



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 30, 2014
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: August 2014 Investment Report

RECOMMENDATION:

That Council accept the August 2014 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, 2014.

ATTACHMENT: August 2014 Investment Report
PREPARED BY: Genie Wilson, Treasury Manager
SUBMITTED BY: Robert Samario, Finance Director
APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
 August 31, 2014

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

8/18 LAIF Deposit - City	\$ 2,000,000
Total	\$ 2,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

8/5 LAIF Withdrawal - City	\$ (4,000,000)
Total	\$ (4,000,000)

ACTIVITY TOTAL

\$ (2,000,000)

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 163,800
Amortization	(10,357)
Total	\$ 153,443

INCOME TOTAL

\$ 153,443

CITY OF SANTA BARBARA
Summary of Cash and Investments
August 31, 2014

ENDING BALANCE AS OF JULY 31, 2014

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
Union Bank Checking Account	\$ 15,278,638	0.400%	8.84%	1
State of California LAIF	26,000,000	0.244%	15.04%	1
Certificates of Deposit	8,000,000	1.217%	4.63%	780
Treasury Securities	10,221,864	0.458%	5.91%	609
Federal Agency Issues - Coupon	95,977,604	1.370%	55.53%	1,137
Corporate/Medium Term Notes	12,028,177	1.910%	6.96%	854
	167,506,283	1.083%	96.91%	787
SB Airport Promissory Note	5,336,967	4.195%	3.09%	5,447
Totals and Averages	\$ 172,843,250	1.179%	100.00%	931
Total Cash and Investments	\$ 172,843,250			

NET CASH AND INVESTMENT ACTIVITY FOR AUGUST 2014

\$ 2,293,634

ENDING BALANCE AS OF AUGUST 31, 2014

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
Union Bank Checking Account	\$ 19,582,629	0.400%	11.18%	1 ⁽¹⁾
State of California LAIF	24,000,000	0.260%	13.70%	1 ⁽²⁾
Certificates of Deposit	8,000,000	1.217%	4.57%	749
Treasury Securities	10,211,198	0.458%	5.83%	578
Federal Agency Issues - Coupon	95,979,346	1.370%	54.80%	1,106
Corporate/Medium Term Notes	12,026,745	1.910%	6.87%	823
	169,799,917	1.077%	96.95%	754
SB Airport Promissory Note	5,336,967	4.195%	3.05%	5,416
Totals and Averages	\$ 175,136,884	1.172%	100.00%	896
Total Cash and Investments	\$ 175,136,884			

Note:

- (1) Interest earnings allowance is provided at the rate of 0.400% by Union Bank to help offset banking fees.
 (2) The average life of the LAIF portfolio as of August 31, 2014 is 233 days.

CITY OF SANTA BARBARA

Investment Portfolio

August 31, 2014

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							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.260	0.260	24,000,000.00	24,000,000.00	24,000,000.00	0.00	
Subtotal, LAIF							24,000,000.00	24,000,000.00	24,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/13	11/18/15	-	-	0.600	0.600	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
UNION BANK	08/31/12	08/31/15	-	-	1.230	1.247	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
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	
Subtotal, Certificates of deposit							8,000,000.00	8,000,000.00	8,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	10/25/12	03/15/15	Aaa	AA+	0.375	0.342	2,000,000.00	2,000,349.81	2,003,280.00	2,930.19	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,019,722.84	2,024,760.00	5,037.16	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,158,239.07	2,159,540.00	1,300.93	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,019,690.42	2,019,220.00	(470.42)	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,013,196.15	2,006,400.00	(6,796.15)	
Subtotal, Treasury Securities							10,000,000.00	10,211,198.29	10,213,200.00	2,001.71	
FEDERAL AGENCY ISSUES - COUPON											
FED AGRICULTURAL MTG CORP	10/03/13	10/03/18	-	-	1.720	1.720	2,000,000.00	2,000,000.00	2,015,240.00	15,240.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,026,540.00	26,540.00	
FEDERAL FARM CREDIT BANK	07/09/14	07/09/18	Aaa	AA+	1.470	1.470	2,000,000.00	2,000,000.00	1,996,700.00	(3,300.00)	Callable 07/09/15, then continuous
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,996,620.00	(3,380.00)	Callable, continuous
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,032,140.00	32,140.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,065,760.00	65,760.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,017,120.00	17,120.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,000,720.00	720.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,006,889.85	2,034,680.00	27,790.15	
FEDERAL HOME LOAN BANK	04/17/14	04/17/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,003,640.00	3,640.00	Callable, 04/17/15 once
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,964,240.00	(35,760.00)	Callable 10/16/14, then qtrly
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,010,660.00	10,660.00	
FEDERAL HOME LOAN BANK	05/28/14	05/28/19	Aaa	AA+	1.375	2.288	2,000,000.00	2,000,000.00	2,000,480.00	480.00	SU 1.375%-6% Call 11/28/14, then qtrly
FEDERAL HOME LOAN BANK	06/26/14	06/26/19	Aaa	AA+	1.250	2.062	2,000,000.00	1,997,444.44	2,004,760.00	7,315.56	SU 1.25%-6% Call 12/26/14, then qtrly
FEDERAL HOME LOAN BANK	06/27/13	06/27/18	Aaa	AA+	1.250	1.493	2,000,000.00	2,000,000.00	2,001,220.00	1,220.00	SU 1.125%-2.5% Call 09/27/14, then qtrly
FEDERAL HOME LOAN BANK	04/15/14	04/15/19	Aaa	AA+	2.070	2.070	1,000,000.00	1,000,000.00	1,000,050.00	50.00	Callable, continuous
FEDERAL HOME LOAN BANK	05/22/14	05/22/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,000,040.00	40.00	Callable, continuous
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,013,180.00	13,180.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,026,700.00	26,700.00	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,008,187.00	2,009,920.00	1,733.00	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,813.63	2,001,700.00	1,886.37	
FEDERAL HOME LOAN MTG CORP	06/26/13	06/26/18	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	1,990,400.00	(9,600.00)	Callable 09/26/14, then qtrly
FEDERAL HOME LOAN MTG CORP	12/18/13	12/18/18	Aaa	AA+	1.500	1.839	1,000,000.00	1,000,000.00	1,000,630.00	630.00	SU 1.5%-2.75% Call 09/18/14, then qtrly
FEDERAL HOME LOAN MTG CORP	12/31/13	12/31/18	Aaa	AA+	1.825	1.825	1,000,000.00	1,000,000.00	1,005,070.00	5,070.00	Callable 12/31/14, once
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,999,574.93	2,004,100.00	4,525.07	
FEDERAL HOME LOAN MTG CORP	07/24/12	07/24/17	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	2,000,760.00	760.00	Callable 10/24/14, then qtrly
FEDERAL HOME LOAN MTG CORP	04/24/14	04/24/19	Aaa	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,005,460.00	5,460.00	Callable 10/24/14, then qtrly

CITY OF SANTA BARBARA

Investment Portfolio

August 31, 2014

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							
FEDERAL HOME LOAN MTG CORP	06/30/14	06/30/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,999,260.00	(740.00)	Callable 06/30/15, once
FEDERAL HOME LOAN MTG CORP	09/12/12	09/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,998,260.00	(1,740.00)	Callable 09/12/14, then qtrly
FEDERAL HOME LOAN MTG CORP	01/16/13	01/16/18	Aaa	AA+	1.050	1.050	4,000,000.00	4,000,000.00	3,990,080.00	(9,920.00)	Callable 10/16/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/26/13	11/26/18	Aaa	AA+	1.000	1.793	1,000,000.00	1,000,000.00	1,001,550.00	1,550.00	SU 1%-2% Callable 11/26/14, once
FEDERAL HOME LOAN MTG CORP	07/28/14	04/28/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,001,520.00	1,520.00	Callable 10/28/14, then qtrly
FEDERAL HOME LOAN MTG CORP	06/26/13	06/26/18	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,001,760.00	1,760.00	Callable 09/26/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,090.63	997,020.00	(2,070.63)	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,971,350.00	(28,650.00)	Callable 10/30/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,004,860.00	4,860.00	
FEDERAL NATL MORTGAGE ASSN	12/12/12	12/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,982,720.00	(17,280.00)	Callable 09/12/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	06/19/13	12/19/16	Aaa	AA+	0.750	0.750	2,000,000.00	2,000,000.00	1,996,460.00	(3,540.00)	Callable 09/19/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,988,482.27	1,983,800.00	(4,682.27)	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,537.96	2,003,560.00	2,022.04	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,985,060.00	(14,940.00)	Callable 11/08/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,985,060.00	(14,940.00)	Callable 11/08/14, 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	3,960,000.00	(40,000.00)	Callable 09/26/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,037,060.00	37,060.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,990,348.18	2,031,640.00	41,291.82	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,979,660.00	(20,340.00)	Callable 02/05/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,987,976.69	1,983,800.00	(4,176.69)	
Subtotal, Federal Agencies							<u>96,000,000.00</u>	<u>95,979,345.58</u>	<u>96,123,010.00</u>	<u>143,664.42</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,998,066.67	2,049,420.00	51,353.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,005,100.00	5,100.00	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,039,920.00	39,920.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,004,107.28	2,037,240.00	33,132.72	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,016,808.43	2,034,100.00	17,291.57	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,007,762.59	2,047,560.00	39,797.41	
Subtotal, Corporate Securities							<u>12,000,000.00</u>	<u>12,026,744.97</u>	<u>12,213,340.00</u>	<u>186,595.03</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,336,966.90	5,336,966.90	5,336,966.90	0.00	
Subtotal, SBA Note							<u>5,336,966.90</u>	<u>5,336,966.90</u>	<u>5,336,966.90</u>	<u>0.00</u>	
CHECKING ACCOUNT											
Union Bank Checking Account	-	-	-	-	0.400	0.400	19,582,628.56	19,582,628.56	19,582,628.56	0.00	
Subtotal, Checking Account							<u>19,582,628.56</u>	<u>19,582,628.56</u>	<u>19,582,628.56</u>	<u>0.00</u>	
TOTALS							<u>174,919,595.46</u>	<u>175,136,884.30</u>	<u>175,469,145.46</u>	<u>332,261.16</u>	

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