



Information Item

Date: February 28, 2010

To: Mayor and City Council
From: Carol Swindell, Director of Finance/City Treasurer
Subject: City Monthly Cash and Investment Report for February 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 February 28, 2010.

Discussion

The February 2010 Investment Report highlights changes from January. The value of cash and investments held in the pooled portfolio increased by \$6.8 million during February to \$547.3 million. The pooled portfolio yield-to-maturity fell eleven basis points in February to 1.71%, sixty-three (63) basis points lower than in February 2009. Investment earnings for the month were \$0.7 million. Fiscal year-to-date earnings are down 43.4% from the same period last year.

In addition to the pooled portfolio, the City's total cash holdings as of February 28, 2010 included \$76 million in Charnock settlement-related funds, \$8 million in bond proceeds held in trust with fiscal agents, \$10.6 million in other funds held in trust, and \$57,122 in petty cash for a total balance of \$641.9 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 February 28, 2010, the market value of the City's portfolio was approximately \$0.9 million greater than the book value.

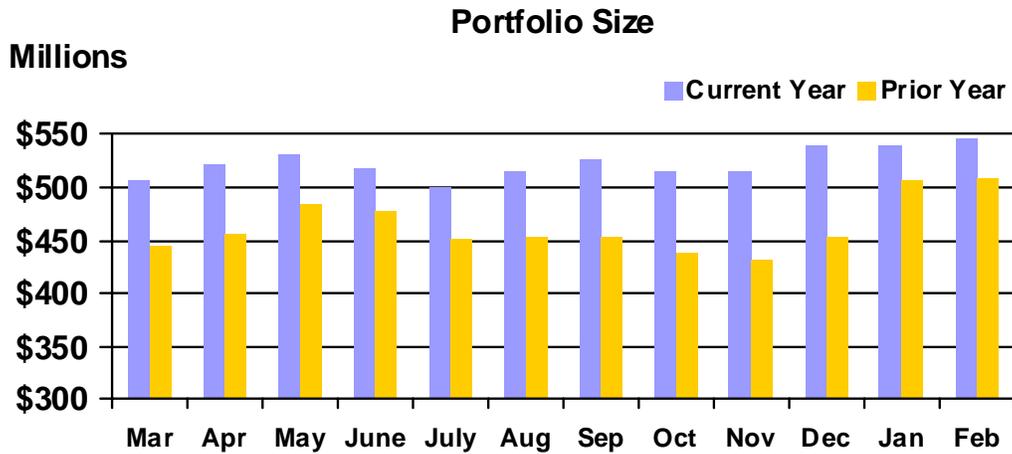
Attached is a summary of investment activity as well as a detailed report of public monies held by the City Treasurer for the month of February 2010.

Prepared by: David Carr, Principal Investment Analyst

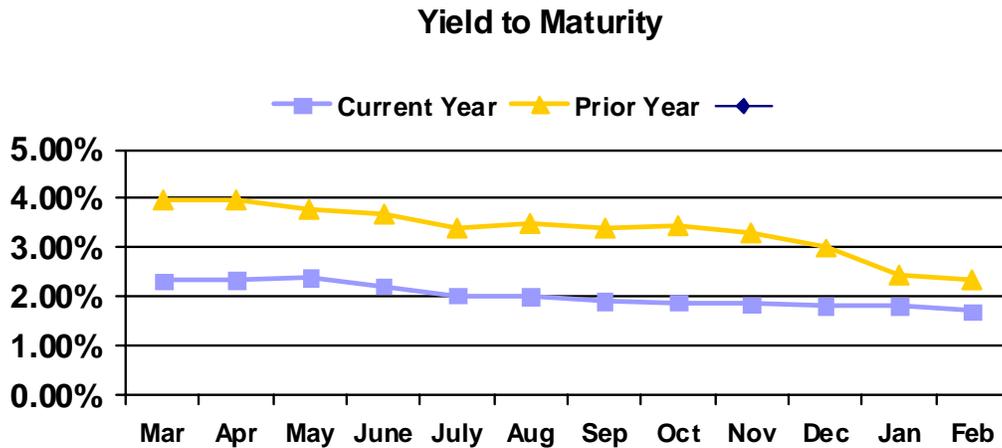
Attachments: 1 – Investment Highlights
2 – Investment Report

Investment Highlights

February 2010

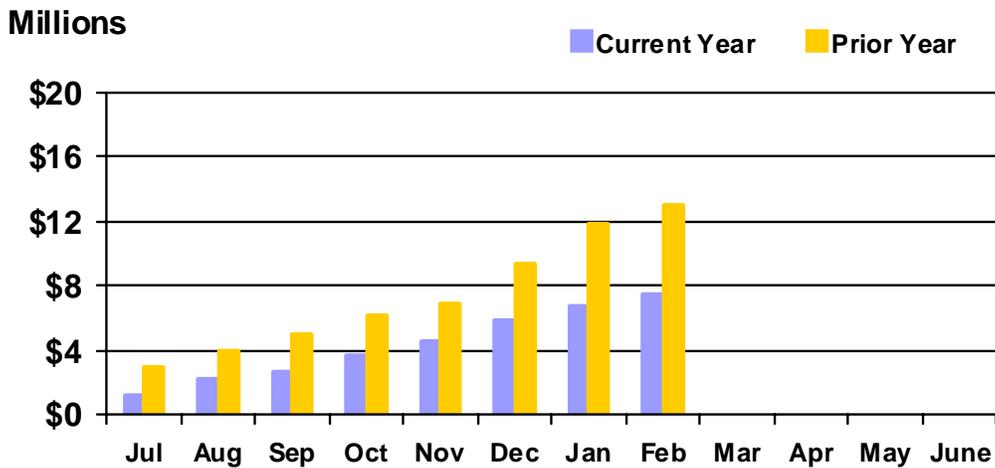


- As of February 28, the portfolio size is \$547.3 million, \$6.8 million greater than in January and \$37.9 million more than in February 2009

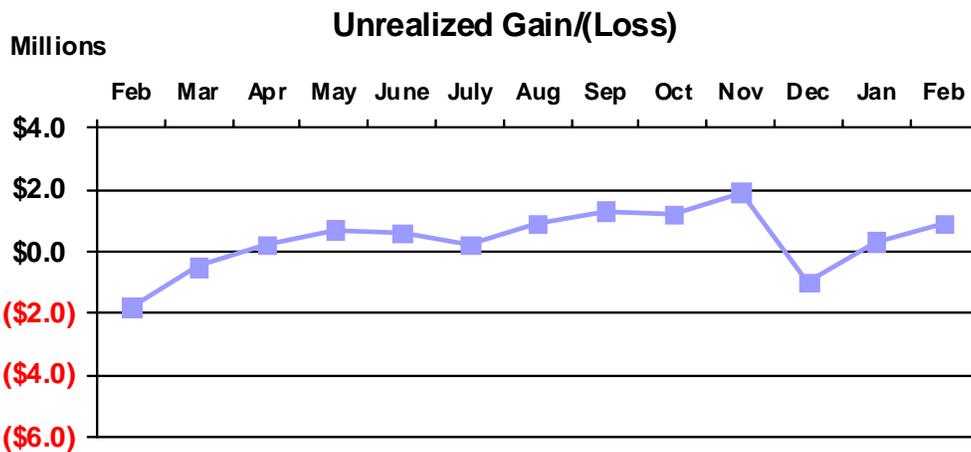


- As of February 28, yield to maturity is 1.71 percent.
- Decrease of eleven basis points from January and sixty-three basis points from one year earlier.

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



- Fiscal y-t-d earnings are 43.4% less than the prior year.



- The unrealized gain of \$0.9 million reported as of February 28, 2010 is the difference between market value and the unamortized book value (purchase price).



Investment Report

February 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 February 28, 2010**

Petty Cash \$57,122.00

Pooled Portfolio

Bank of America (1)	
General Account	\$601,986.84
Columbia Money Market Sweep Account	\$9,848,053.47
Total Bank of America	\$10,450,040.31
Bank of New York (BNY)	
Corporate Bonds - FDIC Insured	\$70,937,191.25
Federal Agencies Securities	\$382,533,210.07
Total Bank of New York	\$453,470,401.32
State of California Local Agency Investment Fund - RDA	\$44,580,635.22
State of California Local Agency Investment Fund - City	\$38,749,397.51

Total Pooled Portfolio \$547,250,474.36

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	\$2,465,171.84
BNY-Parking Authority Lease Revenue Bonds 2002 Refunding	\$2.01
BNY-Public Safety Facility Bonds 1999 Series and 2002 Series	\$1,383,680.02
BNY-Public Safety Facility Bonds 2009 Refunding	\$1,101,203.67
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	\$3,085,097.09

Total Restricted Cash/Investments Held in Trust \$8,035,171.41

Charnock Settlement Funds

Union Bank (December 2006 Settlement)	
Money Market Funds	\$19,488,744.13
Federal Agencies Securities	\$51,355,941.85
Corporate Bonds	\$5,144,450.00
Total Union Bank (December 2006 Settlement)	\$75,989,135.98

Total Charnock Settlement Funds \$75,989,135.98

Other Restricted Funds/Funds Held in Trust

Cemetery Perpetual Care Fund (3)	\$7,197,277.00
Mausoleum Perpetual Care Fund (3)	\$759,467.00
HUD Depository Account (4)	\$2,497,186.91
Public Agency Family Self Sufficiency Program (2)	\$145,740.16

Total Other Funds Held in Trust \$10,599,671.07

GRAND TOTAL \$641,931,574.82

City of Santa Monica
Report of Public Monies Held by the City Treasurer
As of February 28, 2010

- (1) This is the actual bank account balance as of 2/28/10. 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*
February 28, 2010**

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

Cash and Investments - January 31, 2010	540,549,431.25
Receipts	41,019,508.36
Disbursements	(34,318,465.25)
Cash and Investments - February 28, 2010	\$547,250,474.36

* 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 February 28, 2010, total City cash and investments were \$641.9 million, a \$4.4 million increase from January. The increase is primarily due to a \$6.8 million increase in the pooled portfolio and 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 new depository account. Partially offsetting is a decrease in Charnock Settlement funds (\$3.7 million) reflecting Water Treatment Facility construction costs. Further details are provided below.

Petty Cash	\$	57,122.00
Pooled Investment Portfolio	\$	547,250,474.36
Restricted Cash/Investment Held in Trust	\$	8,035,171.41
Charnock Settlement Funds	\$	75,989,135.98
Other Funds Held in Trust	\$	10,599,671.07
Total	\$	<u>641,931,574.82</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

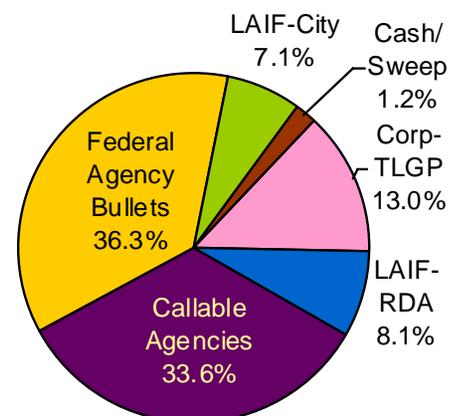
As of February 28, 2010, the portfolio size (unamortized book value/purchase price) of City pooled cash and investments is \$547.3 million, a \$6.8 million increase from January. Much of the increase reflects property tax receipts. Since the City holds most investments to maturity, variations in portfolio 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. Seventeen investments were made during the month (\$70.8 million). Four investments matured (\$20.3 million) and ten investments were called (\$46.2 million). No investments were sold. The net total City and RDA State Local Agency Investment Fund (LAIF) account balances decreased by \$1 million in February. The balance of the sweep account on February 28 was \$9.8 million.

Details of the main portfolio follow.

Portfolio Composition

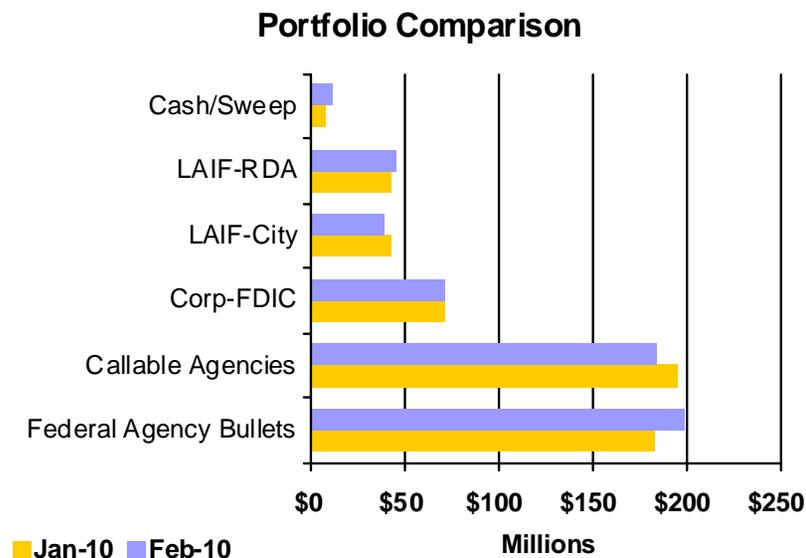
The portfolio is well-diversified and is in compliance with the City’s Investment Policy and applicable provisions of the State Government Code. The largest sector of the portfolio is Federal Agency Securities (69.9%). The remaining 30.1% is invested in State Local Agency Investment Fund accounts for the City (7.1%) and the RDA (8.1%); corporate notes (13%), 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 (1.9%). 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 February. 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 earlier. 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 February 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
February 28, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupon												
3133XPNX8	10711	Federal Home Loan Bank		02/14/2008	5,000,000.00	5,003,125.00	5,000,900.00	2.625	757	2.617	11	03/12/2010
3133X6PG5	10719	Federal Home Loan Bank		03/19/2008	5,000,000.00	5,029,687.50	5,180,500.00	4.080	768	2.310	56	04/26/2010
31398APV8	10736	Federal National Mort Assoc		04/23/2008	5,000,000.00	5,025,000.00	4,959,350.00	2.375	757	2.805	80	05/20/2010
3133XFLE4	10715	Federal Home Loan Bank		02/25/2008	5,000,000.00	5,070,312.50	5,259,921.70	5.250	837	2.890	102	06/11/2010
3133XR2Y5	10739	Federal Home Loan Bank		05/15/2008	5,000,000.00	5,039,062.50	4,981,850.00	3.000	757	3.182	102	06/11/2010
3133XR2Y5	10744	Federal Home Loan Bank		05/21/2008	5,000,000.00	5,039,062.50	5,009,000.00	3.000	751	2.904	102	06/11/2010
31331YYU8	10731	Federal Farm Credit Bank		03/27/2008	5,000,000.00	5,035,937.50	4,986,750.00	2.250	826	2.372	122	07/01/2010
3133XCBP7	10749	Federal Home Loan Bank		05/29/2008	5,000,000.00	5,089,062.50	5,181,750.00	5.000	774	3.210	133	07/12/2010
3137EABQ1	10866	Fed Home Loan Mortgage Corp		05/22/2009	5,000,000.00	5,057,812.50	5,154,500.00	3.250	420	0.550	137	07/16/2010
3133XCSY0	10710	Federal Home Loan Bank		02/14/2008	5,000,000.00	5,107,812.50	5,255,500.00	4.875	914	2.750	168	08/16/2010
3133XGRD8	10728	Federal Home Loan Bank		03/27/2008	4,900,000.00	5,033,218.75	5,200,664.00	5.125	916	2.580	212	09/29/2010
3133XSCT3	10813	Federal Home Loan Bank		01/16/2009	3,000,000.00	3,058,125.00	3,101,580.00	3.375	642	1.386	233	10/20/2010
3133XMES6	10789	Federal Home Loan Bank		11/25/2008	7,000,000.00	7,177,187.50	7,177,059.51	4.375	696	3.000	235	10/22/2010
3133XVJC6	10919	Federal Home Loan Bank		01/07/2010	5,000,000.00	5,003,125.00	5,004,762.50	0.430	301	0.406	248	11/04/2010
31331TNJ6	10730	Federal Farm Credit Bank		04/24/2008	5,000,000.00	5,157,812.50	5,206,000.00	4.350	967	2.725	291	12/17/2010
3133XWKG3	10918	Federal Home Loan Bank		01/07/2010	5,000,000.00	5,000,000.00	4,996,552.08	0.375	364	0.445	311	01/06/2011
3137EABW8	10869	Fed Home Loan Mortgage Corp		05/22/2009	3,000,000.00	3,028,230.00	3,030,120.00	1.500	595	0.875	312	01/07/2011
31331JCY7	10939	Federal Farm Credit Bank		02/17/2010	4,000,000.00	3,997,500.00	4,000,622.22	0.350	349	0.350	337	02/01/2011
31331YWG1	10817	Federal Farm Credit Bank		01/22/2009	5,000,000.00	5,128,125.00	5,144,150.00	3.000	770	1.607	367	03/03/2011
3128X8NB4	10835	Fed Home Loan Mortgage Corp		03/09/2009	5,000,000.00	5,001,562.50	5,000,000.00	2.050	730	2.050	373	03/09/2011
3133XPNY6	10751	Federal Home Loan Bank		05/29/2008	3,000,000.00	3,073,125.00	2,948,160.00	2.875	1,016	3.521	375	03/11/2011
31359MM26	10750	Federal National Mort Assoc		05/29/2008	3,000,000.00	3,158,437.50	3,134,760.00	5.125	1,051	3.470	410	04/15/2011
31331YG46	10865	Federal Farm Credit Bank		05/22/2009	5,000,000.00	5,118,750.00	5,145,915.57	2.625	699	1.080	416	04/21/2011
3128X7MN1	10810	Fed Home Loan Mortgage Corp		01/15/2009	5,000,000.00	5,161,600.00	5,206,700.00	3.500	840	1.664	430	05/05/2011
3136F9QM8	10741	Federal National Mort Assoc		08/02/2008	5,000,000.00	5,037,500.00	4,984,100.00	3.400	1,095	3.513	458	06/02/2011
3133XFJY3	10699	Federal Home Loan Bank		01/18/2008	5,000,000.00	5,284,375.00	5,335,350.00	5.250	1,239	3.150	466	06/10/2011
3133XR4U1	10806	Federal Home Loan Bank		01/09/2009	5,000,000.00	5,143,750.00	5,174,150.00	3.125	882	1.650	466	06/10/2011
3133XTXH4	10894	Federal Home Loan Bank		08/26/2009	4,000,000.00	4,053,750.00	4,028,360.00	1.625	700	1.250	513	07/27/2011
3133XUD26	10879	Federal Home Loan Bank		08/10/2009	3,000,000.00	3,035,625.00	3,000,000.00	1.000	730	1.000	527	08/10/2011
31331GDC0	10877	Federal Farm Credit Bank		07/17/2009	5,000,000.00	5,223,437.50	5,253,302.16	3.600	819	1.299	592	10/14/2011
3133XV6K2	10903	Federal Home Loan Bank		10/14/2009	5,000,000.00	5,032,812.50	5,011,850.00	1.150	730	1.030	592	10/14/2011
31331JBL6	10921	Federal Farm Credit Bank		01/14/2010	5,000,000.00	5,014,062.50	5,004,205.56	1.100	728	1.060	682	01/12/2012
31331GZ28	10904	Federal Farm Credit Bank		10/19/2009	5,000,000.00	5,006,250.00	5,000,000.00	1.250	822	1.250	689	01/19/2012
3128X9XT2	10927	Fed Home Loan Mortgage Corp		02/17/2010	2,500,000.00	2,503,300.00	2,500,000.00	1.250	730	1.250	718	02/17/2012
3133XWW96	10926	Federal Home Loan Bank		02/24/2010	2,500,000.00	2,501,562.50	2,500,000.00	1.375	730	1.375	725	02/24/2012
3133XWFP9	10930	Federal Home Loan Bank		02/04/2010	1,205,000.00	1,208,012.50	1,205,554.30	1.050	750	1.025	725	02/24/2012

Portfolio INVT
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**City of Santa Monica
Portfolio Management
Portfolio Details - Investments
February 28, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupon												
3136FHCP8	10831	Federal National Mort Assoc		03/09/2009	5,000,000.00	5,040,625.00	5,000,000.00	2.000	1,096	2.000	739	03/09/2012
3133XQZ39	10737	Federal Home Loan Bank		04/30/2008	5,000,000.00	5,026,562.50	5,000,000.00	3.650	1,461	3.650	791	04/30/2012
31331GVL0	10860	Federal Farm Credit Bank		05/07/2009	5,000,000.00	5,082,812.50	5,000,000.00	1.875	1,096	1.875	798	05/07/2012
3133MNVV0	10814	Federal Home Loan Bank		01/16/2009	5,000,000.00	5,510,937.50	5,620,170.41	5.750	1,212	1.880	803	05/12/2012
3136FHUY9	10867	Federal National Mort Assoc		06/01/2009	4,450,000.00	4,458,343.75	4,450,000.00	1.400	1,096	1.400	823	06/01/2012
3136FHUY9	10868	Federal National Mort Assoc		08/01/2009	550,000.00	551,031.25	550,000.00	1.400	1,096	1.400	823	06/01/2012
3128X9SY7	10920	Fed Home Loan Mortgage Corp		01/19/2010	5,000,000.00	5,020,900.00	5,000,000.00	1.625	912	1.625	871	07/19/2012
3133XUG31	10881	Federal Home Loan Bank		07/30/2009	5,000,000.00	5,029,687.50	5,000,000.00	2.050	1,096	2.050	882	07/30/2012
3133.XWXJ3	10938	Federal Home Loan Bank		02/16/2010	4,000,000.00	4,003,750.00	4,000,555.56	1.250	895	1.250	882	07/30/2012
31398AYM8	10911	Federal National Mort Assoc		12/04/2009	5,000,000.00	5,060,937.50	5,066,400.00	1.750	980	1.245	893	08/10/2012
3133XUE41	10906	Federal Home Loan Bank		11/19/2009	5,000,000.00	5,060,937.50	5,056,600.00	1.750	1,007	1.337	905	08/22/2012
3133XUK93	10890	Federal Home Loan Bank		08/19/2009	5,000,000.00	5,089,062.50	5,010,946.86	2.000	1,122	1.951	928	09/14/2012
3128X8WD0	10845	Fed Home Loan Mortgage Corp		04/15/2009	5,000,000.00	5,010,450.00	5,000,000.00	2.300	1,279	2.300	959	10/15/2012
31398AZK1	10900	Federal National Mort Assoc		10/19/2009	2,000,000.00	2,004,375.00	2,000,000.00	2.050	1,096	2.050	963	10/19/2012
3133XVNK3	10912	Federal Home Loan Bank		12/04/2009	5,000,000.00	5,003,125.00	5,029,406.25	1.875	1,081	1.697	994	11/19/2012
3136FHRE7	10859	Federal National Mort Assoc		05/20/2009	5,000,000.00	5,017,187.50	5,000,000.00	2.250	1,280	2.250	995	11/20/2012
3128X9SN1	10915	Fed Home Loan Mortgage Corp		01/15/2010	5,000,000.00	5,022,450.00	5,000,000.00	2.000	1,096	2.000	1,051	01/15/2013
3128X84Q2	10893	Fed Home Loan Mortgage Corp		08/26/2009	4,000,000.00	4,026,000.00	3,996,400.00	2.250	1,253	2.277	1,066	01/30/2013
3136FJ3M1	10928	Federal National Mort Assoc		02/11/2010	2,500,000.00	2,505,468.75	2,500,000.00	1.000	1,096	1.000	1,078	02/11/2013
31331JBV4	10929	Federal Farm Credit Bank		02/04/2010	2,500,000.00	2,520,312.50	2,502,800.00	1.750	1,113	1.709	1,088	02/21/2013
31359MQV8	10909	Federal National Mort Assoc		12/03/2009	5,000,000.00	5,459,375.00	5,496,750.00	4.750	1,176	1.570	1,088	02/21/2013
3136FH7J8	10891	Federal National Mort Assoc		09/01/2009	5,000,000.00	5,000,000.00	5,000,000.00	2.500	1,277	2.500	1,096	03/01/2013
31398AZD7	10916	Federal National Mort Assoc		12/28/2009	3,000,000.00	3,018,750.00	3,017,540.83	2.170	1,179	2.170	1,116	03/21/2013
3133XW2A6	10910	Federal Home Loan Bank		12/30/2009	5,000,000.00	5,000,000.00	5,000,000.00	0.500	1,182	0.500	1,121	03/26/2013
3128X8TZ5	10844	Fed Home Loan Mortgage Corp		04/08/2009	5,000,000.00	5,047,600.00	5,000,000.00	2.500	1,461	2.500	1,134	04/08/2013
3136FHLL7	10861	Federal National Mort Assoc		05/01/2009	5,000,000.00	5,007,812.50	5,000,000.00	1.500	1,459	1.500	1,155	04/29/2013
3133XRB58	10740	Federal Home Loan Bank		05/28/2008	5,000,000.00	5,046,875.00	5,000,000.00	4.125	1,826	4.125	1,184	05/28/2013
3133XVUD1	10907	Federal Home Loan Bank		12/07/2009	5,000,000.00	5,020,312.50	5,000,000.00	2.125	1,278	2.125	1,194	06/07/2013
3133XR5U0	10901	Federal Home Loan Bank		10/02/2009	5,000,000.00	5,312,500.00	5,312,250.00	3.750	1,351	1.990	1,201	06/14/2013
3133XUTR4	10897	Federal Home Loan Bank		09/28/2009	3,000,000.00	3,018,750.00	3,000,000.00	2.300	1,369	2.300	1,215	06/28/2013
3133XWP29	10922	Federal Home Loan Bank		01/26/2010	5,000,000.00	5,031,250.00	5,000,000.00	2.050	1,277	2.050	1,243	07/26/2013
3136FJJR3	10905	Federal National Mort Assoc		10/30/2009	5,000,000.00	5,032,812.50	5,000,000.00	2.200	1,369	2.200	1,247	07/30/2013
3128X86V9	10883	Fed Home Loan Mortgage Corp		08/19/2009	5,000,000.00	5,061,250.00	5,000,000.00	2.800	1,461	2.800	1,267	08/19/2013
3136FJ4C2	10924	Federal National Mort Assoc		02/23/2010	5,000,000.00	5,015,625.00	5,000,000.00	2.000	1,277	2.000	1,271	08/23/2013
31331GS26	10898	Federal Farm Credit Bank		09/23/2009	2,000,000.00	2,018,750.00	2,000,000.00	2.350	1,461	2.350	1,302	09/23/2013
31331G4Y2	10908	Federal Farm Credit Bank		12/03/2009	4,950,000.00	4,951,546.88	4,950,000.00	2.450	1,461	2.450	1,373	12/03/2013

Portfolio INVT
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**City of Santa Monica
Portfolio Management
Portfolio Details - Investments
February 28, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupon												
3128X8FT4	10815	Fed Home Loan Mortgage Corp		01/29/2009	5,000,000.00	5,013,150.00	5,000,000.00	2.000	1,826	2.000	1,430	01/29/2014
31398AVD1	10914	Federal National Mort Assoc		12/22/2009	5,000,000.00	5,135,937.50	5,092,600.00	2.750	1,506	2.276	1,437	02/05/2014
31331GNA3	10937	Federal Farm Credit Bank		02/12/2010	4,000,000.00	4,105,000.00	4,117,520.00	3.000	1,461	2.228	1,444	02/12/2014
3128X8NE8	10836	Fed Home Loan Mortgage Corp		03/10/2009	5,000,000.00	5,053,906.00	5,000,000.00	2.125	1,826	2.125	1,470	03/10/2014
31398AXB3	10852	Federal National Mort Assoc		05/05/2009	5,000,000.00	5,040,625.00	5,000,000.00	2.800	1,826	2.800	1,526	05/05/2014
3133XX2M8	10931	Federal Home Loan Bank		02/26/2010	5,000,000.00	5,000,000.00	5,000,000.00	2.000	1,642	2.000	1,639	08/26/2014
3136FJZV6	10913	Federal National Mort Assoc		12/30/2009	5,000,000.00	5,017,187.50	5,000,000.00	2.300	1,826	2.300	1,765	12/30/2014
3133XWHL6	10917	Federal Home Loan Bank		01/13/2010	2,000,000.00	2,003,750.00	2,000,000.00	2.000	1,826	2.000	1,779	01/13/2015
3133XWUY3	10923	Federal Home Loan Bank		02/24/2010	5,000,000.00	5,010,937.50	5,000,000.00	2.000	1,826	2.000	1,821	02/24/2015
3133XWVV8	10925	Federal Home Loan Bank		02/25/2010	2,500,000.00	2,504,687.50	2,500,000.00	3.280	1,826	3.280	1,822	02/25/2015
Subtotal and Average			358,378,862.43		362,555,000.00	367,611,457.88	367,533,879.51		1,084	2.043	789	
Federal Agency Discount												
313385TW6	10934	Federal Home Loan Bank		02/11/2010	5,000,000.00	5,000,000.00	4,999,816.67	0.060	22	0.061	4	03/05/2010
313385UP9	10941	Federal Home Loan Bank		02/25/2010	10,000,000.00	10,000,000.00	9,999,513.89		25	0.071	21	03/22/2010
Subtotal and Average			11,963,941.77		15,000,000.00	15,000,000.00	14,999,330.56		24	0.068	15	
Local Agency Investment Funds												
SYS10090	10090	Local Agency Investment Fund			38,749,397.51	38,749,397.51	38,749,397.51	0.577	1	0.577	1	
Subtotal and Average			41,106,540.37		38,749,397.51	38,749,397.51	38,749,397.51		1	0.577	1	
Columbia Money Market Fund												
SYS10091	10091	Columbia Money Market Reserves		09/15/2006	9,848,053.47	9,848,053.47	9,848,053.47	0.010	1	0.010	1	
Subtotal and Average			9,252,518.84		9,848,053.47	9,848,053.47	9,848,053.47		1	0.010	1	
Local Agency Investment Funds - RDA												
SYS10092	10092	LAIF - RDA		03/17/2009	44,580,635.22	44,580,635.22	44,580,635.22	0.577	1	0.577	1	
Subtotal and Average			43,652,063.79		44,580,635.22	44,580,635.22	44,580,635.22		1	0.577	1	
Corporate Bonds												
481247AD6	10793	JP Morgan Chase		12/22/2008	5,000,000.00	5,091,250.00	5,088,900.00	2.625	709	1.700	275	12/01/2010
17314JAK9	10886	Citigroup		08/07/2009	5,000,000.00	5,051,100.00	5,010,400.00	1.500	704	1.391	498	07/12/2011
38146FAF8	10888	Goldman Sachs		08/07/2009	5,000,000.00	5,059,600.00	5,030,000.00	1.625	707	1.310	501	07/15/2011
17314JAN3	10887	Citigroup		08/07/2009	5,000,000.00	5,047,050.00	4,991,600.00	1.375	733	1.460	527	08/10/2011
61757UAF7	10878	Morgan Stanley		07/21/2009	5,000,000.00	5,101,750.00	5,090,200.00	2.000	793	1.155	570	09/22/2011

Portfolio INVT

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**City of Santa Monica
Portfolio Management
Portfolio Details - Investments
February 28, 2010**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
Corporate Bonds												
86801BAB1	10798	Suntrust Bank		12/29/2008	5,000,000.00	5,181,550.00	5,153,450.00	3.000	1,052	1.900	625	11/16/2011
949744AA4	10790	Wells Fargo Bank		12/10/2008	5,000,000.00	5,185,937.50	4,994,150.00	3.000	1,094	3.041	648	12/09/2011
4042EPAA5	10823	HSBC		02/06/2009	5,000,000.00	5,200,750.00	5,151,350.00	3.125	1,043	2.030	655	12/16/2011
9116OHAA5	10842	US Bank		03/13/2009	5,000,000.00	5,119,200.00	4,999,400.00	2.250	1,096	2.254	743	03/13/2012
06050BAA9	10808	Bank of America		01/20/2009	5,000,000.00	5,218,150.00	5,199,100.00	3.125	1,242	1.913	837	06/15/2012
38146FAA9	10816	Goldman Sachs		01/26/2009	5,000,000.00	5,234,550.00	5,206,850.00	3.250	1,236	1.984	837	06/15/2012
61757UAH3	10846	Morgan Stanley		04/13/2009	5,000,000.00	5,092,900.00	4,998,450.00	1.950	1,164	1.960	842	06/20/2012
17313YAG6	10895	Citigroup		08/28/2009	2,000,000.00	2,040,312.40	2,015,520.00	2.125	1,049	1.844	864	07/12/2012
17313YAL5	10899	Citigroup		10/05/2009	3,000,000.00	3,027,300.00	3,013,971.25	1.875	1,113	1.741	966	10/22/2012
481247AM6	10847	JP Morgan Chase		04/13/2009	5,000,000.00	5,085,937.50	4,993,850.00	2.125	1,353	2.160	1,031	12/26/2012
Subtotal and Average			70,937,252.63		70,000,000.00	71,737,337.40	70,937,191.25		1,002	1.860	680	
Total and Average			535,291,179.83		540,733,086.20	547,526,881.48	546,648,487.52		860	1.705	619	

**City of Santa Monica
Portfolio Management
Activity By Type
February 1, 2010 through February 28, 2010**

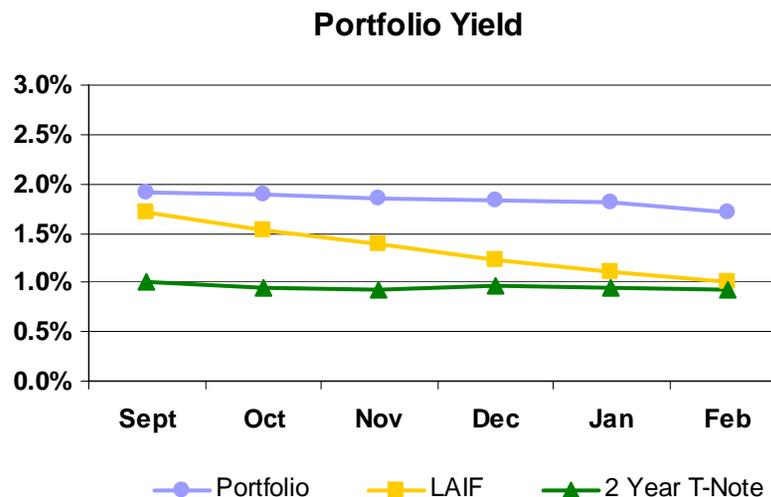
CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Federal Agency Coupon							
31331GV63	10902	Federal Farm Credit Bank	2.700	02/03/2010	0.00	5,000,000.00	
31331JBV4	10929	Federal Farm Credit Bank	1.750	02/04/2010	2,502,800.00	0.00	
31331GNA3	10937	Federal Farm Credit Bank	3.000	02/12/2010	4,117,520.00	0.00	
31331JCY7	10939	Federal Farm Credit Bank	0.350	02/17/2010	4,000,000.00	0.00	
3133MATQ2	10729	Federal Home Loan Bank	7.375	02/12/2010	0.00	5,265,955.80	
3133X5XR4	10819	Federal Home Loan Bank	1.000	02/03/2010	0.00	5,000,000.00	
3133XT2S4	10827	Federal Home Loan Bank	2.100	02/17/2010	0.00	5,000,000.00	
3133XWUY3	10923	Federal Home Loan Bank	2.000	02/24/2010	5,000,000.00	0.00	
3133XWV8	10925	Federal Home Loan Bank	3.280	02/25/2010	2,500,000.00	0.00	
3133XWW96	10926	Federal Home Loan Bank	1.375	02/24/2010	2,500,000.00	0.00	
3133XWFP9	10930	Federal Home Loan Bank	1.050	02/04/2010	1,205,554.30	0.00	
3133XX2M8	10931	Federal Home Loan Bank	2.000	02/26/2010	5,000,000.00	0.00	
3133.XWXJ3	10938	Federal Home Loan Bank	1.250	02/16/2010	4,000,000.00	0.00	
3128X8FD9	10809	Fed Home Loan Mortgage Corp	2.000	02/01/2010	0.00	5,000,000.00	
3128X8GP1	10822	Fed Home Loan Mortgage Corp	2.250	02/02/2010	0.00	5,000,000.00	
3128X8JB9	10824	Fed Home Loan Mortgage Corp	2.450	02/17/2010	0.00	4,999,500.00	
3128X8HV7	10825	Fed Home Loan Mortgage Corp	2.000	02/11/2010	0.00	4,992,500.00	
3128X8KX9	10834	Fed Home Loan Mortgage Corp	2.375	02/24/2010	0.00	5,000,000.00	
3128X8ZA3	10855	Fed Home Loan Mortgage Corp	2.875	02/05/2010	0.00	5,000,000.00	
3128X9XT2	10927	Fed Home Loan Mortgage Corp	1.250	02/17/2010	2,500,000.00	0.00	
3136F82S3	10708	Federal National Mort Assoc	3.300	02/22/2010	0.00	1,251,862.50	
3136FJ4C2	10924	Federal National Mort Assoc	2.000	02/23/2010	5,000,000.00	0.00	
3136FJ3M1	10928	Federal National Mort Assoc	1.000	02/11/2010	2,500,000.00	0.00	
Subtotal					40,825,874.30	51,509,818.30	367,533,879.51
Federal Agency Discount							
313385TP1	10933	Federal Home Loan Bank	0.050	02/10/2010	4,999,888.89	0.00	
313385TP1	10933			02/26/2010	0.00	4,999,888.89	
313385TW6	10934	Federal Home Loan Bank	0.060	02/11/2010	4,999,816.67	0.00	
313385TM8	10935	Federal Home Loan Bank	0.060	02/11/2010	4,999,891.67	0.00	
313385TM8	10935			02/24/2010	0.00	4,999,891.67	
313385UP9	10941	Federal Home Loan Bank		02/25/2010	9,999,513.89	0.00	
313397TL5	10936	Fed Home Loan Mortgage Corp	0.060	02/11/2010	4,999,900.00	0.00	
313397TL5	10936			02/23/2010	0.00	4,999,900.00	
Subtotal					29,999,011.12	14,999,680.56	14,999,330.56

City of Santa Monica
Portfolio Management
Activity By Type
February 1, 2010 through February 28, 2010

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Local Agency Investment Funds (Monthly Summary)							
SYS10090	10090	Local Agency Investment Fund	0.577		7,000,000.00	10,000,000.00	
		Subtotal			7,000,000.00	10,000,000.00	38,749,397.51
Columbia Money Market Fund (Monthly Summary)							
SYS10091	10091	Columbia Money Market Reserves	0.010		48,692,367.16	44,925,248.11	
		Subtotal			48,692,367.16	44,925,248.11	9,848,053.47
Local Agency Investment Funds - RDA (Monthly Summary)							
SYS10092	10092	LAIF - RDA	0.577		9,000,000.00	7,000,000.00	
		Subtotal			9,000,000.00	7,000,000.00	44,580,635.22
Corporate Bonds							
		Subtotal					70,937,191.25
		Total			135,517,252.58	128,434,746.97	546,648,487.52

Portfolio Yield

The portfolio yield-to-maturity was 1.71% as of February 28, 2010, down eleven (11) basis point from January and sixty-three (63) basis points from February 2009. This is the ninth consecutive month of decrease reflecting the continuing record low interest rate environment. This month's yield is three hundred thirty-nine (339) basis points below the most recent high mark of 5.1% in September 2007, and is the lowest in over six years (September 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.



After several months of volatility, interest rates in the one to five year maturity range were relatively flat in February as rates remained at historically low levels. The month-end two year CMT decreased by one basis point in February after changes of thirty two basis points in January (down) and forty-seven basis points in December (up). The continued low rates in February reflected uncertainty regarding the strength of the economic recovery. The February month-end CMT is eighteen basis points less than one year ago. The twelve month moving average of the CMT fell by one basis point during the month and is three hundred eighty-nine (389) basis points off its February 2007 high. Rates are expected to remain relatively low through 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 1.0% in February and has now declined for twenty-eight consecutive months. As of month-end February, the LAIF yield of 0.58% remains at record lows.

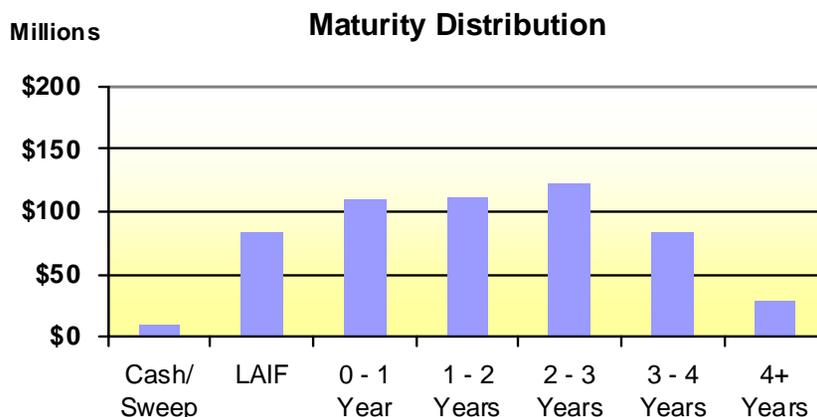
The Federal Open Market Committee (Fed) did not meet in February, so the target Fed Funds rate remained unchanged at a range of 0% to 0.25%. The economic growth realized in the fourth quarter of 2009 appears to be carrying forward into 2010. The housing market has shown signs of bottoming out, the stock market has rebounded strongly from March 2009 lows, and job creation appears to have begun after months of job losses. Consumer spending has also picked up. However, unemployment remains very high. The commercial real estate market also 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. Approximately \$575 million in bonds were called between October 2007 and the end of February 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.

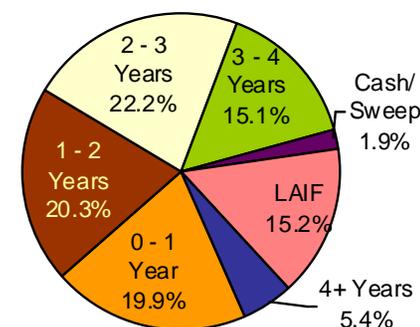
Investment earnings in February were \$0.7 million. Fiscal year-to-date earnings are 43.4% less than for the same period last fiscal year.

Maturity Distribution

The weighted average days to maturity as of February 28, 2010 is 619 days (1.7 years), 7 days less 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 February 28, 2010, the market value and the book value of the City’s pooled investments (excluding cash) are:

Market Value	\$	547,526,881.48
Book Value (purchase price)		546,648,487.52
		878,393.96
Unrealized Gain/(Loss)	\$	878,393.96

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 and operation of the facility. The yield to maturity on these funds as of February 28, 2010 is 1.55%, two (2) basis points greater than the prior month.

On February 28, 2010, the portfolio showed an unrealized loss of \$249,007.85. The weighted average days-to-maturity was 280 days (0.77 years).

**SM Water Treatment Facility
Portfolio Management
Portfolio Details - Investments
February 28, 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
Money Market Sweep Fund												
SYS1	1	Blackrock Institutional Funds-		12/19/2006	19,488,744.13	19,488,744.13	19,488,744.13	0.020		0.020	1	
Subtotal and Average			21,399,704.38		19,488,744.13	19,488,744.13	19,488,744.13			0.020	1	
Corporate Notes												
61757UAA8	54	Morgan Stanley		04/13/2009	5,000,000.00	5,093,550.00	5,144,450.00	2.900		1.108	275	12/01/2010
Subtotal and Average			5,144,450.00		5,000,000.00	5,093,550.00	5,144,450.00			1.108	275	
Federal Agency Coupon Securities												
31398AMV1	34	Federal national Mortgage Asso		04/07/2008	4,000,000.00	4,010,000.00	4,007,000.00	2.500		2.410	39	04/09/2010
31398AMV1	37	Federal national Mortgage Asso		04/09/2008	3,000,000.00	3,007,500.00	3,004,080.00	2.500		2.430	39	04/09/2010
3133XCBP7	39	Federal Home Loan Bank		04/09/2008	3,000,000.00	3,053,430.00	3,159,510.00	5.000		2.560	133	07/12/2010
3128X4EL1	35	Federal Home Loan Mortgage Cor		04/07/2008	4,000,000.00	4,071,680.00	4,191,200.00	4.625		2.480	149	07/28/2010
3133XGRD8	40	Federal Home Loan Bank		04/09/2008	3,000,000.00	3,081,570.00	3,176,010.00	5.125		2.657	212	09/29/2010
3137EAAB5	45	Federal Home Loan Mortgage Cor		04/16/2008	1,200,000.00	1,262,628.00	1,277,432.96	5.125		2.869	413	04/18/2011
3128X8WC2	53	Federal Home Loan Mortgage Cor		04/20/2009	10,000,000.00	10,015,700.00	10,000,000.00	1.750		1.750	415	04/20/2011
3137EAAF6	42	Federal Home Loan Mortgage Cor		04/16/2008	4,200,000.00	4,470,396.00	4,497,570.00	5.250		2.950	504	07/18/2011
3133XT2T2	57	Federal Home Loan Bank		07/17/2009	5,000,000.00	5,129,700.00	5,087,600.00	2.250		1.550	711	02/10/2012
3128X8MS8	49	Federal Home Loan Mortgage Cor		03/02/2009	5,000,000.00	5,043,550.00	4,997,500.00	2.350		2.367	732	03/02/2012
3136F9GR8	30	Federal national Mortgage Asso		04/15/2008	3,000,000.00	3,012,180.00	3,000,000.00	3.750		3.750	1,141	04/15/2013
Subtotal and Average			47,307,138.33		45,400,000.00	46,158,334.00	46,397,902.96			2.355	423	
Federal Agency Disc. -At Cost												
313385VF0	52	Federal Home Loan Bank		04/08/2009	5,000,000.00	4,999,500.00	4,958,038.89	0.830		0.859	37	04/07/2010
Subtotal and Average			4,958,038.89		5,000,000.00	4,999,500.00	4,958,038.89			0.859	37	
Total and Average			78,809,331.60		74,888,744.13	75,740,128.13	75,989,135.98			1.574	280	

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 February 28, 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 2/28/10

	Pooled Portfolio	SM Water Treatment Facility Account (1)	Total Portfolio (2) (4)	% of Portfolio	Legal/Policy Limit	In Compliance (Yes/No)
Federal Agency Securities						
Federal Home Loan Bank	\$183,082,723.73	\$16,381,158.89	\$199,463,882.62	32.0%	50.0%	Yes
Federal National Mortgage Association	81,251,500.83	10,011,080.00	91,262,580.83	14.6%	50.0%	Yes
Federal Home Loan Mortgage Corporation	59,887,720.00	24,963,702.96	84,851,422.96	13.6%	50.0%	Yes
Federal Farm Credit Bank	58,311,265.51	0.00	58,311,265.51	9.4%	50.0%	Yes
Total Federal Agency Securities	\$382,533,210.07	51,355,941.85	433,889,151.92	69.6%	n/a	Yes
Corporate Bonds						
Corporate Bonds - TGLP (FDIC Insured)	\$70,937,191.25	\$5,144,450.00	76,081,641.25			
Corporate Bonds - Other	\$0.00		0.00			
Total Corporate Bonds	\$70,937,191.25	\$5,144,450.00	\$76,081,641.25	12.2%	30.0%	Yes
Money Market Mutual Funds						
Columbia Money Market Reserves Advisor Class	9,848,053.47		9,848,053.47	1.6%	10.0%	Yes
BlackrockT-Find Cash Management Sweep		19,488,744.13	19,488,744.13	3.1%	10.0%	Yes
Total-Money Market Mutual Funds	\$9,848,053.47	\$19,488,744.13	\$29,336,797.60	4.7%	20.0%	Yes
State Local Agency Investment Fund-City	\$38,749,397.51		\$38,749,397.51	6.2%	\$50 million	Yes
State Local Agency Investment Fund-RDA	\$44,580,635.22		\$44,580,635.22	7.2%	\$50 million	Yes
Cash (3)	601,986.84		601,986.84	0.1%	None	Yes
Total (Book Value)	\$547,250,474.36	\$75,989,135.98	\$623,239,610.34	100.00%		

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.
- (4) Value used to test compliance is reported value (book value plus unrealized purchased interest).

Credit Ratings - Corporate Medium Term Notes

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

City Portfolio as of 2/28/2010 (Book Value)

Security	Pooled Portfolio	MTBE Custodial Account	SM Water Treatment Facility Account	Total Portfolio	Credit Rating*	In Compliance (Yes/No)
Corporate - TLGP (FDIC Guaranteed)						
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

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.

Carol Swindell, Director of Finance/City Treasurer