



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** December 15, 2009  
**TO:** Mayor and Councilmembers  
**FROM:** Treasury Division, Finance Department  
**SUBJECT:** November 2009 Investment Report

**RECOMMENDATION:**

That Council accept the November 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 November 30, 2009.

**ATTACHMENT:** November 2009 Investment Report  
**PREPARED BY:** Jill Taura, Treasury Manager  
**SUBMITTED BY:** Robert Samario, Interim Finance Director  
**APPROVED BY:** City Administrator's Office

**CITY OF SANTA BARBARA  
Activity and Interest Report  
November 30, 2009**

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

11/2 LAIF Deposit - City	\$ 2,000,000
11/3 LAIF Deposit - City	1,500,000
11/16 LAIF Deposit - City	2,000,000
11/18 Montecito Bank & Trust CD	2,000,000
11/18 Montecito Bank & Trust CD	2,000,000
11/23 LAIF Deposit - City	3,500,000
<b>Total</b>	<b>\$ 13,000,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

11/3 Federal Home Loan Bank (FHLB) Maturity	\$ (2,000,000)
11/5 LAIF Withdrawal/City	(3,500,000)
11/12 LAIF Withdrawal/City	(1,000,000)
11/18 Montecito Bank & Trust CD Maturity	(2,000,000)
11/18 LAIF Withdrawal/City	(3,000,000)
11/19 LAIF Withdrawal/City	(1,000,000)
11/20 Federal National Mortgage Assn. (FNMA) Call	(2,000,000)
11/24 LAIF Withdrawal/City	(500,000)
<b>Total</b>	<b>\$ (15,000,000)</b>

**ACTIVITY TOTAL**

**\$ (2,000,000)**

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**INTEREST REVENUE**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 346,745
Amortization	4,477
SBB&T Sweep Account Interest	81
<b>Total</b>	<b>\$ 351,304</b>

**RDA INVESTMENTS**

Interest Earned on Investments (LAIF)	<b>\$ 12,605</b>
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**TOTAL INTEREST EARNED**

**\$ 363,909**

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**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**November 30, 2009**

**ENDING BALANCE AS OF OCTOBER 31, 2009**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 44,600,000	0.650%	27.70%	1
Certificates of Deposit	2,000,000	2.500%	1.24%	17
Federal Agency Issues - Coupon	96,874,856	3.312%	60.16%	952
Corporate/Medium Term Notes	10,256,471	4.797%	6.37%	276
	<u>153,731,327</u>	<u>2.628%</u>	<u>95.47%</u>	<u>618</u>
SB Airport Promissory Note	7,300,000	7.000%	4.53%	7,181
Totals and Averages	<u>\$ 161,031,327</u>	<u>2.826%</u>	<u>100.00%</u>	<u>917</u>
SBB&T Money Market Account	3,559,547			
<b>Total Cash and Investments</b>	<b><u>\$ 164,590,874</u></b>			

**NET CASH AND INVESTMENT ACTIVITY FOR NOVEMBER 2009**      **\$ (3,592,054)**

**ENDING BALANCE AS OF NOVEMBER 30, 2009**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 44,600,000	0.611%	28.04%	1 (1)
Certificates of Deposit	4,000,000	1.500%	2.52%	535
Federal Agency Issues - Coupon	92,879,248	3.272%	58.40%	926
Corporate/Medium Term Notes	10,256,556	4.797%	6.45%	246
	<u>151,735,804</u>	<u>2.546%</u>	<u>95.41%</u>	<u>598</u>
SB Airport Promissory Note	7,300,000	7.000%	4.59%	7,151
Totals and Averages	<u>\$ 159,035,804</u>	<u>2.751%</u>	<u>100.00%</u>	<u>898</u>
SBB&T Money Market Account	1,963,016			
<b>Total Cash and Investments</b>	<b><u>\$ 160,998,820</u></b>			

Note:

(1) The average life of the LAIF portfolio as of November 30, 2009 is 232 days.

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**November 30, 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
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.611	0.611	19,500,000.00	19,500,000.00	19,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.611	0.611	25,100,000.00	25,100,000.00	25,100,000.00	0.00	
<b>Subtotal, LAIF</b>							44,600,000.00	44,600,000.00	44,600,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
MONTECITO BANK & TRUST	11/18/09	11/18/10	-	-	1.250	1.250	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
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	
<b>Subtotal, Certificates of deposit</b>							4,000,000.00	4,000,000.00	4,000,000.00	0.00	
<b>FEDERAL AGENCY ISSUES - COUPON</b>											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AAA	2.250	2.120	2,000,000.00	2,006,013.46	2,056,250.00	50,236.54	
FEDERAL FARM CREDIT BANK	10/14/09	10/14/14	Aaa	AAA	2.875	2.875	2,000,000.00	2,000,000.00	2,018,440.00	18,440.00	Callable 10/14/10, then cont.
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,015,078.66	2,120,000.00	104,921.34	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,995,200.37	2,064,380.00	69,179.63	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,011,260.00	11,260.00	Callable 2/01/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	03/02/12	Aaa	AAA	2.370	2.370	2,000,000.00	2,000,000.00	2,009,070.00	9,070.00	Callable 3/02/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,047,820.00	47,820.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,072,190.00	72,190.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,045,940.00	45,940.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,045,010.00	45,010.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,011,560.00	11,560.00	
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	997,768.91	1,007,190.00	9,421.09	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,006,664.81	2,137,820.00	131,155.19	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,971,602.47	2,085,630.00	114,027.53	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	999,294.15	1,013,440.00	14,145.85	
FEDERAL HOME LOAN BANK	02/26/09	02/24/14	Aaa	AAA	3.250	3.261	2,000,000.00	1,999,768.16	2,014,380.00	14,611.84	Callable 2/24/10, then qtrly
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,793,236.36	1,822,187.50	28,951.14	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,039,060.00	39,060.00	StrNt, Callable 6/30/11, once
FEDERAL HOME LOAN BANK	09/30/09	09/30/14	Aaa	AAA	2.000	3.448	2,000,000.00	2,000,000.00	2,002,810.00	2,810.00	StrNt, Callable 12/30/09, qtrly
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AAA	3.125	2.440	2,000,000.00	2,052,148.54	2,097,190.00	45,041.46	
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,385.04	1,038,285.00	37,899.96	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,988,619.64	2,070,630.00	82,010.36	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,850.40	2,061,570.00	61,719.60	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,996,695.59	2,047,190.00	50,494.41	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,997,372.36	2,026,260.00	28,887.64	
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,989,301.48	2,057,190.00	67,888.52	

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**November 30, 2009**

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	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,151,299.61	2,195,630.00	44,330.39	
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,998,647.22	2,035,360.00	36,712.78	Callable 4/08/11, once
FEDERAL HOME LOAN MTG CORP	05/19/09	11/19/12	Aaa	AAA	2.170	2.170	2,000,000.00	2,000,000.00	2,031,320.00	31,320.00	Callable 5/19/11, once
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AAA	2.125	1.699	2,000,000.00	2,023,180.33	2,046,870.00	23,689.67	
FEDERAL HOME LOAN MTG CORP	05/13/09	05/13/13	Aaa	AAA	2.400	2.400	2,000,000.00	2,000,000.00	2,040,360.00	40,360.00	Callable 5/13/11, once
FEDERAL HOME LOAN MTG CORP	08/26/09	08/26/14	Aaa	AAA	3.625	3.625	2,000,000.00	2,000,000.00	2,013,740.00	13,740.00	Callable 2/26/10, then qtrly
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,993,752.10	2,048,080.00	54,327.90	
FEDERAL HOME LOAN MTG CORP	07/30/09	01/30/13	Aaa	AAA	2.350	2.350	2,000,000.00	2,000,000.00	2,019,980.00	19,980.00	Callable 7/30/10, once
FEDERAL HOME LOAN MTG CORP	10/28/09	10/28/14	Aaa	AAA	3.000	3.000	2,000,000.00	2,000,000.00	2,014,120.00	14,120.00	Callable 10/28/10, then qtrly
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AAA	1.000	2.420	2,000,000.00	1,926,306.90	1,984,020.00	57,713.10	
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,997,946.39	2,012,180.00	14,233.61	
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,983,548.42	2,054,140.00	70,591.58	
FEDERAL HOME LOAN MTG CORP	04/29/09	10/29/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,029,280.00	29,280.00	Callable 10/29/10, once
FEDERAL NATL MORTGAGE ASSN	03/18/09	09/18/12	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,046,560.00	46,560.00	Callable 3/18/11, once
FEDERAL NATL MORTGAGE ASSN	03/23/09	03/23/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,019,070.00	19,070.00	StrNt, Callable 9/23/10, once
FEDERAL NATL MORTGAGE ASSN	05/04/09	05/04/12	Aaa	AAA	2.150	2.185	2,000,000.00	1,999,150.00	2,013,440.00	14,290.00	Callable 5/04/10, once
FEDERAL NATL MORTGAGE ASSN	09/09/09	09/09/14	Aaa	AAA	3.250	3.250	2,000,000.00	2,000,000.00	2,035,000.00	35,000.00	Callable 9/09/10, once
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,996,416.85	2,034,070.00	37,653.15	
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,036,250.00	36,250.00	Callable 2/24/11, once
FEDERAL NATL MORTGAGE ASSN	05/20/09	11/20/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,014,070.00	14,070.00	Callable 5/20/10, once
FEDERAL NATL MORTGAGE ASSN	10/29/09	10/29/14	Aaa	AAA	2.250	3.304	2,000,000.00	2,000,000.00	2,012,190.00	12,190.00	StrNt, Callable 4/29/10 cont.
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	2,019,380.00	19,380.00	Callable 3/05/10, once
<b>Subtotal, Federal Agencies</b>							<b>92,700,000.00</b>	<b>92,879,248.22</b>	<b>94,777,862.50</b>	<b>1,898,614.28</b>	
<b>CORPORATE/MEDIUM TERM NOTES</b>											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aa2	AAA	4.125	3.630	2,250,000.00	2,251,300.75	2,260,147.50	8,846.75	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,022,353.52	2,116,480.00	94,126.48	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aa1	AA	4.250	5.140	2,000,000.00	1,995,329.33	2,020,720.00	25,390.67	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,992,244.87	2,077,680.00	85,435.13	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA-	4.625	5.000	2,000,000.00	1,995,327.52	2,056,540.00	61,212.48	
<b>Subtotal, Corporate Securities</b>							<b>10,250,000.00</b>	<b>10,256,555.99</b>	<b>10,531,567.50</b>	<b>275,011.51</b>	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	7,300,000.00	7,300,000.00	7,300,000.00	0.00	
<b>Subtotal, SBA Note</b>							<b>7,300,000.00</b>	<b>7,300,000.00</b>	<b>7,300,000.00</b>	<b>0.00</b>	
<b>TOTALS</b>							<b>158,850,000.00</b>	<b>159,035,804.21</b>	<b>161,209,430.00</b>	<b>2,173,625.79</b>	

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.