



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 24, 2009
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: February 2009 Investment Report

RECOMMENDATION:

That Council accept the February 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 February 28, 2009.

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

CITY OF SANTA BARBARA
Activity and Interest Report
February 28, 2009

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

02/18	LAIF Deposit/City	\$ 3,700,000
02/18	LAIF Deposit/RDA (on behalf of City)	5,300,000
02/23	LAIF Deposit/RDA (on behalf of City)	1,200,000
02/24	LAIF Deposit/RDA (on behalf of City)	1,000,000
02/26	Federal Home Loan Bank (FHLB)	2,000,000
02/27	Federal National Mortgage Assn. (FNMA)	2,000,000
	Total	\$ 15,200,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

02/11	LAIF Withdrawal/City	\$ (1,500,000)
02/13	Federal Home Loan Bank (FHLB) Call	(2,000,000)
02/15	U.S. Treasury Note (USTN) Maturity	(2,000,000)
02/17	Federal Home Loan Bank (FHLB) Call	(2,000,000)
02/18	Federal Farm Credit Bank (FFCB) Maturity	(2,000,000)
02/19	LAIF Withdrawal/RDA (on behalf of City)	(1,000,000)
02/24	Federal National Mortgage Assn. (FNMA) Maturity	(2,000,000)
02/26	LAIF Withdrawal/RDA (on behalf of City)	(5,100,000)
02/27	LAIF Withdrawal/RDA	(6,100,000)
02/27	LAIF Withdrawal/RDA (on behalf of City)	(1,400,000)
	Total	\$ (25,100,000)

ACTIVITY TOTAL

\$ (9,900,000)

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 459,211
Amortization	21,898
SBB&T Sweep Account Interest	390
SBB&T Trust Account M/M Interest	205
Total	\$ 481,705

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 34,072
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TOTAL INTEREST EARNED

\$ 515,777

CITY OF SANTA BARBARA
Summary of Cash and Investments
February 28, 2009

ENDING BALANCE AS OF JANUARY 31, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 62,000,000	2.046%	35.50%	1
Certificates of Deposit	2,000,000	2.500%	1.15%	290
Treasury Securities - Coupon	3,998,287	4.750%	2.29%	59
Federal Agency Issues - Coupon	83,603,816	4.600%	47.87%	708
Corporate/Medium Term Notes	15,232,009	4.909%	8.72%	426
SB Airport Promissory Note	7,800,000	6.500%	4.47%	149
Totals and Averages	\$ 174,634,112	3.784%	100.00%	388
SBB&T Money Market Account	2,055,244			
Total Cash and Investments	\$ 176,689,357			

NET CASH AND INVESTMENT ACTIVITY FOR FEBRUARY 2009 **\$ (8,741,216)**

ENDING BALANCE AS OF FEBRUARY 28, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 58,100,000	1.869%	35.26%	1 (1)
Certificates of Deposit	2,000,000	2.500%	1.21%	262
Treasury Securities - Coupon	1,999,528	5.000%	1.21%	75
Federal Agency Issues - Coupon	79,618,774	4.484%	48.33%	734
Corporate/Medium Term Notes	15,236,709	4.910%	9.25%	398
SB Airport Promissory Note	7,800,000	6.500%	4.73%	121
Totals and Averages	\$ 164,755,011	3.679%	100.00%	401
SBB&T Money Market Account	3,193,130			
Total Cash and Investments	\$ 167,948,141			

Note:

(1) The average life of the LAIF portfolio as of February 28, 2009 is 205 days.

CITY OF SANTA BARBARA
Investment Portfolio
February 28, 2009

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
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	1.869	1.869	40,000,000.00	40,000,000.00	40,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	1.869	1.869	18,100,000.00	18,100,000.00	18,100,000.00	0.00	
Subtotal, LAIF							58,100,000.00	58,100,000.00	58,100,000.00	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	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,999,527.83	2,019,060.00	19,532.17	
Subtotal, Treasury Securities							2,000,000.00	1,999,527.83	2,019,060.00	19,532.17	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,998,037.71	2,008,440.00	10,402.29	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,787.89	2,040,310.00	40,522.11	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,025,081.71	2,153,440.00	128,358.29	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,990,291.66	2,093,750.00	103,458.34	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,027,190.00	27,190.00	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	989,284.50	1,025,785.00	36,500.50	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,983,422.42	2,033,440.00	50,017.58	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,009,942.59	2,159,690.00	149,747.41	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,953,935.80	2,089,690.00	135,754.20	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	997,407.24	1,038,750.00	41,342.76	
FEDERAL HOME LOAN BANK	02/26/09	02/24/14	Aaa	AAA	3.250	3.261	2,000,000.00	1,999,013.97	1,993,440.00	(5,573.97)	Callable 2/24/10, then qtrly
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,733.91	1,053,280.00	52,546.09	
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,001,305.78	2,025,620.00	24,314.22	
FEDERAL HOME LOAN BANK	04/21/08	10/21/11	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	2,016,260.00	16,260.00	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	1,998,583.33	2,006,260.00	7,676.67	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	1,983,022.73	2,053,130.00	70,107.27	
FEDERAL HOME LOAN BANK	09/25/08	08/18/09	Aaa	AAA	3.750	3.231	2,000,000.00	2,004,684.27	2,027,810.00	23,125.73	
FEDERAL HOME LOAN BANK	10/01/08	03/30/09	Aaa	AAA	3.580	3.520	2,000,000.00	2,000,095.59	2,004,690.00	4,594.41	
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,000,894.44	1,022,655.00	21,760.56	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,989.69	2,406,919.73	61,930.04	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,681.40	2,097,820.00	98,138.60	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,992,256.82	2,080,000.00	87,743.18	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,447,881.05	1,460,875.00	12,993.95	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,990,347.97	2,075,000.00	84,652.03	
FEDERAL HOME LOAN BANK	05/22/08	05/22/13	Aaa	AAA	4.350	4.350	2,000,000.00	2,000,000.00	2,015,000.00	15,000.00	Callable 5/22/09, then qtrly
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,981,473.29	2,055,320.00	73,846.71	

CITY OF SANTA BARBARA
Investment Portfolio
February 28, 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							
FEDERAL HOME LOAN BANK	09/25/08	09/25/09	Aaa	AAA	3.250	3.250	2,000,000.00	2,000,000.00	2,027,190.00	27,190.00	
FEDERAL HOME LOAN BANK	10/15/08	07/15/11	Aaa	AAA	4.000	4.002	2,000,000.00	2,000,000.00	2,016,570.00	16,570.00	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	2,003,060.00	3,060.00	Callable 3/26/09, then qtrly
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	995,659.42	1,015,380.00	19,720.58	
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,985,905.91	2,078,200.00	92,294.09	
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	2,051,020.00	51,020.00	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	2,004,000.00	4,000.00	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	5,001,050.00	1,050.00	Callable quarterly
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,987,678.36	2,056,220.00	68,541.64	
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	2,011,460.00	11,460.00	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	1,968,017.21	2,069,020.00	101,002.79	
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,989,456.76	2,074,380.00	84,923.24	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,999,900.88	2,000,620.00	719.12	
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,002,820.00	2,820.00	Callable 2/24/11, 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	2,049,070.00	49,070.00	Callable 3/05/10, once
Subtotal, Federal Agencies							79,795,000.00	79,618,774.30	81,524,624.73	1,905,850.43	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	4.125	3.630	2,250,000.00	2,259,282.62	2,290,117.50	30,834.88	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,036,039.35	2,047,140.00	11,100.65	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,993,355.06	2,009,200.00	15,844.94	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	997,365.48	1,000,640.00	3,274.52	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,990,198.87	1,997,980.00	7,781.13	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aa1	AA+	4.250	5.140	2,000,000.00	1,983,203.56	2,009,680.00	26,476.44	
WELLS FARGO & CO.	05/30/07	01/12/11	Aa3	AA	4.875	5.260	2,000,000.00	1,987,023.21	2,012,060.00	25,036.79	
WELLS FARGO & CO.	10/10/06	08/09/10	Aa3	AA	4.625	5.000	2,000,000.00	1,990,240.55	1,991,080.00	839.45	
Subtotal, Corporate Securities							15,250,000.00	15,236,708.70	15,357,897.50	121,188.80	
SB AIRPORT PROMISSORY NOTE											
SANTA BARBARA AIRPORT	07/01/08	06/30/09	-	-	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							164,945,000.00	164,755,010.83	166,801,582.23	2,046,571.40	

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.