



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 22, 2011

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: October 2011 Investment Report

RECOMMENDATION:

That Council accept the October 2011 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, 2011.

ATTACHMENT: October 2011 Investment Report

PREPARED BY: Jill Taura, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
 October 31, 2011

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

10/3 LAIF Deposit - City	\$ 2,000,000
10/3 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
10/6 LAIF Deposit - City	3,000,000
10/19 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
10/25 LAIF Deposit - City	4,000,000
10/28 Federal National Mortgage Association (FNMA)	2,000,000
10/31 LAIF Deposit - City	3,000,000
Total	\$ 18,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

10/3 Federal Farm Credit Bank (FFCB) - Maturity	\$ (2,000,000)
10/5 LAIF Withdrawal - City	(3,000,000)
10/7 LAIF Withdrawal - City	(500,000)
10/19 LAIF Withdrawal - City	(4,000,000)
10/21 LAIF Withdrawal - City	(2,000,000)
Total	\$ (11,500,000)

ACTIVITY TOTAL

\$ 6,500,000

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 252,074
Amortization	(19,749)
Interest on SBB&T Accounts	239
Total	\$ 232,564

TOTAL INTEREST EARNED

\$ 232,564

CITY OF SANTA BARBARA
Summary of Cash and Investments
October 31, 2011

ENDING BALANCE AS OF SEPTEMBER 30, 2011

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 36,500,000	0.384%	22.57%	1
Certificates of Deposit	2,000,000	1.750%	1.24%	48
Federal Agency Issues - Coupon	105,019,173	1.923%	64.93%	1,086
Corporate/Medium Term Notes	<u>12,250,419</u>	<u>1.779%</u>	<u>7.57%</u>	<u>1,331</u>
	155,769,591	1.549%	96.31%	838
SB Airport Promissory Note	<u>5,962,504</u>	<u>7.000%</u>	<u>3.69%</u>	<u>6,482</u>
Totals and Averages	<u>\$ 161,732,095</u>	<u>1.750%</u>	<u>100.00%</u>	<u>1,046</u>
SBB&T Money Market Account	5,746,774			
Total Cash and Investments	<u>\$ 167,478,869</u>			

NET CASH AND INVESTMENT ACTIVITY FOR OCTOBER 2011 **\$ 2,080,216**

ENDING BALANCE AS OF OCTOBER 31, 2011

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 39,000,000	0.385%	23.19%	1 (1)
Certificates of Deposit	2,000,000	1.750%	1.19%	17
Federal Agency Issues - Coupon	109,005,345	1.917%	64.80%	1,117
Corporate/Medium Term Notes	<u>12,242,497</u>	<u>1.779%</u>	<u>7.28%</u>	<u>1,300</u>
	162,247,842	1.536%	96.46%	849
SB Airport Promissory Note	<u>5,962,504</u>	<u>7.000%</u>	<u>3.54%</u>	<u>6,451</u>
Totals and Averages	<u>\$ 168,210,346</u>	<u>1.730%</u>	<u>100.00%</u>	<u>1,048</u>
SBB&T Money Market Account	1,348,739			
Total Cash and Investments	<u>\$ 169,559,085</u>			

Note:

(1) The average life of the LAIF portfolio as of October 31, 2011 is 229 days.

CITY OF SANTA BARBARA
Investment Portfolio
October 31, 2011

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	-	-	-	-	0.385	0.385	39,000,000.00	39,000,000.00	39,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.385	0.385	0.00	0.00	0.00	0.00	
Subtotal, LAIF							39,000,000.00	39,000,000.00	39,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
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							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	AA+	2.250	2.120	2,000,000.00	2,001,205.48	2,019,840.00	18,634.52	
FEDERAL FARM CREDIT BANK	10/28/10	10/28/15	Aaa	AA+	1.540	1.540	2,000,000.00	2,000,000.00	2,000,500.00	500.00	Callable 11/01/11, then cont.
FEDERAL FARM CREDIT BANK	12/10/10	12/08/14	Aaa	AA+	1.500	1.662	2,000,000.00	1,998,708.10	2,001,760.00	3,051.90	Callable 12/08/11, then cont.
FEDERAL FARM CREDIT BANK	02/02/11	02/02/15	Aaa	AA+	2.000	2.000	1,500,000.00	1,500,000.00	1,504,740.00	4,740.00	Callable 02/02/12, then cont.
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,039,060.00	39,060.00	
FEDERAL FARM CREDIT BANK	03/09/11	03/09/16	Aaa	AA+	2.600	2.621	2,000,000.00	1,999,288.89	2,017,560.00	18,271.11	Callable 03/09/12, then cont.
FEDERAL FARM CREDIT BANK	12/15/10	12/15/15	Aaa	AA+	2.480	2.480	2,000,000.00	2,000,000.00	2,005,220.00	5,220.00	Callable 12/15/11, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AA+	2.000	2.002	2,000,000.00	2,000,000.00	2,008,140.00	8,140.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AA+	2.600	2.600	2,000,000.00	2,000,000.00	2,060,480.00	60,480.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,053,000.00	53,000.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AA+	2.125	2.125	2,000,000.00	2,000,000.00	2,023,340.00	23,340.00	
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AA+	2.900	2.916	2,000,000.00	1,999,656.42	2,016,360.00	16,703.58	Callable 04/09/12, once
FEDERAL FARM CREDIT BANK	11/23/10	11/23/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,017,040.00	17,040.00	Callable 05/23/12, then cont.
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,120,840.00	120,840.00	
FEDERAL HOME LOAN BANK	06/30/11	06/30/16	Aaa	AA+	1.300	2.297	2,000,000.00	2,000,000.00	2,003,120.00	3,120.00	SU 3% Callable 12/30/11, then qtrly
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AA+	4.375	2.110	1,700,000.00	1,722,306.82	1,742,347.00	20,040.18	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,061,560.00	61,560.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,040,900.00	40,900.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,027,367.21	2,112,220.00	84,852.79	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	2,027,760.00	27,760.00	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,064,140.00	64,140.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	2,016,280.00	16,280.00	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AA+	2.000	2.653	2,000,000.00	2,000,000.00	2,033,260.00	33,260.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	06/30/10	06/30/14	Aaa	AA+	1.125	2.277	2,000,000.00	2,000,000.00	2,001,260.00	1,260.00	SU 3% Callable 12/30/11, once
FEDERAL HOME LOAN BANK	09/26/11	08/28/13	Aaa	AA+	1.000	0.381	1,000,000.00	1,011,250.65	1,010,920.00	(330.65)	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,074,650.03	2,147,540.00	72,889.97	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,040,228.71	2,112,220.00	71,991.29	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AA+	1.375	1.325	2,000,000.00	2,000,591.82	2,013,700.00	13,108.18	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,062,420.00	62,420.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,077,660.00	77,660.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,547,688.58	1,546,950.00	(738.58)	
FEDERAL HOME LOAN MTG CORP	10/19/11	10/19/16	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,998,460.00	(1,540.00)	Callable 07/19/12, then qtrly

CITY OF SANTA BARBARA
Investment Portfolio
October 31, 2011

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 MTG CORP	09/03/09	09/21/12	Aaa	AA+	2.125	1.699	2,000,000.00	2,007,344.26	2,033,560.00	26,215.74	
FEDERAL HOME LOAN MTG CORP	11/23/10	11/23/15	Aaa	AA+	1.750	1.845	2,000,000.00	1,999,450.00	2,001,780.00	2,330.00	Callable 11/23/11, once
FEDERAL HOME LOAN MTG CORP	01/06/11	02/25/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,039,360.00	39,360.00	
FEDERAL HOME LOAN MTG CORP	09/27/11	09/27/16	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,994,860.00	(5,140.00)	Callable 12/27/11, then qtrly
FEDERAL HOME LOAN MTG CORP	09/28/11	09/28/16	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	1,993,520.00	(6,480.00)	Callable 09/28/12, once
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AA+	1.000	2.420	2,000,000.00	1,978,405.51	2,009,980.00	31,574.49	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AA+	1.125	1.197	1,000,000.00	999,656.18	1,004,600.00	4,943.82	
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,135,540.23	2,183,880.00	48,339.77	
FEDERAL HOME LOAN MTG CORP	10/03/11	10/03/16	Aaa	AA+	1.000	1.612	2,000,000.00	2,000,000.00	1,994,440.00	(5,560.00)	SU 2.25% Callable 04/03/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.000	1.401	1,000,000.00	999,545.83	1,001,180.00	1,634.17	SU 1%-3%, Call 09/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	02/17/11	02/17/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,014,740.00	14,740.00	Callable 02/17/12, once
FEDERAL NATL MORTGAGE ASSN	06/07/11	03/07/16	Aaa	AA+	2.075	2.075	2,000,000.00	2,000,000.00	2,019,540.00	19,540.00	Callable 06/07/12, once
FEDERAL NATL MORTGAGE ASSN	07/05/11	07/05/16	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,005,960.00	5,960.00	Callable 01/05/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	07/19/11	07/19/16	Aaa	AA+	1.900	2.106	1,000,000.00	1,000,000.00	1,003,470.00	3,470.00	SU 2%-3.5%, Call 01/19/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.300	1.475	2,000,000.00	2,000,000.00	1,999,440.00	(560.00)	SU 1.3%-2.25%, Call 03/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,998,008.33	2,013,860.00	15,851.67	Callable 10/28/13, once
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AA+	2.000	2.055	2,000,000.00	1,997,985.00	2,026,500.00	28,515.00	Callable 08/10/12, once
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,037,840.00	37,840.00	
FEDERAL NATL MORTGAGE ASSN	12/28/10	12/28/15	Aaa	AA+	2.000	2.011	2,000,000.00	1,999,841.67	2,005,400.00	5,558.33	Callable 12/28/11, once
FEDERAL NATL MORTGAGE ASSN	04/11/11	04/11/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,019,700.00	19,700.00	Callable 04/11/12, once
FEDERAL NATL MORTGAGE ASSN	06/27/11	06/27/16	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,028,900.00	28,900.00	Callable 06/27/13, once
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,076,200.00	76,200.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,966,625.63	2,053,340.00	86,714.37	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,056,220.00	56,220.00	Callable 04/18/13, once
FEDERAL NATL MORTGAGE ASSN	06/29/11	12/29/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,007,340.00	7,340.00	Callable 03/29/12, once
Subtotal, Federal Agencies							108,700,000.00	109,005,345.35	110,586,207.00	1,580,861.65	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,993,816.67	2,070,700.00	76,883.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	Aa2	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,003,060.00	3,060.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	Aa2	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,022,720.00	22,720.00	
PRES & FELLOWS OF HARVARD COLL	07/12/11	01/15/14	Aaa	AAA	5.000	1.000	2,000,000.00	2,173,818.29	2,200,840.00	27,021.71	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,056,312.11	2,050,300.00	(6,012.11)	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,018,549.85	2,008,300.00	(10,249.85)	
Subtotal, Corporate Securities							12,000,000.00	12,242,496.92	12,355,920.00	113,423.08	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	5,962,504.03	5,962,504.03	5,962,504.03	0.00	
Subtotal, SBA Note							5,962,504.03	5,962,504.03	5,962,504.03	0.00	
TOTALS							167,662,504.03	168,210,346.30	169,904,631.03	1,694,284.73	

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.