



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** September 27, 2016  
**TO:** Mayor and Councilmembers  
**FROM:** Treasury Division, Finance Department  
**SUBJECT:** August 2016 Investment Report

**RECOMMENDATION:**

That Council accept the August 2016 Investment Report.

**DISCUSSION:**

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of August 31, 2016.

**ATTACHMENT:** August 2016 Investment Report  
**PREPARED BY:** Julie Nemes, Treasury Manager  
**SUBMITTED BY:** Robert Samario, Finance Director  
**APPROVED BY:** City Administrator's Office

**CITY OF SANTA BARBARA**  
**Activity and Interest Report**  
August 31, 2016

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

8/8 LAIF Deposit - City	\$ 6,000,000
8/16 Federal National Mortgage Association (FNMA)	<u>2,000,000</u>
<b>Total</b>	<b>\$ 8,000,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

8/24 Federal Home Loan Mortgage Corp (FHLMC) - Call	\$ (2,000,000)
8/25 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
8/31 United States Treasury Note (USTN) - Maturity	<u>(2,000,000)</u>
<b>Total</b>	<b>\$ (6,000,000)</b>

**ACTIVITY TOTAL**

**\$ 2,000,000**

**INVESTMENT INCOME**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 131,819
Amortization	<u>(1,978)</u>
<b>Total</b>	<b>\$ 129,842</b>

**INCOME TOTAL**

**\$ 129,842**

ATTACHMENT



**CITY OF SANTA BARBARA**

**Investment Portfolio**

**August 31, 2016**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
			MOODY'S	S & P							
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.614	0.614	50,000,000.00	50,000,000.00	50,000,000.00	0.00	
<b>Subtotal, LAIF</b>							50,000,000.00	50,000,000.00	50,000,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
ALLY BANK	09/24/15	09/25/17	-	-	1.250	1.250	250,000.00	250,000.00	251,140.00	1,140.00	FDIC Certificate 57803
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	257,352.50	7,352.50	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	259,210.00	9,210.00	FDIC Certificate 27471
BMO HARRIS BANK NA	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	251,122.50	1,122.50	FDIC Certificate 16571
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	259,220.00	9,220.00	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	257,405.00	7,405.00	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	259,210.00	9,210.00	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	260,207.50	10,207.50	FDIC Certificate 5649
EVERBANK	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	251,122.50	1,122.50	FDIC Certificate 34775
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	257,290.00	7,290.00	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	257,370.00	7,370.00	FDIC Certificate 33124
KEY BANK NA	09/30/15	10/02/17	-	-	1.150	1.150	250,000.00	250,000.00	251,152.50	1,152.50	FDIC Certificate 17534
UNION BANK	08/31/12	08/31/17	-	-	1.490	1.511	4,000,000.00	4,000,000.00	4,000,000.00	0.00	
<b>Subtotal, Certificates of deposit</b>							7,000,000.00	7,000,000.00	7,071,802.50	71,802.50	
<b>TREASURY SECURITIES - COUPON</b>											
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,002,607.36	2,003,500.00	892.64	
<b>Subtotal, Treasury Securities</b>							2,000,000.00	2,002,607.36	2,003,500.00	892.64	
<b>FEDERAL AGENCY ISSUES - COUPON</b>											
FED AGRICULTURAL MTG CORP	10/03/13	10/03/18	-	-	1.720	1.720	2,000,000.00	2,000,000.00	2,029,840.00	29,840.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,031,480.00	31,480.00	
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,015,700.00	15,700.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,010,380.00	10,380.00	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,025,840.00	25,840.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,003,475.75	2,042,600.00	39,124.25	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,019,180.00	19,180.00	
FEDERAL HOME LOAN BANK	01/26/16	04/26/19	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,003,640.00	3,640.00	Callable 01/26/17, once
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,004,366.75	2,034,960.00	30,593.25	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,948.09	2,005,100.00	5,151.91	
FEDERAL HOME LOAN BANK	10/22/14	11/18/16	Aaa	AA+	0.750	0.500	2,000,000.00	2,001,061.07	2,001,760.00	698.93	
FEDERAL HOME LOAN MTG CORP	06/30/16	06/30/21	Aaa	AA+	1.875	1.875	2,000,000.00	2,000,000.00	2,000,320.00	320.00	Callable 09/30/16, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,681.56	1,002,870.00	3,188.44	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,996,760.00	(3,240.00)	Callable 10/30/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/12/12	12/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,000,100.00	100.00	Callable 09/12/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,995,788.67	2,003,420.00	7,631.33	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,000,812.32	2,031,760.00	30,947.68	
FEDERAL NATL MORTGAGE ASSN	05/26/16	05/26/20	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,002,080.00	2,080.00	Callable 05/26/17, once

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**August 31, 2016**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL NATL MORTGAGE ASSN	08/16/16	08/16/21	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,990,420.00	(9,580.00)	Callable 08/16/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/26/12	12/26/17	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	4,000,400.00	400.00	Callable 09/26/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/27/15	11/27/19	Aaa	AA+	1.125	1.678	2,000,000.00	2,000,000.00	2,010,200.00	10,200.00	SU 1.125%-2.250%, Call 11/27/17, once
FEDERAL NATL MORTGAGE ASSN	07/26/16	07/26/19	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	1,994,860.00	(5,140.00)	Callable 07/26/17, once
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,000,000.00	0.00	Callable 11/05/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,995,603.81	2,003,420.00	7,816.19	
FEDERAL NATL MORTGAGE ASSN	11/27/15	11/28/18	Aaa	AA+	1.200	1.200	2,000,000.00	2,000,000.00	2,001,620.00	1,620.00	Callable 11/28/16, once
FEDERAL NATL MORTGAGE ASSN	05/26/16	11/26/19	Aaa	AA+	1.300	1.300	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>2,006,080.00</u>	<u>6,080.00</u>	Callable 05/26/17, once
<b>Subtotal, Federal Agencies</b>							<u>54,000,000.00</u>	<u>54,000,738.02</u>	<u>54,264,790.00</u>	<u>264,051.98</u>	
<b>CORPORATE/MEDIUM TERM NOTES</b>											
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,014,940.00	14,940.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,002,227.28	2,053,800.00	51,572.72	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,000,148.06	2,000,620.00	471.94	
TOYOTA MOTOR CREDIT	11/20/15	07/13/18	Aa3	AA-	1.550	1.408	<u>2,000,000.00</u>	<u>2,005,175.74</u>	<u>2,013,740.00</u>	<u>8,564.26</u>	
<b>Subtotal, Corporate Securities</b>							<u>8,000,000.00</u>	<u>8,007,551.08</u>	<u>8,083,100.00</u>	<u>75,548.92</u>	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	<u>4,775,295.56</u>	<u>4,775,295.56</u>	<u>4,775,295.56</u>	<u>0.00</u>	
<b>Subtotal, SBA Note</b>							<u>4,775,295.56</u>	<u>4,775,295.56</u>	<u>4,775,295.56</u>	<u>0.00</u>	
<b>CHECKING ACCOUNT</b>											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	<u>24,437,732.85</u>	<u>24,437,732.85</u>	<u>24,437,732.85</u>	<u>0.00</u>	
<b>Subtotal, Checking Account</b>							<u>24,437,732.85</u>	<u>24,437,732.85</u>	<u>24,437,732.85</u>	<u>0.00</u>	
<b>TOTALS</b>							<u>150,213,028.41</u>	<u>150,223,924.87</u>	<u>150,636,220.91</u>	<u>412,296.04</u>	

Market values have been obtained from the City's safekeeping agent, MUFG Union Bank NA - The Private Bank (UBTPB). UBTPB uses Interactive Data Pricing Service, Bloomberg and DTC.