



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 23, 2008
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: November 2008 Investment Report

RECOMMENDATION:

That Council accept the November 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 November 30, 2008.

ATTACHMENT: November 2008 Investment Report
SUBMITTED BY: Robert D. Peirson, Finance Director
APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
November 30, 2008

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

11/03	LAIF Deposit/City	\$ 2,400,000
11/04	LAIF Deposit/City	1,700,000
11/10	LAIF Deposit/City	1,000,000
11/12	LAIF Deposit/City	3,100,000
11/17	LAIF Deposit/City	3,400,000
11/18	CD - Montecito Bank & Trust	2,000,000
11/26	LAIF Deposit/City	2,000,000
Total		\$ 15,600,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

11/03	Federal National Mortgage Assn (FNMA) Maturity	\$ (2,000,000)
11/06	LAIF Withdrawal/City	(5,800,000)
11/10	Federal Home Loan Bank (FHLB) Call	(2,000,000)
11/14	Federal Home Loan Mortgage Corp. (FHLMC) Call	(2,000,000)
11/18	CD - Montecito Bank & Trust Maturity	(2,000,000)
11/19	LAIF Withdrawal/City	(3,400,000)
Total		\$ (17,200,000)

ACTIVITY TOTAL **\$ (1,600,000)**

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 516,062
Amortization	25,155
SBB&T Sweep Account Interest	635
SBB&T Trust Account M/M Interest	367
Total	\$ 542,219

RDA INVESTMENTS

Interest Earned on Investments (LAIF) **\$ 35,248**

TOTAL INTEREST EARNED **\$ 577,467**

CITY OF SANTA BARBARA
Summary of Cash and Investments
November 30, 2008

ENDING BALANCE AS OF OCTOBER 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	\$ 28,800,000	2.709%	17.74%	1
Certificates of Deposit	2,000,000	5.000%	1.23%	17
Treasury Securities - Coupon	3,990,715	4.751%	2.46%	151
Federal Agency Issues - Coupon	102,550,687	4.635%	63.16%	778
Corporate/Medium Term Notes	17,218,992	4.921%	10.61%	463
SB Airport Promissory Note	7,800,000	6.500%	4.80%	61
Totals and Averages	<u>\$ 162,360,395</u>	<u>4.421%</u>	<u>100.00%</u>	<u>547</u>
SBB&T Money Market Account	<u>2,214,606</u>			
Total Cash and Investments	<u>\$ 164,575,000</u>			

NET CASH AND INVESTMENT ACTIVITY FOR NOVEMBER 2008 **\$ (1,140,888)**

ENDING BALANCE AS OF NOVEMBER 30, 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	\$ 33,200,000	2.568%	20.65%	1 (1)
Certificates of Deposit	2,000,000	2.500%	1.24%	352
Treasury Securities - Coupon	3,993,184	4.751%	2.48%	121
Federal Agency Issues - Coupon	96,569,412	4.603%	60.06%	758
Corporate/Medium Term Notes	17,222,954	4.921%	10.71%	433
SB Airport Promissory Note	7,800,000	6.500%	4.85%	31
Totals and Averages	<u>\$ 160,785,550</u>	<u>4.286%</u>	<u>100.00%</u>	<u>511</u>
SBB&T Money Market Account	<u>2,648,562</u>			
Total Cash and Investments	<u>\$ 163,434,112</u>			

Note:

(1) The average life of the LAIF portfolio as of November 30, 2008 is 231 days.

CITY OF SANTA BARBARA
Investment Portfolio
November 30, 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	-	-	-	-	2.568	2.568	16,500,000.00	16,500,000.00	16,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	2.568	2.568	16,700,000.00	16,700,000.00	16,700,000.00	0.00	
Subtotal, LAIF							33,200,000.00	33,200,000.00	33,200,000.00	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	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,998,961.23	2,040,000.00	41,038.77	
U S TREASURY NOTE	02/01/06	02/15/09	Aaa	AAA	3.000	4.501	2,000,000.00	1,994,222.97	2,012,340.00	18,117.03	
Subtotal, Treasury Securities							4,000,000.00	3,993,184.20	4,052,340.00	59,155.80	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,994,023.94	2,024,070.00	30,046.06	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,672.89	2,050,940.00	51,267.11	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,028,416.06	2,134,060.00	105,643.94	
FEDERAL FARM CREDIT BANK	06/02/06	02/18/09	Aaa	AAA	5.260	5.280	2,000,000.00	1,999,930.57	2,018,760.00	18,829.43	
FEDERAL FARM CREDIT BANK	08/28/06	12/17/08	Aaa	AAA	3.700	5.170	2,000,000.00	1,998,780.60	2,002,500.00	3,719.40	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,988,655.43	2,085,320.00	96,664.57	
FEDERAL FARM CREDIT BANK	01/29/07	01/22/09	Aaa	AAA	5.010	5.150	2,000,000.00	1,999,625.19	2,011,880.00	12,254.81	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,014,380.00	14,380.00	Callable 2/01/10, then cont.
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	986,456.36	1,022,190.00	35,733.64	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,977,257.20	2,028,130.00	50,872.80	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,011,035.19	2,133,750.00	122,714.81	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,948,046.91	2,064,060.00	116,013.09	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	996,778.27	1,037,815.00	41,036.73	
FEDERAL HOME LOAN BANK	02/13/08	02/13/13	Aaa	AAA	3.850	4.001	2,000,000.00	2,000,000.00	2,000,000.00	0.00	Continuously callable
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,850.20	1,047,660.00	46,809.80	
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,002,469.34	2,042,190.00	39,720.66	
FEDERAL HOME LOAN BANK	04/02/08	04/02/13	Aaa	AAA	4.150	4.150	2,000,000.00	2,000,000.00	2,003,760.00	3,760.00	Callable 1/02/09, then qtrly
FEDERAL HOME LOAN BANK	04/21/08	10/21/11	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	2,010,940.00	10,940.00	Callable 7/21/09, once
FEDERAL HOME LOAN BANK	04/22/08	04/22/13	Aaa	AAA	4.000	4.112	2,000,000.00	1,996,083.33	2,012,190.00	16,106.67	Callable 4/22/09, then qtrly
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,981,157.10	2,021,870.00	40,712.90	
FEDERAL HOME LOAN BANK	09/25/08	08/18/09	Aaa	AAA	3.750	3.231	2,000,000.00	2,007,208.73	2,031,570.00	24,361.27	
FEDERAL HOME LOAN BANK	02/17/06	02/17/11	Aaa	AAA	5.020	5.020	2,000,000.00	2,000,000.00	2,014,380.00	14,380.00	Callable 2/17/09, once
FEDERAL HOME LOAN BANK	10/01/08	03/30/09	Aaa	AAA	3.580	3.520	2,000,000.00	2,000,392.23	2,017,810.00	17,417.77	
FEDERAL HOME LOAN BANK	06/02/06	12/12/08	Aaa	AAA	4.750	5.270	1,000,000.00	999,852.77	1,001,250.00	1,397.23	

CITY OF SANTA BARBARA
Investment Portfolio
November 30, 2008

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,001,318.12	1,026,875.00	25,556.88	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,985.74	2,410,953.13	65,967.39	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,625.07	2,092,820.00	93,194.93	
FEDERAL HOME LOAN BANK	12/06/06	12/12/08	Aaa	AAA	5.000	4.700	2,000,000.00	2,000,169.70	2,002,500.00	2,330.30	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,990,777.23	2,075,320.00	84,542.77	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,445,303.95	1,471,300.50	25,996.55	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,988,006.50	2,072,500.00	84,493.50	
FEDERAL HOME LOAN BANK	05/22/08	05/22/13	Aaa	AAA	4.350	4.350	2,000,000.00	2,000,000.00	2,022,500.00	22,500.00	Callable 05/22/09, then qtrly
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,978,863.89	2,027,190.00	48,326.11	
FEDERAL HOME LOAN BANK	09/25/08	09/25/09	Aaa	AAA	3.250	3.250	2,000,000.00	2,000,000.00	2,025,000.00	25,000.00	
FEDERAL HOME LOAN BANK	10/15/08	07/15/11	Aaa	AAA	4.000	4.002	2,000,000.00	2,000,000.00	2,015,940.00	15,940.00	Callable 7/15/09, once
FEDERAL HOME LOAN MTG CORP	03/26/08	03/26/13	Aaa	AAA	4.200	4.200	2,000,000.00	2,000,000.00	2,010,600.00	10,600.00	Callable 3/26/09, then qtrly
FEDERAL HOME LOAN MTG CORP	04/16/08	04/16/13	Aaa	AAA	4.000	4.000	2,000,000.00	2,000,000.00	2,005,260.00	5,260.00	Callable quarterly
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	993,489.13	1,016,950.00	23,460.87	
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,983,290.51	2,072,300.00	89,009.49	
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	2,038,780.00	38,780.00	Callable 10/15/09, once
FEDERAL HOME LOAN MTG CORP	04/02/08	04/02/12	Aaa	AAA	3.375	3.375	2,000,000.00	2,000,000.00	2,007,920.00	7,920.00	Callable 4/02/09, once
FEDERAL HOME LOAN MTG CORP	06/04/08	06/04/13	Aaa	AAA	4.550	4.550	5,000,000.00	5,000,000.00	5,001,150.00	1,150.00	Callable quarterly
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,984,255.69	2,050,420.00	66,164.31	
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	2,024,160.00	24,160.00	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	1,962,840.13	2,054,200.00	91,359.87	
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	2,005,080.00	5,080.00	Callable 1/09/09, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,987,136.73	2,072,500.00	85,363.27	
FEDERAL NATL MORTGAGE ASSN	01/12/07	02/24/09	Aaa	AAA	3.740	5.000	2,000,000.00	1,994,540.73	2,012,500.00	17,959.27	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,998,116.79	2,019,070.00	20,953.21	
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	2,031,880.00	31,880.00	Callable 3/05/10, once
Subtotal, Federal Agencies							96,795,000.00	96,569,412.22	98,497,143.63	1,927,731.41	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	4.125	3.630	2,250,000.00	2,261,943.25	2,240,235.00	(21,708.25)	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,040,601.30	2,016,860.00	(23,741.30)	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,990,272.36	2,006,540.00	16,267.64	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	995,085.60	995,450.00	364.40	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,981,717.12	1,980,620.00	(1,097.12)	
TOYOTA MOTOR CREDIT	02/28/06	12/15/08	Aaa	AAA	5.500	5.016	2,000,000.00	2,000,344.79	1,999,060.00	(1,284.79)	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	4.250	5.140	2,000,000.00	1,979,161.63	1,997,940.00	18,778.37	
WELLS FARGO & CO.	05/30/07	01/12/11	Aa1	AA+	4.875	5.260	2,000,000.00	1,985,282.66	1,978,280.00	(7,002.66)	
WELLS FARGO & CO.	10/10/06	08/09/10	Aa1	AA+	4.625	5.000	2,000,000.00	1,988,544.89	2,003,680.00	15,135.11	

**CITY OF SANTA BARBARA
Investment Portfolio
November 30, 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
Subtotal, Corporate Securities							17,250,000.00	17,222,953.60	17,218,665.00	(4,288.60)	
SB AIRPORT PROMISSORY NOTE											
SANTA BARBARA AIRPORT	07/01/08	01/01/09	-	-	6.500	6.500	7,800,000.00	7,800,000.00	7,800,000.00	0.00	
Subtotal, SBA Note							7,800,000.00	7,800,000.00	7,800,000.00	0.00	
TOTALS							161,045,000.00	160,785,550.02	162,768,148.63	1,982,598.61	

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.