

Agenda Item No. _____

File Code No.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 29, 2010
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: May 2010 Investment Report

RECOMMENDATION:

That Council accept the May 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 May 31, 2010.

ATTACHMENT: May 2010 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
May 31, 2010

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

5/3 LAIF Deposit - City	\$ 2,000,000
5/13 LAIF Deposit - City	1,000,000
5/17 LAIF Deposit - City	1,000,000
5/19 Federal National Mortgage Association (FNMA)	2,000,000
5/24 Federal National Mortgage Association (FNMA)	2,000,000
5/26 LAIF Deposit - City	2,000,000
5/28 Federal Home Loan Bank (FHLB)	2,000,000
5/28 LAIF Deposit - City	3,500,000
Total	\$ 15,500,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

5/4 Federal National Mortgage Association (FNMA) - Call	\$ (2,000,000)
5/6 LAIF Withdrawal - City	(1,000,000)
5/7 LAIF Withdrawal - RDA	(7,000,000)
5/10 LAIF Withdrawal - City	(2,000,000)
5/19 LAIF Withdrawal - City	(1,000,000)
5/20 LAIF Withdrawal - City	(2,500,000)
5/20 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
5/24 LAIF Withdrawal - City	(2,000,000)
Total	\$ (19,500,000)

ACTIVITY TOTAL

\$ (4,000,000)

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 322,979
Amortization	(1,770)
SBB&T Sweep Account Interest	276
Total	\$ 321,485

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 11,258
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TOTAL INTEREST EARNED

\$ 332,744

CITY OF SANTA BARBARA
Investment Portfolio
May 31, 2010

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	-	-	-	-	0.580	0.580	25,500,000.00	25,500,000.00	25,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.580	0.580	21,500,000.00	21,500,000.00	21,500,000.00	0.00	
Subtotal, LAIF							47,000,000.00	47,000,000.00	47,000,000.00	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	2,004,759.20	2,048,440.00	43,680.80	
FEDERAL FARM CREDIT BANK	10/14/09	10/14/14	Aaa	AAA	2.875	2.875	2,000,000.00	2,000,000.00	2,019,380.00	19,380.00	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	2,008,409.97	2,067,190.00	58,780.03	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,998,472.85	2,021,260.00	22,787.15	
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,037,820.00	37,820.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,065,940.00	65,940.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,043,130.00	43,130.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,044,690.00	44,690.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,008,750.00	8,750.00	
FEDERAL FARM CREDIT BANK	12/01/09	12/01/14	Aaa	AAA	2.840	2.840	2,000,000.00	2,000,000.00	2,022,810.00	22,810.00	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	2,033,440.00	33,440.00	Callable 1/13/11, then cont.
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AAA	2.900	2.916	2,000,000.00	1,998,547.41	2,020,320.00	21,772.59	Callable 4/9/12, once
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,004,479.63	2,091,250.00	86,770.37	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,983,380.25	2,049,690.00	66,309.75	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,774,733.00	1,800,147.00	25,414.00	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,023,440.00	23,440.00	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	3.733	2,000,000.00	2,000,000.00	2,036,250.00	36,250.00	SU 5%, Callable 6/30/11, once
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AAA	3.125	2.440	2,000,000.00	2,045,683.85	2,096,880.00	51,196.15	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AAA	1.700	1.700	2,000,000.00	2,000,000.00	2,023,440.00	23,440.00	
FEDERAL HOME LOAN BANK	02/12/10	02/12/15	Aaa	AAA	3.000	3.022	2,000,000.00	2,000,000.00	2,000,000.00	0.00	Callable 5/12/10, then cont.
FEDERAL HOME LOAN BANK	03/30/10	09/30/13	Aaa	AAA	2.000	2.001	2,000,000.00	2,000,000.00	2,018,440.00	18,440.00	Callable 3/30/11, 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	2,020,940.00	20,940.00	
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,152.47	1,015,630.00	15,477.53	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,992,350.90	2,046,250.00	53,899.10	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AAA	2.000	2.653	2,000,000.00	2,000,000.00	2,007,510.00	7,510.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,963.07	2,015,620.00	15,656.93	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,999,654.76	2,005,000.00	5,345.24	
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,994,520.27	2,029,690.00	35,169.73	

CITY OF SANTA BARBARA
Investment Portfolio
May 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	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,131,304.07	2,176,560.00	45,255.93	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AAA	3.125	2.130	2,000,000.00	2,067,153.44	2,096,880.00	29,726.56	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AAA	1.375	1.325	2,000,000.00	2,001,982.73	2,014,690.00	12,707.27	
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,999,147.22	2,032,360.00	33,212.78	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	2,027,100.00	27,100.00	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	2,019,049.18	2,044,690.00	25,640.82	
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	2,033,600.00	33,600.00	Callable 5/13/11, once
FEDERAL HOME LOAN MTG CORP	03/16/10	03/16/15	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	2,002,220.00	2,220.00	Callable 6/16/10, then qtrly
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,998,982.90	2,008,280.00	9,297.10	
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	2,005,060.00	5,060.00	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	2,020,440.00	20,440.00	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	1,939,897.84	1,990,160.00	50,262.16	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AAA	1.125	1.197	1,000,000.00	998,648.44	1,003,110.00	4,461.56	
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,993,902.56	2,020,920.00	27,017.44	
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	2,013,960.00	13,960.00	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	2,030,940.00	30,940.00	Callable 3/18/11, once
FEDERAL NATL MORTGAGE ASSN	03/23/09	03/23/12	Aaa	AAA	2.000	2.491	2,000,000.00	2,000,000.00	2,007,190.00	7,190.00	SU 3%, Callable 9/23/10, 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	2,016,260.00	16,260.00	Callable 9/09/10, once
FEDERAL NATL MORTGAGE ASSN	03/16/10	09/16/13	Aaa	AAA	2.100	2.130	2,000,000.00	1,998,833.33	2,008,120.00	9,286.67	Callable 9/16/10, once
FEDERAL NATL MORTGAGE ASSN	12/30/09	12/30/14	Aaa	AAA	3.000	3.000	2,000,000.00	2,000,000.00	2,004,380.00	4,380.00	Callable 6/30/10, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/15/10	07/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,009,690.00	9,690.00	Callable 10/15/10, 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	2,005,310.00	5,310.00	Callable 6/24/11, 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	2,023,440.00	23,440.00	Callable 2/24/11, once
FEDERAL NATL MORTGAGE ASSN	03/09/10	03/09/15	Aaa	AAA	3.000	3.000	1,000,000.00	1,000,000.00	1,006,880.00	6,880.00	Callable 9/09/10, 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	2,017,810.00	17,810.00	Callable 11/19/10, then qtrly
Subtotal, Federal Agencies							102,700,000.00	102,954,009.34	104,333,397.00	1,379,387.66	
CORPORATE/MEDIUM TERM NOTES											
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,013,229.64	2,072,100.00	58,870.36	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,995,725.98	2,049,140.00	53,414.02	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA-	4.625	5.000	2,000,000.00	1,998,718.84	2,013,380.00	14,661.16	
Subtotal, Corporate Securities							6,000,000.00	6,007,674.46	6,134,620.00	126,945.54	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	7,213,660.84	7,213,660.84	7,213,660.84	0.00	
Subtotal, SBA Note							7,213,660.84	7,213,660.84	7,213,660.84	0.00	
TOTALS							166,913,660.84	167,175,344.64	168,681,677.84	1,506,333.20	

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.