



# Information Item

**Date: March 31, 2010**

To: Mayor and City Council  
From: Carol Swindell, Director of Finance/City Treasurer  
Subject: City Monthly Cash and Investment Report for March 2010

## **Introduction**

In compliance with the City Charter, State law, and the City's Investment Policy, the attached monthly report provides information concerning City investments and cash held and/or managed by the Director of Finance/City Treasurer as of March 31, 2010.

## **Discussion**

The March 2010 Investment Report highlights changes from February. The value of cash and investments held in the pooled portfolio decreased by \$16.9 million during March to \$530.4 million. The pooled portfolio yield-to-maturity fell three basis points in March to 1.68%, sixty-five (65) basis points lower than in March 2009. Investment earnings for the month were \$0.8 million. Fiscal year-to-date earnings are down 31.7% from the same period last year.

In addition to the pooled portfolio, the City's total cash holdings as of March 31, 2010 included \$76 million in Charnock settlement-related funds, \$8 million in bond proceeds held in trust with fiscal agents, \$12 million in other funds held in trust, and \$57,122 in petty cash for a total balance of \$626.5 million.

In compliance with Governmental Accounting Standards, the Monthly Cash and Investment Report provides the fair market value of all investments held by the City, with certain exceptions, as of the last day of the month. The fair market value may be greater or less than the original purchase price (book/reported value) of the investments due to

fluctuations in the market resulting in either an unrealized gain or loss for financial disclosure purposes only. Since it is the City's policy to hold most securities to maturity, these fluctuations in market value do not affect the redemption value of the securities or the overall yield of the portfolio. The book values of investments shown in this report are exclusive of amortization/accretion of premiums/discounts. As of March 31, 2010, the market value of the City's portfolio was approximately \$0.5 million less than the book value.

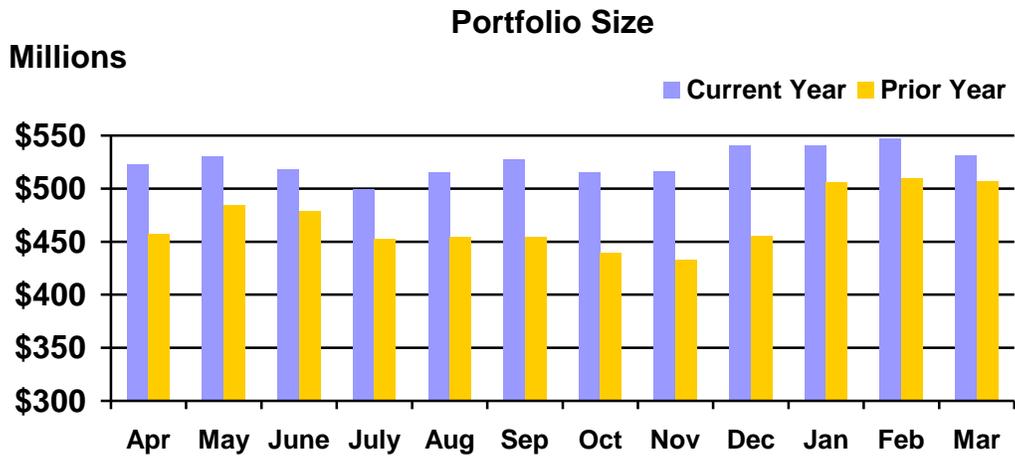
Attached is a summary of investment activity as well as a detailed report of public monies held by the City Treasurer for the month of March 2010.

Prepared by: David Carr, Principal Investment Analyst

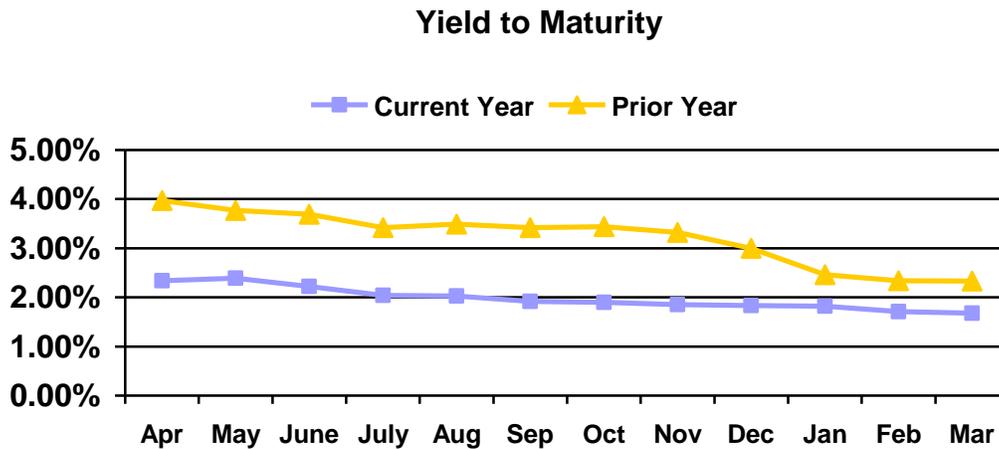
Attachments: 1 – Investment Highlights  
2 – Investment Report

# Investment Highlights

## March 2010

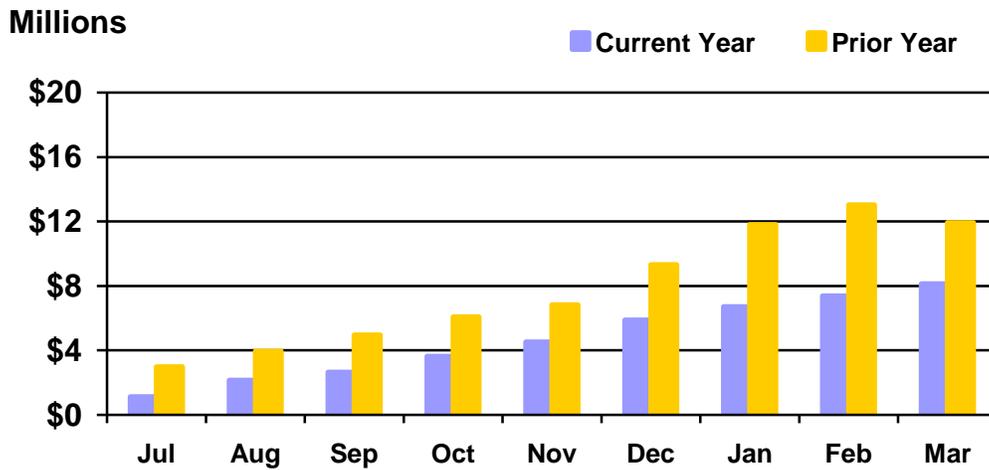


- As of March 31, the portfolio size is \$530.4 million, \$16.9 million less than in February and \$23.6 million more than in March 2009

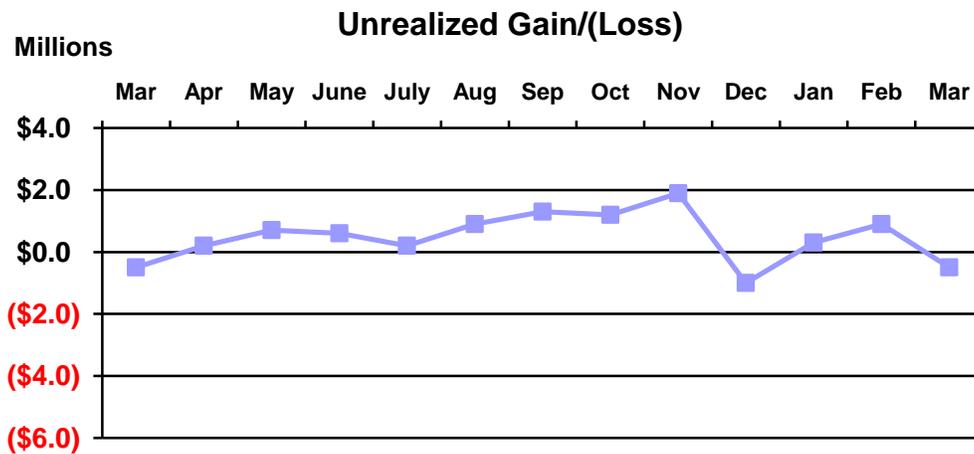


- As of March 31, yield to maturity is 1.68 percent.
- Decrease of three basis points from February and sixty-five basis points from one year earlier.

### Fiscal Year-to-Date Interest Earnings (Cumulative by Month)



- Fiscal y-t-d earnings are 31.7% less than the prior year.



- The unrealized loss of \$0.5 million reported as of March 31, 2010 is the difference between market value and the unamortized book value (purchase price).



# Investment Report

## March 2010

Prepared by:  
Carol Swindell, Director of Finance/City Treasurer  
David R. Carr, Principal Investment Analyst

**City of Santa Monica  
Report of Public Monies Held by the City Treasurer  
As of March 31, 2010**

<b>Petty Cash</b>	\$57,122.00
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**Pooled Portfolio**

Bank of America (1)	
General Account	\$831,581.98
Columbia Money Market Sweep Account	\$5,743,391.49
Total Bank of America	\$6,574,973.47
Bank of New York (BNY)	
Corporate Bonds - FDIC Insured	\$70,937,191.25
Federal Agencies Securities	\$370,586,763.12
Total Bank of New York	\$441,523,954.37
State of California Local Agency Investment Fund - RDA	\$48,580,635.22
State of California Local Agency Investment Fund - City	\$33,749,397.51

<b>Total Pooled Portfolio</b>	\$530,428,960.57
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**Restricted Cash/Investments Held in Trust**

Bond Proceeds	
Union Bank-Earthquake Recovery Redevelopment 2006	
Tax Allocation Refunding Bonds Series A & B	\$15.78
BNY-Library Improvement Project 2002 Series	\$0.00
BNY-Ocean Park Redevelopment Project 2002 Refunding	\$2,513,100.94
BNY-Parking Authority Lease Revenue Bonds 2002 Refunding	\$2.01
BNY-Public Safety Facility Bonds 2002 Series	\$1,383,680.00
BNY-Public Safety Facility Bonds 2009 Refunding	\$1,101,213.67
U.S. Bank-Wastewater Enterprise Revenue Bonds-1993 Refunding	\$0.00
U.S. Bank-Wastewater Enterprise Revenue Bonds-2005 Refunding	\$1.00
Union Bank-Civic Center Parking Project 2004 Lease Revenue Bonds	\$3,085,098.21

<b>Total Restricted Cash/Investments Held in Trust</b>	\$8,083,111.61
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**Charnock Settlement Funds**

Union Bank (December 2006 Settlement)	
Money Market Funds	\$19,513,415.90
Federal Agencies Securities	\$51,355,941.85
Corporate Bonds	\$5,144,450.00
Total Union Bank (December 2006 Settlement)	\$76,013,807.75

<b>Total Charnock Settlement Funds</b>	\$76,013,807.75
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**Other Restricted Funds/Funds Held in Trust**

Cemetery Perpetual Care Fund (3)	\$7,386,108.42
Mausoleum Perpetual Care Fund (3)	\$780,770.90
HUD Depository Account (4)	\$3,640,152.49
Public Agency Family Self Sufficiency Program (2)	\$145,776.60

<b>Total Other Funds Held in Trust</b>	\$11,952,808.41
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<b>GRAND TOTAL</b>	\$626,535,810.34
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**City of Santa Monica**  
**Report of Public Monies Held by the City Treasurer**  
**As of March 31, 2010**

- (1) This is the actual bank account balance as of 3/31/10. It only reflects checks and warrants that have been presented for payment and deposits received by the bank. The balance on deposit per the City books would reflect reductions for all checks and warrants issued and an increase for all deposits transmitted. Redevelopment Agency, Housing Authority, and Parking Authority Funds included in totals.
- (2) The City of Santa Monica Housing Authority administers the Family Self Sufficiency Program. An escrow account is set up for each family in the program. The Housing Authority maintains and releases the escrow funds as required by HUD regulations.
- (3) The Cemetery Perpetual Care Funds and the Mausoleum Perpetual Care Funds are held in trust by Charles Schwab & Company, Inc. and administered by the investment firm RNC Genter Capital Management Company. Market value is shown since a large portion of the portfolio is in equities.
- (4) HUD Depository account is used to receive monthly housing assistance payments from HUD.

**City of Santa Monica  
Cash Receipts, Disbursements and Cash Balances\*  
March 31, 2010**

Pursuant to Section 711d of the City Charter, I submit the following:

Cash and Investments - February 28, 2010	547,250,474.36
Receipts	29,736,583.46
Disbursements	(46,558,097.25)
Cash and Investments - March 31, 2010	\$530,428,960.57

\* Pooled portfolio only. Excludes certain investments held in trust by third parties such as bond proceeds, perpetual care funds, and Charnock settlement funds.

Carol Swindell  
Director of Finance/City Treasurer

**Overview**

As of March 31, 2010, total City cash and investments were \$626.5 million, a \$15.4 million increase from February. The increase is primarily due to a \$16.9 million decrease in the pooled portfolio partially offset by a \$1.4 million increase in Other Funds Held in Trust reflecting an increase in the value of the Cemetery and Mausoleum Perpetual Care funds and the receipt of HUD Section 8 funds in a the HUD depository account. The pooled portfolio size typically decreases in March as it is one of the lowest revenue months of the year. Further details are provided below.

Petty Cash	\$	57,122.00
Pooled Investment Portfolio	\$	530,428,960.57
Restricted Cash/Investment Held in Trust	\$	8,083,111.61
Charnock Settlement Funds	\$	76,013,807.75
Other Funds Held in Trust	\$	11,952,808.41
Total	\$	<u>626,535,810.34</u>

**Definitions**

- Basis Point – One hundredth of one percent (.01%)
- Book (Reported) Value – The price paid for the security at purchase.
- Bullets – A security with a fixed coupon or interest rate that cannot be redeemed by the issuer before the maturity date.
- Callable Securities – A security that can be redeemed by the issuer before the maturity date.
- Duration – A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a security. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.
- Market Value – The price at which a security is currently trading and could be presumably bought or sold.
- Par Value – The full face value of the security.
- Rebalancing – Strategy whereby low yielding securities are sold at a loss with the proceeds used to purchase higher yielding securities.
- TLGP (Temporary Loan Guarantee Program) – Federal program through which the Federal Deposit Insurance Corporation guarantees repayment of certain bonds issued by financial institutions.
- Unrealized Gain/Loss – Difference between the current market value and purchase price (book value) of a security.

- Yield to Maturity – The rate of return of a security held to maturity when both interest payments and the investor’s gain or loss (premium paid or discount taken) on the security is taken into account.

**Pooled Investment Portfolio**

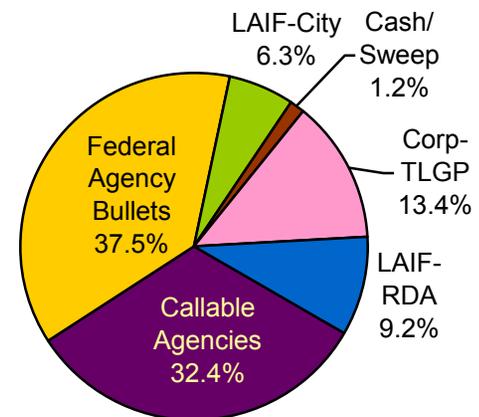
As of March 31, 2010, the portfolio size (unamortized book value/purchase price) of City pooled cash and investments is \$530.4 million, a \$16.9 million decrease from February. As indicated earlier, expenditures typically exceed revenues in the month of March. Since the City holds most investments to maturity, variations in portfolio book value are typically due to receipt and expenditure patterns during the month rather than any realized gains or losses on securities. Additionally, the City does not amortize premiums or accrete discounts except for financial reporting purposes on the last day of each fiscal year. Seven investments were made during the month (\$28.1 million). Three investments matured (\$20.0 million) and five investments were called (\$20.0 million). No investments were sold. The net total City and RDA State Local Agency Investment Fund (LAIF) account balances decreased by \$1 million in March. The balance of the sweep account on March 31 was \$6.6 million.

Details of the main portfolio follow.

**Portfolio Composition**

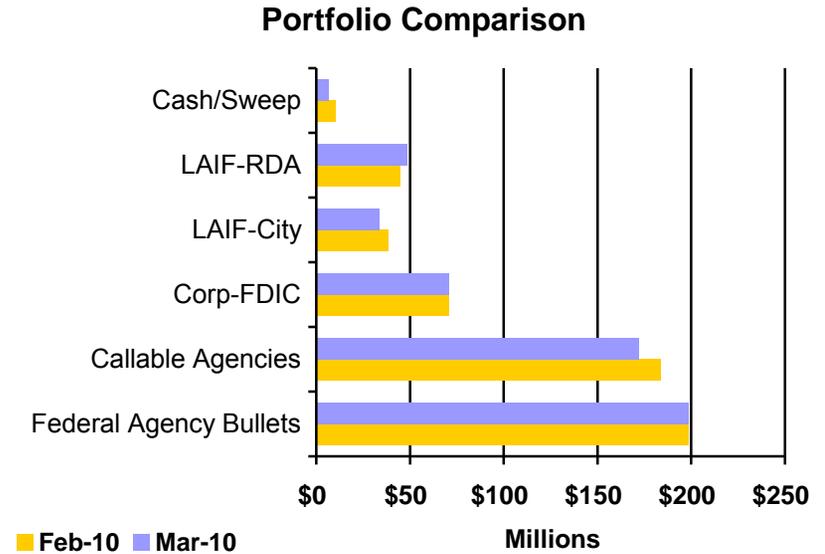
The portfolio is well-diversified and is in compliance with the City’s Investment Policy and applicable provisions of the State Government Code. The largest sector of the portfolio is Federal Agency Securities (69.9%). The remaining 30.1% is invested in State Local Agency Investment Fund accounts for the City (6.3%) and the RDA (9.2%); corporate notes (13.4%), all of which are currently FDIC insured bonds (AAA rated) issued under the FDIC’s Temporary Liquidity Guarantee Program (TLGP); and cash including the money market sweep account (1.2%). This portfolio mix allows the City to maintain its primary investment objectives of safety and liquidity while attaining a rate of return consistent with the City’s Investment Policy and Investment Plan.

**Portfolio Composition**



**Portfolio Comparison**

The chart to the right shows the overall structure of the portfolio by type of investment compared to last month. There were no significant changes in March. The City continues to hold a significant balance in short term funds as interest rates remain at historic lows, and LAIF provides a significant benefit over other types of investments with maturities one year and under. The bond market, financial and economic conditions, and portfolio structure are continuously evaluated when making investment decisions.



**Rebalancing of Portfolio**

No portfolio rebalancing occurred in March due to the low interest rate environment. However, when rates begin to rise again, rebalancing opportunities will be evaluated.

**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
March 31, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Coupon</b>												
3133X6PG5	10719	Federal Home Loan Bank		03/19/2008	5,000,000.00	5,012,500.00	5,180,500.00	4.080	768	2.310	25	04/26/2010
31398APV8	10736	Federal National Mort Assoc		04/23/2008	5,000,000.00	5,014,062.50	4,959,350.00	2.375	757	2.805	49	05/20/2010
3133XFLE4	10715	Federal Home Loan Bank		02/25/2008	5,000,000.00	5,048,437.50	5,259,921.70	5.250	837	2.890	71	06/11/2010
3133XR2Y5	10739	Federal Home Loan Bank		05/15/2008	5,000,000.00	5,026,562.50	4,981,850.00	3.000	757	3.182	71	06/11/2010
3133XR2Y5	10744	Federal Home Loan Bank		05/21/2008	5,000,000.00	5,026,562.50	5,009,000.00	3.000	751	2.904	71	06/11/2010
31331YYU8	10731	Federal Farm Credit Bank		03/27/2008	5,000,000.00	5,025,000.00	4,986,750.00	2.250	826	2.372	91	07/01/2010
3133XCBP7	10749	Federal Home Loan Bank		05/29/2008	5,000,000.00	5,067,187.50	5,181,750.00	5.000	774	3.210	102	07/12/2010
3137EABQ1	10866	Fed Home Loan Mortgage Corp		05/22/2009	5,000,000.00	5,043,750.00	5,154,500.00	3.250	420	0.550	106	07/16/2010
3133XCSY0	10710	Federal Home Loan Bank		02/14/2008	5,000,000.00	5,085,937.50	5,255,500.00	4.875	914	2.750	137	08/16/2010
3133XGRD8	10728	Federal Home Loan Bank		03/27/2008	4,900,000.00	5,013,312.50	5,200,664.00	5.125	916	2.580	181	09/29/2010
3133XSCT3	10813	Federal Home Loan Bank		01/16/2009	3,000,000.00	3,047,812.50	3,101,580.00	3.375	642	1.386	202	10/20/2010
3133XMES6	10789	Federal Home Loan Bank		11/25/2008	7,000,000.00	7,146,562.50	7,177,059.51	4.375	696	3.000	204	10/22/2010
3133XVJC6	10919	Federal Home Loan Bank		01/07/2010	5,000,000.00	4,995,312.50	5,004,762.50	0.430	301	0.406	217	11/04/2010
31331TNJ6	10730	Federal Farm Credit Bank		04/24/2008	5,000,000.00	5,132,812.50	5,206,000.00	4.350	967	2.725	260	12/17/2010
3133XWKG3	10918	Federal Home Loan Bank		01/07/2010	5,000,000.00	4,992,187.50	4,996,552.08	0.375	364	0.445	280	01/06/2011
3137EABW8	10869	Fed Home Loan Mortgage Corp		05/22/2009	3,000,000.00	3,021,060.00	3,030,120.00	1.500	595	0.875	281	01/07/2011
31331JCY7	10939	Federal Farm Credit Bank		02/17/2010	4,000,000.00	3,992,500.00	4,000,622.22	0.350	349	0.350	306	02/01/2011
31331YWG1	10817	Federal Farm Credit Bank		01/22/2009	5,000,000.00	5,110,937.50	5,144,150.00	3.000	770	1.607	336	03/03/2011
3133XPNY6	10751	Federal Home Loan Bank		05/29/2008	3,000,000.00	3,063,750.00	2,948,160.00	2.875	1,016	3.521	344	03/11/2011
31359MM26	10750	Federal National Mort Assoc		05/29/2008	3,000,000.00	3,143,437.50	3,134,760.00	5.125	1,051	3.470	379	04/15/2011
31331YG46	10865	Federal Farm Credit Bank		05/22/2009	5,000,000.00	5,106,250.00	5,145,915.57	2.625	699	1.080	385	04/21/2011
3128X7MN1	10810	Fed Home Loan Mortgage Corp		01/15/2009	5,000,000.00	5,143,800.00	5,206,700.00	3.500	840	1.664	399	05/05/2011
3136F9QM8	10741	Federal National Mort Assoc		06/02/2008	5,000,000.00	5,025,000.00	4,984,100.00	3.400	1,095	3.513	427	06/02/2011
3133XFJY3	10699	Federal Home Loan Bank		01/18/2008	5,000,000.00	5,259,375.00	5,335,350.00	5.250	1,239	3.150	435	06/10/2011
3133XR4U1	10806	Federal Home Loan Bank		01/09/2009	5,000,000.00	5,128,125.00	5,174,150.00	3.125	882	1.650	435	06/10/2011
3133XTXH4	10894	Federal Home Loan Bank		08/26/2009	4,000,000.00	4,043,750.00	4,028,360.00	1.625	700	1.250	482	07/27/2011
3133XUD26	10879	Federal Home Loan Bank		08/10/2009	3,000,000.00	3,030,000.00	3,000,000.00	1.000	730	1.000	496	08/10/2011
31331GDC0	10877	Federal Farm Credit Bank		07/17/2009	5,000,000.00	5,206,250.00	5,253,302.16	3.600	819	1.299	561	10/14/2011
3133XV6K2	10903	Federal Home Loan Bank		10/14/2009	5,000,000.00	5,020,312.50	5,011,850.00	1.150	730	1.030	561	10/14/2011
31331JBL6	10921	Federal Farm Credit Bank		01/14/2010	5,000,000.00	5,004,687.50	5,004,205.56	1.100	728	1.060	651	01/12/2012
31331GZ28	10904	Federal Farm Credit Bank		10/19/2009	5,000,000.00	5,001,562.50	5,000,000.00	1.250	822	1.250	658	01/19/2012
3128X9XT2	10927	Fed Home Loan Mortgage Corp		02/17/2010	2,500,000.00	2,493,950.00	2,500,000.00	1.250	730	1.250	687	02/17/2012
3133XWFP9	10930	Federal Home Loan Bank		02/04/2010	1,205,000.00	1,203,493.75	1,205,554.30	1.050	750	1.025	694	02/24/2012
3136FHCP8	10831	Federal National Mort Assoc		03/09/2009	5,000,000.00	5,029,687.50	5,000,000.00	2.000	1,096	2.000	708	03/09/2012
3133XQZ39	10737	Federal Home Loan Bank		04/30/2008	5,000,000.00	5,012,500.00	5,000,000.00	3.650	1,461	3.650	760	04/30/2012
31331GVL0	10860	Federal Farm Credit Bank		05/07/2009	5,000,000.00	5,064,062.50	5,000,000.00	1.875	1,096	1.875	767	05/07/2012

Portfolio INVT

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**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
March 31, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Coupon</b>												
3133MNVV0	10814	Federal Home Loan Bank		01/16/2009	5,000,000.00	5,470,312.50	5,620,170.41	5.750	1,212	1.880	772	05/12/2012
3136FHUY9	10867	Federal National Mort Assoc		06/01/2009	4,450,000.00	4,455,562.50	4,450,000.00	1.400	1,096	1.400	792	06/01/2012
3136FHUY9	10868	Federal National Mort Assoc		06/01/2009	550,000.00	550,687.50	550,000.00	1.400	1,096	1.400	792	06/01/2012
3128X9SY7	10920	Fed Home Loan Mortgage Corp		01/19/2010	5,000,000.00	5,010,450.00	5,000,000.00	1.625	912	1.625	840	07/19/2012
3133XXP68	10946	Federal Home Loan Bank		03/26/2010	5,000,000.00	4,984,375.00	4,991,494.44	1.250	854	1.331	848	07/27/2012
3133XUG31	10881	Federal Home Loan Bank		07/30/2009	5,000,000.00	5,023,437.50	5,000,000.00	2.050	1,096	2.050	851	07/30/2012
3133.XWXJ3	10938	Federal Home Loan Bank		02/16/2010	4,000,000.00	3,987,500.00	4,000,555.56	1.250	895	1.250	851	07/30/2012
31398AYM8	10911	Federal National Mort Assoc		12/04/2009	5,000,000.00	5,032,812.50	5,066,400.00	1.750	980	1.245	862	08/10/2012
3133XUE41	10906	Federal Home Loan Bank		11/19/2009	5,000,000.00	5,037,500.00	5,056,600.00	1.750	1,007	1.337	874	08/22/2012
3133XUK93	10890	Federal Home Loan Bank		08/19/2009	5,000,000.00	5,112,500.00	5,007,335.75	2.000	1,122	1.951	897	09/14/2012
3128X8WD0	10845	Fed Home Loan Mortgage Corp		04/15/2009	5,000,000.00	5,003,125.00	5,000,000.00	2.300	1,279	2.300	928	10/15/2012
31398AZK1	10900	Federal National Mort Assoc		10/19/2009	2,000,000.00	2,001,250.00	2,000,000.00	2.050	1,096	2.050	932	10/19/2012
3133XVKN3	10912	Federal Home Loan Bank		12/04/2009	5,000,000.00	5,026,562.50	5,029,406.25	1.875	1,081	1.697	963	11/19/2012
3136FHRE7	10859	Federal National Mort Assoc		05/20/2009	5,000,000.00	5,009,375.00	5,000,000.00	2.250	1,280	2.250	964	11/20/2012
3128X9SN1	10915	Fed Home Loan Mortgage Corp		01/15/2010	5,000,000.00	5,005,550.00	5,000,000.00	2.000	1,096	2.000	1,020	01/15/2013
3128X84Q2	10893	Fed Home Loan Mortgage Corp		08/26/2009	4,000,000.00	4,014,520.00	3,996,400.00	2.250	1,253	2.277	1,035	01/30/2013
3136FJ3M1	10928	Federal National Mort Assoc		02/11/2010	2,500,000.00	2,501,562.50	2,500,000.00	1.000	1,096	1.000	1,047	02/11/2013
31331JBV4	10929	Federal Farm Credit Bank		02/04/2010	2,500,000.00	2,493,750.00	2,502,800.00	1.750	1,113	1.709	1,057	02/21/2013
31359MQV8	10909	Federal National Mort Assoc		12/03/2009	5,000,000.00	5,418,750.00	5,496,750.00	4.750	1,176	1.570	1,057	02/21/2013
3133XWX87	10945	Federal Home Loan Bank		03/23/2010	2,000,000.00	1,998,750.00	2,007,961.11	1.750	1,081	1.696	1,072	03/08/2013
3136FMBK9	10940	Federal National Mort Assoc		03/15/2010	5,000,000.00	4,981,250.00	5,000,000.00	1.000	1,096	1.000	1,079	03/15/2013
31398AH70	10943	Federal National Mort Assoc		03/15/2010	5,000,000.00	4,976,562.50	5,000,000.00	1.800	1,096	1.800	1,079	03/15/2013
31398AZD7	10916	Federal National Mort Assoc		12/28/2009	3,000,000.00	3,005,625.00	3,000,000.00	2.170	1,179	2.170	1,085	03/21/2013
3128X8TZ5	10844	Fed Home Loan Mortgage Corp		04/08/2009	5,000,000.00	5,077,050.00	5,000,000.00	2.500	1,461	2.500	1,103	04/08/2013
3136FHLL7	10861	Federal National Mort Assoc		05/01/2009	5,000,000.00	5,003,125.00	5,000,000.00	1.500	1,459	1.500	1,124	04/29/2013
3133XRB58	10740	Federal Home Loan Bank		05/28/2008	5,000,000.00	5,029,687.50	5,000,000.00	4.125	1,826	4.125	1,153	05/28/2013
3133XVUD1	10907	Federal Home Loan Bank		12/07/2009	5,000,000.00	5,007,812.50	5,000,000.00	2.125	1,278	2.125	1,163	06/07/2013
3133XR5U0	10901	Federal Home Loan Bank		10/02/2009	5,000,000.00	5,273,437.50	5,312,250.00	3.750	1,351	1.990	1,170	06/14/2013
3133XUTR4	10897	Federal Home Loan Bank		09/26/2009	3,000,000.00	3,011,250.00	3,000,000.00	2.300	1,369	2.300	1,184	06/28/2013
3133XWP29	10922	Federal Home Loan Bank		01/26/2010	5,000,000.00	5,006,250.00	5,000,000.00	2.050	1,277	2.050	1,212	07/26/2013
3136FJJR3	10905	Federal National Mort Assoc		10/30/2009	5,000,000.00	5,014,062.50	5,000,000.00	2.200	1,369	2.200	1,216	07/30/2013
3128X86V9	10883	Fed Home Loan Mortgage Corp		08/19/2009	5,000,000.00	5,048,100.00	5,000,000.00	2.800	1,461	2.800	1,236	08/19/2013
3136FJ4C2	10924	Federal National Mort Assoc		02/23/2010	5,000,000.00	4,979,687.50	5,000,000.00	2.000	1,277	2.000	1,240	08/23/2013
3133XUPZ0	10942	Federal Home Loan Bank		03/05/2010	3,000,000.00	3,070,312.50	3,076,230.00	2.625	1,288	1.876	1,261	09/13/2013
31398AJ29	10944	Federal National Mort Assoc		03/16/2010	3,000,000.00	2,985,000.00	2,999,250.00	2.100	1,280	2.107	1,264	09/16/2013
31331GS26	10898	Federal Farm Credit Bank		09/23/2009	2,000,000.00	2,008,750.00	2,000,000.00	2.350	1,461	2.350	1,271	09/23/2013

Portfolio INVT

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**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
March 31, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Coupon</b>												
31331G4Y2	10908	Federal Farm Credit Bank		12/03/2009	4,950,000.00	4,937,625.00	4,950,000.00	2.450	1,461	2.450	1,342	12/03/2013
3128X8FT4	10815	Fed Home Loan Mortgage Corp		01/29/2009	5,000,000.00	5,006,400.00	5,000,000.00	2.000	1,826	2.000	1,399	01/29/2014
31398AVD1	10914	Federal National Mort Assoc		12/22/2009	5,000,000.00	5,093,750.00	5,092,600.00	2.750	1,506	2.276	1,406	02/05/2014
31331GNA3	10937	Federal Farm Credit Bank		02/12/2010	4,000,000.00	4,080,000.00	4,117,520.00	3.000	1,461	2.228	1,413	02/12/2014
3128X8NE8	10836	Fed Home Loan Mortgage Corp		03/10/2009	5,000,000.00	5,046,300.00	5,000,000.00	2.125	1,826	2.125	1,439	03/10/2014
31398AXB3	10852	Federal National Mort Assoc		05/05/2009	5,000,000.00	5,003,125.00	5,000,000.00	2.800	1,826	2.800	1,495	05/05/2014
3133XX2M8	10931	Federal Home Loan Bank		02/26/2010	5,000,000.00	4,982,812.50	5,000,000.00	2.000	1,642	2.000	1,608	08/26/2014
3136FJZV6	10913	Federal National Mort Assoc		12/30/2009	5,000,000.00	5,003,125.00	5,000,000.00	2.300	1,826	2.300	1,734	12/30/2014
3133XWHL6	10917	Federal Home Loan Bank		01/13/2010	2,000,000.00	2,001,250.00	2,000,000.00	2.000	1,826	2.000	1,748	01/13/2015
3133XWUY3	10923	Federal Home Loan Bank		02/24/2010	5,000,000.00	4,984,375.00	5,000,000.00	2.000	1,826	2.000	1,790	02/24/2015
3133XX2V8	10932	Federal Home Loan Bank		03/05/2010	5,000,000.00	5,001,562.50	5,000,000.00	3.150	1,826	3.150	1,799	03/05/2015
<b>Subtotal and Average</b>			<b>369,037,915.88</b>		<b>365,555,000.00</b>	<b>369,539,111.25</b>	<b>370,586,763.12</b>		<b>1,097</b>	<b>2.032</b>	<b>793</b>	
<b>Federal Agency Discount</b>												
<b>Subtotal and Average</b>			<b>7,419,001.88</b>									
<b>Local Agency Investment Funds</b>												
SYS10090	10090	Local Agency Investment Fund			33,749,397.51	33,749,397.51	33,749,397.51	0.055	1	0.055	1	
<b>Subtotal and Average</b>			<b>34,523,591.06</b>		<b>33,749,397.51</b>	<b>33,749,397.51</b>	<b>33,749,397.51</b>		<b>1</b>	<b>0.055</b>	<b>1</b>	
<b>Columbia Money Market Fund</b>												
SYS10091	10091	Columbia Money Market Reserves		09/15/2006	5,743,391.49	5,743,391.49	5,743,391.49	0.010	1	0.010	1	
<b>Subtotal and Average</b>			<b>6,123,834.20</b>		<b>5,743,391.49</b>	<b>5,743,391.49</b>	<b>5,743,391.49</b>		<b>1</b>	<b>0.010</b>	<b>1</b>	
<b>Local Agency Investment Funds - RDA</b>												
SYS10092	10092	LAIF - RDA		03/17/2009	48,580,635.22	48,580,635.22	48,580,635.22	0.055	1	0.055	1	
<b>Subtotal and Average</b>			<b>48,451,602.96</b>		<b>48,580,635.22</b>	<b>48,580,635.22</b>	<b>48,580,635.22</b>		<b>1</b>	<b>0.055</b>	<b>1</b>	
<b>Corporate Bonds</b>												
481247AD6	10793	JP Morgan Chase		12/22/2008	5,000,000.00	5,072,300.00	5,088,900.00	2.625	709	1.700	244	12/01/2010
17314JAK9	10886	Citigroup		08/07/2009	5,000,000.00	5,046,600.00	5,010,400.00	1.500	704	1.391	467	07/12/2011
38146FAF8	10888	Goldman Sachs		08/07/2009	5,000,000.00	5,056,350.00	5,030,000.00	1.625	707	1.310	470	07/15/2011
17314JAN3	10887	Citigroup		08/07/2009	5,000,000.00	5,040,400.00	4,991,600.00	1.375	733	1.460	496	08/10/2011
61757UAF7	10878	Morgan Stanley		07/21/2009	5,000,000.00	5,084,000.00	5,090,200.00	2.000	793	1.155	539	09/22/2011
86801BAB1	10798	Suntrust Bank		12/29/2008	5,000,000.00	5,162,650.00	5,153,450.00	3.000	1,052	1.900	594	11/16/2011

**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
March 31, 2010**

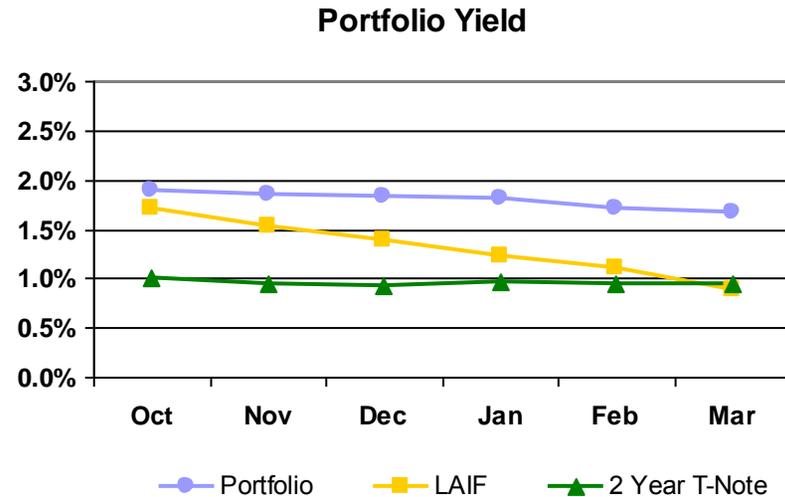
CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
<b>Corporate Bonds</b>												
949744AA4	10790	Wells Fargo Bank		12/10/2008	5,000,000.00	5,162,750.00	4,994,150.00	3.000	1,094	3.041	617	12/09/2011
4042EPAA5	10823	HSBC		02/06/2009	5,000,000.00	5,176,500.00	5,151,350.00	3.125	1,043	2.030	624	12/16/2011
9116OHAA5	10842	US Bank		03/13/2009	5,000,000.00	5,094,700.00	4,999,400.00	2.250	1,096	2.254	712	03/13/2012
06050BAA9	10808	Bank of America		01/20/2009	5,000,000.00	5,195,600.00	5,199,100.00	3.125	1,242	1.913	806	06/15/2012
38146FAA9	10816	Goldman Sachs		01/26/2009	5,000,000.00	5,213,500.00	5,206,850.00	3.250	1,236	1.984	806	06/15/2012
61757UAH3	10846	Morgan Stanley		04/13/2009	5,000,000.00	5,075,450.00	4,998,450.00	1.950	1,164	1.960	811	06/20/2012
17313YAG6	10895	Citigroup		08/28/2009	2,000,000.00	2,035,860.00	2,015,520.00	2.125	1,049	1.844	833	07/12/2012
17313YAL5	10899	Citigroup		10/05/2009	3,000,000.00	3,023,940.00	3,013,971.25	1.875	1,113	1.741	935	10/22/2012
481247AM6	10847	JP Morgan Chase		04/13/2009	5,000,000.00	5,071,150.00	4,993,850.00	2.125	1,353	2.160	1,000	12/26/2012
		<b>Subtotal and Average</b>	<b>70,937,191.25</b>		<b>70,000,000.00</b>	<b>71,511,750.00</b>	<b>70,937,191.25</b>		<b>1,002</b>	<b>1.860</b>	<b>649</b>	
		<b>Total and Average</b>	<b>536,493,137.24</b>		<b>523,628,424.22</b>	<b>529,124,285.47</b>	<b>529,597,378.59</b>		<b>902</b>	<b>1.679</b>	<b>642</b>	

**City of Santa Monica  
Portfolio Management  
Activity By Type  
March 1, 2010 through March 31, 2010**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
<b>Federal Agency Coupon</b>							
3133XPNX8	10711	Federal Home Loan Bank	2.625	03/12/2010	0.00	5,000,900.00	
3133XW2A6	10910	Federal Home Loan Bank	2.000	03/26/2010	0.00	5,000,000.00	
3133XWV8	10925	Federal Home Loan Bank	3.280	03/25/2010	0.00	2,500,000.00	
3133XWW96	10926	Federal Home Loan Bank	1.375	03/24/2010	0.00	2,500,000.00	
3133XX2V8	10932	Federal Home Loan Bank	3.150	03/05/2010	5,000,000.00	0.00	
3133XUP20	10942	Federal Home Loan Bank	2.625	03/05/2010	3,076,230.00	0.00	
3133XWX87	10945	Federal Home Loan Bank	1.750	03/23/2010	2,003,100.00	0.00	
3133XWP68	10946	Federal Home Loan Bank	1.250	03/26/2010	4,990,800.00	0.00	
3128X8NB4	10835	Fed Home Loan Mortgage Corp	2.050	03/09/2010	0.00	5,000,000.00	
3136FH7J8	10891	Federal National Mort Assoc	2.500	03/01/2010	0.00	5,000,000.00	
3136FMBK9	10940	Federal National Mort Assoc	1.000	03/15/2010	5,000,000.00	0.00	
31398AH70	10943	Federal National Mort Assoc	1.800	03/15/2010	5,000,000.00	0.00	
31398AJ29	10944	Federal National Mort Assoc	2.100	03/16/2010	2,999,250.00	0.00	
<b>Subtotal</b>					<b>28,069,380.00</b>	<b>25,000,900.00</b>	<b>370,586,763.12</b>
<b>Federal Agency Discount</b>							
313385TW6	10934	Federal Home Loan Bank	0.060	03/05/2010	0.00	4,999,816.67	
313385UP9	10941	Federal Home Loan Bank		03/22/2010	0.00	9,999,513.89	
<b>Subtotal</b>					<b>0.00</b>	<b>14,999,330.56</b>	<b>0.00</b>
<b>Local Agency Investment Funds (Monthly Summary)</b>							
SYS10090	10090	Local Agency Investment Fund	0.059		15,000,000.00	20,000,000.00	
<b>Subtotal</b>					<b>15,000,000.00</b>	<b>20,000,000.00</b>	<b>33,749,397.51</b>
<b>Columbia Money Market Fund (Monthly Summary)</b>							
SYS10091	10091	Columbia Money Market Reserves	0.010		35,264,976.70	39,369,638.68	
<b>Subtotal</b>					<b>35,264,976.70</b>	<b>39,369,638.68</b>	<b>5,743,391.49</b>
<b>Local Agency Investment Funds - RDA (Monthly Summary)</b>							
SYS10092	10092	LAIF - RDA	0.059		4,000,000.00	0.00	
<b>Subtotal</b>					<b>4,000,000.00</b>	<b>0.00</b>	<b>48,580,635.22</b>
<b>Corporate Bonds</b>							
<b>Subtotal</b>							<b>70,937,191.25</b>
<b>Total</b>					<b>82,334,356.70</b>	<b>99,369,869.24</b>	<b>529,597,378.59</b>

**Portfolio Yield**

The portfolio yield-to-maturity was 1.68% as of March 31, 2010, down three (3) basis points from February and sixty-five (65) basis points from March 2009. This is the tenth consecutive month of decrease reflecting the continuing record low interest rate environment. This month's yield is three hundred forty-three (343) basis points below the most recent high mark of 5.1% in September 2007, and is the lowest in nearly seven years (July 2003). The chart compares the month-end portfolio yield to the twelve-month moving averages of the two-year Constant Maturing Treasury security yield (CMT) and State Local Agency Investment Fund (LAIF) yield.



Interest rates in the one to five year maturity range increased sharply in March after relative flatness the prior two months. However, rates remain at historically low levels. The month-end two year CMT increased by twenty-one (21) basis points in March. The increase reflected optimism about the economic recovery in the United States. The twelve month moving average of the CMT was unchanged from February and is still three hundred eighty-nine (389) basis points off its February 2007 high. Rates are expected to remain relatively low through at least the first part of 2010. LAIF rates also continue to reflect the low interest rate environment. The twelve month moving average LAIF yield decreased by eleven (11) basis points to 0.89% in February and has now declined for twenty-nine consecutive months. As of month-end March the LAIF yield was of 0.55%, a record low point.

At its March meeting, the Federal Open Market Committee (Fed) left the target Fed Funds rate unchanged at a range of 0% to 0.25%. The economy continued to grow in the first quarter of 2010 as GDP increased for the third consecutive quarter. The housing market appears to have bottomed out and is showing improvement in many areas of the country. However, the sustainability of this increase remains to be seen after the ending of certain homebuyer tax credits. The stock market has rebounded strongly from March 2009 lows, and the Dow Jones Industrial Average increased over 5% in March. However, some analysts believe the market is becoming overvalued. The employment situation is showing modest improvement. While unemployment remains high (March rate was 9.7% for the third month in a row), job creation has begun after months of job losses. Consumer spending has also picked up. The commercial real estate market continues to be a major concern. Most

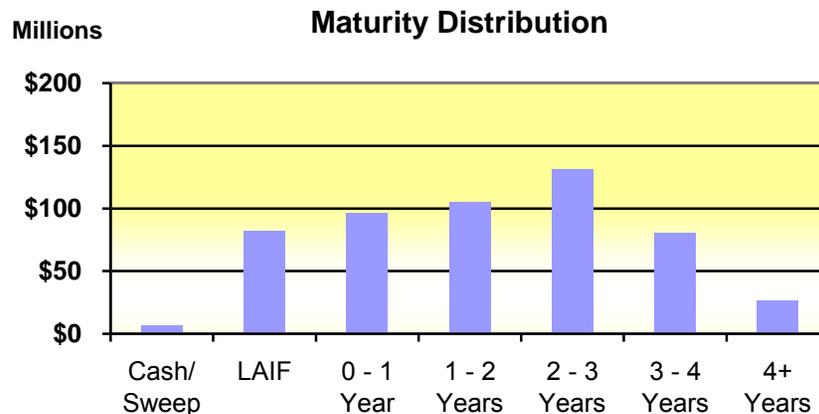
economists now expect mild economic growth in 2010 and 2011.

The City’s portfolio yield-to-maturity has decreased significantly over the last year as interest rates have reached historic lows resulting in many investments being called and reinvested at lower rates. Overall, the yield is not anticipated to change significantly over the next few months, but the market continues to be volatile, so yields could vary on a month-to-month basis. The extended low interest rate environment has resulted in nearly \$600 million in bonds being called between October 2007 and the end of March 2010 as compared to about \$70 million in the prior two years. As noted, more bonds will be called in the next few months as interest rates are expected to remain low, but the volume of called investments should decrease after that as many of the higher yielding investments have already been called, matured, or in the case of corporate securities, sold.

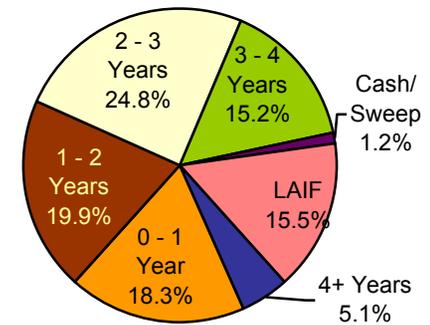
Investment earnings in March were \$0.8 million. Fiscal year-to-date earnings are 31.7% less than for the same period last fiscal year.

**Maturity Distribution**

The weighted average days to maturity as of March 31, 2010 is 642 days (1.75 years), twenty three days more than the prior month. Due to the current volatile and low interest rate environment, bonds continue to be called, and the portfolio’s average days to maturity may vary over the next several months. Additionally, most investments are being made primarily in maturities of three years or less as rates are expected to begin a period of significant increase about nine months to a year in the future.



**Portfolio Maturities**



**Unrealized Gains/Losses**

The Governmental Accounting Standards Board Statement No. 31 (GASB 31) requires public agencies to report all investments, with certain exceptions, at current fair market value rather than at the original purchase price. Current fair market value is defined in GASB 31 as “the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation state.”

The current fair market value and unrealized gain/loss of a security do not affect its redemption value or yield, if held to maturity. There is an inverse relationship between the price of the bond and the market interest rate. The City’s practice is to hold most securities to maturity. Book value and market values are exclusive of interest realized to date on investments. Also, the book value shown is the purchase price and is exclusive of any amortization of premiums or accretion of discounts. As of March 31, 2010, the market value and the book value of the City’s pooled investments (excluding cash) are:

Market Value	\$	529,124,285.47
Book Value (purchase price)		529,597,378.59
Unrealized Gain/(Loss)	\$	(473,093.12)

**Charnock Settlement**

All remaining restricted settlement funds are now held in an escrow account with Union Bank to be used to pay for the costs of design, construction, and operation of the water treatment facility at the Charnock Wells. These funds are invested under the same guidelines as the pooled portfolio with maturity dates to match the estimated cash flow needs of the Water Treatment Facility project. In accordance with the December 2006 settlement agreement, investment income earned in the escrow account is not restricted for use on the project. In August 2009, all investment income earned from date of account opening (December 2006) through July 2009 was transferred to the City (approximately \$9.7 million) and interest is now being transferred on a monthly basis. Funds remaining in the account (approximately \$76 million) should be sufficient to cover all costs related to construction of the facility and operations for the first few years. The yield to maturity on these funds as of March 31, 2010 is 1.55%, unchanged from the prior month. On March 31, 2010, the portfolio showed an unrealized loss of \$398,565.85. The weighted average days-to-maturity was 280 days (0.7 years).

**SM Water Treatment Facility  
Portfolio Management  
Portfolio Details - Investments  
March 31, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
<b>Money Market Sweep Fund</b>												
SYS1	1	Blackrock Institutional Funds-		12/19/2006	19,513,415.90	19,513,415.90	19,513,415.90	0.010		0.010	1	
<b>Subtotal and Average</b>			<b>19,446,690.82</b>		<b>19,513,415.90</b>	<b>19,513,415.90</b>	<b>19,513,415.90</b>			<b>0.010</b>	<b>1</b>	
<b>Corporate Notes</b>												
61757UAA8	54	Morgan Stanley		04/13/2009	5,000,000.00	5,081,250.00	5,144,450.00	2.900		1.108	244	12/01/2010
<b>Subtotal and Average</b>			<b>5,144,450.00</b>		<b>5,000,000.00</b>	<b>5,081,250.00</b>	<b>5,144,450.00</b>			<b>1.108</b>	<b>244</b>	
<b>Federal Agency Coupon Securities</b>												
31398AMV1	34	Federal national Mortgage Asso		04/07/2008	4,000,000.00	4,002,520.00	4,007,000.00	2.500		2.410	8	04/09/2010
31398AMV1	37	Federal national Mortgage Asso		04/09/2008	3,000,000.00	3,001,890.00	3,004,080.00	2.500		2.430	8	04/09/2010
3133XCBP7	39	Federal Home Loan Bank		04/09/2008	3,000,000.00	3,040,320.00	3,159,510.00	5.000		2.560	102	07/12/2010
3128X4EL1	35	Federal Home Loan Mortgage Cor		04/07/2008	4,000,000.00	4,055,480.00	4,191,200.00	4.625		2.480	118	07/28/2010
3133XGRD8	40	Federal Home Loan Bank		04/09/2008	3,000,000.00	3,069,390.00	3,176,010.00	5.125		2.657	181	09/29/2010
3137EAAB5	45	Federal Home Loan Mortgage Cor		04/16/2008	1,200,000.00	1,256,628.00	1,277,432.96	5.125		2.869	382	04/18/2011
3128X8WC2	53	Federal Home Loan Mortgage Cor		04/20/2009	10,000,000.00	10,005,600.00	10,000,000.00	1.750		1.750	384	04/20/2011
3137EAAF6	42	Federal Home Loan Mortgage Cor		04/16/2008	4,200,000.00	4,445,448.00	4,497,570.00	5.250		2.950	473	07/18/2011
3133XT2T2	57	Federal Home Loan Bank		07/17/2009	5,000,000.00	5,106,250.00	5,087,600.00	2.250		1.550	680	02/10/2012
3128X8MS8	49	Federal Home Loan Mortgage Cor		03/02/2009	5,000,000.00	5,033,300.00	4,997,500.00	2.350		2.367	701	03/02/2012
3136F9GR8	30	Federal national Mortgage Asso		04/15/2008	3,000,000.00	3,003,750.00	3,000,000.00	3.750		3.750	1,110	04/15/2013
<b>Subtotal and Average</b>			<b>46,397,902.96</b>		<b>45,400,000.00</b>	<b>46,020,576.00</b>	<b>46,397,902.96</b>			<b>2.355</b>	<b>392</b>	
<b>Federal Agency Disc. -At Cost</b>												
313385VF0	52	Federal Home Loan Bank		04/08/2009	5,000,000.00	5,000,000.00	4,958,038.89	0.830		0.859	6	04/07/2010
<b>Subtotal and Average</b>			<b>4,958,038.89</b>		<b>5,000,000.00</b>	<b>5,000,000.00</b>	<b>4,958,038.89</b>			<b>0.859</b>	<b>6</b>	
<b>Total and Average</b>			<b>75,947,082.67</b>		<b>74,913,415.90</b>	<b>75,615,241.90</b>	<b>76,013,807.75</b>			<b>1.571</b>	<b>257</b>	

**Compliance**

California State law and the City's Investment Policy set certain legal standards for allowable investments that can be included in the City's portfolio. Additionally, there are certain maximum limits for classes of investments, as well as minimum credit quality requirements. In testing for compliance, the City considers all funds under the direct control and invested directly by the City including the pooled portfolio and the Water Treatment Facility account. Bond proceeds and the Cemetery and Mausoleum Perpetual Care Funds are excluded.

The following tables summarize portfolio compliance as of March 31, 2010 all investments were in compliance with State law and the City's Investment Policy at the time of purchase. State law requires that any investment subject to a credit downgrade subsequent to the time of purchase shall be reviewed for possible sale within a reasonable amount of time after the downgrade. As of the date of this report, the portfolio includes no bonds that have been downgraded since the time of purchase and all remaining corporate bonds are FDIC insured and rated AAA.

Further detail regarding City compliance with State law and City investment guidelines is presented as follows:

**Portfolio Allocation as of 3/31/10**

	Pooled Portfolio	SM Water Treatment Facility Account (1)	Total Portfolio (2) (4)	% of Portfolio	Legal/Policy Limit	In Compliance (Yes/No)
<b>Federal Agency Securities</b>						
Federal Home Loan Bank	\$168,154,567.61	\$16,381,158.89	\$184,535,726.50	30.4%	50.0%	Yes
Federal National Mortgage Association	89,233,210.00	10,011,080.00	99,244,290.00	16.4%	50.0%	Yes
Federal Home Loan Mortgage Corporation	54,887,720.00	24,963,702.96	79,851,422.96	13.2%	50.0%	Yes
Federal Farm Credit Bank	58,311,265.51	0.00	58,311,265.51	9.6%	50.0%	Yes
<b>Total Federal Agency Securities</b>	<b>\$370,586,763.12</b>	<b>51,355,941.85</b>	<b>421,942,704.97</b>	<b>69.6%</b>	<b>n/a</b>	<b>Yes</b>
<b>Corporate Bonds</b>						
Corporate Bonds - TGLP (FDIC Insured)	\$70,937,191.25	\$5,144,450.00	76,081,641.25			
Corporate Bonds - Other	\$0.00		0.00			
<b>Total Corporate Bonds</b>	<b>\$70,937,191.25</b>	<b>\$5,144,450.00</b>	<b>\$76,081,641.25</b>	<b>12.5%</b>	<b>30.0%</b>	<b>Yes</b>
<b>Money Market Mutual Funds</b>						
Columbia Money Market Reserves Advisor Class	5,743,391.49		5,743,391.49	0.9%	10.0%	Yes
BlackrockT-Find Cash Management Sweep		19,513,415.90	19,513,415.90	3.2%	10.0%	Yes
<b>Total-Money Market Mutual Funds</b>	<b>\$5,743,391.49</b>	<b>\$19,513,415.90</b>	<b>\$25,256,807.39</b>	<b>4.2%</b>	<b>20.0%</b>	<b>Yes</b>
<b>State Local Agency Investment Fund-City</b>	<b>\$33,749,397.51</b>		<b>\$33,749,397.51</b>	<b>5.6%</b>	<b>\$50 million</b>	<b>Yes</b>
<b>State Local Agency Investment Fund-RDA</b>	<b>\$48,580,635.22</b>		<b>\$48,580,635.22</b>	<b>8.0%</b>	<b>\$50 million</b>	<b>Yes</b>
<b>Cash (3)</b>	<b>831,581.98</b>		<b>831,581.98</b>	<b>0.1%</b>	<b>None</b>	<b>Yes</b>
<b>Total (Book Value)</b>	<b>\$530,428,960.57</b>	<b>\$76,013,807.75</b>	<b>\$606,442,768.32</b>	<b>100.00%</b>		

**Notes:**

- (1) Held by Union Bank
- (2) Excludes bond proceeds, funds held in trust for others, petty cash accounts, and other funds which are not entirely under City ownership and control
- (3) City's general bank account held at Bank of America. Does not include balance of HUD depository account (\$3,640,152.49)
- (4) Value used to test compliance is reported value (book value plus unrealized purchased interest).

**Credit Ratings - Corporate Medium Term Notes**

	Standard & Poors/		In Compliance (Yes/No)
	Fitch	Moodys	
<b>Best Quality</b>	AAA	Aaa	Yes
	AA+	Aa1	Yes
<b>High Quality</b>	AA	Aa2	Yes
	AA-	Aa3	Yes
	A+	A1	Yes
<b>Upper Medium Grade</b>	A	A2	Yes
	A-	A3	Yes
	BBB+	Baa1	No
<b>Medium Grade</b>	BBB	Baa2	No
	BBB-	Baa3	No

Security	Pooled Portfolio	MTBE Custodial Account	SM Water Treatment Facility Account	Total Portfolio	Credit Rating*	In Compliance (Yes/No)
<b>Corporate - TLGP (FDIC Guaranteed)</b>						
Bank of America 3.125% (TLGP) 6/15/2012	\$5,199,100.00			\$5,199,100.00	AAA	Yes
Suntrust Bank 3% (TLGP) maturing 11/16/11	\$5,153,450.00			\$5,153,450.00	AAA	Yes
Goldman Sachs 3.25% (TLGP) 6/15/2012	\$5,206,850.00			\$5,206,850.00	AAA	Yes
Goldman Sachs 1.625% (TLGP) 7/15/11	\$5,030,000.00			\$5,030,000.00	AAA	Yes
HSBC 3.125% (TLGP) maturing 12/16/11	\$5,151,350.00			\$5,151,350.00	AAA	Yes
JP Morgan Chase 2.625% (TLGP) maturing 12/1/10	\$5,088,900.00			\$5,088,900.00	AAA	Yes
JP Morgan Chase 2.125% (TLGP) maturing 12/26/12	\$4,993,850.00			\$4,993,850.00	AAA	Yes
Wells Fargo Bank 3% (TLGP) maturing 1/12/11	\$4,994,150.00			\$4,994,150.00	AAA	Yes
Morgan Stanley 1.95% (TLGP) maturing 6/20/12	\$4,998,450.00			\$4,998,450.00	AAA	Yes
Morgan Stanley 2.9% (TLGP) maturing 12/01/10			\$5,144,450.00	\$5,144,450.00	AAA	Yes
Morgan Stanley 2% (TLGP) maturing 9/22/11	\$5,090,200.00			\$5,090,200.00	AAA	Yes
U.S. Bank 2.25% (TLGP) maturing 3/13/12	\$4,999,400.00			\$4,999,400.00	AAA	Yes
Citigroup 2.125% (TLGP) maturing 7/12/12	\$2,015,520.00			\$2,015,520.00	AAA	Yes
Citigroup 1.5% (TLGP) maturing 7/12/11	\$5,010,400.00			\$5,010,400.00	AAA	Yes
Citigroup 1.875% (TLGP) maturing 10/22/12	\$3,013,971.25			\$3,013,971.25	AAA	Yes
Citigroup 1.375% (TLGP) maturing 8/10/11	\$4,991,600.00			\$4,991,600.00	AAA	Yes

\* Per Standard and Poors

**Certification**

In compliance with California Government Code Section 53546 as amended January 1, 1996, I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditure requirements for the next six months.

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Carol Swindell, Director of Finance/City Treasurer