



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** December 14, 2010  
**TO:** Mayor and Councilmembers  
**FROM:** Treasury Division, Finance Department  
**SUBJECT:** November 2010 Investment Report

**RECOMMENDATION:**

That Council accept the November 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 November 30, 2010.

**ATTACHMENT:** November 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**  
**November 30, 2010**

**INVESTMENT ACTIVITY**

**PURCHASES OR DEPOSITS**

11/1 LAIF Deposit - City	\$ 2,000,000
11/10 General Electric Capital Corporation (GECC)	2,000,000
11/17 Federal National Mortgage Association (FNMA)	2,000,000
11/23 Federal Farm Credit Bank (FFCB)	2,000,000
11/23 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
11/24 LAIF Deposit - City	2,000,000
11/29 LAIF Deposit - City	3,000,000
11/30 LAIF Deposit - City	4,000,000
<b>Total</b>	<b>\$ 19,000,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

11/3 LAIF Withdrawal - City	\$ (3,000,000)
11/5 LAIF Withdrawal - City	(1,000,000)
11/9 LAIF Withdrawal - City	(1,000,000)
11/18 LAIF Withdrawal - City	(2,000,000)
11/18 Montecito Bank & Trust - Maturity	(2,000,000)
11/19 LAIF Withdrawal - City	(1,000,000)
11/19 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
11/22 LAIF Withdrawal - City	(3,500,000)
<b>Total</b>	<b>\$ (15,500,000)</b>

**ACTIVITY TOTAL**

**\$ 3,500,000**

**INTEREST REVENUE**

**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 257,078
Amortization	(5,962)
SBB&T Sweep Account Interest	136
Money Market Interest	151
<b>Total</b>	<b>\$ 251,403</b>

**RDA INVESTMENTS**

Interest Earned on Investments (LAIF)	<b>\$ 5,671</b>
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**TOTAL INTEREST EARNED**

**\$ 257,074**

**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**November 30, 2010**

**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
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			
<b>Total Cash and Investments</b>	<b><u>\$ 159,225,375</u></b>			

**NET CASH AND INVESTMENT ACTIVITY FOR NOVEMBER 2010**      **\$ 3,551,724**

**ENDING BALANCE AS OF NOVEMBER 30, 2010**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 50,500,000	0.460%	31.65%	1 (1)
Certificates of Deposit	2,000,000	1.750%	1.25%	352
Federal Agency Issues - Coupon	94,915,674	2.396%	59.49%	1,011
Corporate/Medium Term Notes	6,003,313	4.204%	3.76%	643
	<u>153,418,987</u>	<u>1.821%</u>	<u>96.15%</u>	<u>656</u>
SB Airport Promissory Note	6,124,300	7.000%	3.84%	6,786
Totals and Averages	<u>\$ 159,543,286</u>	<u>2.020%</u>	<u>100.00%</u>	<u>891</u>
SBB&T Money Market Account	3,233,813			
<b>Total Cash and Investments</b>	<b><u>\$ 162,777,100</u></b>			

Note:

(1) The average life of the LAIF portfolio as of November 30, 2010 is 184 days .

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**November 30, 2010**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY MOODY'S	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	-	-	-	-	0.460	0.460	35,500,000.00	35,500,000.00	35,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.460	0.460	15,000,000.00	15,000,000.00	15,000,000.00	0.00	
<b>Subtotal, LAIF</b>							50,500,000.00	50,500,000.00	50,500,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
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>							2,000,000.00	2,000,000.00	2,000,000.00	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	2,003,504.95	2,048,130.00	44,625.05	
FEDERAL FARM CREDIT BANK	10/28/10	10/28/15	Aaa	AAA	1.540	1.540	2,000,000.00	2,000,000.00	1,993,760.00	(6,240.00)	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	2,001,741.27	2,014,690.00	12,948.73	
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.002	2,000,000.00	2,000,000.00	2,034,690.00	34,690.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,086,870.00	86,870.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,070,320.00	70,320.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,049,380.00	49,380.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,010,940.00	10,940.00	
FEDERAL FARM CREDIT BANK	12/01/09	12/01/14	Aaa	AAA	2.840	2.840	2,000,000.00	2,000,000.00	2,000,000.00	0.00	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	2,007,500.00	7,500.00	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	1,998,938.83	2,042,820.00	43,881.17	Callable 04/09/12, once
FEDERAL FARM CREDIT BANK	11/23/10	11/23/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,002,820.00	2,820.00	Callable 05/23/12, then cont.
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,002,294.44	2,050,940.00	48,645.56	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,995,158.02	2,015,940.00	20,781.98	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,756,229.64	1,788,723.00	32,493.36	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,067,190.00	67,190.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AAA	1.375	1.375	2,000,000.00	2,000,000.00	2,017,500.00	17,500.00	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	3.733	2,000,000.00	2,000,000.00	2,010,310.00	10,310.00	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	2,039,219.15	2,130,940.00	91,720.85	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AAA	1.700	1.700	2,000,000.00	2,000,000.00	2,042,820.00	42,820.00	
FEDERAL HOME LOAN BANK	03/30/10	09/30/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,010,620.00	10,620.00	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	2,068,440.00	68,440.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,020,940.00	20,940.00	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,996,082.17	2,027,500.00	31,417.83	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AAA	2.000	2.653	2,000,000.00	2,000,000.00	2,055,630.00	55,630.00	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	1,999,739.06	2,001,260.00	1,520.94	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,111,308.52	2,196,560.00	85,251.48	

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**November 30, 2010**

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AAA	3.125	2.130	2,000,000.00	2,057,650.59	2,130,940.00	73,289.41	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AAA	1.375	1.325	2,000,000.00	2,001,491.82	2,026,250.00	24,758.18	
FEDERAL HOME LOAN BANK	07/14/10	07/14/15	Aaa	AAA	2.000	2.336	2,000,000.00	2,000,000.00	2,022,810.00	22,810.00	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	2,021,250.00	21,250.00	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	1,999,647.22	2,014,460.00	14,812.78	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	2,016,020.00	16,020.00	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	2,014,918.03	2,055,940.00	41,021.97	
FEDERAL HOME LOAN MTG CORP	11/23/10	11/23/15	Aaa	AAA	1.750	1.845	2,000,000.00	1,991,200.00	1,989,280.00	(1,920.00)	Callable 11/23/11, once
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	2,017,340.00	17,340.00	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	1,953,488.78	2,010,920.00	57,431.22	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AAA	1.125	1.197	1,000,000.00	999,004.11	1,008,450.00	9,445.89	
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	2,020,160.00	20,160.00	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	2,013,120.00	13,120.00	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	2,021,570.00	21,570.00	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	2,013,440.00	13,440.00	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	1,995,601.67	2,013,130.00	17,528.33	Callable 08/10/12, once
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AAA	1.300	1.300	2,000,000.00	2,000,000.00	1,993,130.00	(6,870.00)	Callable 05/17/11, 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	2,007,810.00	7,810.00	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	2,012,810.00	12,810.00	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	1,998,455.56	1,999,690.00	1,234.44	Callable 09/09/11, once
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,005,310.00	5,310.00	Callable 03/21/11, once
<b>Subtotal, Federal Agencies</b>							<u>94,700,000.00</u>	<u>94,915,673.83</u>	<u>96,281,063.00</u>	<u>1,365,389.17</u>	
<b>CORPORATE/MEDIUM TERM NOTES</b>											
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,004,105.75	2,024,800.00	20,694.25	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	Aa2	AA+	2.250	2.250	2,000,000.00	2,000,000.00	1,938,280.00	(61,720.00)	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,999,207.08	2,009,720.00	10,512.92	
<b>Subtotal, Corporate Securities</b>							<u>6,000,000.00</u>	<u>6,003,312.83</u>	<u>5,972,800.00</u>	<u>(30,512.83)</u>	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	<u>6,124,299.81</u>	<u>6,124,299.81</u>	<u>6,124,299.81</u>	<u>0.00</u>	
<b>Subtotal, SBA Note</b>							<u>6,124,299.81</u>	<u>6,124,299.81</u>	<u>6,124,299.81</u>	<u>0.00</u>	
<b>TOTALS</b>							<u>159,324,299.81</u>	<u>159,543,286.47</u>	<u>160,878,162.81</u>	<u>1,334,876.34</u>	

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.