Agenda Item No. 4

File Code No. 260.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 16, 2014

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: November 2014 Investment Report

RECOMMENDATION:

That Council accept the November 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 November 30, 2014.

ATTACHMENT: November 2014 Investment Report

PREPARED BY: Genie Wilson, Treasury Manager

SUBMITTED BY: Robert Samario, Acting Assistant City Administrator

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
November 30, 2014

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

11/26	Federal Home Loan Mortgage Corp (FHLMC)	$	2,000,000
11/26	Federal Home Loan Bank (FHLB)		2,000,000
	Total	**$**	**4,000,000**

SALES, MATURITIES, CALLS OR WITHDRAWALS

11/17	Federal National Mortgage Association (FNMA) - Maturity	$	(2,000,000)
11/26	Federal Home Loan Mortgage Corp (FHLMC) - Call		(1,000,000)
11/28	Federal Home Loan Bank (FHLB) - Call		(2,000,000)
	Total	**$**	**(5,000,000)**

ACTIVITY TOTAL		**$**	**(1,000,000)**

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	$	160,540
Amortization		(10,426)
Total	**$**	**150,113**

INCOME TOTAL	**$**	**150,113**

Attachment

CITY OF SANTA BARBARA

Summary of Cash and Investments

November 30, 2014

ENDING BALANCE AS OF OCTOBER 31, 2014

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
Union Bank Checking Account	$ 19,385,508	0.400%	11.41%	1
State of California LAIF	22,000,000	0.261%	12.95%	1
Certificates of Deposit	9,000,000	1.311%	5.30%	814
Treasury Securities	10,190,210	0.458%	6.00%	517
Federal Agency Issues - Coupon	91,992,985	1.364%	54.14%	1,070
Corporate/Medium Term Notes	12,023,880	1.910%	7.08%	762
	164,592,583	1.084%	96.86%	730
SB Airport Promissory Note	5,336,967	4.195%	3.14%	5,355
Totals and Averages	$ 169,929,550	1.182%	100.00%	876
Total Cash and Investments	**$ 169,929,550**			

NET CASH AND INVESTMENT ACTIVITY FOR NOVEMBER 2014 **$ 219,958**

ENDING BALANCE AS OF NOVEMBER 30, 2014

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity	
MUFG Union Bank NA Checking Account	$ 20,615,892	0.400%	12.12%	1	(1)
State of California LAIF	22,000,000	0.261%	12.93%	1	(2)
Certificates of Deposit	9,000,000	1.311%	5.29%	784	
Treasury Securities	10,179,889	0.458%	5.98%	487	
Federal Agency Issues - Coupon	90,994,313	1.371%	53.48%	1,080	
Corporate/Medium Term Notes	12,022,448	1.910%	7.07%	732	
	164,812,541	1.081%	96.86%	723	
SB Airport Promissory Note	5,336,967	4.195%	3.14%	5,325	
Totals and Averages	$ 170,149,508	1.179%	100.00%	867	
Total Cash and Investments	**$ 170,149,508**				

Note:

(1) Interest earnings allowance is provided at the rate of 0.400% by MUFG Union Bank, N.A. to help offset banking fees.

(2) The average life of the LAIF portfolio as of November 30, 2014 is 191 days.

CITY OF SANTA BARBARA
Investment Portfolio
November 30, 2014

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
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.261	0.261	22,000,000.00	22,000,000.00	22,000,000.00	0.00	
Subtotal, LAIF							22,000,000.00	22,000,000.00	22,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	248,672.50	(1,327.50)	FDIC Certificate 35328
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	248,572.50	(1,427.50)	FDIC Certificate 33954
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	248,640.00	(1,360.00)	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	248,582.50	(1,417.50)	FDIC Certificate 33124
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							9,000,000.00	9,000,000.00	8,994,467.50	(5,532.50)	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	10/25/12	03/15/15	Aaa	AA+	0.375	0.342	2,000,000.00	2,000,186.57	2,001,720.00	1,533.43	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,015,499.83	2,020,460.00	4,960.17	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,135,088.34	2,141,100.00	6,011.66	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,017,235.86	2,021,400.00	4,164.14	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,011,877.98	2,012,500.00	622.02	
Subtotal, Treasury Securities							10,000,000.00	10,179,888.58	10,197,180.00	17,291.42	
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	2,027,420.00	27,420.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,040,860.00	40,860.00	
FEDERAL FARM CREDIT BANK	07/09/14	07/09/18	Aaa	AA+	1.470	1.470	2,000,000.00	2,000,000.00	2,004,900.00	4,900.00	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	1,997,060.00	(2,940.00)	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	2,033,420.00	33,420.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,054,200.00	54,200.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,022,340.00	22,340.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,006,463.09	2,050,560.00	44,096.91	
FEDERAL HOME LOAN BANK	04/17/14	04/17/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,001,840.00	1,840.00	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	3,976,320.00	(23,680.00)	Callable 01/16/15, 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	2,010,420.00	10,420.00	
FEDERAL HOME LOAN BANK	09/30/14	09/30/19	Aaa	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,002,840.00	2,840.00	Callable 12/30/14, then qtrly
FEDERAL HOME LOAN BANK	06/26/14	06/26/19	Aaa	AA+	1.250	2.062	2,000,000.00	1,999,444.44	2,001,620.00	2,175.56	SU 1.25%-6% Call 12/26/14, then qtrly
FEDERAL HOME LOAN BANK	11/26/14	11/26/19	Aaa	AA+	1.500	2.102	2,000,000.00	2,000,000.00	2,006,500.00	6,500.00	SU 1.5%-5% Call 05/26/15, 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	2,001,360.00	1,360.00	SU 1.125%-2.5% Call 12/27/14, 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	1,000,100.00	100.00	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	1,998,700.00	(1,300.00)	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	2,005,240.00	5,240.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,018,020.00	18,020.00	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,007,709.47	2,025,960.00	18,250.53	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,830.44	2,007,420.00	7,589.56	
FEDERAL HOME LOAN BANK	10/22/14	11/18/16	Aaa	AA+	0.750	0.500	2,000,000.00	2,009,742.57	2,003,600.00	(6,142.57)	

CITY OF SANTA BARBARA
Investment Portfolio
November 30, 2014

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 HOME LOAN MTG CORP	06/26/13	06/26/18	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	2,000,520.00	520.00	Callable 12/26/14, 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	1,000,670.00	670.00	SU 1.5%-2.75% Call 12/18/14, 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	1,001,400.00	1,400.00	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	1,999,744.21	2,002,920.00	3,175.79	
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	2,005,240.00	5,240.00	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	1,993,660.00	(6,340.00)	Callable 12/12/14, 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	3,997,920.00	(2,080.00)	Callable 01/16/15, then qtrly
FEDERAL HOME LOAN MTG CORP	11/26/14	11/26/19	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,005,300.00	5,300.00	Callable 02/26/15, 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	2,001,620.00	1,620.00	Callable 12/26/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,164.49	1,000,210.00	1,045.51	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,982,690.00	(17,310.00)	Callable 01/30/15, 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	1,989,080.00	(10,920.00)	Callable 12/12/14, 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	2,000,560.00	560.00	Callable 12/19/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,989,395.57	1,994,440.00	5,044.43	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,447.26	2,018,620.00	17,172.74	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,990,840.00	(9,160.00)	Callable 02/08/15, 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	1,990,840.00	(9,160.00)	Callable 02/08/15, 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	3,986,640.00	(13,360.00)	Callable 12/26/14, 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	2,029,660.00	29,660.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,992,441.34	2,025,140.00	32,698.66	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,987,320.00	(12,680.00)	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	1,988,930.08	1,994,440.00	5,509.92	
Subtotal, Federal Agencies							91,000,000.00	90,994,312.96	91,290,430.00	296,117.04	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,998,441.67	2,042,080.00	43,638.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,007,340.00	7,340.00	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,034,280.00	34,280.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,003,872.28	2,043,340.00	39,467.72	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,013,322.81	2,028,440.00	15,117.19	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,006,810.78	2,044,260.00	37,449.22	
Subtotal, Corporate Securities							12,000,000.00	12,022,447.54	12,199,740.00	177,292.46	
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							5,336,966.90	5,336,966.90	5,336,966.90	0.00	
CHECKING ACCOUNT											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	20,615,892.22	20,615,892.22	20,615,892.22	0.00	
Subtotal, Checking Account							20,615,892.22	20,615,892.22	20,615,892.22	0.00	
TOTALS							169,952,859.12	170,149,508.20	170,634,676.62	485,168.42	

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.