



# Information Item

**Date: February 8, 2011**

To: Mayor and City Council  
From: Carol Swindell, Director of Finance/City Treasurer  
Subject: City Monthly Cash and Investment Report for October 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 October 31, 2010.

## **Discussion**

The October 2010 Investment Report highlights changes from September. The value of cash and investments held in the pooled portfolio increased by \$7.1 million in October to \$526.3 million. The pooled portfolio yield-to-maturity fell nine basis points in October to 1.24%, sixty-six (66) basis points lower than in October 2009. Investment earnings for the month were \$0.5 million. Fiscal year-to-date earnings are down 46.3% from the same period last year.

In addition to the pooled portfolio, the City's total cash holdings as of October 31, 2010 included \$40.2 million in Charnock settlement-related funds, \$7.9 million in bond proceeds held in trust with fiscal agents, \$9.3 million in other funds held in trust, and \$57,122 in petty cash/change funds for a total balance of \$583.7 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 October 31, 2010, the market value of the City's portfolio was about \$1.8 million more than the book value.

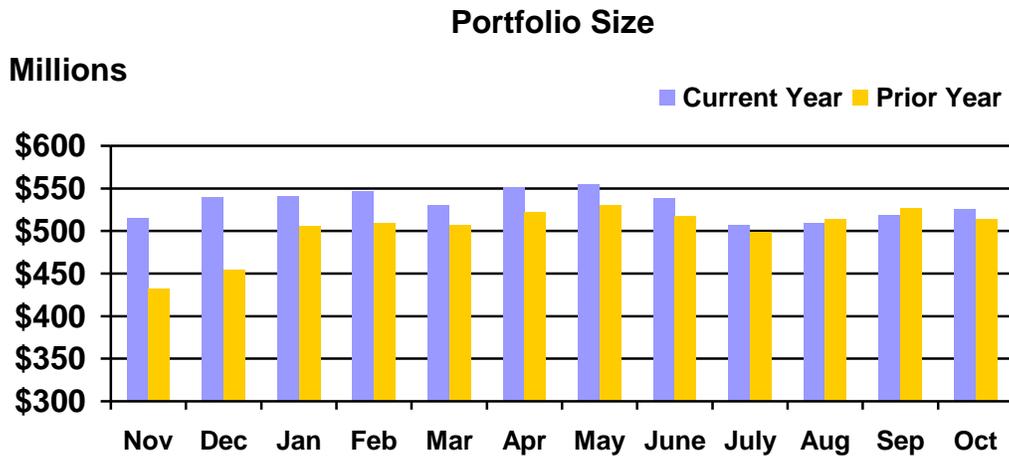
Attached is a summary of investment activity as well as a detailed report of public monies held by the City Treasurer for the month of October 2010.

Prepared by: David Carr, Principal Investment Analyst

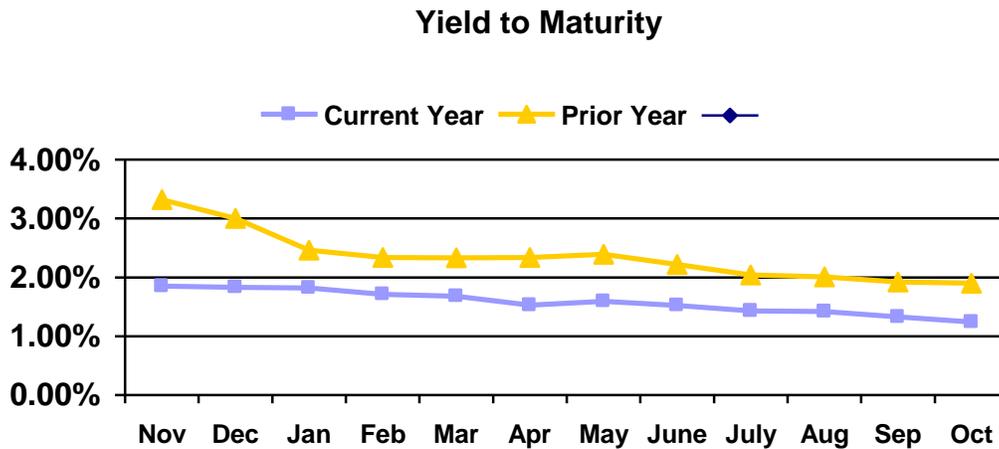
Attachments: 1 – Investment Highlights  
2 – Investment Report

# Investment Highlights

## October 2010

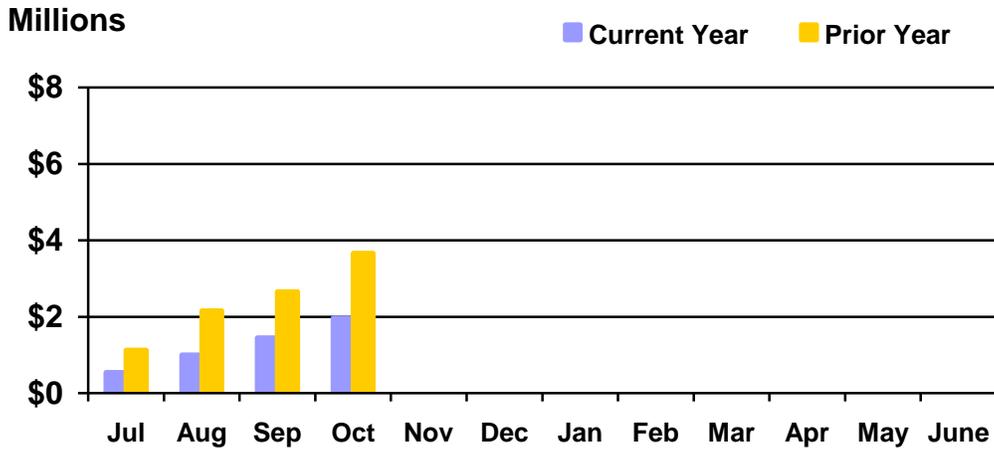


- As of October 31, the portfolio size is \$526.3 million, \$7.1 million more than in September and \$11.8 million more than in October 2009

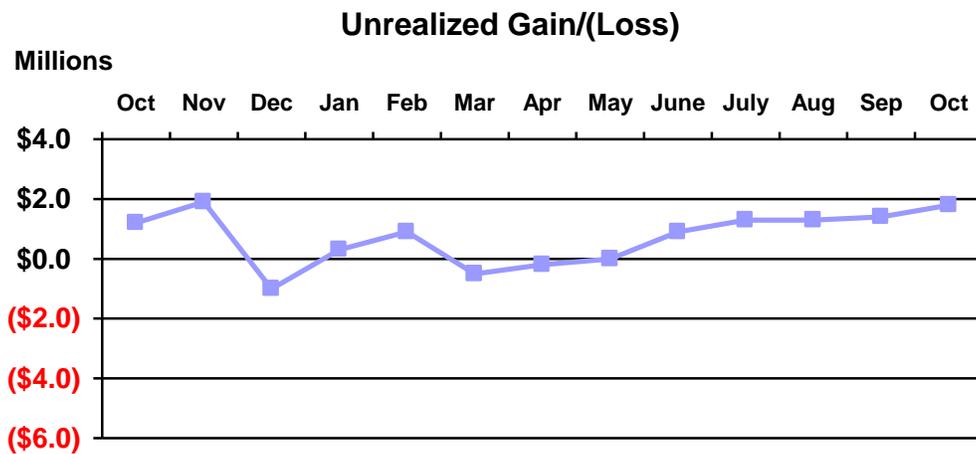


- As of October 31, yield to maturity is 1.24 percent.
- Decrease of nine basis points from September and sixty-six basis points from one year earlier.

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



- October year-to-date earnings are 46% less than in the prior year.



- The unrealized gain of \$1.8 million reported as of October 31, 2010 is the difference between market value and the unamortized book value (purchase price).



# Investment Report

## October 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 October 31, 2010**

**Petty Cash/Change Funds** \$57,122.00

**Pooled Portfolio**

Bank of America (1)	
General Account	\$1,283,146.26
Columbia Money Market Sweep Account	\$12,256,449.54
Total Bank of America	<u>\$13,539,595.80</u>
Bank of New York (BNY)	
Corporate Bonds - FDIC Insured	\$70,935,160.00
Federal Agencies Securities	\$349,506,405.13
Total Bank of New York	<u>\$420,441,565.13</u>
State of California Local Agency Investment Fund - RDA	\$43,364,602.23
State of California Local Agency Investment Fund - City	<u>\$48,916,183.86</u>

**Total Pooled Portfolio** \$526,261,947.02

**Restricted Cash/Investments Held in Trust**

Bond Proceeds	
Union Bank-Earthquake Recovery Redevelopment 2006	
Tax Allocation Refunding Bonds Series A & B	\$2.02
BNY-Library Improvement Project 2002 Series	\$0.12
BNY-Ocean Park Redevelopment Project 2002 Refunding	\$2,465,172.01
BNY-Parking Authority Lease Revenue Bonds 2002 Refunding	\$2.08
BNY-Public Safety Facility Bonds 2002 Series	\$1,383,749.35
BNY-Public Safety Facility Bonds 2009 Refunding	\$1,154,638.10
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	<u>\$2,873,656.45</u>

**Total Restricted Cash/Investments Held in Trust** \$7,877,221.13

**Charnock Settlement Funds**

Union Bank (December 2006 Settlement)	
Money Market Funds	\$4,189,108.52
Federal Agencies Securities	\$30,858,058.52
Corporate Bonds	\$5,144,450.00
Total Union Bank (December 2006 Settlement)	<u>\$40,191,617.04</u>

**Total Charnock Settlement Funds** \$40,191,617.04

**Other Restricted Funds/Funds Held in Trust**

Cemetery Perpetual Care Fund (3)	\$7,602,077.00
Mausoleum Perpetual Care Fund (3)	\$819,864.00
HUD Depository Account (4)	\$748,018.06
Public Agency Family Self Sufficiency Program (2)	<u>\$145,845.06</u>

**Total Other Funds Held in Trust** \$9,315,804.12

**GRAND TOTAL** \$583,703,711.31

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

- (1) This is the actual bank account balance as of 10/31/10. 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\*  
October 31, 2010**

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

Cash and Investments - September 30, 2010	519,195,471.68
Receipts	50,060,252.74
Disbursements	(42,993,777.40)
Cash and Investments - October 31, 2010	\$526,261,947.02

\* 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 October 31, 2010, total City cash and investments were \$583.7 million, a \$1 million increase from September. The increase reflects a \$7.1 million increase in the pooled portfolio, \$3.1 million of which was a transfer of funds from the HUD Depository account for Housing Authority Fund related expenses. Additionally, Charnock settlement funds decreased by \$3 million reflecting capital expenditures on the water treatment facility project.

Petty Cash	\$	57,122.00
Pooled Investment Portfolio	\$	526,261,947.02
Restricted Cash/Investment Held in Trust	\$	7,877,221.13
Charnock Settlement Funds	\$	40,191,617.04
Other Funds Held in Trust	\$	9,315,804.12
Total	\$	<u>583,703,711.31</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**

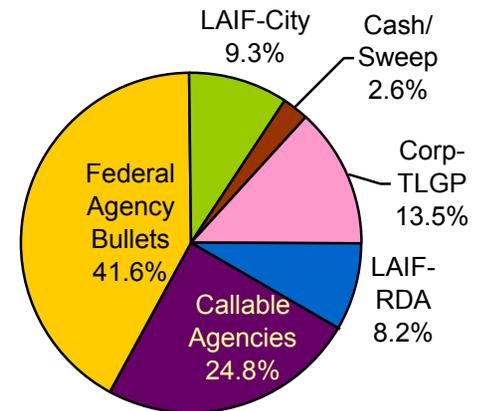
As of October 31, 2010, the portfolio size (unamortized book value/purchase price) of City pooled cash and investments is \$526.3 million, a \$7.1 million increase from September. Since the City holds most investments to maturity, variations in portfolio book value are typically due to receipt and expenditure 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. Nine investments were made during the month (\$39.1 million), three investments matured (\$13.3 million), and five investments were called (\$20 million). No investments were sold. The net total City and RDA State Local Agency Investment Fund (LAIF) account balances decreased by \$4.9 million in October. The balance of the money market sweep account on October 31 was \$12.3 million.

Details of the main portfolio follow.

**Portfolio Composition**

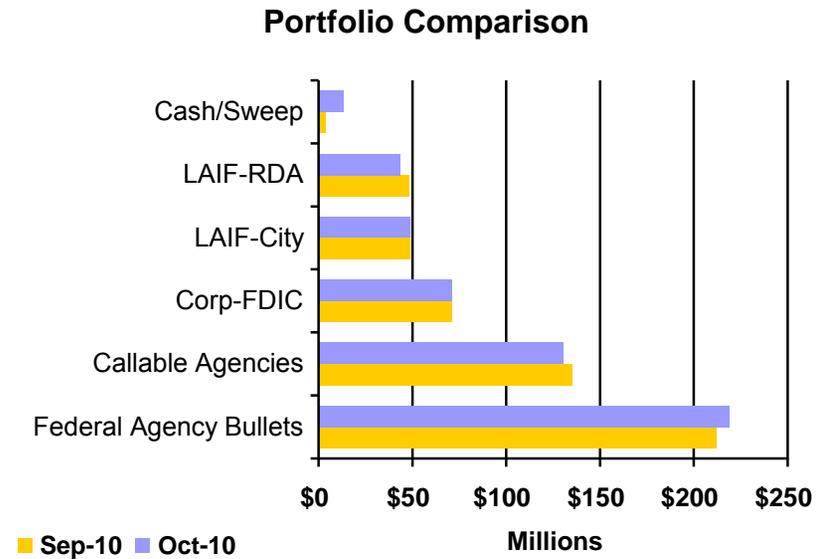
The portfolio is well-diversified and is in compliance with the City’s Investment Policy and applicable provisions of the State Government Code. The largest sector of the portfolio is Federal Agency Securities (66.4%). The remaining 33.6% is invested in State Local Agency Investment Fund accounts for the City (9.3%) and the RDA (8.2%); corporate notes (13.5%), 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 (2.6%). 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 October. The City continues to hold a major 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 October 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  
September 30, 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>												
3133XSCT3	10813	Federal Home Loan Bank		01/16/2009	3,000,000.00	3,004,687.50	3,101,580.00	3.375	642	1.386	19	10/20/2010
3133XMES6	10789	Federal Home Loan Bank		11/25/2008	7,000,000.00	7,017,500.00	7,177,059.51	4.375	696	3.000	21	10/22/2010
3133XVJC6	10919	Federal Home Loan Bank		01/07/2010	5,000,000.00	5,001,562.50	5,001,000.00	0.430	301	0.406	34	11/04/2010
31331TNJ6	10730	Federal Farm Credit Bank		04/24/2008	5,000,000.00	5,043,750.00	5,206,000.00	4.350	967	2.725	77	12/17/2010
3133XWKG3	10918	Federal Home Loan Bank		01/07/2010	5,000,000.00	5,001,562.50	4,996,500.00	0.375	364	0.445	97	01/06/2011
3137EABW8	10869	Fed Home Loan Mortgage Corp		05/22/2009	3,000,000.00	3,010,312.50	3,030,120.00	1.500	595	0.875	98	01/07/2011
31331JCY7	10939	Federal Farm Credit Bank		02/17/2010	4,000,000.00	4,001,250.00	4,000,000.00	0.350	349	0.350	123	02/01/2011
31331YWG1	10817	Federal Farm Credit Bank		01/22/2009	5,000,000.00	5,059,375.00	5,144,150.00	3.000	770	1.607	153	03/03/2011
3133XPNY6	10751	Federal Home Loan Bank		05/29/2008	3,000,000.00	3,034,687.50	2,948,160.00	2.875	1,016	3.521	161	03/11/2011
31359MM26	10750	Federal National Mort Assoc		05/29/2008	3,000,000.00	3,079,687.50	3,134,760.00	5.125	1,051	3.470	196	04/15/2011
31331YG46	10865	Federal Farm Credit Bank		05/22/2009	5,000,000.00	5,065,625.00	5,145,915.57	2.625	699	1.080	202	04/21/2011
3128X7MN1	10810	Fed Home Loan Mortgage Corp		01/15/2009	5,000,000.00	5,094,900.00	5,206,700.00	3.500	840	1.664	216	05/05/2011
3133XFJY3	10699	Federal Home Loan Bank		01/18/2008	5,000,000.00	5,164,062.50	5,335,350.00	5.250	1,239	3.150	252	06/10/2011
3133XR4U1	10806	Federal Home Loan Bank		01/09/2009	5,000,000.00	5,087,500.00	5,174,150.00	3.125	882	1.650	252	06/10/2011
3133XTXH4	10894	Federal Home Loan Bank		08/26/2009	4,000,000.00	4,042,500.00	4,028,360.00	1.625	700	1.250	299	07/27/2011
31331GDC0	10877	Federal Farm Credit Bank		07/17/2009	5,000,000.00	5,167,187.50	5,253,302.16	3.600	819	1.299	378	10/14/2011
3133XV6K2	10903	Federal Home Loan Bank		10/14/2009	5,000,000.00	5,042,187.50	5,011,850.00	1.150	730	1.030	378	10/14/2011
31331JBL6	10921	Federal Farm Credit Bank		01/14/2010	5,000,000.00	5,043,750.00	5,003,900.00	1.100	728	1.060	468	01/12/2012
3133XWFP9	10930	Federal Home Loan Bank		02/04/2010	1,205,000.00	1,215,543.75	1,205,554.30	1.050	750	1.025	511	02/24/2012
3133XYGF7	10965	Federal Home Loan Bank		06/04/2010	5,000,000.00	5,040,625.00	5,011,150.00	1.000	634	0.866	515	02/28/2012
31331JJW4	10949	Federal Farm Credit Bank		04/15/2010	2,105,000.00	2,114,209.38	2,105,719.21	1.230	721	1.230	552	04/05/2012
31398AP63	10950	Federal National Mort Assoc		04/27/2010	3,000,000.00	3,001,875.00	3,000,000.00	1.250	731	1.250	574	04/27/2012
31331GVL0	10860	Federal Farm Credit Bank		05/07/2009	5,000,000.00	5,109,375.00	5,000,000.00	1.875	1,096	1.875	584	05/07/2012
3133MNVV0	10814	Federal Home Loan Bank		01/16/2009	5,000,000.00	5,426,562.50	5,620,170.41	5.750	1,212	1.880	589	05/12/2012
3134G1EN0	10963	Fed Home Loan Mortgage Corp		06/07/2010	5,000,000.00	5,001,150.00	5,000,000.00	0.625	731	0.625	615	06/07/2012
3133XWKU5	10980	Federal Home Loan Bank		07/29/2010	5,000,000.00	5,073,437.50	5,068,489.58	1.375	680	0.737	616	06/08/2012
3133XP68	10946	Federal Home Loan Bank		03/28/2010	5,000,000.00	5,065,625.00	4,990,800.00	1.250	854	1.331	665	07/27/2012
3133.XWXJ3	10938	Federal Home Loan Bank		02/16/2010	4,000,000.00	4,052,500.00	4,000,000.00	1.250	895	1.250	668	07/30/2012
3133XWQ36	10999	Federal Home Loan Bank		09/30/2010	2,500,000.00	2,539,062.50	2,545,129.17	1.375	669	0.514	668	07/30/2012
31398AYM8	10911	Federal National Mort Assoc		12/04/2009	5,000,000.00	5,112,500.00	5,066,400.00	1.750	980	1.245	679	08/10/2012
3133XUE41	10906	Federal Home Loan Bank		11/19/2009	5,000,000.00	5,114,062.50	5,056,600.00	1.750	1,007	1.337	691	08/22/2012
3134G1GQ1	10981	Fed Home Loan Mortgage Corp		08/13/2010	2,500,000.00	2,522,700.00	2,514,900.00	1.000	746	0.668	697	08/28/2012
3133XUK93	10890	Federal Home Loan Bank		08/19/2009	5,000,000.00	5,140,625.00	5,007,335.75	2.000	1,122	1.951	714	09/14/2012
3133XUK93	10995	Federal Home Loan Bank		09/30/2010	2,500,000.00	2,570,312.50	2,573,422.22	2.000	715	0.534	714	09/14/2012
3128X9V72	10947	Fed Home Loan Mortgage Corp		04/13/2010	2,000,000.00	2,000,180.00	1,999,944.44	1.000	906	1.010	735	10/05/2012
3136FMJW5	10948	Federal National Mort Assoc		04/15/2010	5,000,000.00	5,001,562.50	4,999,750.00	1.625	914	1.627	745	10/15/2012

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**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
September 30, 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>												
3133XVVK3	10912	Federal Home Loan Bank		12/04/2009	5,000,000.00	5,009,375.00	5,025,500.00	1.875	1,081	1.697	780	11/19/2012
313370B23	10979	Federal Home Loan Bank		07/29/2010	5,000,000.00	5,001,562.50	4,999,500.00	1.100	915	1.104	851	01/29/2013
3136FJ3M1	10928	Federal National Mort Assoc		02/11/2010	2,500,000.00	2,503,906.25	2,500,000.00	1.000	1,096	1.000	864	02/11/2013
31331JBV4	10929	Federal Farm Credit Bank		02/04/2010	2,500,000.00	2,554,687.50	2,502,800.00	1.750	1,113	1.709	874	02/21/2013
31359MQV8	10909	Federal National Mort Assoc		12/03/2009	5,000,000.00	5,475,000.00	5,496,750.00	4.750	1,176	1.570	874	02/21/2013
3133XWX87	10945	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,053,750.00	2,003,100.00	1.750	1,081	1.696	889	03/08/2013
3136FMBK9	10940	Federal National Mort Assoc		03/15/2010	5,000,000.00	5,003,125.00	5,000,000.00	1.000	1,096	1.000	896	03/15/2013
31398AH70	10943	Federal National Mort Assoc		03/15/2010	5,000,000.00	5,026,562.50	5,000,000.00	1.800	1,096	1.800	896	03/15/2013
3128X8TZ5	10844	Fed Home Loan Mortgage Corp		04/08/2009	5,000,000.00	5,052,950.00	5,000,000.00	2.500	1,461	2.500	920	04/08/2013
31398AQ54	10953	Federal National Mort Assoc		05/06/2010	5,000,000.00	5,037,500.00	4,996,250.00	1.875	1,096	1.901	948	05/06/2013
3133XR5U0	10901	Federal Home Loan Bank		10/02/2009	5,000,000.00	5,392,187.50	5,312,250.00	3.750	1,351	1.990	987	06/14/2013
3133XYHDO	10962	Federal Home Loan Bank		05/28/2010	5,000,000.00	5,117,187.50	4,999,939.58	1.625	1,113	1.657	987	06/14/2013
3134G1US1	10994	Fed Home Loan Mortgage Corp		09/27/2010	5,000,000.00	5,013,500.00	5,000,000.00	1.000	1,004	1.000	1,000	06/27/2013
3134G1HW7	10972	Fed Home Loan Mortgage Corp		06/28/2010	5,000,000.00	5,042,350.00	5,000,000.00	1.625	1,096	1.625	1,001	06/28/2013
3134G1JG0	10973	Fed Home Loan Mortgage Corp		07/08/2010	5,000,000.00	5,008,800.00	5,000,000.00	1.000	1,096	1.000	1,011	07/08/2013
3133XWP29	10922	Federal Home Loan Bank		01/26/2010	5,000,000.00	5,026,562.50	5,000,000.00	2.050	1,277	2.050	1,029	07/26/2013
3136FJ4C2	10924	Federal National Mort Assoc		02/23/2010	5,000,000.00	5,082,812.50	5,000,000.00	2.000	1,277	2.000	1,057	08/23/2013
313370SQ2	10988	Federal Home Loan Bank		08/30/2010	5,000,000.00	4,996,875.00	5,000,000.00	0.500	1,094	0.500	1,062	08/28/2013
3133XUPZ0	10942	Federal Home Loan Bank		03/05/2010	3,000,000.00	3,158,437.50	3,076,230.00	2.625	1,288	1.876	1,078	09/13/2013
313370LB2	10982	Federal Home Loan Bank		08/13/2010	2,500,000.00	2,514,062.50	2,503,127.78	1.000	1,127	0.962	1,078	09/13/2013
31331JJ38	10993	Federal Farm Credit Bank		09/23/2010	5,000,000.00	5,010,937.50	5,000,000.00	1.100	1,096	1.100	1,088	09/23/2013
31331JWF6	10978	Federal Farm Credit Bank		07/28/2010	5,000,000.00	5,003,125.00	4,999,500.00	1.400	1,188	1.403	1,123	10/28/2013
3136FMTR5	10959	Federal National Mort Assoc		05/26/2010	5,000,000.00	5,010,937.50	5,000,000.00	2.000	1,280	2.000	1,152	11/26/2013
3136FPEX1	10989	Federal National Mort Assoc		09/17/2010	2,500,000.00	2,504,687.50	2,500,000.00	1.125	1,187	1.125	1,173	12/17/2013
313370NL8	10990	Federal Home Loan Bank		08/27/2010	2,500,000.00	2,506,250.00	2,500,650.00	1.000	1,218	0.992	1,183	12/27/2013
31398AVD1	10914	Federal National Mort Assoc		12/22/2009	5,000,000.00	5,290,625.00	5,092,600.00	2.750	1,506	2.276	1,223	02/05/2014
31331GNA3	10937	Federal Farm Credit Bank		02/12/2010	4,000,000.00	4,242,500.00	4,117,520.00	3.000	1,461	2.228	1,230	02/12/2014
31398AXB3	10852	Federal National Mort Assoc		05/05/2009	5,000,000.00	5,065,625.00	5,000,000.00	2.800	1,826	2.800	1,312	05/05/2014
313370RB6	10985	Federal Home Loan Bank		08/26/2010	4,000,000.00	4,005,000.00	4,000,000.00	1.000	1,553	1.000	1,517	11/26/2014
3136FMRJ5	10957	Federal National Mort Assoc		05/26/2010	5,000,000.00	5,015,625.00	5,000,000.00	2.500	1,826	2.500	1,698	05/26/2015
3136FMXY5	10964	Federal National Mort Assoc		06/15/2010	5,000,000.00	5,040,625.00	5,000,000.00	2.000	1,826	2.000	1,718	06/15/2015
3134G1GU2	10968	Fed Home Loan Mortgage Corp		06/30/2010	5,000,000.00	5,018,700.00	5,000,000.00	2.250	1,826	2.250	1,733	06/30/2015
3136FM3T9	10977	Federal National Mort Assoc		07/28/2010	2,500,000.00	2,515,625.00	2,500,000.00	1.550	1,826	1.550	1,761	07/28/2015
3134G1MV3	10976	Fed Home Loan Mortgage Corp		08/04/2010	5,000,000.00	5,008,550.00	5,000,000.00	2.430	1,826	2.430	1,768	08/04/2015
3136FM2C7	10975	Federal National Mort Assoc		08/04/2010	5,000,000.00	5,020,312.50	5,000,000.00	1.875	1,826	1.875	1,768	08/04/2015
313370RQ3	10984	Federal Home Loan Bank		09/10/2010	4,000,000.00	4,006,250.00	4,000,000.00	1.850	1,826	1.850	1,805	09/10/2015

Portfolio INVT

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**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
September 30, 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>												
3136FPKK2	10991	Federal National Mort Assoc		09/28/2010	5,000,000.00	5,009,375.00	5,000,000.00	1.000	1,826	1.000	1,823	09/28/2015
<b>Subtotal and Average</b>			<b>310,629,865.75</b>		<b>313,810,000.00</b>	<b>318,409,939.38</b>	<b>317,789,939.68</b>		<b>1,089</b>	<b>1.581</b>	<b>808</b>	
<b>Federal Agency Discount</b>												
313589N82	10986	Federal National Mort Assoc		08/25/2010	5,000,000.00	4,999,500.00	4,998,288.89	0.160	77	0.162	40	11/10/2010
313589N82	10987	Federal National Mort Assoc		08/25/2010	5,000,000.00	4,999,500.00	4,998,181.94	0.170	77	0.172	40	11/10/2010
313589Q63	10992	Federal National Mort Assoc		09/14/2010	10,000,000.00	9,998,000.00	9,996,844.44	0.160	71	0.162	54	11/24/2010
313588GK5	10967	Federal National Mort Assoc		06/10/2010	7,000,000.00	6,990,200.00	6,967,978.89	0.460	358	0.475	245	06/03/2011
313396HD8	10997	Fed Home Loan Mortgage Corp		09/30/2010	2,500,000.00	2,496,250.00	2,495,966.67	0.220	264	0.226	263	06/21/2011
<b>Subtotal and Average</b>			<b>29,243,218.09</b>		<b>29,500,000.00</b>	<b>29,483,450.00</b>	<b>29,457,260.83</b>		<b>157</b>	<b>0.243</b>	<b>112</b>	
<b>Local Agency Investment Funds</b>												
SYS10090	10090	Local Agency Investment Fund			48,862,623.60	48,862,623.60	48,862,623.60	0.500	1	0.500	1	
<b>Subtotal and Average</b>			<b>46,429,290.27</b>		<b>48,862,623.60</b>	<b>48,862,623.60</b>	<b>48,862,623.60</b>		<b>1</b>	<b>0.500</b>	<b>1</b>	
<b>Columbia Money Market Fund</b>												
SYS10091	10091	Columbia Money Market Reserves		09/15/2006	1,983,467.57	1,983,467.57	1,983,467.57	0.010	1	0.010	1	
<b>Subtotal and Average</b>			<b>8,011,267.69</b>		<b>1,983,467.57</b>	<b>1,983,467.57</b>	<b>1,983,467.57</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	48,304,287.03	48,304,287.03	48,304,287.03	0.500	1	0.500	1	
<b>Subtotal and Average</b>			<b>45,887,620.36</b>		<b>48,304,287.03</b>	<b>48,304,287.03</b>	<b>48,304,287.03</b>		<b>1</b>	<b>0.500</b>	<b>1</b>	
<b>Corporate Bonds</b>												
481247AD6	10793	JP Morgan Chase		12/22/2008	5,000,000.00	5,020,350.00	5,088,900.00	2.625	709	1.700	61	12/01/2010
17314JAK9	10886	Citigroup		08/07/2009	5,000,000.00	5,045,350.00	5,010,400.00	1.500	704	1.391	284	07/12/2011
38146FAF8	10888	Goldman Sachs		08/07/2009	5,000,000.00	5,056,400.00	5,030,000.00	1.625	707	1.310	287	07/15/2011
17314JAN3	10887	Citigroup		08/07/2009	5,000,000.00	5,046,750.00	4,991,600.00	1.375	733	1.460	313	08/10/2011
61757UAF7	10878	Morgan Stanley		07/21/2009	5,000,000.00	5,080,468.50	5,090,200.00	2.000	793	1.155	356	09/22/2011
86801BAB1	10798	Suntrust Bank		12/29/2008	5,000,000.00	5,137,100.00	5,153,450.00	3.000	1,052	1.900	411	11/16/2011
94974AA4	10790	Wells Fargo Bank		12/10/2008	5,000,000.00	5,150,050.00	4,994,150.00	3.000	1,094	3.041	434	12/09/2011
4042EPAA5	10823	HSBC		02/06/2009	5,000,000.00	5,161,650.00	5,151,350.00	3.125	1,043	2.030	441	12/16/2011
9116OHAA5	10842	US Bank		03/13/2009	5,000,000.00	5,125,050.00	4,999,400.00	2.250	1,096	2.254	529	03/13/2012
06050BAA9	10808	Bank of America		01/20/2009	5,000,000.00	5,209,950.00	5,199,100.00	3.125	1,242	1.913	623	06/15/2012
38146FAA9	10816	Goldman Sachs		01/26/2009	5,000,000.00	5,227,400.00	5,206,850.00	3.250	1,236	1.984	623	06/15/2012

Portfolio INVT  
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**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
September 30, 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>												
61757UAH3	10846	Morgan Stanley		04/13/2009	5,000,000.00	5,122,200.00	4,998,450.00	1.950	1,164	1.960	628	06/20/2012
17313YAG8	10895	Citigroup		08/28/2009	2,000,000.00	2,055,760.00	2,015,520.00	2.125	1,049	1.844	650	07/12/2012
17313YAL5	10899	Citigroup		10/05/2009	3,000,000.00	3,076,560.00	3,011,940.00	1.875	1,113	1.741	752	10/22/2012
481247AM6	10847	JP Morgan Chase		04/13/2009	5,000,000.00	5,163,350.00	4,993,850.00	2.125	1,353	2.160	817	12/26/2012
<b>Subtotal and Average</b>			<b>70,935,160.00</b>		<b>70,000,000.00</b>	<b>71,678,388.50</b>	<b>70,935,160.00</b>		<b>1,002</b>	<b>1.860</b>	<b>466</b>	
<b>Total and Average</b>			<b>511,136,422.16</b>		<b>512,460,378.20</b>	<b>518,722,156.08</b>	<b>517,332,738.71</b>		<b>815</b>	<b>1.334</b>	<b>567</b>	

**City of Santa Monica  
Portfolio Management  
Activity By Type  
September 1, 2010 through September 30, 2010**

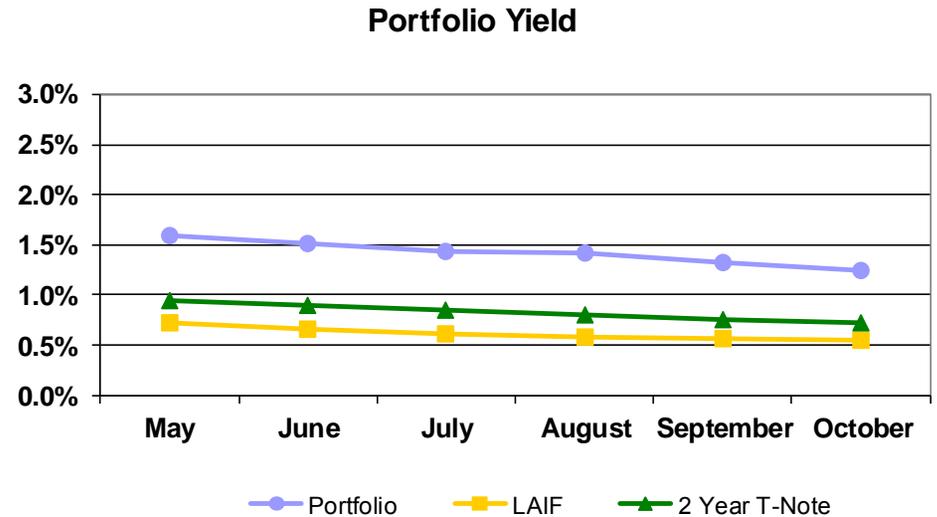
CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
<b>Federal Agency Coupon</b>							
31331GS26	10898	Federal Farm Credit Bank	2.350	09/23/2010	0.00	2,000,000.00	
31331JPS6	10966	Federal Farm Credit Bank	2.350	09/02/2010	0.00	4,994,402.78	
31331JJ38	10993	Federal Farm Credit Bank	1.100	09/23/2010	5,000,000.00	0.00	
3133XGRD8	10728	Federal Home Loan Bank	5.125	09/29/2010	0.00	5,200,664.00	
313370RQ3	10984	Federal Home Loan Bank	1.850	09/10/2010	4,000,000.00	0.00	
3133XUK93	10995	Federal Home Loan Bank	2.000	09/30/2010	2,571,200.00	0.00	
3133XWQ36	10999	Federal Home Loan Bank	1.375	09/30/2010	2,539,400.00	0.00	
3128X8NE8	10836	Fed Home Loan Mortgage Corp	2.125	09/10/2010	0.00	5,000,000.00	
3134G1US1	10994	Fed Home Loan Mortgage Corp	1.000	09/27/2010	5,000,000.00	0.00	
3136FHCP8	10831	Federal National Mort Assoc	3.000	09/09/2010	0.00	5,000,000.00	
31398AZD7	10916	Federal National Mort Assoc	2.170	09/21/2010	0.00	3,000,000.00	
31398AJ29	10944	Federal National Mort Assoc	2.100	09/16/2010	0.00	2,999,250.00	
3136FPEX1	10989	Federal National Mort Assoc	1.125	09/17/2010	2,500,000.00	0.00	
3136FPKK2	10991	Federal National Mort Assoc	1.000	09/28/2010	5,000,000.00	0.00	
<b>Subtotal</b>					<b>26,610,600.00</b>	<b>28,194,316.78</b>	<b>317,789,939.68</b>
<b>Federal Agency Discount</b>							
313385H66	10974	Federal Home Loan Bank	0.160	09/29/2010	0.00	6,997,168.89	
313396HD8	10997	Fed Home Loan Mortgage Corp	0.220	09/30/2010	2,495,966.67	0.00	
313589Q63	10992	Federal National Mort Assoc	0.160	09/14/2010	9,996,844.44	0.00	
<b>Subtotal</b>					<b>12,492,811.11</b>	<b>6,997,168.89</b>	<b>29,457,260.83</b>
<b>Local Agency Investment Funds (Monthly Summary)</b>							
SYS10090	10090	Local Agency Investment Fund	0.500		6,000,000.00	2,500,000.00	
<b>Subtotal</b>					<b>6,000,000.00</b>	<b>2,500,000.00</b>	<b>48,862,623.60</b>
<b>Columbia Money Market Fund (Monthly Summary)</b>							
SYS10091	10091	Columbia Money Market Reserves	0.010		40,373,718.76	41,295,668.49	
<b>Subtotal</b>					<b>40,373,718.76</b>	<b>41,295,668.49</b>	<b>1,983,467.57</b>
<b>Local Agency Investment Funds - RDA (Monthly Summary)</b>							
SYS10092	10092	LAIF - RDA	0.500		2,500,000.00	0.00	
<b>Subtotal</b>					<b>2,500,000.00</b>	<b>0.00</b>	<b>48,304,287.03</b>
<b>Corporate Bonds</b>							

**City of Santa Monica**  
**Portfolio Management**  
**Activity By Type**  
**September 1, 2010 through September 30, 2010**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Subtotal							70,935,160.00
Total					87,977,129.87	78,987,154.16	517,332,738.71

**Portfolio Yield**

The portfolio yield-to-maturity was 1.24% as of October 31, 2010, down nine (9) basis points from September and down sixty-six (66) basis points from October 2009. This is the sixteenth month in the last seventeen where the yield declined. The extended record low interest rate environment continues to affect portfolio returns. This month's yield is three hundred eighty-six (386) basis points below the most recent high mark of 5.1% in September 2007 and is at the lowest point for which records are available. 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 decreased sharply in October, the seventh consecutive month of decrease, and remain at historically low levels. The month-end two year CMT decreased eight (8) basis points in October and has dropped sixty-eight (68) basis points since March, which equates to a 66% decrease in yields. The twelve month moving average of the CMT fell by four (4) basis points and is four hundred seven (407) basis points off its February 2007 high. Rates are now expected to remain relatively low through at least the middle of 2011. LAIF rates also continue to reflect the low interest rate environment. The twelve month moving average LAIF yield decreased by one (1) basis point to 0.55% in October and has now declined for thirty-six consecutive months. The monthly LAIF yield for October was 0.48% a record low for the fifth consecutive month.

The Federal Open Market Committee (Fed) did not have a policy meeting in October. Therefore, the target Fed Funds rate remains unchanged at a range of 0% to 0.25%. Fed policy statements have indicated that they intend to keep rates at low levels for an extended time period. While the economy continues to show some positive signs, particularly in corporate earnings, concerns regarding the long term health of the economy continue. Although housing market may have bottomed out and is showing improvement in many areas of the country, some slowing has occurred since the end of certain homebuyer tax credits in April, and foreclosures remain very high. Unemployment continues to hinder economic growth (the October rate was 9.6%) and job creation remains relatively weak. Third quarter GDP growth was a modest 2.6%. The stock market has been

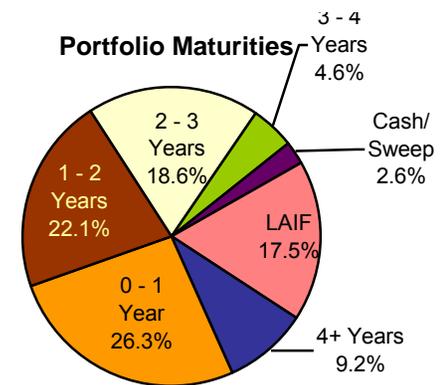
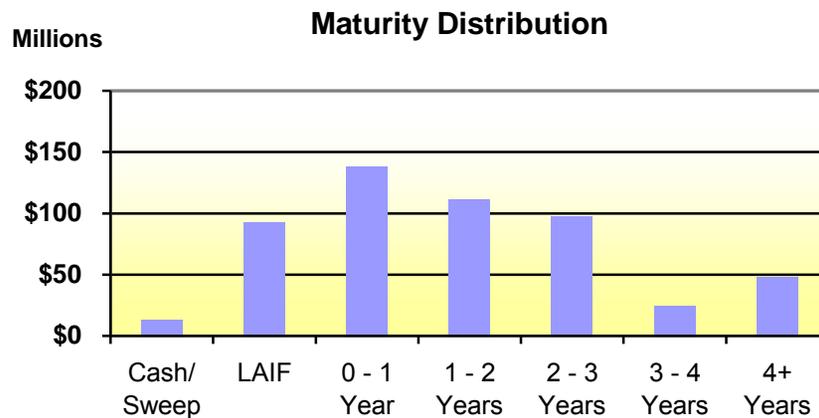
strong for the last two months volatile as the as the Dow Jones Industrial Average increased 3% in October after a 7% rise in September. The commercial real estate market also continues to be a concern, but not in a crisis state. Most economists expect only mild economic growth in 2011 and 2012.

The City’s portfolio yield-to-maturity has decreased significantly over the last one and a half years as interest rates have reached historic lows resulting in many investments being called and reinvested at lower rates. Overall, the yield will likely continue to decrease over the next few months, but the market continues to be volatile, so yields could vary on a month-to-month basis. More bonds will be called in the next few months as interest rates are expected to remain near historic lows.

Investment earnings in October were \$0.5 million. Fiscal year-to-date earnings are down 46.3% from the same period last year.

**Maturity Distribution**

The weighted average days to maturity as of October 31, 2010 is 547 days (1.49 years), twenty days less than the prior month. As noted elsewhere in this report, the current volatile and low interest rate environment continues to result in bonds being called, and the portfolio’s average days to maturity may vary over the next several months. Additionally, investments are being made primarily in maturities of three years or less as rates are not expected to begin a period of significant increase until at least six to twelve months in the future.



**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 purchase most securities with the intent to hold them 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 October 31, 2010, the market value and the book value of the City’s pooled investments (excluding cash) are:

Market Value	\$	526,780,895.22
Book Value (purchase price)		524,978,800.76
		1,802,094.46
Unrealized Gain/(Loss)	\$	1,802,094.46

**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 \$40.2 million) should be sufficient to cover all costs related to construction of the facility and operations for the first three to four years. Construction is expected to be

complete by the end of 2010. The yield to maturity on these funds as of October 31, 2010 is 0.83%. On October 31, 2010, the portfolio showed an unrealized loss of \$293,438.52. The weighted average days-to-maturity was 115 days (0.31 years). Most investments are being held in very short maturity/low yield investments pending completion of construction of the treatment facility.

### **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 October 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:

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

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Money Market Sweep Fund</b>												
SYS1	1	Blackrock Institutional Funds-		12/19/2006	4,189,108.52	4,189,108.52	4,189,108.52	0.040	0.039	0.040	1	
		<b>Subtotal and Average</b>	<b>11,451,323.31</b>		<b>4,189,108.52</b>	<b>4,189,108.52</b>	<b>4,189,108.52</b>		<b>0.039</b>	<b>0.040</b>	<b>1</b>	
<b>Corporate Notes</b>												
61757UAA8	54	Morgan Stanley		04/13/2009	5,000,000.00	5,010,850.00	5,144,450.00	2.900	1.092	1.108	30	12/01/2010
		<b>Subtotal and Average</b>	<b>5,144,450.00</b>		<b>5,000,000.00</b>	<b>5,010,850.00</b>	<b>5,144,450.00</b>		<b>1.092</b>	<b>1.108</b>	<b>30</b>	
<b>Federal Agency Coupon Securities</b>												
3137EAAB5	45	Federal Home Loan Mortgage Cor		04/16/2008	1,200,000.00	1,227,372.00	1,277,432.96	5.125	2.829	2.869	168	04/18/2011
3137EAAF6	42	Federal Home Loan Mortgage Cor		04/16/2008	4,200,000.00	4,350,948.00	4,497,570.00	5.250	2.910	2.950	259	07/18/2011
3133XT2T2	57	Federal Home Loan Bank		07/17/2009	5,000,000.00	5,121,900.00	5,087,600.00	2.250	1.529	1.550	466	02/10/2012
		<b>Subtotal and Average</b>	<b>10,862,602.96</b>		<b>10,400,000.00</b>	<b>10,700,220.00</b>	<b>10,862,602.96</b>		<b>2.254</b>	<b>2.285</b>	<b>345</b>	
<b>Federal Agency Disc. -At Cost</b>												
313385P59	59	Federal Home Loan Bank		10/13/2010	10,000,000.00	10,000,000.00	9,998,625.00	0.150	0.150	0.152	14	11/15/2010
313385T30	61	Federal Home Loan Bank		10/08/2010	5,000,000.00	4,999,500.00	4,998,677.78	0.140	0.140	0.142	44	12/15/2010
313396AL7	60	Federal Home Loan Mortgage Cor		10/08/2010	5,000,000.00	4,998,500.00	4,998,152.78	0.140	0.140	0.142	71	01/11/2011
		<b>Subtotal and Average</b>	<b>13,867,671.24</b>		<b>20,000,000.00</b>	<b>19,998,000.00</b>	<b>19,995,455.56</b>		<b>0.145</b>	<b>0.147</b>	<b>36</b>	
		<b>Total and Average</b>	<b>41,326,047.51</b>		<b>39,589,108.52</b>	<b>39,898,178.52</b>	<b>40,191,617.04</b>		<b>0.825</b>	<b>0.837</b>	<b>115</b>	

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

	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	\$136,517,880.46	\$20,084,902.78	\$156,602,783.24	27.6%	50.0%	Yes
Federal National Mortgage Association	108,248,054.16	0.00	108,248,054.16	19.1%	50.0%	Yes
Federal Home Loan Mortgage Corporation	56,261,882.78	10,773,155.74	67,035,038.52	11.8%	50.0%	Yes
Federal Farm Credit Bank	48,478,587.73	0.00	48,478,587.73	8.6%	50.0%	Yes
<b>Total Federal Agency Securities</b>	<b>\$349,506,405.13</b>	<b>30,858,058.52</b>	<b>380,364,463.65</b>	<b>67.1%</b>	n/a	Yes
<b>Corporate Bonds</b>						
Corporate Bonds - TGLP (FDIC Insured)	\$70,935,160.00	\$5,144,450.00	76,079,610.00			
Corporate Bonds - Other	\$0.00		0.00			
<b>Total Corporate Bonds</b>	<b>\$70,935,160.00</b>	<b>\$5,144,450.00</b>	<b>\$76,079,610.00</b>	<b>13.4%</b>	30.0%	Yes
<b>Money Market Mutual Funds</b>						
Columbia Money Market Reserves Advisor Class	12,256,449.54		12,256,449.54	2.2%	10.0%	Yes
BlackrockT-Find Cash Management Sweep		4,189,108.52	4,189,108.52	0.7%	10.0%	Yes
<b>Total-Money Market Mutual Funds</b>	<b>\$12,256,449.54</b>	<b>\$4,189,108.52</b>	<b>\$16,445,558.06</b>	<b>2.9%</b>	20.0%	Yes
<b>State Local Agency Investment Fund-City</b>	<b>\$48,916,183.86</b>		<b>\$48,916,183.86</b>	<b>8.6%</b>	\$50 million	Yes
<b>State Local Agency Investment Fund-RDA</b>	<b>\$43,364,602.23</b>		<b>\$43,364,602.23</b>	<b>7.7%</b>	\$50 million	Yes
<b>Cash (3)</b>	<b>1,283,146.26</b>		<b>1,283,146.26</b>	<b>0.2%</b>	None	Yes
<b>Total (Book Value)</b>	<b>\$526,261,947.02</b>	<b>\$40,191,617.04</b>	<b>\$566,453,564.06</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 (\$748,018.06)
- (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

**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	\$3,011,940.00		\$3,011,940.00	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