

STAFF REPORT  
COUNCIL MEETING DATE:  
October 22, 2012

ITEM FOR COUNCIL CONSIDERATION:

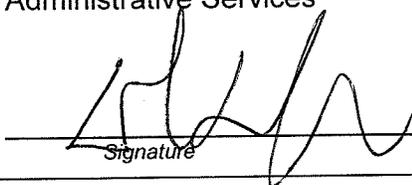
REVIEW OF QUARTERLY INVESTMENT RESULTS AND CERTIFICATIONS  
CONCERNING COMPLIANCE WITH INVESTMENT POLICY AND CASH FLOW  
NEEDS FOR THE NEXT SIX MONTHS

Report prepared by: John Thornberry, City Treasurer

Department: Administrative Services

Reviewed by:

City Manager

  
Signature

  
Signature

STAFF RECOMMENDATION:

ACTION ITEM    ; NON-ACTION ITEM   x  

STAFF RECOMMENDATION: Receive and file the report

MOTION: None Required

I. BACKGROUND:

California Government Code Section 53600 states that "all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies are trustees and therefore fiduciaries subject to the "prudent investor standard"

The prudent investor standard states that "a trustee shall act with the care, skill, prudence and diligence that a prudent person acting in a like capacity would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. When investing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control."

California Government Code Section 53646 mandates that cities annually adopt a written investment policy and that quarterly reports be prepared concerning the City's financial holdings, a statement of compliance with the policy and a statement concerning the City's ability to meet its cash flow needs in the ensuing six months.

This report is no longer mandatory but is provided each quarter because it is informative for the Council and the public, and because the cost of preparation is minimal. However, because the City chooses to prepare the report, copies of the second and fourth calendar quarter reports must be submitted to the California Debt and Investment Advisory Commission within 60 days after the close of the second and fourth calendar quarters.

## II. POLICY:

All portfolio investment transactions for the quarter ended September 30, 2012, have been made in full compliance with the Statement of Investment Policy adopted September 24, 2012 per Resolution No. 5411.

As a part of the City's 2004 work program, the Council directed staff to investigate alternative investment practices that could yield better returns while maintaining security. The first step in this process was the change in the investment policy. On September 27, 2004 the City Council, by adoption of Resolution 4898, modified the City's investment policy, expanding the list of 'Authorized Investments'. Now, in addition to investment in the Local Agency Investment Fund and other FDIC insured accounts, the City can invest in 'Other investments authorized and governed by California Government Code 53601.

On November 22, 2004 the City Council adopted Resolution 4910 authorizing investments in the Treasury Direct program whereby Treasury Securities would be purchased directly from the United States Treasury.

## III. FINANCIAL CONSIDERATIONS:

**Cash Statement:** At September 30, 2012 the City held cash investments as shown in the table below.

Table I

	Bank Balance at 09/30/12	Quarterly Earnings	Avg. Annualized Return
Treasury Direct/Schwab	\$9,852,703.90	\$42,138.77	1.75%
LAIF	20,526.29	18.33	0.35%
MB&T Checking	1,037,787.18	0	0.00%
MB&T Money Market	3,578,079.28	3,880.22	0.35%
<b>Total</b>	<b>\$14,489,096.65</b>	<b>\$46,037.32</b>	<b>1.27%</b>

### Investments:

Changes in the market value of Treasury securities are inversely proportional to changes in interest rates demanded in the open market, i.e. when rates rise market values fall, when rates fall market values rise. The sensitivity of a portfolio's market value to these changes in market rates is a function of its days to maturity and its coupon rate. Securities with longer maturities

and/or lower coupon rates are more sensitive to changes in market interest rates. As a security matures, changes in its value become less sensitive to market rate changes.

At September 30 the portfolio's average days to maturity was 970 days or 2.66 years, the average coupon rate was 1.64%, the average yield to maturity was 1.72% and the par value was \$9,871,900. The portfolio had a net negative cash flow of (\$225,876.86) during the quarter.

Staff estimates the market value of the portfolio at \$10,314,791. This represents a net unrealized gain of \$462,087 or 4.69% of the net investment of \$9,582,704. In other words, if the City were to sell all of its holdings, the proceeds from the sale would be approximately this much more than what was paid for them. The City does not intend to sell nor does it have any foreseeable need to sell any securities. The intention of the City's investment policy is to hold all securities to maturity; and securities so held are redeemed at par value resulting in no net market gain or loss.

Attached for your review are statements from Treasury Direct, Charles Schwab, LAIF, and Montecito Bank & Trust as of September 30, 2012. Also attached is a recap of investment activity during the quarter, a subsidiary ledger listing showing the various yields and maturities of securities in the Treasury Direct/Charles Schwab portfolio, a Treasury Note portfolio segment analysis and a market value estimate calculation.

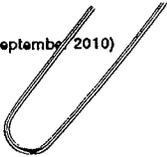
The City of Carpinteria will meet all expenditure obligations that might reasonably be anticipated for the six-month period ending March 31, 2013.

#### **IV. LEGAL ISSUES:**

This report has been prepared in compliance with California Government Code Sections 53600 and 53646.

#### **V. ATTACHMENTS:**

Treasury Direct statement  
Charles Schwab statement  
LAIF statement  
Montecito Bank & Trust bank statements  
Investment Activity Recap  
Treasury Direct/Charles Schwab Subsidiary Ledger Listing  
Treasury Direct/Charles Schwab portfolio segment analysis  
Market value estimate calculation



**Legacy Treasury Direct®**

www.treasurydirect.gov  
 1-800-722-2678  
 1-304-480-6464 (Outside the U.S.)

**STATEMENT OF ACCOUNT**

Page 1 of 7

CITY OF CARPINTERIA CA  
 5775 CARPINTERIA AVENUE  
 CARPINTERIA CA 93015

**RECEIVED**

OCT 15 2012

**CITY OF CARPINTERIA**

**Your Site**

TREASURY RETAIL SECURITIES SITE  
 P O BOX 9150  
 MINNEAPOLIS MN 55480-9150  
  
 PHONE: (800) 722-2678

**Payment Information**

Payments made by direct deposit to:  
 MONTECITO BANK & TRUST  
 Routing Number: 122234783  
 Name on Account: CITY OF CARPINTERIA  
 CHECKING Account Number: Confidential

Telephone Number: (805) 684-5405

Taxpayer Identification No: Confidential

Tax Withholding Status: No withholding

Legacy Treasury Direct Account Number: **4800-770-3487**

Total Par as of 10/05/2012: **\$5,576,200**

**ACCOUNT HOLDINGS**

SECURITY		SECURITY SUB-ACCOUNT						SCHED. REINV.		NEXT PAYMENT	
CUSIP Description Maturity Date	Total Par	No.	Par Amount	Issue Date	Purchase Price/\$100 of Par	Yield/Rate (%)	Disc Rate (%)	No.	Term	Date Type	Amount
912828HG8 3 7/8 NOTE R 12 10/31/12	123,000	01	123,000	10/31/07	99.469930	3.993				10/31/12 Par and Interest	125,383.13
912828PD6 0 3/8 NOTE AR 12 10/31/12	100	01	100	11/01/10	99.950315	0.40				10/31/12 Par and Interest	100.19
912828HK9 3 3/8 NOTE S 12 11/30/12	124,000	01	124,000	11/30/07	99.817568	3.415				11/30/12 Par and Interest	126,092.50
912828PV6 0 1/2 NOTE AS 12 11/30/12	100	01	100	11/30/10	99.960259	0.52				11/30/12 Par and Interest	100.25
912828HM5 3 5/8 NOTE T 12 12/31/12	123,000	01	123,000	12/31/07	99.882153	3.651				12/31/12 Par and Interest	125,229.38

*Charles* SCHWAB

Print This Page Close

Accounts> Positions for XXXX-8685 as of 10/16/12 05:30 PM EDT

Corporate XXXX-8685

Symbol Name	Ratings	Quantity	Price	Change	Market Value	Day Change*	Reinvest Dividends?	% of Account
8787316 - CUSIP: 912828SG6 US TREAS NOT 0.25% 02/14UST NOTE DUE 02/28/14	N/A/N/A	1,000	\$100.00	N/A	\$1,000.00	N/A N/A	--	0.03%
8787300 - CUSIP: 912828RS1 US TREAS NOT 0.25% 11/13UST NOTE DUE 11/30/13	N/A/N/A	1,000	\$100.0469	N/A	\$1,000.47	N/A N/A	--	0.03%
8787310 - CUSIP: 912828SC5 US TREAS NOT 0.875% 01/17UST NOTE DUE 01/31/17	N/A/N/A	263,000	\$101.375	N/A	\$266,616.25	N/A N/A	--	6.84%
8787315 - CUSIP: 912828SJ0 US TREAS NOT 0.875% 02/17UST NOTE DUE 02/28/17	N/A/N/A	280,000	\$101.3906	N/A	\$283,893.68	N/A N/A	--	7.28%
8787322 - CUSIP: 912828SM3 US TREAS NOT 1% 03/17UST NOTE DUE 03/31/17	N/A/N/A	271,000	\$101.8594	N/A	\$276,038.97	N/A N/A	--	7.08%
8803640 - CUSIP: 912828TF7 US TREAS NT 0.125% 07/14UST NOTE DUE 07/31/14	N/A/N/A	1,000	\$99.7188	N/A	\$997.19	N/A N/A	--	0.03%
8788094 - CUSIP: 912828RD4 US TREAS NT 0.125% 08/13UST NOTE DUE 08/31/13	N/A/N/A	101,000	\$99.9219	N/A	\$100,921.12	N/A N/A	--	2.59%
8788097 - CUSIP: 912828RK8 US TREAS NT 0.125% 09/13UST NOTE DUE 09/30/13	N/A/N/A	101,000	\$99.9063	N/A	\$100,905.36	N/A N/A	--	2.59%
8787304 - CUSIP: 912828RW2 US TREAS NT 0.125%	N/A/N/A	1,000	\$99.8594	N/A	\$998.59	N/A N/A	--	0.03%

12/13UST NOTE DUE 12/31/13								
8787308 - CUSIP: 912828SB7 US TREAS NT 0.25% 01/14UST NOTE DUE 01/31/14	N/A/N/A	1,000	\$100.0313	N/A	\$1,000.31	N/A N/A	--	0.03%
8787321 - CUSIP: 912828SL5 US TREAS NT 0.25% 03/14UST NOTE DUE 03/31/14	N/A/N/A	1,000	\$100.00	N/A	\$1,000.00	N/A N/A	--	0.03%
8787328 - CUSIP: 912828SR2 US TREAS NT 0.25% 04/14UST NOTE DUE 04/30/14	N/A/N/A	1,000	\$100.00	N/A	\$1,000.00	N/A N/A	--	0.03%
8787335 - CUSIP: 912828SW1 US TREAS NT 0.25% 05/14UST NOTE DUE 05/31/14	N/A/N/A	1,000	\$99.9688	N/A	\$999.69	N/A N/A	--	0.03%
8787341 - CUSIP: 912828TA8 US TREAS NT 0.25% 06/14UST NOTE DUE 06/30/14	N/A/N/A	1,000	\$99.9531	N/A	\$999.53	N/A N/A	--	0.03%
8787357 - CUSIP: 912828TL4 US TREAS NT 0.25% 08/14UST NOTE DUE 08/31/14	N/A/N/A	1,000	\$99.9531	N/A	\$999.53	N/A N/A	--	0.03%
8787362 - CUSIP: 912828TQ3 US TREAS NT 0.25% 09/14UST NOTE DUE 09/30/14	N/A/N/A	1,000	\$99.9688	N/A	\$999.69	N/A N/A	--	0.03%
8788098 - CUSIP: 912828RN2 US TREAS NT 0.25% 10/13UST NOTE DUE 10/31/13	N/A/N/A	1,000	\$100.0313	N/A	\$1,000.31	N/A N/A	--	0.03%
8776213 - CUSIP: 912828QW3 US TREAS NT 0.375% 07/13UST NOTE DUE 07/31/13	N/A/N/A	101,000	\$100.1563	N/A	\$101,157.86	N/A N/A	--	2.59%
8787349 - CUSIP: 912828TG5 US TREAS NT 0.5% 07/17UST NOTE DUE 07/31/17	N/A/N/A	298,000	\$99.3281	N/A	\$295,997.74	N/A N/A	--	7.59%
8787336 - CUSIP: 912828SY7 US TREAS NT 0.625%	N/A/N/A	287,000	\$100.125	N/A	\$287,358.75	N/A N/A	--	7.37%

05/17UST NOTE DUE 05/31/17								
8787356 - CUSIP: 912828TM2 US TREAS NT 0.625% 08/17UST NOTE DUE 08/31/17	N/A/N/A	295,000	\$99.9063	N/A	\$294,723.59	N/A N/A	--	7.56%
8787363 - CUSIP: 912828TS9 US TREAS NT 0.625% 09/17UST NOTE DUE 09/30/17	N/A/N/A	285,000	\$99.8125	N/A	\$284,465.63	N/A N/A	--	7.29%
8787342 - CUSIP: 912828TB6 US TREAS NT 0.75% 06/17UST NOTE DUE 06/30/17	N/A/N/A	298,000	\$100.5781	N/A	\$299,722.74	N/A N/A	--	7.69%
8787329 - CUSIP: 912828SS0 US TREAS NT 0.875% 04/17UST NOTE DUE 04/30/17	N/A/N/A	271,000	\$101.2656	N/A	\$274,429.78	N/A N/A	--	7.04%
8787301 - CUSIP: 912828RU6 US TREAS NT 0.875% 11/16UST NOTES DUE 11/30/16	N/A/N/A	242,000	\$101.4375	N/A	\$245,478.75	N/A N/A	--	6.29%
8787305 - CUSIP: 912828RX0 US TREAS NT 0.875% 12/16UST NOTE DUE 12/31/16	N/A/N/A	242,000	\$101.375	N/A	\$245,327.50	N/A N/A	--	6.29%
8787291 - CUSIP: 912828RF9 US TREAS NT 1%08/16UST NOTE DUE 08/31/16	N/A/N/A	93,000	\$101.9688	N/A	\$94,830.98	N/A N/A	--	2.43%
8787294 - CUSIP: 912828RJ1 US TREAS NT 1%09/16UST NOTE DUE 09/30/16	N/A/N/A	93,000	\$101.9688	N/A	\$94,830.98	N/A N/A	--	2.43%
8787298 - CUSIP: 912828RM4 US TREAS NT 1%10/16UST NOTE DUE 10/31/16	N/A/N/A	240,000	\$101.9531	N/A	\$244,687.44	N/A N/A	--	6.27%
8787288 - CUSIP: 912828QX1 US TREAS NT 1.5% 07/16UST NOTE DUE 07/31/16	N/A/N/A	93,000	\$103.8594	N/A	\$96,589.24	N/A N/A	--	2.48%
Cash & Money Market	-				\$0.05	N/A N/A	--	0.00%
<b>Total</b>					<b>\$3,899,971.72</b>	<b>+\$0.00</b> <b>+0.00%</b>		



JOHN CHIANG

California State Controller

LOCAL AGENCY INVESTMENT FUND  
REMITTANCE ADVICE

Agency Name	CARPINTERIA
Account Number	98-42-142

As of 10/15/2012, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 09/30/2012.

Earnings Ratio		.00000970563155028
Interest Rate		0.35%
Dollar Day Total	\$	1,888,200.04
Quarter End Principal Balance	\$	20,526.29
Quarterly Interest Earned	\$	18.33



Montecito  
Bank & Trust

P.O. Box 2460  
Santa Barbara, CA 93120-2460  
(805) 963-7511

000 00005 01

ACCOUNT:

195024588

PAGE: 1

09/28/2012

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City of Carpinteria  
\* HOLD AT BRANCH \*

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Registration is now open for the 2nd Annual B2B Series! This year's series will bring local businesses together to network and learn from nationally recognized experts on leadership, management and social media. As a Montecito Bank & Trust customer, you'll receive 20% off the registration price. Visit [montecito.com/events](http://montecito.com/events) today to get your tickets and learn more about this years speakers, topics and exciting new additions!

SUMMARY OF ACCOUNTS

ACCOUNT TYPE	ACCOUNT NUMBER	CURRENT BALANCE	MATURITY DATE
Business Money Market ACCOUNT	195020078	3,578,079.28	
Analysis Checking ACCOUNT	195024588	1,037,787.18	
*TOTAL CURRENT BALANCE*		4,615,866.46	

Analysis Checking ACCOUNT 195024588

		LAST STATEMENT 08/31/12	
MINIMUM BALANCE	256,638.21	77 CREDITS	539,659.25
AVG AVAILABLE BALANCE	441,116.66	194 DEBITS	1,240,468.66
AVERAGE BALANCE	452,117.75	THIS STATEMENT 09/28/12	742,340.73
			1,037,787.18

DEPOSITS

REF #	TRACE #	DATE	AMOUNT	REF #	TRACE #	DATE	AMOUNT
	0883220923	09/06	9,262.61		0883341943	09/19	24,493.44
	0883220902	09/06	28,760.87		0883348633	09/20	3,021.38
	0883277850	09/12	9,920.26		0883387536	09/25	51,075.44
	0883277844	09/12	39,953.77		0883387521	09/25	73,691.20
	0883288042	09/13	3,829.78		0883399632	09/26	1,318.99
	0883300353	09/14	8,405.35		0883410214	09/27	1,799.93
	0883341915	09/19	5,988.54				

\* \* \* CONTINUED \* \* \*



EQUAL HOUSING  
LENDER MEMBER FDIC

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

September 30, 2012

Investment Activity Recap

Month	Average Daily Investment	Return	ROI %	Ending Balance	% Portfolio
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Treasury Direct

7	\$9,580,779.16	\$14,418.68	1.81%	\$9,647,312.81	65.02%
8	9,647,312.81	14,028.07	1.74%	9,697,111.76	67.51%
9	9,697,111.76	13,692.02	1.69%	9,852,703.90	68.00%
<b>Total / Average</b>	<b>\$9,641,132.65</b>	<b>\$42,138.77</b>	<b>1.75%</b>		

LAIF

7	\$20,507.96		0.39%	\$20,507.96	0.14%
8	20,507.96		0.39%	20,507.96	0.14%
9	20,507.96	18.33	0.38%	20,526.29	0.14%
<b>Total / Average</b>	<b>\$20,526.29</b>	<b>\$18.33</b>	<b>0.35%</b>		

Montecio Bank & Trust Checking

7	\$339,473.96			\$467,056.60	3.15%
8	486,031.18			539,659.25	3.76%
9	452,117.75			1,037,787.18	7.16%
<b>Total / Average</b>	<b>\$425,589.04</b>				

Montecio Bank & Trust Money Market

7	\$4,834,761.56	\$1,483.54	0.37%	\$4,702,682.60	31.69%
8	4,430,037.43	1,316.87	0.36%	4,105,999.47	28.59%
9	3,842,039.38	1,079.81	0.34%	3,578,079.28	24.69%
<b>Total / Average</b>	<b>\$4,374,673.37</b>	<b>\$3,880.22</b>	<b>0.35%</b>		

Recap

7	\$14,775,522.64	\$15,902.22	1.29%	\$14,837,559.97	100.00%
8	14,583,889.38	15,344.94	1.26%	14,363,278.44	100.00%
9	14,011,776.85	14,790.16	1.27%	14,489,096.65	100.00%
<b>Total / Average</b>	<b>\$14,461,921.35</b>	<b>\$46,037.32</b>	<b>1.27%</b>		

City of Carpinteria  
Direct Subsidiary Ledger Listing  
Portfolio

September 30, 2012

Line	Type	Issue Date	CUSIP	Maturity Date	Net	Discount	Par Value	Coupon \$	Coupon %	Yield %	Days	Accrued Interest \$/1,000	Price per \$100	Modified Duration	Next Coupon Date	Line
1	2	09/30/2010	912828NX4	09/30/2012	99.87	0.13	100.00	0.19	0.3750%	0.4410%	*	0.11812	99.868724	0.9302012	1	
2	5	09/30/2007	912828HE3	09/30/2012	129,999.89	0.31	130,000.00	2,762.50	4.2500%	4.2501%	*	0.11812	99.999760	0.9302012	2	
3	2	10/31/2010	912828PD6	10/31/2012	99.95	0.05	100.00	0.19	0.3750%	0.4000%	31	0.01036	99.950315	10/31/2012	3	
4	5	10/31/2007	912828HG8	10/31/2012	122,348.01	651.99	123,000.00	2,983.13	3.8750%	3.9830%	31	0.0833	99.469930	10/31/2012	4	
5	2	11/30/2010	912828PV6	11/30/2012	99.96	0.04	100.00	0.25	0.5000%	0.5200%	61	0.0667	99.960259	11/30/2012	5	
6	5	11/30/2007	912828HK5	11/30/2012	123,773.78	228.22	124,000.00	2,092.50	3.3250%	3.4160%	61	0.0667	99.882163	11/30/2012	6	
7	5	12/31/2007	912828HM5	12/31/2012	122,855.05	144.95	123,000.00	2,229.38	3.6250%	3.6510%	92	0.0667	99.882163	12/31/2012	7	
8	2	12/31/2010	912828PM4	12/31/2012	104,561.72	238.83	104,800.00	327.50	0.6250%	0.7400%	92	0.0667	99.772112	12/31/2012	8	
9	2	01/31/2011	912828PR5	01/31/2013	103,348.72	51.28	103,400.00	323.13	0.6250%	0.6500%	123	0.0667	99.950404	01/31/2013	9	
10	5	01/31/2008	912828HQ8	01/31/2013	128,800.41	199.59	127,000.00	1,825.63	2.8750%	2.9090%	123	0.0667	99.842844	01/31/2013	10	
11	2	02/28/2011	912828HQ9	02/28/2013	108,341.77	258.23	108,600.00	339.38	0.6250%	0.7450%	151	0.0667	99.762218	02/28/2013	11	
12	5	02/28/2008	912828HT0	02/28/2013	131,989.37	30.63	132,000.00	1,815.00	2.7500%	2.7550%	151	0.0667	99.976794	02/28/2013	12	
13	2	03/31/2011	912828JL7	03/31/2013	105,418.51	81.49	105,500.00	395.63	0.7500%	0.7890%	182	0.0667	99.922763	03/31/2013	13	
14	5	03/31/2008	912828HY9	03/31/2013	128,457.66	562.34	127,000.00	1,587.50	2.5000%	2.5690%	182	0.0667	99.567209	03/31/2013	14	
15	5	04/30/2011	912828OC3	04/30/2013	101,004.00	98.00	101,000.00	315.94	0.6250%	0.6729%	212	0.03987	99.905047	04/30/2013	15	
16	2	05/31/2012	912828JF7	05/31/2013	109,968.80	131.20	110,000.00	275.25	0.5000%	0.5600%	243	0.0667	99.880835	05/31/2012	16	
17	5	05/31/2008	912828QW3	05/31/2013	139,872.32	127.68	140,000.00	2,450.00	3.5000%	3.5201%	243	0.19126	99.908798	05/31/2012	17	
18	5	07/31/2011	912828JK7	07/31/2013	114,554.39	45.61	114,600.00	214.88	0.3750%	0.3850%	304	0.0667	99.960197	07/31/2012	18	
19	5	06/30/2011	912828RA0	06/30/2013	100,819.32	180.68	101,000.00	63.13	0.1250%	0.2147%	335	0.06931	99.752770	06/30/2013	19	
20	5	07/31/2008	912828JG6	07/31/2013	130,611.90	388.10	131,000.00	2,210.63	3.3750%	3.4400%	304	0.0667	99.703743	07/31/2012	20	
21	2	08/31/2011	912828QV3	08/31/2013	101,418.14	(418.14)	101,000.00	189.38	0.3750%	0.1676%	304	0.54010	100.414000	08/31/2013	21	
22	5	08/31/2008	912828JK7	08/31/2013	129,975.79	24.21	130,000.00	2,031.25	3.1250%	3.1491%	335	0.17285	99.762174	08/31/2012	22	
23	5	09/30/2011	912828JM3	09/30/2013	100,750.30	249.70	101,000.00	63.13	0.1250%	0.2490%	365	0.06931	99.821113	09/30/2013	23	
24	2	10/31/2011	912828RM2	10/31/2013	999.38	0.62	1,000.00	1.25	0.2500%	0.2810%	396	0.0667	99.982817	10/31/2012	24	
25	5	10/31/2008	912828JQ4	10/31/2013	126,566.75	441.25	127,000.00	1,746.25	2.7500%	2.8250%	396	0.0667	99.622559	10/31/2012	25	
26	5	11/30/2011	912828JL8	11/30/2013	126,340.65	659.35	127,000.00	1,270.00	2.0000%	2.1100%	426	0.06495	99.460824	11/30/2012	26	
27	5	11/30/2008	912828RS1	11/30/2013	999.40	0.60	1,000.00	1.25	0.2500%	0.2800%	426	0.0667	99.940209	11/30/2012	27	
28	2	12/31/2011	912828RW2	12/31/2013	997.72	2.28	1,000.00	0.63	0.1250%	0.2395%	457	0.01030	99.771690	12/31/2012	28	
29	5	12/31/2008	912828JW1	12/31/2013	123,768.13	231.87	124,000.00	930.00	1.5000%	1.5390%	457	0.0667	99.813005	12/31/2012	29	
30	5	01/31/2009	912828JZ4	01/31/2014	126,571.30	422.70	127,000.00	1,111.25	1.7500%	1.8199%	488	0.09669	99.667182	01/31/2013	30	
31	2	02/28/2012	912828SBZ	02/28/2014	1,000.00	*	1,000.00	1.25	0.2500%	0.2500%	488	0.0667	100.000000	02/28/2013	31	
32	2	02/28/2012	912828SG6	02/28/2014	998.80	1.20	1,000.00	1.25	0.2500%	0.2500%	516	0.0667	99.880464	02/28/2013	32	
33	5	02/28/2009	912828KFE	02/28/2014	134,297.06	702.94	135,000.00	1,266.63	1.8750%	1.9849%	516	0.10192	99.479306	02/28/2013	33	
34	2	03/31/2012	912828SL5	03/31/2014	998.21	1.79	1,000.00	1.25	0.2500%	0.3398%	547	0.01366	99.821248	03/31/2013	34	
35	5	03/31/2009	912828KJ8	03/31/2014	126,402.17	587.83	127,000.00	1,111.25	1.7500%	1.8480%	547	0.0667	99.529285	03/31/2013	35	
36	2	04/30/2012	912828K9N	04/30/2014	999.60	0.40	1,000.00	1.25	0.2500%	0.2700%	577	0.0667	99.952926	04/30/2012	36	
37	5	05/31/2009	912828KX1	05/31/2014	124,348.70	361.30	124,700.00	1,402.88	2.2500%	2.3100%	608	0.06148	99.718283	05/31/2012	37	
38	2	06/30/2012	912828IAB	06/30/2014	999.00	1.00	1,000.00	1.25	0.2500%	0.3000%	608	0.0667	99.900374	06/30/2012	38	
39	5	06/30/2009	912828IAY	06/30/2014	998.75	1.25	1,000.00	1.25	0.2500%	0.3128%	638	0.0667	99.874829	06/30/2012	39	
40	2	07/31/2012	912828IET	07/31/2014	118,585.17	414.83	119,000.00	1,561.88	2.6250%	2.7000%	638	0.0667	99.651454	07/31/2012	40	
41	2	08/31/2012	912828IKK	08/31/2014	998.11	1.89	1,000.00	0.63	0.1250%	0.2200%	669	0.0667	99.810521	08/31/2013	41	
42	5	08/31/2009	912828LQ2	08/31/2014	124,229.25	370.75	124,600.00	1,635.38	2.6250%	2.6890%	669	0.0667	99.702444	08/31/2013	42	
43	5	08/31/2009	912828LQ4	08/31/2014	119,133.25	666.27	119,800.00	1,422.63	2.3750%	2.4940%	700	0.0667	99.443852	08/31/2012	43	
44	2	09/30/2012	912828LTL	09/30/2014	999.54	0.46	1,000.00	1.25	0.2500%	0.2730%	700	0.0667	99.964157	09/30/2013	44	
45	5	09/30/2009	912828LQ1	09/30/2014	118,073.10	526.90	118,800.00	1,408.38	2.3750%	2.4730%	730	0.0667	99.556732	09/30/2013	45	
46	5	10/31/2010	912828LST	10/31/2014	114,639.92	70.60	115,700.00	1,373.94	2.3750%	2.3890%	761	0.13122	99.938992	10/31/2012	46	
47	2	11/30/2009	912828LZ1	11/30/2014	113,488.41	270.80	114,600.00	1,217.63	2.1250%	2.1750%	781	0.0667	99.764325	11/30/2012	47	
48	5	12/31/2010	912828M0	12/31/2015	115,546.42	653.58	116,200.00	1,307.25	2.2500%	2.3700%	853	0.06715	99.819909	12/31/2012	48	
49	5	02/28/2010	912828MR8	02/28/2015	119,288.07	111.93	119,400.00	1,417.88	2.3750%	2.3950%	881	0.06454	99.906254	02/28/2013	49	

City of Carpinaria  
Direct Subsidiary Ledger Listing  
Portfolio

September 30, 2012

Line	Type	Issue Date	CUSIP	Maturity Date	Net	Discount	Par Value	Coupon \$	Coupon %	Yield %	Days to Maturity	Accrued Interest \$/1,000	Price per \$100	Modified Duration	Next Coupon Date	Line
55	5	03/31/2010	912828MWZ	03/31/2015	101,699.97	500.03	102,200.00	1,277.50	2.5000%	2.5050%	912	*	99.510730	2.4389	03/31/2013	55
56	5	04/30/2010	912828MZO	04/30/2015	96,621.13	178.87	96,800.00	1,197.50	2.5000%	2.5400%	942	*	99.813289	2.4822	10/31/2012	56
57	5	05/31/2010	912828M3	05/31/2015	107,074.68	25.32	107,100.00	1,137.94	2.1250%	2.1250%	973	0.06806	99.876565	2.5889	11/30/2012	57
58	5	06/30/2010	912828NLD	06/30/2015	108,491.29	608.71	107,100.00	1,004.06	1.8750%	1.9950%	1003	*	99.431646	2.6811	12/31/2012	58
59	5	07/31/2010	912828NPT	07/31/2015	98,783.29	216.71	99,000.00	866.25	1.7500%	1.7960%	1034	0.09651	99.781106	2.7690	01/31/2013	59
60	5	08/31/2010	912828N2	08/31/2015	104,372.94	627.06	106,000.00	656.25	1.2500%	1.3740%	1065	*	99.402797	2.8704	02/28/2013	60
61	5	09/30/2010	912828N2	09/30/2015	179,713.14	1,123.75	179,800.00	896.88	1.2500%	1.2600%	1128	*	99.951680	2.9838	03/31/2013	61
62	5	10/31/2010	912828PE4	10/31/2015	142,946.71	553.29	143,500.00	866.88	1.2500%	1.3300%	1128	0.03453	99.614432	3.0187	10/31/2012	62
63	5	11/30/2010	912828PJ3	11/30/2015	140,256.64	243.36	140,500.00	965.94	1.3750%	1.4110%	1156	*	99.826792	3.0967	11/30/2012	63
64	5	12/31/2010	912828PM6	12/31/2015	94,216.91	108.34	95,700.00	1,016.81	2.1250%	2.1490%	1187	*	99.886797	3.1415	12/31/2012	64
65	5	01/31/2011	912828PS3	01/31/2016	94,216.91	183.09	94,400.00	944.00	2.0000%	2.0410%	1218	*	99.806052	3.2310	01/31/2013	65
66	5	02/28/2011	912828QL2	02/28/2016	108,267.41	332.89	108,600.00	1,153.88	2.1250%	2.1250%	1246	*	99.853745	3.3025	02/28/2013	66
67	5	03/31/2011	912828QL1	03/31/2016	96,254.71	45.29	96,300.00	1,083.38	2.2500%	2.2600%	1308	*	99.952972	3.3853	03/31/2013	67
68	5	04/30/2011	912828QF8	04/30/2016	91,760.24	539.76	92,300.00	923.00	2.0000%	2.1239%	1308	0.10870	99.415214	3.4470	10/31/2012	68
69	5	05/31/2011	912828QF8	05/31/2016	100,098.95	301.05	100,400.00	878.50	1.7500%	1.8130%	1339	*	99.701152	3.5471	11/30/2012	69
70	5	06/30/2011	912828QF4	06/30/2016	104,024.42	575.58	104,600.00	784.50	1.5000%	1.6150%	1369	*	99.449734	3.6470	12/31/2012	70
71	5	07/31/2011	912828QX1	07/31/2016	96,218.76	(3,218.76)	93,000.00	697.50	1.5000%	0.7926%	1400	2.32333	103.461030	3.7324	01/31/2013	71
72	5	08/31/2011	912828RF9	08/31/2016	93,617.58	(617.58)	93,000.00	465.00	1.0000%	0.8640%	1431	0.71430	100.664060	3.8479	02/28/2013	72
73	5	09/30/2011	912828RL1	09/30/2016	92,932.16	641.25	93,000.00	465.00	1.0000%	1.0150%	1461	*	99.927052	3.9310	03/31/2013	73
74	5	10/31/2011	912828RL4	10/31/2016	239,358.75	731.23	240,000.00	1,200.00	1.0000%	1.0550%	1492	*	99.732813	3.9947	10/31/2012	74
75	5	11/30/2011	912828RL6	11/30/2016	241,940.96	59.04	242,000.00	1,058.75	0.8750%	0.8800%	1553	0.07212	99.975802	4.1724	12/31/2012	75
76	5	12/31/2011	912828R3	12/31/2016	262,992.06	307.34	263,000.00	1,150.63	0.8750%	0.8990%	1584	*	99.892914	4.2657	01/31/2013	76
77	5	01/31/2012	912828SC5	01/31/2017	279,658.51	341.49	280,000.00	1,225.00	0.8750%	0.9000%	1612	*	99.878039	4.3390	02/28/2013	77
78	5	02/28/2012	912828S0	02/28/2017	270,473.67	526.33	271,000.00	1,355.00	1.0000%	1.0400%	1643	0.05454	99.805782	4.4114	03/31/2013	78
79	5	03/31/2012	912828SM3	03/31/2017	270,841.30	158.70	271,000.00	1,185.63	0.9750%	0.8870%	1673	*	99.941438	4.4884	10/31/2012	79
80	5	04/30/2012	912828SL7	04/30/2017	285,270.72	1,729.28	287,000.00	896.88	0.5250%	0.7480%	1704	*	99.397464	4.5969	11/30/2012	80
81	5	05/31/2012	912828TG5	05/31/2017	297,970.79	29.21	298,000.00	1,117.50	0.7500%	0.7520%	1734	0.04076	99.990200	4.6668	12/31/2012	81
82	5	06/30/2012	912828TH2	06/30/2017	296,768.27	1,231.73	298,000.00	745.00	0.5000%	0.5840%	1765	*	99.566667	4.7774	01/31/2013	82
83	5	07/31/2012	912828TI6	07/31/2017	293,799.25	1,200.75	295,000.00	921.88	0.5250%	0.7080%	1796	*	99.592987	4.8470	02/28/2013	83
84	5	08/31/2012	912828TI2	08/31/2017	284,692.16	307.84	285,000.00	890.63	0.5250%	0.6470%	1826	0.01717	99.891985	4.9304	03/31/2013	84
85	5	09/30/2012	912828T59	09/30/2017	9,982,803.46	\$19,196.54	\$10,002,000.00	\$2,782.69	1.6419%	1.7159%	970	0.05645	\$99,808073	2.5978	30-Sep-12	85

less Maturations 130,099.56 0.44 130,100.00  
 \$9,852,703.90 \$19,196.10 \$9,871,900.00  
 \$5,314,677.80 TD 1 \$5,323,900.00  
 462,652.82 TD 2 463,900.00  
 4,205,472.84 Schwab 4,214,800.00  
 \$9,982,803.46 \$10,002,000.00

Portfolio Segment Analysis

Month	Average Daily Investment	Return	ROI %	Net Cash Flow
7	\$9,580,779.16	\$14,418.68	1.8060%	(\$50,920.97)
8	9,647,312.81	14,028.07	1.7449%	(34,025.00)
9	9,697,111.76	13,692.02	1.6944%	(140,930.89)
Total / Average	\$9,641,132.65	\$42,138.77	1.7483%	(\$225,876.86)

ALL NOTES / BILLS	
Net Investment	\$9,852,703.90
Discount	19,196.10
Par Value	\$9,871,900.00
Coupon %	1.6419%
Yield to Maturity	1.7158%
Annual Yield \$	\$169,378.12
Days to Maturity	970
Years to Maturity	2.6564
Modified Duration	2.5757

	5 YEAR NOTES			
	All	Most Recent	Maximum	Minimum
Net	\$8,790,330.82	\$284,692.16	\$297,970.79	\$91,760.24
Discount	18,269.18	307.84	1,729.28	(3,218.76)
Par	8,808,600.00	285,000.00	298,000.00	92,300.00
Coupon \$	78,520.98	890.63	2,762.50	465.00
Coupon %	1.7828%	0.6250%	4.2500%	0.5000%
Yield %	2.0694%	0.6470%	4.2501%	0.5840%
Years to Maturity	2.94	5.00	5.00	

89.23%

	2 YEAR NOTES			
	All	Most Recent	Maximum	Minimum
Net	\$1,062,373.08	\$999.54	\$114,554.39	\$99.87
Discount	926.92	0.46	258.23	(418.14)
Par	1,063,300.00	1,000.00	114,600.00	100.00
Coupon \$	2,521.74	1.25	395.63	0.19
Coupon %	0.4743%	0.2500%	0.7500%	0.1250%
Yield %	0.4415%	0.2730%	0.7890%	0.1676%
Years to Maturity	0.63	2.00	2.00	

10.77%

September 30, 2012

Market Value Estimate Calculation

Portfolio  
Weighted  
Average

Years/Days	Duration Date	CUSIP	Issue Date	Maturity Date	Coupon %	Market Price per \$100	Market Yield
5	08/03/2015	912828NP1	07/31/2010	07/31/2015	1.7500%	104.0609	0.3093%
2	05/19/2013	912828QZ6	05/31/2011	05/31/2013	0.5000%	100.2380	0.1427%

Years/Days	A Actual Yield	B Market Yield	C Duration in years	D Estimated Market Value	E Par Value	F Net Value	G Unrealized Gain / (Loss)
5	2.0694%	0.3093%	2.8436	\$9,249,478	\$8,808,600	\$8,790,331	\$459,148
2	0.4415%	0.1427%	0.6335	1,065,313	1,063,300	1,062,373	2,940
All			2.5978	\$10,314,791	\$9,871,900	\$9,852,704	\$462,087

Percent of Par 4.69%

$$D=(1+(A-B)*C)*E$$

$$G=D-F$$

**City of Carpinteria  
City Council Minutes  
Regular Meeting  
Council Chambers  
Monday, October 8, 2012**

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**ROLL CALL**

The meeting was called to order by Mayor Clark at 5:30 p.m.

Councilmembers present:

Councilmember Carty (arrived at 5:32 p.m.)  
Councilmember Reddington  
Vice Mayor Stein  
Mayor Clark

Staff members present:

Dave Durlinger, City Manager  
Peter Brown, City Attorney  
Fidela Garcia, City Clerk  
Matt Roberts, Parks and Recreation Director  
Jackie Campbell, Community Development Director  
Julie Jeakle, Volunteer and Emergency Preparedness Coordinator  
Erin Maker, Environmental Coordinator  
Charles Ebeling, Public Works Director/City Engineer/Traffic Engineer

**PLEDGE OF ALLEGIANCE**

All present were led in the salute to the flag by Mayor Clark.

**INTRODUCTIONS, PROCLAMATIONS AND PRESENTATIONS: NONE**

**PUBLIC INFORMATION REPORTS AND ANNOUNCEMENTS: NONE**

Community Development Director Jackie Campbell shared a PowerPoint presentation of dogs available for adoption: Buttercup, a Corgi-Beagle mix and Westley, a Pit Bull mix.

**CITY MANAGER'S REPORT**

- Congratulated and thanked the Avocado Festival Board of Directors for the successful Avocado Festival held the past weekend. Acknowledged Public Works staff for their efforts and thanked the community for their participation.

- Chamber of Commerce will sponsor a City Council Candidate Forum on October 10 from 6:00 to 8:00 p.m. in the Council Chambers

## **PRESENTATIONS BY CITIZENS/PUBLIC COMMENT**

Pat Kistler, representing Carpinteria Valley Chamber of Commerce, invited everyone to attend the Candidate's Forum. She announced that the Lunch and Learn session would be hosted by Paul Wright at The Brewery where he will speak on how to start a successful business. She also announced that a session would be held at The Curious Cup, along with the Entrepreneur Center at Santa Barbara City College, on how to increase business and marketing with email. She noted that these events are listed on the Chamber's website at [www.carpinteriachamber.com](http://www.carpinteriachamber.com).

David Allen spoke regarding the closure of the eastern end of the State Park which will run for six to seven weeks. He commented that the closure would affect people who walk or ride bicycles on the beach and that the area would be closed for tree removal and other maintenance activities. He expressed concern there was no advance notice to the City by State Parks for possible work-around in this heavily used route; however, State Parks has agreed to open a portion after the trees have been removed and they would close the area again when paving begins.

Susan Allen noted that two years ago the voters adopted an initiative against oil drilling and fracking. She stated that she believed Venoco did not get the message clearly because they are fracking off of Platform Gail. She also stated that people in the community have noted workers coming on and off the pier, and she noted 60 workers in a 20-minute time period one evening. She commented that the environmental impact report for the Paradon project showed that Tank 861 was characterized marginal at best two years ago, and she urged the City Council to direct staff to hold a multi-agency meeting to investigate the condition of Tank 861 and other equipment.

Councilmember Reddington requested that the City Council meeting be dedicated to the 51 eucalyptus trees that are being removed. She expressed her hope that an item would be placed on the agenda for the City Council to write a letter to State Parks requesting better communication and discussion. She suggested that perhaps denying public access on the thoroughfare could be a violation of the Coastal Act.

Councilmember Carty noted that the removal of trees began as a public safety issue. Vice Mayor Stein noted that the eucalyptus trees would be replaced with native Sycamore trees.

City Manager Dave Durflinger noted that he spoke with Rich Rozzelle, District Superintendent, who indicated that the State Park's plan is to have closures on interim basis and they would also be working on a plan to open the area east of the bridge over Carpinteria Creek for pedestrians.

**AGENDA MODIFICATIONS: NONE**

**CONSENT CALENDAR**

Vice Mayor Stein indicated he would abstain from approval of the Minutes of September 24, 2012, as he was not present at the meeting.

Motion by Vice Mayor Stein, seconded by Councilmember Carty, to approve the Consent Calendar.

Upon voice vote, motion carried. Vice Mayor Stein abstained from the Minutes of the Regular Meeting held September 24, 2012.

1. Minutes of the Regular Meeting Held September 24, 2012
2. Expenditures for the Period Ending October 3, 2012

**ADMINISTRATIVE MATTERS: NONE**

**PUBLIC HEARINGS: NONE**

**OTHER BUSINESS:**

3. Formal Acceptance of the Carpinteria-Summerland Fire Protection District's Community Wildfire Protection Plan

Recommendation: Accept the Carpinteria-Summerland Fire Protection District's Community Wildfire Protection Plan.

Julie Jeakle, Volunteer and Emergency Preparedness Coordinator, presented the staff report.

Fire Chief Mike Mingee stated that this plan needed to be in place in order to receive any future federal grant funds to mitigate fuels. He noted that the last grant the Fire Protection District received from the Healthy Forest Act was used to develop the plan. He explained that the plan would be for prevention and preplanning efforts, including adopting and enforcing non-combustible construction standards in the wild land area, fuel mitigation, and public outreach.

No public comment.

Motion by Councilmember Reddington, seconded by Vice Mayor Stein, to accept the Carpinteria-Summerland Fire Protection District's Community Wildfire Protection Plan

and allow the City Manager to accept and sign the Carpinteria-Summerland Fire Protection District's Community Wildfire Protection Plan.

Upon voice vote, motion carried.

4. Briefing on the Status of the City of Carpinteria's Creeks Preservation Program Implementation

Recommendation: a. Receive presentation on City efforts to protect and restore City creek resources as part of the City's Creeks Preservation Program; and b. Receive an update on the City's participation in the Santa Barbara Creek Week events held September 15-23, 2012.

Erin Maker, Environmental Coordinator, presented the staff report and PowerPoint presentation.

No public comment.

Motion by Vice Mayor Stein, seconded by Councilmember Reddington, approve and accept presentation on City efforts to protect and restore City creek resources as part of the City's Creeks Preservation Program; receive an update on the City's participation in the Santa Barbara Creek Week events held September 15-23, 2012; and change the name of the program to the Bob Hansen Creeks Preservation Program.

Councilmember Carty recognized Moe Gomez for all he has done for this program.

Upon voice vote, motion carried.

5. Adopt the Santa Barbara County Engineering Design Standards for Use by the City in the Design and Review of Road and Bridge Construction Projects

Recommendation: Adopt Resolution No. 5413, as read by title only, establishing Engineering Design Standards for the City of Carpinteria.

Charles Ebeling, Public Works Director/City Engineer/Traffic Engineer, presented the staff report and PowerPoint presentation.

No public comment.

Motion by Vice Mayor Stein, seconded by Councilmember Reddington, to adopt Resolution No. 5413, as read by title only, establishing the Engineering Design Standards for the City of Carpinteria.

Upon voice vote, motion carried.

6. Second Reading of Ordinance No. 658, Amending Chapters 14.40 and 15.50 of the Carpinteria Municipal Code to Update Processes According to FEMA's Nation Flood Insurance Program Regulations

Recommendation: Adopt Ordinance 658, as read by title only, and waive further reading.

Charles Ebeling, Public Works Director/City Engineer/Traffic Engineer, presented the staff report and PowerPoint presentation.

No public comment.

Motion by Councilmember Reddington, seconded by Vice Mayor Stein, to adopt Ordinance No. 658, an amendment to the Carpinteria Municipal Code, Chapters 14.40 and 15.50 to update processes according to FEMA's National Flood Insurance Program Regulations, as read by title only and waive further reading.

Upon voice vote, motion carried.

**COMMITTEE REPORTS, INQUIRIES AND OTHER MATTERS PRESENTED BY COUNCILMEMBERS: NONE**

**ADJOURNMENT**

The meeting was adjourned at 6:28 p.m. by Mayor Clark.

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Al Clark, Mayor

ATTEST:

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Fidela Garcia, CMC  
City Clerk

