 1,976,645.66 | 2,068,940.00 | 92,294.34 | |
| 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 | 2,007,180.00 | 7,180.00 | 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 | 2,025,630.00 | 25,630.00 | 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 | 2,010,000.00 | 10,000.00 | 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 | 1,998,483.33 | 2,000,630.00 | 2,146.67 | 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 | 1,993,323.48 | 2,059,070.00 | 65,746.52 | |
| FEDERAL NATL MORTGAGE ASSN | 02/27/09 | 02/24/12 | Aaa | AAA | 2.250 | 2.250 | 2,000,000.00 | 2,000,000.00 | 2,018,130.00 | 18,130.00 | 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 | 1,992,820.00 | (7,180.00) | Callable 5/20/10, once |
| FEDERAL NATL MORTGAGE ASSN | 03/05/08 | 03/05/13 | Aaa | AAA | 4.100 | 4.100 | 2,000,000.00 | 2,000,000.00 | 2,041,570.00 | 41,570.00 | Callable 3/05/10, once |
| Subtotal, Federal Agencies | | | | | | | <u>91,045,000.00</u> | <u>90,956,242.19</u> | <u>92,499,268.30</u> | <u>1,543,026.11</u> | |
| CORPORATE/MEDIUM TERM NOTES | | | | | | | | | | | |
| BERKSHIRE HATHAWAY FIN | 01/15/08 | 01/15/10 | Aa2 | AAA | 4.125 | 3.630 | 2,250,000.00 | 2,254,848.25 | 2,287,552.50 | 32,704.25 | |
| GENERAL ELECTRIC CAPITAL CORP | 01/10/07 | 02/22/11 | Aa2 | AA+ | 6.125 | 5.100 | 2,000,000.00 | 2,028,436.11 | 2,104,460.00 | 76,023.89 | |
| GENERAL ELECTRIC CAPITAL CORP | 08/15/06 | 09/15/09 | Aa2 | AA+ | 4.625 | 5.300 | 2,000,000.00 | 1,998,492.90 | 2,008,220.00 | 9,727.10 | |
| TOYOTA MOTOR CREDIT | 10/19/06 | 03/15/10 | Aa1 | AA | 4.250 | 5.140 | 2,000,000.00 | 1,989,940.10 | 2,036,080.00 | 46,139.90 | |
| WELLS FARGO & CO. | 05/30/07 | 01/12/11 | A1 | AA- | 4.875 | 5.260 | 2,000,000.00 | 1,989,924.13 | 2,074,120.00 | 84,195.87 | |
| WELLS FARGO & CO. | 10/10/06 | 08/09/10 | A1 | AA- | 4.625 | 5.000 | 2,000,000.00 | 1,993,066.65 | 2,053,560.00 | 60,493.35 | |
| Subtotal, Corporate Securities | | | | | | | <u>12,250,000.00</u> | <u>12,254,708.14</u> | <u>12,563,992.50</u> | <u>309,284.36</u> | |
| 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 | | | | | | | <u>7,300,000.00</u> | <u>7,300,000.00</u> | <u>7,300,000.00</u> | <u>0.00</u> | |
| TOTALS | | | | | | | <u>162,695,000.00</u> | <u>162,610,950.33</u> | <u>164,463,260.80</u> | <u>1,852,310.47</u> | |

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.