



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 23, 2010
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: October 2010 Investment Report

RECOMMENDATION:

That Council accept the October 2010 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, 2010.

ATTACHMENT: October 2010 Investment Report
PREPARED BY: Jill Taura, Treasury Manager
SUBMITTED BY: Robert Samario, Finance Director
APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
October 31, 2010

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

10/12 LAIF Deposit - City	\$ 1,000,000
10/13 LAIF Deposit - City	1,000,000
10/14 LAIF Deposit - City	2,500,000
10/18 LAIF Deposit - City	3,000,000
10/25 LAIF Deposit - City	1,000,000
10/28 LAIF Deposit - City	1,000,000
10/28 Federal Farm Credit Bank (FFCB)	2,000,000
10/29 LAIF Deposit - City	5,000,000
Total	\$ 16,500,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

10/7 LAIF Withdrawal - City	\$ (1,500,000)
10/8 LAIF Withdrawal - City	(2,500,000)
10/14 Federal Farm Credit Bank (FFCB) - Call	(2,000,000)
10/15 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
10/21 LAIF Withdrawal - City	(4,000,000)
10/28 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
10/29 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
Total	\$ (16,000,000)

ACTIVITY TOTAL

\$ 500,000

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 264,248
Amortization	(6,162)
SBB&T Sweep Account Interest	134
Total	\$ 258,220

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 6,087
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TOTAL INTEREST EARNED

\$ 264,308

CITY OF SANTA BARBARA
Summary of Cash and Investments
October 31, 2010

ENDING BALANCE AS OF SEPTEMBER 30, 2010

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 44,500,000	0.503%	28.61%	1
Certificates of Deposit	4,000,000	1.500%	2.57%	231
Federal Agency Issues - Coupon	96,934,917	2.482%	62.31%	1,036
Corporate/Medium Term Notes	4,005,194	5.180%	2.57%	124
	<u>149,440,111</u>	<u>1.939%</u>	<u>96.06%</u>	<u>682</u>
SB Airport Promissory Note	6,124,300	7.000%	3.94%	6,847
Totals and Averages	<u>\$ 155,564,411</u>	<u>2.138%</u>	<u>100.00%</u>	<u>925</u>
SBB&T Money Market Account	1,918,372			
Total Cash and Investments	<u>\$ 157,482,783</u>			

NET CASH AND INVESTMENT ACTIVITY FOR OCTOBER 2010 **\$ 1,742,592**

ENDING BALANCE AS OF OCTOBER 31, 2010

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 51,000,000	0.480%	32.68%	1 (1)
Certificates of Deposit	4,000,000	1.500%	2.56%	200
Federal Agency Issues - Coupon	90,929,696	2.457%	58.27%	1,010
Corporate/Medium Term Notes	4,004,253	5.180%	2.57%	93
	<u>149,933,949</u>	<u>1.832%</u>	<u>96.08%</u>	<u>621</u>
SB Airport Promissory Note	6,124,300	7.000%	3.92%	6,816
Totals and Averages	<u>\$ 156,058,249</u>	<u>2.034%</u>	<u>100.00%</u>	<u>864</u>
SBB&T Money Market Account	3,167,127			
Total Cash and Investments	<u>\$ 159,225,375</u>			

Note:

(1) The average life of the LAIF portfolio as of October 31, 2010 is 191 days.

CITY OF SANTA BARBARA
Investment Portfolio
October 31, 2010

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	-	-	-	-	0.480	0.480	36,000,000.00	36,000,000.00	36,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.480	0.480	15,000,000.00	15,000,000.00	15,000,000.00	0.00	
Subtotal, LAIF							51,000,000.00	51,000,000.00	51,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
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	
Subtotal, Certificates of deposit							4,000,000.00	4,000,000.00	4,000,000.00	0.00	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AAA	2.250	2.120	2,000,000.00	2,003,713.99	2,055,630.00	51,916.01	
FEDERAL FARM CREDIT BANK	10/28/10	10/28/15	Aaa	AAA	1.540	1.540	2,000,000.00	2,000,000.00	2,000,630.00	630.00	Callable 10/28/11, then cont.
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,002,852.72	2,024,380.00	21,527.28	
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.002	2,000,000.00	2,000,000.00	2,041,250.00	41,250.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,098,130.00	98,130.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,081,250.00	81,250.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,057,500.00	57,500.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,014,380.00	14,380.00	
FEDERAL FARM CREDIT BANK	12/01/09	12/01/14	Aaa	AAA	2.840	2.840	2,000,000.00	2,000,000.00	2,004,380.00	4,380.00	Callable 12/01/10, then cont.
FEDERAL FARM CREDIT BANK	01/13/10	01/13/15	Aaa	AAA	3.180	3.180	2,000,000.00	2,000,000.00	2,012,500.00	12,500.00	Callable 01/13/11, then cont.
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AAA	2.900	2.916	2,000,000.00	1,998,873.59	2,048,750.00	49,876.41	Callable 04/09/12, once
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,002,658.64	2,059,070.00	56,411.36	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,993,195.06	2,022,500.00	29,304.94	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,759,313.54	1,798,285.50	38,971.96	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,083,750.00	83,750.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AAA	1.375	1.375	2,000,000.00	2,000,000.00	2,034,380.00	34,380.00	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	3.733	2,000,000.00	2,000,000.00	2,012,810.00	12,810.00	SU 5%, Callable 06/30/11, once
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AAA	3.125	2.440	2,000,000.00	2,040,296.60	2,149,690.00	109,393.40	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AAA	1.700	1.700	2,000,000.00	2,000,000.00	2,052,190.00	52,190.00	
FEDERAL HOME LOAN BANK	03/30/10	09/30/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,014,070.00	14,070.00	Callable 03/30/11, once
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,084,690.00	84,690.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,029,370.00	29,370.00	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,995,460.29	2,031,570.00	36,109.71	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AAA	2.000	2.653	2,000,000.00	2,000,000.00	2,061,870.00	61,870.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,998,869.26	2,006,880.00	8,010.74	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,114,641.11	2,217,190.00	102,548.89	

CITY OF SANTA BARBARA
Investment Portfolio
October 31, 2010

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
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AAA	3.125	2.130	2,000,000.00	2,059,234.40	2,149,690.00	90,455.60	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AAA	1.375	1.325	2,000,000.00	2,001,573.64	2,033,130.00	31,556.36	
FEDERAL HOME LOAN BANK	07/14/10	07/14/15	Aaa	AAA	2.000	2.336	2,000,000.00	2,000,000.00	2,025,310.00	25,310.00	SU 2.0%-3.5% Call 07/14/11, then q
FEDERAL HOME LOAN BANK	06/30/10	06/30/14	Aaa	AAA	1.125	2.277	2,000,000.00	2,000,000.00	2,023,130.00	23,130.00	SU 3% callable 12/30/11, once
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,999,563.89	2,018,460.00	18,896.11	Callable 04/08/11, 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	2,019,860.00	19,860.00	Callable 05/19/11, once
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AAA	2.125	1.699	2,000,000.00	2,015,606.56	2,065,320.00	49,713.44	
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	2,021,340.00	21,340.00	Callable 05/13/11, once
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AAA	1.000	2.420	2,000,000.00	1,951,223.62	2,017,760.00	66,536.38	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AAA	1.125	1.197	1,000,000.00	998,944.83	1,011,480.00	12,535.17	
FEDERAL HOME LOAN MTG CORP	06/30/10	06/30/15	Aaa	AAA	2.000	2.914	2,000,000.00	2,000,000.00	2,022,540.00	22,540.00	SU 2.0%-4.5%, Call 06/30/11, annua
FEDERAL NATL MORTGAGE ASSN	03/18/09	09/18/12	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,017,190.00	17,190.00	Callable 03/18/11, once
FEDERAL NATL MORTGAGE ASSN	07/07/10	07/07/15	Aaa	AAA	2.350	2.350	2,000,000.00	2,000,000.00	2,025,000.00	25,000.00	Callable 07/07/11, once
FEDERAL NATL MORTGAGE ASSN	05/24/10	06/24/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,016,570.00	16,570.00	Callable 06/24/11, once
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AAA	2.000	2.055	2,000,000.00	1,995,385.00	2,042,820.00	47,435.00	Callable 08/10/12, once
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,011,570.00	11,570.00	Callable 02/24/11, once
FEDERAL NATL MORTGAGE ASSN	08/05/10	08/05/15	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,020,000.00	20,000.00	Callable 08/05/11, once
FEDERAL NATL MORTGAGE ASSN	09/09/10	09/09/15	Aaa	AAA	1.850	1.871	2,000,000.00	1,998,288.89	2,012,500.00	14,211.11	Callable 09/09/11, once
FEDERAL NATL MORTGAGE ASSN	05/19/10	05/19/15	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	2,002,500.00	2,500.00	Callable 11/19/10, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,010,620.00	10,620.00	Callable 03/21/11, once
Subtotal, Federal Agencies							90,700,000.00	90,929,695.63	92,663,885.50	1,734,189.87	
CORPORATE/MEDIUM TERM NOTES											
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,005,626.40	2,034,420.00	28,793.60	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,998,626.90	2,017,400.00	18,773.10	
Subtotal, Corporate Securities							4,000,000.00	4,004,253.30	4,051,820.00	47,566.70	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	6,124,299.81	6,124,299.81	6,124,299.81	0.00	
Subtotal, SBA Note							6,124,299.81	6,124,299.81	6,124,299.81	0.00	
TOTALS							155,824,299.81	156,058,248.74	157,840,005.31	1,781,756.57	

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.