



Information Item

Date: August 10, 2011

To: Mayor and City Council
From: Carol Swindell, Director of Finance/City Treasurer
Subject: City Monthly Cash and Investment Report for November 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 November 30, 2010.

Discussion

The November 2010 Investment Report highlights changes from October. The value of cash and investments held in the pooled portfolio decreased by \$0.1 million in November to \$526.2 million. The pooled portfolio yield-to-maturity fell two basis points in November to 1.22%, sixty-three (63) basis points lower than in November 2009. Investment earnings for the month were \$0.6 million. Fiscal year-to-date earnings are down 42.4% from the same period last year reflecting the impact of the record low interest rate environment. Further detail is included in the attached report.

In addition to the pooled portfolio, the City's total cash holdings as of November 30, 2010 included \$40.1 million in Charnock settlement-related funds, \$7.9 million in bond proceeds held in trust with fiscal agents, \$10.4 million in other funds held in trust, and \$57,122 in petty cash/change funds for a total balance of \$584.6 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 November 30, 2010, the market value of the City's portfolio was about \$0.5 million more than the book value.

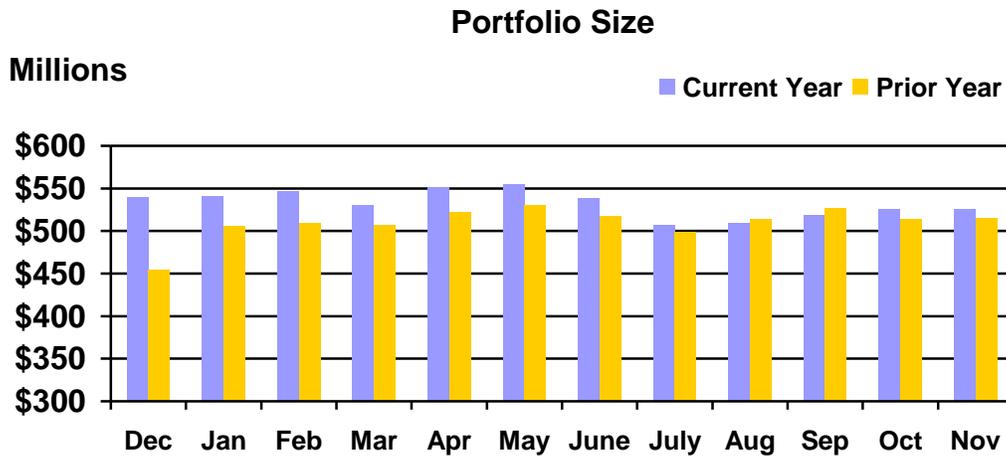
Attached is a summary of investment activity as well as a detailed report of public monies held by the City Treasurer for the month of November 2010.

Prepared by: David Carr, Budget Administrator

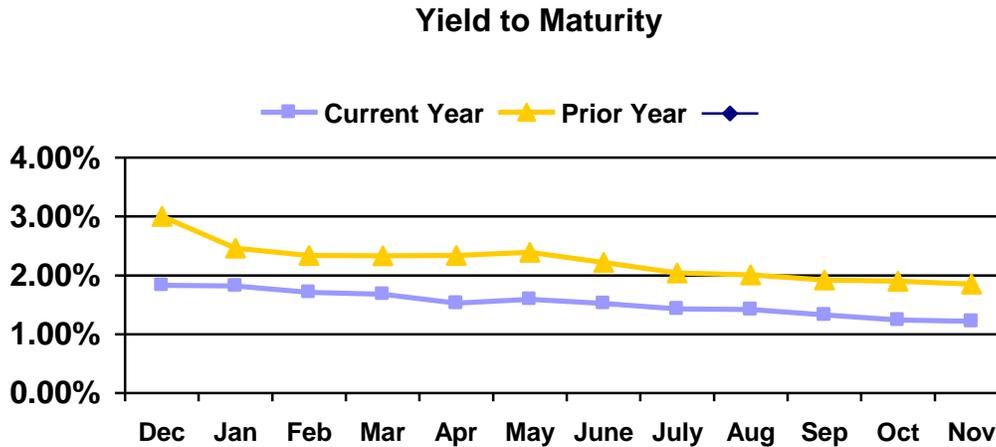
Attachments: 1 – Investment Highlights
2 – Investment Report

Investment Highlights

November 2010

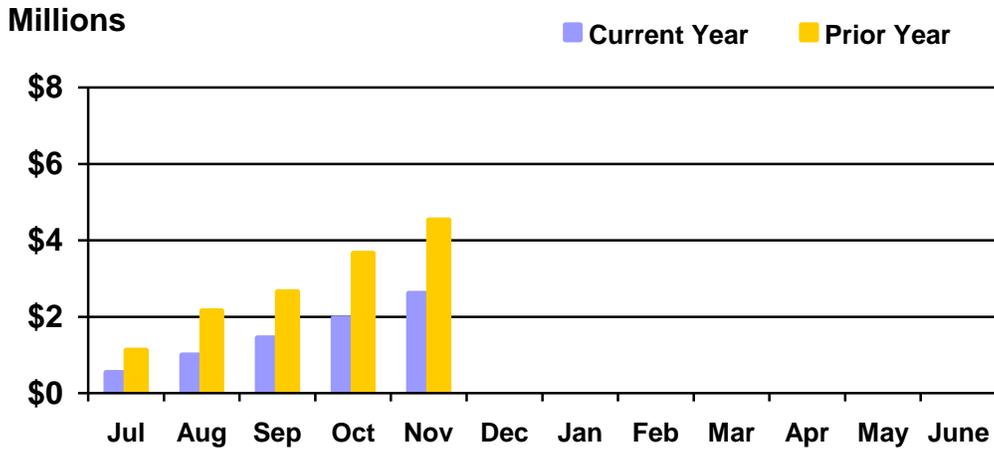


- As of November 30, the portfolio size is \$526.2 million, \$0.1 million less than in October, but \$10.4 million more than in November 2009



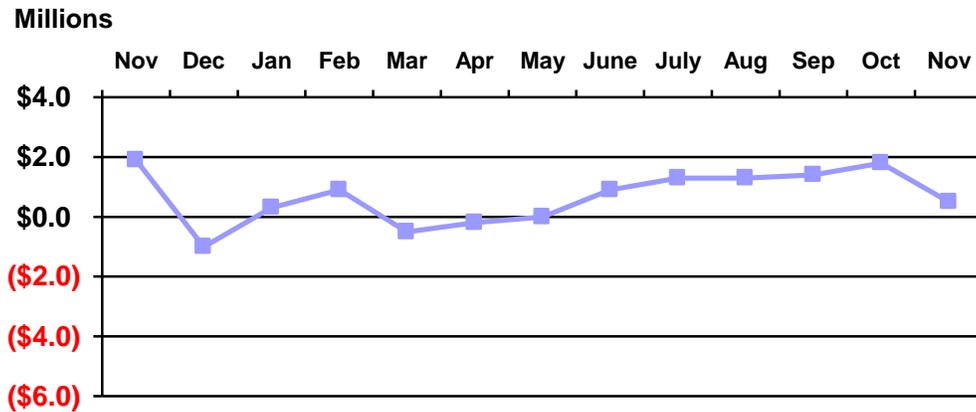
- As of November 30, yield to maturity is 1.22 percent.
- Decrease of two basis points from October and sixty-three basis points from one year earlier.

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



- November year-to-date earnings are 42% less than in the prior year.

Unrealized Gain/(Loss)



- The unrealized gain of \$0.5 million reported as of November 30, 2010 is the difference between market value and the unamortized book value (purchase price).



Investment Report

November 2010

Prepared by:
Carol Swindell, Director of Finance/City Treasurer
David R. Carr, Budget Administrator

**City of Santa Monica
Report of Public Monies Held by the City Treasurer
As of November 30, 2010**

Petty Cash/Change Funds \$57,222.00

Pooled Portfolio

Bank of America (1)	
General Account	\$1,077,014.59
Columbia Money Market Sweep Account	\$6,801,950.86
Total Bank of America	\$7,878,965.45
Bank of New York (BNY)	
Corporate Bonds - FDIC Insured	\$70,935,160.00
Federal Agencies Securities	\$352,060,310.84
Total Bank of New York	\$422,995,470.84
State of California Local Agency Investment Fund - RDA	\$46,364,602.23
State of California Local Agency Investment Fund - City	\$48,916,183.86

Total Pooled Portfolio \$526,155,222.38

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	\$1,383,684.40
BNY-Public Safety Facility Bonds 2009 Refunding	\$1,129,450.79
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	\$2,873,666.73

Total Restricted Cash/Investments Held in Trust \$7,851,979.15

Charnock Settlement Funds

Union Bank (December 2006 Settlement)	
Money Market Funds	\$14,130,358.52
Federal Agencies Securities	\$20,859,433.52
Corporate Bonds	\$5,144,450.00
Total Union Bank (December 2006 Settlement)	\$40,134,242.04

Total Charnock Settlement Funds \$40,134,242.04

Other Restricted Funds/Funds Held in Trust

Cemetery Perpetual Care Fund (3)	\$7,496,508.00
Mausoleum Perpetual Care Fund (3)	\$809,153.00
HUD Depository Account (4)	\$1,907,525.44
Public Agency Family Self Sufficiency Program (2)	\$145,845.06

Total Other Funds Held in Trust \$10,359,031.50

GRAND TOTAL \$584,557,697.07

City of Santa Monica
Report of Public Monies Held by the City Treasurer
As of November 30, 2010

- (1) This is the actual bank account balance as of 11/30/10. 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*
November 30, 2010**

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

Cash and Investments - October 31, 2010	526,261,947.02
Receipts	34,806,905.26
Disbursements	(34,913,629.90)
Cash and Investments - November 30, 2010	\$526,155,222.38

* 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 November 30, 2010, total City cash and investments were \$584.6 million, a \$0.9 million increase from October. The small change represents a historically typical revenue and expenditure for the month of November.

Petty Cash	\$	57,222.00
Pooled Investment Portfolio	\$	526,155,222.38
Restricted Cash/Investment Held in Trust	\$	7,851,979.15
Charnock Settlement Funds	\$	40,134,242.04
Other Funds Held in Trust	\$	10,359,031.50
Total	\$	<u>584,557,697.07</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

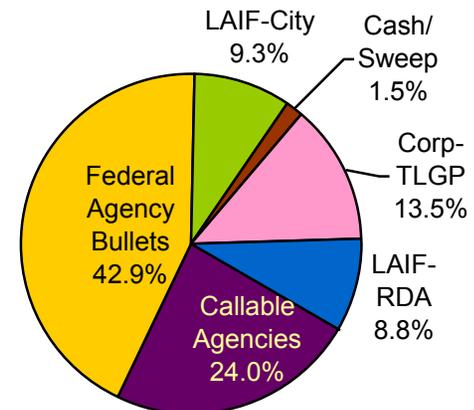
As of November 30, 2010, the portfolio size (unamortized book value/purchase price) of City pooled cash and investments is \$526.2 million, a \$0.1 million decrease from October. Since the City holds most investments to maturity, variations in portfolio book value are typically due to receipt and expenditure 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. Fourteen investments were made during the month (\$55 million), five investments matured (\$32.5 million), and four investments were called (\$20 million). No investments were sold. The net total City and RDA State Local Agency Investment Fund (LAIF) account balances increased by \$3 million in November. The balance of the money market sweep account on November 30 was \$6.8 million.

Details of the main portfolio follow.

Portfolio Composition

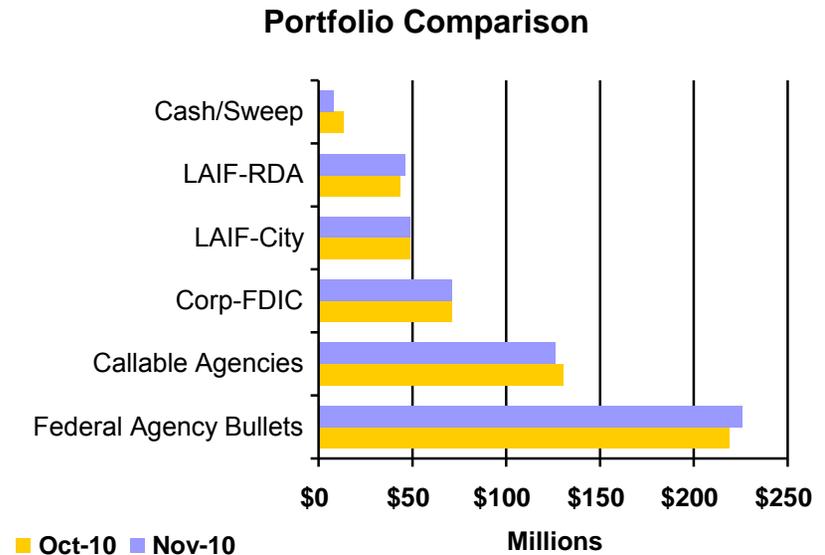
The portfolio is well-diversified and is in compliance with the City’s Investment Policy and applicable provisions of the State Government Code. The largest sector of the portfolio is Federal Agency Securities (66.9%). The remaining 33.1% is invested in State Local Agency Investment Fund accounts for the City (9.3%) and the RDA (8.8%); 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 (1.5%). 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 November. The City continues to hold a major balance in short term funds as interest rates remain at historic lows, and LAIF still 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 November 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
November 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
Federal Agency Coupon												
31331TNJ6	10730	Federal Farm Credit Bank		04/24/2008	5,000,000.00	5,009,375.00	5,206,000.00	4.350	967	2.725	16	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	36	01/06/2011
3137EABW8	10869	Fed Home Loan Mortgage Corp		05/22/2009	3,000,000.00	3,003,990.00	3,030,120.00	1.500	595	0.875	37	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	62	02/01/2011
31331YWG1	10817	Federal Farm Credit Bank		01/22/2009	5,000,000.00	5,035,937.50	5,144,150.00	3.000	770	1.607	92	03/03/2011
3133XPNY6	10751	Federal Home Loan Bank		05/29/2008	3,000,000.00	3,022,500.00	2,948,160.00	2.875	1,016	3.521	100	03/11/2011
31359MM26	10750	Federal National Mort Assoc		05/29/2008	3,000,000.00	3,056,250.00	3,134,760.00	5.125	1,051	3.470	135	04/15/2011
31331YG46	10865	Federal Farm Credit Bank		05/22/2009	5,000,000.00	5,048,437.50	5,145,915.57	2.625	699	1.080	141	04/21/2011
3128X7MN1	10810	Fed Home Loan Mortgage Corp		01/15/2009	5,000,000.00	5,071,000.00	5,206,700.00	3.500	840	1.664	155	05/05/2011
3133XFJY3	10699	Federal Home Loan Bank		01/18/2008	5,000,000.00	5,126,562.50	5,335,350.00	5.250	1,239	3.150	191	06/10/2011
3133XR4U1	10806	Federal Home Loan Bank		01/09/2009	5,000,000.00	5,068,750.00	5,174,150.00	3.125	882	1.650	191	06/10/2011
3133XTXH4	10894	Federal Home Loan Bank		08/26/2009	4,000,000.00	4,032,500.00	4,028,360.00	1.625	700	1.250	238	07/27/2011
31331GDC0	10877	Federal Farm Credit Bank		07/17/2009	5,000,000.00	5,137,500.00	5,253,302.16	3.600	819	1.299	317	10/14/2011
3133XV6K2	10903	Federal Home Loan Bank		10/14/2009	5,000,000.00	5,031,250.00	5,011,850.00	1.150	730	1.030	317	10/14/2011
31331JBL6	10921	Federal Farm Credit Bank		01/14/2010	5,000,000.00	5,034,375.00	5,003,900.00	1.100	728	1.060	407	01/12/2012
3133XWFP9	10930	Federal Home Loan Bank		02/04/2010	1,205,000.00	1,213,284.38	1,205,554.30	1.050	750	1.025	450	02/24/2012
3133XYGF7	10965	Federal Home Loan Bank		06/04/2010	5,000,000.00	5,031,250.00	5,011,150.00	1.000	634	0.866	454	02/28/2012
3133XWW47	11003	Federal Home Loan Bank		10/06/2010	2,000,000.00	2,015,625.00	2,023,407.50	1.125	520	0.360	464	03/09/2012
31331JJW4	10949	Federal Farm Credit Bank		04/15/2010	2,105,000.00	2,110,920.31	2,105,000.00	1.230	721	1.230	491	04/05/2012
31331GVL0	10860	Federal Farm Credit Bank		05/07/2009	5,000,000.00	5,096,875.00	5,000,000.00	1.875	1,096	1.875	523	05/07/2012
3133MNVV0	10814	Federal Home Loan Bank		01/16/2009	5,000,000.00	5,379,687.50	5,620,170.41	5.750	1,212	1.880	528	05/12/2012
3134G1EN0	10963	Fed Home Loan Mortgage Corp		06/07/2010	5,000,000.00	5,000,050.00	5,000,000.00	0.625	731	0.625	554	06/07/2012
3133XWKU5	10980	Federal Home Loan Bank		07/29/2010	5,000,000.00	5,064,062.50	5,068,489.58	1.375	680	0.737	555	06/08/2012
3133XPP68	10946	Federal Home Loan Bank		03/26/2010	5,000,000.00	5,056,250.00	4,990,800.00	1.250	854	1.331	604	07/27/2012
3133.XWXJ3	10938	Federal Home Loan Bank		02/16/2010	4,000,000.00	4,046,250.00	4,000,000.00	1.250	895	1.250	607	07/30/2012
3133XWQ36	10999	Federal Home Loan Bank		09/30/2010	2,500,000.00	2,533,687.50	2,545,129.17	1.375	669	0.514	607	07/30/2012
31398AYM8	10911	Federal National Mort Assoc		12/04/2009	5,000,000.00	5,101,562.50	5,066,400.00	1.750	980	1.245	618	08/10/2012
3133XUE41	10906	Federal Home Loan Bank		11/19/2009	5,000,000.00	5,101,562.50	5,056,600.00	1.750	1,007	1.337	630	08/22/2012
3134G1GQ1	10981	Fed Home Loan Mortgage Corp		08/13/2010	2,500,000.00	2,518,450.00	2,514,900.00	1.000	746	0.668	636	08/28/2012
3133XUK93	10890	Federal Home Loan Bank		08/19/2009	5,000,000.00	5,125,000.00	5,007,335.75	2.000	1,122	1.951	653	09/14/2012
3133XUK93	10995	Federal Home Loan Bank		09/30/2010	2,500,000.00	2,562,500.00	2,573,422.22	2.000	715	0.534	653	09/14/2012
3134G1VG6	11001	Fed Home Loan Mortgage Corp		10/06/2010	3,000,000.00	3,001,140.00	3,006,600.00	0.625	755	0.509	699	10/30/2012
3136FPUC9	11015	Federal National Mort Assoc		11/23/2010	4,000,000.00	3,986,250.00	3,995,757.78	0.500	707	0.572	699	10/30/2012
3134G1WT7	11012	Fed Home Loan Mortgage Corp		11/16/2010	5,000,000.00	4,989,800.00	4,991,650.00	0.515	741	0.612	726	11/26/2012
3133XW7L7	11007	Federal Home Loan Bank		11/04/2010	4,000,000.00	4,071,250.00	4,110,600.00	1.500	804	0.441	777	01/16/2013
3136FJ3M1	10928	Federal National Mort Assoc		02/11/2010	2,500,000.00	2,502,343.75	2,500,000.00	1.000	1,096	1.000	803	02/11/2013

Portfolio INVT
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**City of Santa Monica
Portfolio Management
Portfolio Details - Investments
November 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
Federal Agency Coupon												
31331JBV4	10929	Federal Farm Credit Bank		02/04/2010	2,500,000.00	2,553,125.00	2,502,800.00	1.750	1,113	1.709	813	02/21/2013
31359MQV8	10909	Federal National Mort Assoc		12/03/2009	5,000,000.00	5,443,750.00	5,496,750.00	4.750	1,176	1.570	813	02/21/2013
3133XWX87	10945	Federal Home Loan Bank		03/23/2010	2,000,000.00	2,043,125.00	2,003,100.00	1.750	1,081	1.696	828	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	835	03/15/2013
31398AH70	10943	Federal National Mort Assoc		03/15/2010	5,000,000.00	5,017,187.50	5,000,000.00	1.800	1,096	1.800	835	03/15/2013
3128X8TZ5	10844	Fed Home Loan Mortgage Corp		04/08/2009	5,000,000.00	5,036,150.00	5,000,000.00	2.500	1,461	2.500	859	04/08/2013
31398AQ54	10953	Federal National Mort Assoc		05/06/2010	5,000,000.00	5,026,562.50	4,996,250.00	1.875	1,096	1.901	887	05/06/2013
3133XR5U0	10901	Federal Home Loan Bank		10/02/2009	5,000,000.00	5,367,187.50	5,312,250.00	3.750	1,351	1.990	926	06/14/2013
3133XYHDO	10962	Federal Home Loan Bank		05/28/2010	5,000,000.00	5,107,812.50	4,999,939.58	1.625	1,113	1.657	926	06/14/2013
3134G1US1	10894	Fed Home Loan Mortgage Corp		09/27/2010	5,000,000.00	5,012,700.00	5,000,000.00	1.000	1,004	1.000	939	06/27/2013
313371AR7	10996	Federal Home Loan Bank		10/01/2010	2,500,000.00	2,499,218.75	2,501,475.00	0.750	1,001	0.730	940	06/28/2013
3134G1HW7	10972	Fed Home Loan Mortgage Corp		06/28/2010	5,000,000.00	5,032,750.00	5,000,000.00	1.625	1,096	1.625	940	06/28/2013
3134G1JG0	10973	Fed Home Loan Mortgage Corp		07/08/2010	5,000,000.00	5,006,750.00	5,000,000.00	1.000	1,096	1.000	950	07/08/2013
3133XWP29	10922	Federal Home Loan Bank		01/26/2010	5,000,000.00	5,012,500.00	5,000,000.00	2.050	1,277	2.050	968	07/26/2013
3136FJ4C2	10924	Federal National Mort Assoc		02/23/2010	5,000,000.00	5,071,875.00	5,000,000.00	2.000	1,277	2.000	996	08/23/2013
313370SQ2	10988	Federal Home Loan Bank		08/30/2010	5,000,000.00	4,998,437.50	5,000,000.00	0.500	1,094	0.500	1,001	08/28/2013
3133XUPZ0	10942	Federal Home Loan Bank		03/05/2010	3,000,000.00	3,149,062.50	3,076,230.00	2.625	1,288	1.876	1,017	09/13/2013
313370LB2	10982	Federal Home Loan Bank		08/13/2010	2,500,000.00	2,512,500.00	2,503,127.78	1.000	1,127	0.962	1,017	09/13/2013
31331JJ38	10993	Federal Farm Credit Bank		09/23/2010	5,000,000.00	5,007,812.50	5,000,000.00	1.100	1,096	1.100	1,027	09/23/2013
3137EACL1	11002	Fed Home Loan Mortgage Corp		10/06/2010	2,000,000.00	2,000,460.00	2,007,596.11	0.875	1,118	0.787	1,062	10/28/2013
3137EACL1	11011	Fed Home Loan Mortgage Corp		11/16/2010	4,000,000.00	4,000,920.00	4,015,561.11	0.875	1,077	0.814	1,062	10/28/2013
3136FPEX1	10989	Federal National Mort Assoc		09/17/2010	2,500,000.00	2,503,906.25	2,500,000.00	1.125	1,187	1.125	1,112	12/17/2013
313370NL8	10990	Federal Home Loan Bank		08/27/2010	2,500,000.00	2,507,812.50	2,500,650.00	1.000	1,218	0.992	1,122	12/27/2013
31398AVD1	10914	Federal National Mort Assoc		12/22/2009	5,000,000.00	5,278,125.00	5,092,600.00	2.750	1,506	2.276	1,162	02/05/2014
31331GNA3	10937	Federal Farm Credit Bank		02/12/2010	4,000,000.00	4,233,750.00	4,117,520.00	3.000	1,461	2.228	1,169	02/12/2014
31398AVZ2	11016	Federal National Mort Assoc		11/23/2010	3,000,000.00	3,169,687.50	3,191,121.67	2.750	1,206	0.952	1,198	03/13/2014
3133715D4	11014	Federal Home Loan Bank		11/23/2010	5,000,000.00	5,004,687.50	5,009,357.64	1.375	1,228	1.375	1,220	04/04/2014
31398AXB3	10852	Federal National Mort Assoc		05/05/2009	5,000,000.00	5,046,875.00	5,000,000.00	2.800	1,826	2.800	1,251	05/05/2014
3133XWE70	11008	Federal Home Loan Bank		11/04/2010	4,000,000.00	4,197,500.00	4,276,286.67	2.500	1,317	0.829	1,290	06/13/2014
313370RB6	10985	Federal Home Loan Bank		08/26/2010	4,000,000.00	4,013,750.00	4,000,000.00	1.000	1,553	1.000	1,456	11/26/2014
3136FMXY5	10964	Federal National Mort Assoc		06/15/2010	5,000,000.00	5,037,500.00	5,000,000.00	2.000	1,826	2.000	1,657	06/15/2015
3134G1GU2	10968	Fed Home Loan Mortgage Corp		06/30/2010	5,000,000.00	5,006,750.00	5,000,000.00	2.250	1,826	2.250	1,672	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	1,700	07/28/2015
3136FM2C7	10975	Federal National Mort Assoc		08/04/2010	5,000,000.00	5,012,500.00	5,000,000.00	1.875	1,826	1.875	1,707	08/04/2015
313370RQ3	10984	Federal Home Loan Bank		09/10/2010	4,000,000.00	4,001,250.00	4,000,000.00	1.850	1,826	1.850	1,744	09/10/2015
3136FPKK2	10991	Federal National Mort Assoc		09/28/2010	5,000,000.00	5,020,312.50	5,000,000.00	1.000	1,826	1.000	1,762	09/28/2015

Portfolio INVT
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**City of Santa Monica
Portfolio Management
Portfolio Details - Investments
November 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
Federal Agency Coupon												
3136FPQC4	10998	Federal National Mort Assoc		10/15/2010	5,000,000.00	4,993,750.00	5,000,000.00	1.250	1,826	1.250	1,779	10/15/2015
3134G1WL4	11000	Fed Home Loan Mortgage Corp		10/26/2010	3,000,000.00	2,992,920.00	3,000,000.00	1.000	1,826	1.000	1,790	10/26/2015
31337N93	11010	Federal Home Loan Bank		11/23/2010	4,000,000.00	3,965,000.00	4,000,000.00	1.700	1,826	1.700	1,818	11/23/2015
313371KF2	11009	Federal Home Loan Bank		11/24/2010	4,000,000.00	3,991,250.00	4,000,000.00	1.050	1,826	1.050	1,819	11/24/2015
3136FPB22	11013	Federal National Mort Assoc		11/30/2010	2,500,000.00	2,492,968.75	2,500,000.00	2.000	1,826	2.000	1,825	11/30/2015
Subtotal and Average			309,761,571.27		315,810,000.00	320,077,972.19	320,114,800.00		1,125	1.436	834	
Federal Agency Discount												
313385R65	11006	Federal Home Loan Bank		10/29/2010	7,500,000.00	7,500,000.00	7,498,937.50	0.150	34	0.152	1	12/02/2010
313385U20	11019	Federal Home Loan Bank		11/30/2010	2,500,000.00	2,499,750.00	2,499,786.11	0.140	22	0.142	21	12/22/2010
313397U74	11023	Fed Home Loan Mortgage Corp		11/30/2010	2,500,000.00	2,499,750.00	2,499,718.75	0.150	27	0.152	26	12/27/2010
313384CA5	11017	Federal Home Loan Bank		11/23/2010	5,000,000.00	4,998,500.00	4,998,247.92	0.145	87	0.147	79	02/18/2011
313588GK5	10967	Federal National Mort Assoc		06/10/2010	7,000,000.00	6,992,300.00	6,967,978.89	0.460	358	0.475	184	06/03/2011
313396HD8	10997	Fed Home Loan Mortgage Corp		09/30/2010	2,500,000.00	2,497,000.00	2,495,966.67	0.220	264	0.226	202	06/21/2011
313384PV5	11021	Federal Home Loan Bank		11/30/2010	5,000,000.00	4,987,000.00	4,984,875.00	0.300	363	0.309	362	11/28/2011
Subtotal and Average			35,041,169.10		32,000,000.00	31,974,300.00	31,945,510.84		181	0.251	129	
Local Agency Investment Funds												
SYS10090	10090	Local Agency Investment Fund			48,916,183.86	48,916,183.86	48,916,183.86	0.454	1	0.454	1	
Subtotal and Average			48,649,517.19		48,916,183.86	48,916,183.86	48,916,183.86		1	0.454	1	
Columbia Money Market Fund												
SYS10091	10091	Columbia Money Market Reserves		09/15/2006	6,801,950.86	6,801,950.86	6,801,950.86	0.010	1	0.010	1	
Subtotal and Average			10,962,664.24		6,801,950.86	6,801,950.86	6,801,950.86		1	0.010	1	
Local Agency Investment Funds - RDA												
SYS10092	10092	LAIF - RDA		03/17/2009	46,364,602.23	46,364,602.23	46,364,602.23	0.454	1	0.454	1	
Subtotal and Average			45,397,935.56		46,364,602.23	46,364,602.23	46,364,602.23		1	0.454	1	
Corporate Bonds												
481247AD6	10793	JP Morgan Chase		12/22/2008	5,000,000.00	5,000,000.00	5,088,900.00	2.625	709	1.700	0	12/01/2010
17314JAK9	10886	Citigroup		08/07/2009	5,000,000.00	5,038,000.00	5,010,400.00	1.500	704	1.391	223	07/12/2011
38146FAF8	10888	Goldman Sachs		08/07/2009	5,000,000.00	5,042,550.00	5,030,000.00	1.625	707	1.310	226	07/15/2011
17314JAN3	10887	Citigroup		08/07/2009	5,000,000.00	5,038,700.00	4,991,600.00	1.375	733	1.460	252	08/10/2011
61757UAF7	10878	Morgan Stanley		07/21/2009	5,000,000.00	5,070,800.00	5,090,200.00	2.000	793	1.155	295	09/22/2011

Portfolio INVT

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**City of Santa Monica
Portfolio Management
Portfolio Details - Investments
November 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
Corporate Bonds												
86801BAB1	10798	Suntrust Bank		12/29/2008	5,000,000.00	5,123,900.00	5,153,450.00	3.000	1,052	1.900	350	11/16/2011
949744AA4	10790	Wells Fargo Bank		12/10/2008	5,000,000.00	5,130,750.00	4,994,150.00	3.000	1,094	3.041	373	12/09/2011
4042EPAA5	10823	HSBC		02/06/2009	5,000,000.00	5,138,450.00	5,151,350.00	3.125	1,043	2.030	380	12/16/2011
9116OHAA5	10842	US Bank		03/13/2009	5,000,000.00	5,112,200.00	4,999,400.00	2.250	1,096	2.254	468	03/13/2012
06050BAA9	10808	Bank of America		01/20/2009	5,000,000.00	5,198,800.00	5,199,100.00	3.125	1,242	1.913	562	06/15/2012
38146FAA9	10816	Goldman Sachs		01/26/2009	5,000,000.00	5,209,100.00	5,206,850.00	3.250	1,236	1.984	562	06/15/2012
61757UAH3	10846	Morgan Stanley		04/13/2009	5,000,000.00	5,109,200.00	4,998,450.00	1.950	1,164	1.960	567	06/20/2012
17313YAG6	10895	Citigroup		08/28/2009	2,000,000.00	2,052,220.00	2,015,520.00	2.125	1,049	1.844	589	07/12/2012
17313YAL5	10899	Citigroup		10/05/2009	3,000,000.00	3,072,840.00	3,011,940.00	1.875	1,113	1.741	691	10/22/2012
481247AM6	10847	JP Morgan Chase		04/13/2009	5,000,000.00	5,153,125.00	4,993,850.00	2.125	1,353	2.160	756	12/26/2012
		Subtotal and Average	70,935,160.00		70,000,000.00	71,490,635.00	70,935,160.00		1,002	1.860	405	
		Total and Average	520,748,017.36		519,892,736.95	525,625,644.14	525,078,207.79		832	1.224	571	

**City of Santa Monica
Portfolio Management
Activity By Type**

November 1, 2010 through November 30, 2010

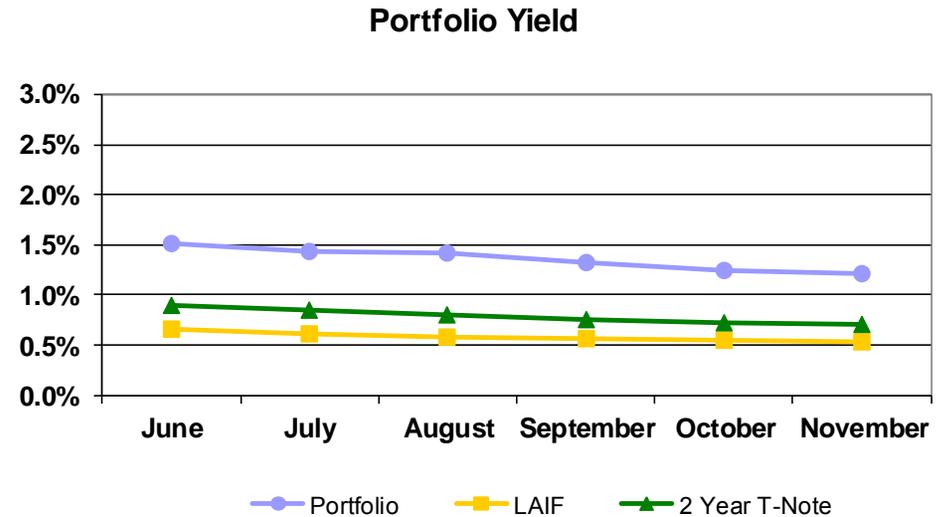
CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Federal Agency Coupon							
3133XVNK3	10912	Federal Home Loan Bank	1.875	11/19/2010	0.00	5,025,500.00	
3133XVJC6	10919	Federal Home Loan Bank	0.430	11/04/2010	0.00	5,001,000.00	
3133XW7L7	11007	Federal Home Loan Bank	1.500	11/04/2010	4,092,600.00	0.00	
3133XWE70	11008	Federal Home Loan Bank	2.500	11/04/2010	4,237,120.00	0.00	
313371KF2	11009	Federal Home Loan Bank	1.050	11/24/2010	4,000,000.00	0.00	
31337N93	11010	Federal Home Loan Bank	1.700	11/23/2010	4,000,000.00	0.00	
3133715D4	11014	Federal Home Loan Bank	1.375	11/23/2010	5,000,000.00	0.00	
3134G1MV3	10976	Fed Home Loan Mortgage Corp	2.430	11/04/2010	0.00	5,000,000.00	
3137EACL1	11011	Fed Home Loan Mortgage Corp	0.875	11/16/2010	4,007,200.00	0.00	
3134G1WT7	11012	Fed Home Loan Mortgage Corp	0.515	11/16/2010	4,991,650.00	0.00	
3136FMRJ5	10957	Federal National Mort Assoc	2.500	11/26/2010	0.00	5,000,000.00	
3136FMTR5	10959	Federal National Mort Assoc	2.000	11/26/2010	0.00	5,000,000.00	
3136FPB22	11013	Federal National Mort Assoc	2.000	11/30/2010	2,500,000.00	0.00	
3136FPUC9	11015	Federal National Mort Assoc	0.500	11/23/2010	3,994,480.00	0.00	
31398AVZ2	11016	Federal National Mort Assoc	2.750	11/23/2010	3,175,080.00	0.00	
		Subtotal			39,998,130.00	25,026,500.00	320,114,800.00
Federal Agency Discount							
313385Q66	11005	Federal Home Loan Bank	0.140	11/24/2010	0.00	7,499,241.67	
313384CA5	11017	Federal Home Loan Bank	0.145	11/23/2010	4,998,247.92	0.00	
313385U20	11019	Federal Home Loan Bank	0.140	11/30/2010	2,499,786.11	0.00	
313384PV5	11021	Federal Home Loan Bank	0.300	11/30/2010	4,984,875.00	0.00	
313397U74	11023	Fed Home Loan Mortgage Corp	0.150	11/30/2010	2,499,718.75	0.00	
313589N82	10986	Federal National Mort Assoc	0.160	11/10/2010	0.00	4,998,288.89	
313589N82	10987	Federal National Mort Assoc	0.170	11/10/2010	0.00	4,998,181.94	
313589Q63	10992	Federal National Mort Assoc	0.160	11/24/2010	0.00	9,996,844.44	
		Subtotal			14,982,627.78	27,492,556.94	31,945,510.84
Local Agency Investment Funds (Monthly Summary)							
SYS10090	10090	Local Agency Investment Fund	0.454		8,000,000.00	8,000,000.00	
		Subtotal			8,000,000.00	8,000,000.00	48,916,183.86
Columbia Money Market Fund (Monthly Summary)							
SYS10091	10091	Columbia Money Market Reserves	0.010		30,065,548.86	35,520,047.54	
		Subtotal			30,065,548.86	35,520,047.54	6,801,950.86

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

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Local Agency Investment Funds - RDA (Monthly Summary)							
SYS10092	10092	LAIF - RDA	0.454		14,000,000.00	11,000,000.00	
		Subtotal			14,000,000.00	11,000,000.00	46,364,602.23
Corporate Bonds							
		Subtotal					70,935,160.00
		Total			107,046,306.64	107,039,104.48	525,078,207.79

Portfolio Yield

The portfolio yield-to-maturity was 1.22% as of November 30, 2010, down two (2) basis points from October and down sixty-three (63) basis points from November 2009. This is the seventeenth month in the last eighteen where the yield declined. The extended record low interest rate environment continues to affect portfolio returns. This month's yield is three hundred eighty-eight (388) 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 rose sharply in November after seven consecutive months of decreases, but remain near historically low levels. The month-end two year CMT increased eleven (11) basis points in November, but still is fifty-seven (57) basis points lower than in March 2010, when the most recent decline began. The twelve month moving average of the CMT fell by two (2) basis points and is four hundred nine (409) 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 two (2) basis points to 0.53% in November and has now declined for thirty-seven consecutive months. The monthly LAIF yield for November was 0.45% a record low for the sixth consecutive month.

At its November, the Federal Open Market Committee (Fed) left the target Fed Funds rate remains unchanged at a range of 0% to 0.25%. Fed policy statements have indicated that they intend to take further action to keep rates at low levels for an extended time period. The economy continues to show positive signs in most areas, but some concerns regarding the long term health of the economy continue. Although the housing market appears to have bottomed out, some slowing has occurred since the end of certain homebuyer tax credits in April 2010, and foreclosures remain very high. Unemployment continues to hinder economic growth (the November rate was 9.8%) and job creation remains relatively weak. Third quarter GDP growth was a modest 2.6%, but fourth quarter GDP is expected to show greater growth. The stock market has been

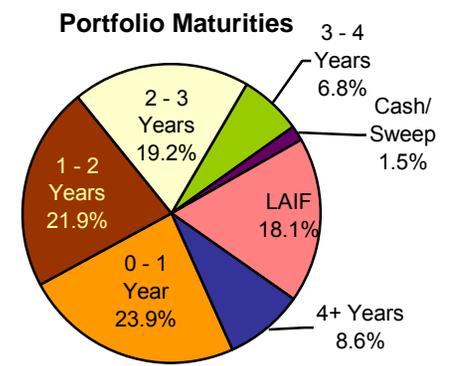
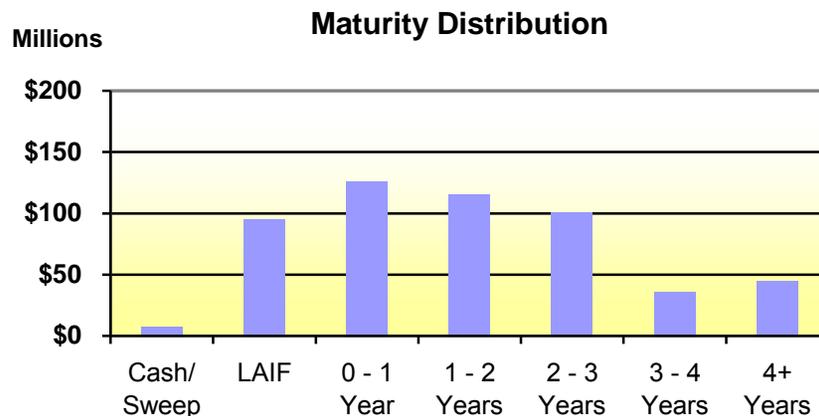
strong for the last few months. Although the Dow Jones Industrial Average decreased slightly in November, it still was up nearly 10% since the end of August. The expected crisis in the commercial real estate market has not materialized. Most economists now expect mild to moderate economic growth in 2011 and 2012.

The City’s portfolio yield-to-maturity has decreased significantly over the last three 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 November were \$0.6 million. Fiscal year-to-date earnings are down 42.4% from the same period last year.

Maturity Distribution

The weighted average days to maturity as of November 30, 2010 is 571 days (1.56 years), twenty-four days more 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 November 30, 2010, the market value and the book value of the City’s pooled investments (excluding cash) are:

Market Value	\$	525,625,644.14
Book Value (purchase price)		525,078,207.79
		547,436.35
Unrealized Gain/(Loss)	\$	547,436.35

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 \$40.1 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 November 30, 2010 is 0.8%. On November 30, 2010, the portfolio showed an unrealized loss of \$346,433.52. The weighted average days-to-maturity was 93 days (0.25 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 November 30, 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
November 30, 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
Money Market Sweep Fund												
SYS1	1	Blackrock Institutional Funds-		12/19/2006	14,130,358.52	14,130,358.52	14,130,358.52	0.050	0.049	0.050	1	
Subtotal and Average			9,463,691.85		14,130,358.52	14,130,358.52	14,130,358.52		0.049	0.050	1	
Corporate Notes												
61757UAA8	54	Morgan Stanley		04/13/2009	5,000,000.00	5,000,000.00	5,144,450.00	2.900	1.092	1.108	0	12/01/2010
Subtotal and Average			5,144,450.00		5,000,000.00	5,000,000.00	5,144,450.00		1.092	1.108	0	
Federal Agency Coupon Securities												
3137EAAB5	45	Federal Home Loan Mortgage Cor		04/16/2008	1,200,000.00	1,222,500.00	1,277,432.96	5.125	2.829	2.869	138	04/18/2011
3137EAAF6	42	Federal Home Loan Mortgage Cor		04/16/2008	4,200,000.00	4,331,250.00	4,497,570.00	5.250	2.910	2.950	229	07/18/2011
3133XT2T2	57	Federal Home Loan Bank		07/17/2009	5,000,000.00	5,104,700.00	5,087,600.00	2.250	1.529	1.550	436	02/10/2012
Subtotal and Average			10,862,602.96		10,400,000.00	10,658,450.00	10,862,602.96		2.254	2.285	315	
Federal Agency Disc. -At Cost												
313385T30	61	Federal Home Loan Bank		10/08/2010	5,000,000.00	5,000,000.00	4,998,677.78	0.140	0.140	0.142	14	12/15/2010
313396AL7	60	Federal Home Loan Mortgage Cor		10/08/2010	5,000,000.00	4,999,000.00	4,998,152.78	0.140	0.140	0.142	41	01/11/2011
Subtotal and Average			14,662,855.56		10,000,000.00	9,999,000.00	9,996,830.56		0.140	0.142	27	
Total and Average			40,133,600.37		39,530,358.52	39,787,808.52	40,134,242.04		0.802	0.813	93	

Portfolio Allocation as of 11/30/10

	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	\$152,871,292.13	\$10,086,277.78	\$162,957,569.91	28.8%	50.0%	Yes
Federal National Mortgage Association	87,941,618.34	0.00	87,941,618.34	15.5%	50.0%	Yes
Federal Home Loan Mortgage Corporation	62,768,812.64	10,773,155.74	73,541,968.38	13.0%	50.0%	Yes
Federal Farm Credit Bank	48,478,587.73	0.00	48,478,587.73	8.6%	50.0%	Yes
Total Federal Agency Securities	\$352,060,310.84	20,859,433.52	372,919,744.36	65.9%	n/a	Yes
Corporate Bonds						
Corporate Bonds - TGLP (FDIC Insured)	\$70,935,160.00	\$5,144,450.00	76,079,610.00			
Corporate Bonds - Other	\$0.00	0.00	0.00			
Total Corporate Bonds	\$70,935,160.00	\$5,144,450.00	\$76,079,610.00	13.4%	30.0%	Yes
Money Market Mutual Funds						
Columbia Money Market Reserves Advisor Class	6,801,950.86	0.00	6,801,950.86	1.2%	10.0%	Yes
BlackrockT-Find Cash Management Sweep	0.00	14,130,358.52	14,130,358.52	2.5%	10.0%	Yes
Total-Money Market Mutual Funds	\$6,801,950.86	\$14,130,358.52	\$20,932,309.38	3.7%	20.0%	Yes
State Local Agency Investment Fund-City	\$48,916,183.86	0.00	\$48,916,183.86	8.6%	\$50 million	Yes
State Local Agency Investment Fund-RDA	\$46,364,602.23	0.00	\$46,364,602.23	8.2%	\$50 million	Yes
Cash (3)	1,077,014.59	0.00	1,077,014.59	0.2%	None	Yes
Total (Book Value)	\$526,155,222.38	\$40,134,242.04	\$566,289,464.42	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. Does not include balance of HUD depository account (\$1,907,525.44)
- (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	
Best Quality	AAA	Aaa	Yes
	AA+	Aa1	Yes
High Quality	AA	Aa2	Yes
	AA-	Aa3	Yes
	A+	A1	Yes
Upper Medium Grade	A	A2	Yes
	A-	A3	Yes
	BBB+	Baa1	No
Medium Grade	BBB	Baa2	No
	BBB-	Baa3	No

City Portfolio as of 11/30/10 (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	\$3,011,940.00			\$3,011,940.00	AAA	Yes
Citigroup 1.375% (TLGP) maturing 8/10/11	\$4,991,600.00			\$4,991,600.00	AAA	Yes

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