



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 25, 2008
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: February 2008 Investment Report

RECOMMENDATION:

That Council accept the February 2008 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of February 29, 2008.

ATTACHMENT: February 2008 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
February 29, 2008

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

02/01	Federal Farm Credit Bank (FFCB)	\$ 2,000,000
02/05	LAIF Deposit/City	1,000,000
02/11	LAIF Deposit/City	2,000,000
02/13	Federal Home Loan Bank (FHLB)	2,000,000
02/20	LAIF Deposit/City	1,500,000
02/25	LAIF Deposit/City	3,500,000
	Total	\$ 12,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

02/13	LAIF Withdrawal/City	\$ (2,500,000)
02/14	Federal Home Loan Bank (FHLB) Call	(1,000,000)
02/14	LAIF Withdrawal/City	(2,500,000)
02/25	Federal National Mortgage Assn. (FNMA) Maturity	(2,000,000)
02/28	LAIF Withdrawal/City	(2,500,000)
02/29	LAIF Withdrawal/City	(1,000,000)
02/29	LAIF Withdrawal/RDA	(6,000,000)
	Total	\$ (17,500,000)

ACTIVITY TOTAL

\$ (5,500,000)

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 545,076
Amortization	37,710
SBB&T Sweep Account Interest	2,599
SBB&T Trust Account M/M Interest	1,885
Total	\$ 587,271

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 76,013
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TOTAL INTEREST EARNED

\$ 663,284

CITY OF SANTA BARBARA
Summary of Cash and Investments
February 29, 2008

ENDING BALANCE AS OF JANUARY 31, 2008

<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	\$ 49,500,000	4.620%	30.18%	1
Certificates of Deposit	2,000,000	5.000%	1.22%	291
Treasury Securities - Coupon	3,968,162	4.752%	2.42%	425
Federal Agency Issues - Coupon	89,394,684	5.056%	54.50%	707
Corporate/Medium Term Notes	19,173,324	4.929%	11.69%	681
Totals and Averages	<u>\$ 164,036,170</u>	<u>4.901%</u>	<u>100.00%</u>	<u>479</u>
SBB&T Money Market Account	6,649,610			
Total Cash and Investments	<u>\$ 170,685,780</u>			

NET CASH AND INVESTMENT ACTIVITY FOR FEBRUARY 2008 **\$ (10,254,624)**

ENDING BALANCE AS OF FEBRUARY 29, 2008

<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	\$ 43,000,000	4.390%	27.12%	1 (1)
Certificates of Deposit	2,000,000	5.000%	1.26%	262
Treasury Securities - Coupon	3,970,549	4.752%	2.50%	396
Federal Agency Issues - Coupon	90,410,897	5.039%	57.02%	748
Corporate/Medium Term Notes	19,178,834	4.929%	12.10%	652
Totals and Averages	<u>\$ 158,560,280</u>	<u>4.842%</u>	<u>100.00%</u>	<u>519</u>
SBB&T Money Market Account	1,870,876			
Total Cash and Investments	<u>\$ 160,431,156</u>			

Note:

(1) The average life of the LAIF portfolio as of February 29, 2008 is 215 days .

CITY OF SANTA BARBARA
Investment Portfolio
February 29, 2008

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	4.390	4.390	27,000,000.00	27,000,000.00	27,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	4.390	4.390	16,000,000.00	16,000,000.00	16,000,000.00	0.00	
Subtotal, LAIF							<u>43,000,000.00</u>	<u>43,000,000.00</u>	<u>43,000,000.00</u>	<u>0.00</u>	
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							<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>0.00</u>	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,997,229.95	2,079,220.00	81,990.05	
U S TREASURY NOTE	02/01/06	02/15/09	Aaa	AAA	3.000	4.501	2,000,000.00	1,973,319.26	2,024,530.00	51,210.74	
Subtotal, Treasury Securities							<u>4,000,000.00</u>	<u>3,970,549.21</u>	<u>4,103,750.00</u>	<u>133,200.79</u>	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,981,982.61	2,040,310.00	58,327.39	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,327.89	2,083,130.00	83,802.11	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,038,419.10	2,167,510.00	129,090.90	
FEDERAL FARM CREDIT BANK	06/02/06	02/18/09	Aaa	AAA	5.260	5.280	2,000,000.00	1,999,687.13	2,055,310.00	55,622.87	
FEDERAL FARM CREDIT BANK	08/28/06	12/17/08	Aaa	AAA	3.700	5.170	2,000,000.00	1,978,203.28	2,020,000.00	41,796.72	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,983,746.72	2,106,870.00	123,123.28	
FEDERAL FARM CREDIT BANK	01/29/07	01/22/09	Aaa	AAA	5.010	5.150	2,000,000.00	1,997,640.90	2,045,940.00	48,299.10	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,014,060.00	14,060.00	Callable 2/01/10, then continuously
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	977,971.95	1,029,220.00	51,248.05	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,958,761.55	2,039,060.00	80,298.45	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,014,312.96	2,150,940.00	136,627.04	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,930,380.25	2,069,060.00	138,679.75	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	994,891.35	1,052,185.00	57,293.65	
FEDERAL HOME LOAN BANK	02/13/08	02/13/13	Aaa	AAA	3.850	4.001	2,000,000.00	1,987,760.00	2,001,260.00	13,500.00	Callable 8/13/08, then continuously
FEDERAL HOME LOAN BANK	05/18/07	05/15/12	Aaa	AAA	5.500	5.523	2,000,000.00	1,999,585.43	2,011,880.00	12,294.57	Callable 5/15/08, then quarterly
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,001,199.07	1,062,815.00	61,615.93	
FEDERAL HOME LOAN BANK	12/18/06	04/21/08	Aaa	AAA	3.450	5.021	2,000,000.00	1,995,821.95	2,001,880.00	6,058.05	
FEDERAL HOME LOAN BANK	05/10/07	11/10/10	Aaa	AAA	5.125	5.125	2,000,000.00	2,000,000.00	2,031,570.00	31,570.00	Callable 11/10/08, once
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,005,960.03	2,074,380.00	68,419.97	
FEDERAL HOME LOAN BANK	02/17/06	02/17/11	Aaa	AAA	5.020	5.020	2,000,000.00	2,000,000.00	2,041,880.00	41,880.00	Callable 2/17/09, 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	2,008,440.00	8,440.00	Callable 4/28/08, once
FEDERAL HOME LOAN BANK	09/08/06	09/08/09	Aaa	AAA	5.250	5.250	1,000,000.00	1,000,000.00	1,014,845.00	14,845.00	Callable 9/08/08, once
FEDERAL HOME LOAN BANK	03/24/06	09/23/08	Aaa	AAA	5.520	5.015	1,000,000.00	1,002,631.17	1,016,720.00	14,088.83	
FEDERAL HOME LOAN BANK	06/02/06	12/12/08	Aaa	AAA	4.750	5.270	1,000,000.00	996,238.92	1,017,815.00	21,576.08	

CITY OF SANTA BARBARA
Investment Portfolio
February 29, 2008

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	06/23/06	06/30/08	Aaa	AAA	3.000	5.500	2,000,000.00	1,984,554.55	2,001,570.00	17,015.45	
FEDERAL HOME LOAN BANK	08/18/06	08/18/10	Aaa	AAA	5.470	5.470	2,000,000.00	2,000,000.00	2,025,000.00	25,000.00	Callable 8/18/08, once
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,002,589.17	1,043,125.00	40,535.83	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,973.90	2,448,332.42	103,358.52	
FEDERAL HOME LOAN BANK	11/08/06	03/24/08	Aaa	AAA	3.150	5.140	2,000,000.00	1,997,572.02	2,000,620.00	3,047.98	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,456.07	2,117,510.00	118,053.93	
FEDERAL HOME LOAN BANK	12/06/06	12/12/08	Aaa	AAA	5.000	4.700	2,000,000.00	2,004,334.99	2,039,690.00	35,355.01	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,986,338.47	2,091,560.00	105,221.53	
FEDERAL HOME LOAN BANK	12/29/06	09/12/08	Aaa	AAA	5.000	5.000	2,000,000.00	1,999,950.15	2,025,620.00	25,669.85	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,437,572.65	1,483,531.25	45,958.60	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,980,982.11	2,099,690.00	118,707.89	
FEDERAL HOME LOAN BANK	12/04/07	05/18/09	Aaa	AAA	4.280	4.323	2,000,000.00	1,998,957.54	2,000,000.00	1,042.46	Callable continuously
FEDERAL HOME LOAN MTG CORP	06/16/06	06/02/08	Aaa	AAA	4.350	5.370	2,000,000.00	1,995,161.27	2,007,600.00	12,438.73	
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	986,978.26	1,027,380.00	40,401.74	
FEDERAL HOME LOAN MTG CORP	11/30/06	11/14/11	Aaa	AAA	5.350	5.250	2,000,000.00	2,003,076.25	2,033,100.00	30,023.75	Callable 11/14/08, once
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,975,444.32	2,090,060.00	114,615.68	
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	2,081,180.00	81,180.00	Callable 10/15/09, 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	1,014,790.00	14,790.00	Callable 9/08/08, once
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,973,987.66	2,074,980.00	100,992.34	
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	2,062,140.00	62,140.00	Callable 4/20/09, once
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,947,308.92	2,062,380.00	115,071.08	
FEDERAL HOME LOAN MTG CORP	01/09/08	01/09/12	Aaa	AAA	4.250	4.250	2,000,000.00	2,000,000.00	2,029,440.00	29,440.00	Callable 01/09/09, then quarterly
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,980,176.65	2,097,510.00	117,333.35	
FEDERAL NATL MORTGAGE ASSN	01/12/07	02/24/09	Aaa	AAA	3.740	5.000	2,000,000.00	1,976,781.68	2,027,500.00	50,718.32	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,992,764.51	2,045,940.00	53,175.49	
FEDERAL NATL MORTGAGE ASSN	05/21/07	11/03/08	Aaa	AAA	4.900	5.100	2,000,000.00	1,997,413.10	2,032,190.00	34,776.90	
Subtotal, Federal Agencies							90,795,000.00	90,410,896.50	93,219,518.67	2,808,622.17	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	4.125	3.630	2,250,000.00	2,269,925.12	2,304,450.00	34,524.88	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,054,287.13	2,141,880.00	87,592.87	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,981,024.25	2,052,260.00	71,235.75	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	988,245.98	1,012,660.00	24,414.02	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,956,271.88	1,999,940.00	43,668.12	
TOYOTA MOTOR CREDIT	02/28/06	12/15/08	Aaa	AAA	5.500	5.016	2,000,000.00	2,006,994.24	2,039,620.00	32,625.76	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	4.250	5.140	2,000,000.00	1,967,035.86	2,063,060.00	96,024.14	
WELLS FARGO & CO.	02/13/06	08/15/08	Aa1	AA+	4.000	5.000	2,000,000.00	1,991,530.91	2,001,320.00	9,789.09	
WELLS FARGO & CO.	05/30/07	01/12/11	Aa1	AA+	4.875	5.260	2,000,000.00	1,980,061.00	2,052,920.00	72,859.00	

**CITY OF SANTA BARBARA
Investment Portfolio
February 29, 2008**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
WELLS FARGO & CO.	10/10/06	08/09/10	Aa1 AA+	4.625	5.000	2,000,000.00	1,983,457.92	2,053,940.00	70,482.08	
Subtotal, Corporate Securities						19,250,000.00	19,178,834.29	19,722,050.00	543,215.71	
TOTALS						159,045,000.00	158,560,280.00	162,045,318.67	3,485,038.67	

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.