



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 20, 2007
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: October 2007 Investment Report

RECOMMENDATION:

That Council accept the October 2007 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, 2007.

ATTACHMENT: October 2007 Investment Report
SUBMITTED BY: Robert D. Peirson, Finance Director
APPROVED BY: City Administrator's Office

REVIEWED BY: _____ Finance _____ Attorney

Agenda Item No. _____

CITY OF SANTA BARBARA
Activity and Interest Report
October 31, 2007

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

10/01	LAIF Deposit/City	\$ 1,500,000
10/04	LAIF Deposit/City	1,000,000
10/15	Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
10/23	LAIF Deposit/City	1,000,000
10/31	LAIF Deposit/City	3,000,000
10/31	LAIF Deposit/RDA	2,000,000
	Total	\$ 10,500,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

10/12	LAIF Withdrawal/City	\$ (2,000,000)
10/15	LAIF Withdrawal/City	(2,000,000)
10/16	LAIF Withdrawal/City	(1,500,000)
10/24	Federal Farm Credit Bank (FFCB) Maturity	(1,000,000)
10/25	LAIF Withdrawal/City	(2,000,000)
10/26	LAIF Withdrawal/City	(1,000,000)
10/29	LAIF Withdrawal/City	(500,000)
10/30	Federal Home Loan Bank (FHLB) Maturity	(1,000,000)
	Total	\$ (11,000,000)

ACTIVITY TOTAL

\$ (500,000)

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 542,643
Amortization	38,640
SBB&T Sweep Account Interest	6,079
SBB&T Trust Account M/M Interest	1,147
Total	\$ 588,509

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 58,316
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TOTAL INTEREST EARNED

\$ 646,825

CITY OF SANTA BARBARA
Summary of Cash and Investments
October 31, 2007

ENDING BALANCE AS OF SEPTEMBER 30, 2007

<u>Description</u>	<u>Book Value</u>	<u>Yield to Maturity (365 days)</u>	<u>Percent of Portfolio</u>	<u>Average Days to Maturity</u>
State of California LAIF	\$ 31,000,000	5.250%	20.25%	1
Certificates of Deposit	2,000,000	5.000%	1.31%	414
Treasury Securities - Coupon	3,958,038	4.753%	2.59%	548
Federal Agency Issues - Coupon	99,277,288	4.958%	64.84%	709
Corporate/Medium Term Notes	16,876,923	5.103%	11.02%	800
Totals and Averages	<u>\$ 153,112,249</u>	<u>5.028%</u>	<u>100.00%</u>	<u>568</u>
SBB&T Money Market Account	3,441,835			
Total Cash and Investments	<u>\$ 156,554,084</u>			

NET CASH AND INVESTMENT ACTIVITY FOR OCTOBER 2007 **\$ (1,104,598)**

ENDING BALANCE AS OF OCTOBER 31, 2007

<u>Description</u>	<u>Book Value</u>	<u>Yield to Maturity (365 days)</u>	<u>Percent of Portfolio</u>	<u>Average Days to Maturity</u>
State of California LAIF	\$ 30,500,000	5.140%	19.98%	1 (1)
Certificates of Deposit	2,000,000	5.000%	1.31%	383
Treasury Securities - Coupon	3,960,590	4.752%	2.59%	517
Federal Agency Issues - Coupon	99,306,979	4.979%	65.06%	715
Corporate/Medium Term Notes	16,883,320	5.103%	11.02%	769
Totals and Averages	<u>\$ 152,650,889</u>	<u>5.019%</u>	<u>100.00%</u>	<u>569</u>
SBB&T Money Market Account	2,798,597			
Total Cash and Investments	<u>\$ 155,449,485</u>			

Note:

(1) The average life of the LAIF portfolio as of October 31, 2007 is 197 days.

CITY OF SANTA BARBARA
Investment Portfolio
October 31, 2007

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	-	-	-	-	5.140	5.140	15,000,000.00	15,000,000.00	15,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	5.140	5.140	15,500,000.00	15,500,000.00	15,500,000.00	0.00	
Subtotal, LAIF							30,500,000.00	30,500,000.00	30,500,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/06	11/18/08	-	-	5.000	5.000	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	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,996,468.19	2,027,340.00	30,871.81	
U S TREASURY NOTE	02/01/06	02/15/09	Aaa	AAA	3.000	4.501	2,000,000.00	1,964,121.62	1,975,470.00	11,348.38	
Subtotal, Treasury Securities							4,000,000.00	3,960,589.81	4,002,810.00	42,220.19	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,976,630.91	1,992,820.00	16,189.09	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,174.56	2,026,560.00	27,385.44	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,042,864.90	2,081,560.00	38,695.10	
FEDERAL FARM CREDIT BANK	06/02/06	02/18/09	Aaa	AAA	5.260	5.280	2,000,000.00	1,999,578.93	2,021,250.00	21,671.07	
FEDERAL FARM CREDIT BANK	08/28/06	12/17/08	Aaa	AAA	3.700	5.170	2,000,000.00	1,969,057.80	1,983,750.00	14,692.20	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,981,565.07	2,019,370.00	37,804.93	
FEDERAL FARM CREDIT BANK	01/29/07	01/22/09	Aaa	AAA	5.010	5.150	2,000,000.00	1,996,758.99	2,013,750.00	16,991.01	
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	974,201.10	990,005.00	15,803.90	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,950,541.26	1,967,820.00	17,278.74	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,015,769.75	2,051,880.00	36,110.25	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,922,528.40	1,974,690.00	52,161.60	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	994,052.72	1,014,530.00	20,477.28	
FEDERAL HOME LOAN BANK	05/18/07	05/15/12	Aaa	AAA	5.500	5.523	2,000,000.00	1,998,913.17	2,008,440.00	9,526.83	Callable to maturity
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,001,354.12	1,019,375.00	18,020.88	
FEDERAL HOME LOAN BANK	12/18/06	04/21/08	Aaa	AAA	3.450	5.021	2,000,000.00	1,985,794.62	1,989,070.00	3,275.38	
FEDERAL HOME LOAN BANK	05/10/07	11/10/10	Aaa	AAA	5.125	5.125	2,000,000.00	2,000,000.00	2,010,310.00	10,310.00	Callable 11/10/2008 once
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,007,511.44	2,026,560.00	19,048.56	
FEDERAL HOME LOAN BANK	11/23/04	11/23/07	Aaa	AAA	3.440	3.440	1,000,000.00	1,000,000.00	999,220.00	(780.00)	Callable to maturity
FEDERAL HOME LOAN BANK	01/14/05	07/14/08	Aaa	AAA	4.000	4.000	1,000,000.00	1,000,000.00	996,095.00	(3,905.00)	Callable to maturity
FEDERAL HOME LOAN BANK	01/05/05	11/15/07	Aaa	AAA	3.500	3.536	2,000,000.00	1,999,973.09	1,999,070.00	(903.09)	
FEDERAL HOME LOAN BANK	03/11/05	11/15/07	Aaa	AAA	3.500	4.026	1,000,000.00	999,807.43	999,535.00	(272.43)	
FEDERAL HOME LOAN BANK	02/17/06	02/17/11	Aaa	AAA	5.020	5.020	2,000,000.00	2,000,000.00	2,011,250.00	11,250.00	Callable 2/17/2009 once
FEDERAL HOME LOAN BANK	04/28/06	04/28/10	Aaa	AAA	5.400	5.400	2,000,000.00	2,000,000.00	2,007,810.00	7,810.00	Callable 4/28/2008 once

CITY OF SANTA BARBARA
Investment Portfolio
October 31, 2007

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	09/08/06	09/08/09	Aaa	AAA	5.250	5.250	1,000,000.00	1,000,000.00	1,006,250.00	6,250.00	Callable 9/08/2008 once
FEDERAL HOME LOAN BANK	04/15/04	11/15/07	Aaa	AAA	3.500	3.010	2,000,000.00	2,000,358.33	1,999,070.00	(1,288.33)	
FEDERAL HOME LOAN BANK	10/27/05	10/27/08	Aaa	AAA	5.000	5.000	2,000,000.00	2,000,000.00	2,002,500.00	2,500.00	Callable to maturity
FEDERAL HOME LOAN BANK	03/24/06	09/23/08	Aaa	AAA	5.520	5.015	1,000,000.00	1,004,194.24	1,009,220.00	5,025.76	
FEDERAL HOME LOAN BANK	06/02/06	12/12/08	Aaa	AAA	4.750	5.270	1,000,000.00	994,632.77	1,003,440.00	8,807.23	
FEDERAL HOME LOAN BANK	06/23/06	06/30/08	Aaa	AAA	3.000	5.500	2,000,000.00	1,968,979.31	1,979,690.00	10,710.69	
FEDERAL HOME LOAN BANK	08/18/06	08/18/10	Aaa	AAA	5.470	5.470	2,000,000.00	2,000,000.00	2,013,440.00	13,440.00	Callable 8/18/2008 once
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,003,154.07	1,016,095.00	12,940.93	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,968.63	2,375,414.65	30,446.02	
FEDERAL HOME LOAN BANK	11/08/06	03/24/08	Aaa	AAA	3.150	5.140	2,000,000.00	1,984,904.27	1,988,440.00	3,535.73	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,380.95	2,032,190.00	32,809.05	
FEDERAL HOME LOAN BANK	12/06/06	12/12/08	Aaa	AAA	5.000	4.700	2,000,000.00	2,006,186.23	2,011,880.00	5,693.77	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,984,365.68	2,006,870.00	22,504.32	
FEDERAL HOME LOAN BANK	12/29/06	09/12/08	Aaa	AAA	5.000	5.000	2,000,000.00	1,999,918.83	2,008,130.00	8,211.17	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,434,136.51	1,447,281.25	13,144.74	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,977,860.16	2,023,440.00	45,579.84	
FEDERAL HOME LOAN MTG CORP	06/16/06	06/02/08	Aaa	AAA	4.350	5.370	2,000,000.00	1,988,780.54	1,996,860.00	8,079.46	
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	984,084.54	996,150.00	12,065.46	
FEDERAL HOME LOAN MTG CORP	11/30/06	11/14/11	Aaa	AAA	5.350	5.250	2,000,000.00	2,004,535.34	2,015,960.00	11,424.66	Callable 11/14/2008 once
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,971,957.12	2,005,680.00	33,722.88	
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	2,011,320.00	11,320.00	Callable 10/15/2009 once
FEDERAL HOME LOAN MTG CORP	09/08/06	09/08/11	Aaa	AAA	5.500	5.500	1,000,000.00	1,000,000.00	1,008,170.00	8,170.00	Callable 9/08/2008 once
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,969,424.09	2,001,200.00	31,775.91	
FEDERAL HOME LOAN MTG CORP	04/20/07	04/20/12	Aaa	AAA	5.250	5.250	2,000,000.00	2,000,000.00	2,018,000.00	18,000.00	Callable 4/20/2009 once
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,940,406.16	1,972,080.00	31,673.84	
FEDERAL NATL MORTGAGE ASSN	02/25/05	02/25/08	Aaa	AAA	4.000	4.000	2,000,000.00	2,000,000.00	1,995,000.00	(5,000.00)	Callable to maturity
FEDERAL NATL MORTGAGE ASSN	01/18/06	01/18/11	Aaa	AAA	5.100	5.130	1,000,000.00	999,860.97	1,001,095.00	1,234.03	Callable 1/18/2008 once
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,977,083.28	2,018,750.00	41,666.72	
FEDERAL NATL MORTGAGE ASSN	12/29/06	12/28/09	Aaa	AAA	5.250	5.275	2,000,000.00	1,999,780.89	2,002,500.00	2,719.11	Callable 12/28/2007 once
FEDERAL NATL MORTGAGE ASSN	01/12/07	02/24/09	Aaa	AAA	3.740	5.000	2,000,000.00	1,968,888.77	1,983,130.00	14,241.23	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,990,385.71	2,005,630.00	15,244.29	
FEDERAL NATL MORTGAGE ASSN	08/15/05	02/15/08	Aaa	AAA	4.530	4.530	1,000,000.00	1,000,000.00	999,380.00	(620.00)	Callable to maturity
FEDERAL NATL MORTGAGE ASSN	01/26/06	01/18/08	Aaa	AAA	3.800	4.655	2,000,000.00	1,996,542.57	1,996,260.00	(282.57)	
FEDERAL NATL MORTGAGE ASSN	05/21/07	11/03/08	Aaa	AAA	4.900	5.100	2,000,000.00	1,996,130.34	2,008,750.00	12,619.66	
Subtotal, Federal Agencies							99,795,000.00	99,306,978.56	100,163,985.90	857,007.34	

CORPORATE/MEDIUM TERM NOTES

GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,060,369.72	2,071,120.00	10,750.28	
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**CITY OF SANTA BARBARA
Investment Portfolio
October 31, 2007**

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
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,976,913.98	1,993,020.00	16,106.02	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	985,206.14	985,120.00	(86.14)	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,944,962.88	1,947,300.00	2,337.12	
TOYOTA MOTOR CREDIT	02/28/06	12/15/08	Aaa	AAA	5.500	5.016	2,000,000.00	2,009,949.55	2,009,660.00	(289.55)	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	4.250	5.140	2,000,000.00	1,961,646.62	1,993,240.00	31,593.38	
WELLS FARGO & CO.	02/13/06	08/15/08	Aa1	AA+	4.000	5.000	2,000,000.00	1,985,334.01	1,982,040.00	(3,294.01)	
WELLS FARGO & CO.	05/30/07	01/12/11	Aa1	AA+	4.875	5.260	2,000,000.00	1,977,740.26	1,989,100.00	11,359.74	
WELLS FARGO & CO.	10/10/06	08/09/10	Aa1	AA+	4.625	5.000	2,000,000.00	1,981,197.04	1,980,680.00	(517.04)	
Subtotal, Corporate Securities							<u>17,000,000.00</u>	<u>16,883,320.20</u>	<u>16,951,280.00</u>	<u>67,959.80</u>	
TOTALS							153,295,000.00	152,650,888.57	153,618,075.90	967,187.33	

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.