



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 24, 2015

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: February 2015 Investment Report

RECOMMENDATION:

That Council accept the February 2015 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of February 28, 2015.

ATTACHMENT: February 2015 Investment Report

PREPARED BY: Julie Nemes, Treasury Manager

SUBMITTED BY: Robert Samario, Acting Assistant City Administrator

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
February 28, 2015

INVESTMENT ACTIVITY**INVESTMENT INCOME****PURCHASES OR DEPOSITS**

2/11 Federal Farm Credit Bank (FFCB)	\$ 2,000,000
Total	\$ 2,000,000

POOLED INVESTMENTS

Interest Earned on Investments	\$ 171,409
Amortization	(10,405)
Total	\$ 161,005

SALES, MATURITIES, CALLS OR WITHDRAWALS

2/17 LAIF Withdrawal - City	\$ (5,000,000)
2/24 LAIF Withdrawal - City	(3,000,000)
Total	\$ (8,000,000)

ACTIVITY TOTAL

\$ (6,000,000)

INCOME TOTAL

\$ 161,005

CITY OF SANTA BARBARA
Summary of Cash and Investments
February 28, 2015

ENDING BALANCE AS OF JANUARY 31, 2015

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 18,552,393	0.400%	10.20%	1
State of California LAIF	36,000,000	0.262%	19.79%	1
Certificates of Deposit	9,000,000	1.311%	4.95%	722
Treasury Securities	10,158,557	0.458%	5.58%	425
Federal Agency Issues - Coupon	90,996,192	1.357%	50.02%	1,055
Corporate/Medium Term Notes	12,019,583	1.910%	6.61%	671
	<u>176,726,723</u>	<u>1.017%</u>	<u>97.14%</u>	<u>650</u>
SB Airport Promissory Note	5,200,182	4.195%	2.86%	5,263
Totals and Averages	<u>\$ 181,926,905</u>	<u>1.108%</u>	<u>100.00%</u>	<u>782</u>
Total Cash and Investments	<u>\$ 181,926,905</u>			

NET CASH AND INVESTMENT ACTIVITY FOR FEBRUARY 2015 **\$ (9,381,258)**

ENDING BALANCE AS OF FEBRUARY 28, 2015

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 15,181,540	0.400%	8.80%	1 (1)
State of California LAIF	28,000,000	0.266%	16.23%	1 (2)
Certificates of Deposit	9,000,000	1.311%	5.22%	694
Treasury Securities	10,148,923	0.458%	5.88%	397
Federal Agency Issues - Coupon	92,996,853	1.361%	53.90%	1,036
Corporate/Medium Term Notes	12,018,150	1.910%	6.97%	643
	<u>167,345,466</u>	<u>1.073%</u>	<u>96.99%</u>	<u>684</u>
SB Airport Promissory Note	5,200,182	4.195%	3.01%	5,235
Totals and Averages	<u>\$ 172,545,647</u>	<u>1.167%</u>	<u>100.00%</u>	<u>821</u>
Total Cash and Investments	<u>\$ 172,545,647</u>			

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 February 28, 2015 is 208 days.

CITY OF SANTA BARBARA

Investment Portfolio

February 28, 2015

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	-	-	-	-	0.266	0.266	28,000,000.00	28,000,000.00	28,000,000.00	0.00	
Subtotal, LAIF							28,000,000.00	28,000,000.00	28,000,000.00	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	249,745.00	(255.00)	FDIC Certificate 35328
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	249,697.50	(302.50)	FDIC Certificate 33954
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	249,682.50	(317.50)	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	249,700.00	(300.00)	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	8,998,825.00	(1,175.00)	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	10/25/12	03/15/15	Aaa	AA+	0.375	0.342	2,000,000.00	2,000,025.11	1,999,840.00	(185.11)	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,011,323.23	2,013,900.00	2,576.77	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,112,192.01	2,114,060.00	1,867.99	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,014,808.27	2,015,940.00	1,131.73	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,010,574.30	2,009,540.00	(1,034.30)	
Subtotal, Treasury Securities							10,000,000.00	10,148,922.92	10,153,280.00	4,357.08	
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	2,023,620.00	23,620.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,037,480.00	37,480.00	
FEDERAL FARM CREDIT BANK	01/22/15	07/22/19	Aaa	AA+	1.720	1.720	2,000,000.00	2,000,000.00	1,984,680.00	(15,320.00)	Callable 04/22/15, then continuous
FEDERAL FARM CREDIT BANK	07/09/14	07/09/18	Aaa	AA+	1.470	1.470	2,000,000.00	2,000,000.00	2,003,260.00	3,260.00	Callable 07/09/15, then continuous
FEDERAL FARM CREDIT BANK	01/22/15	01/22/19	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	1,999,820.00	(180.00)	Callable 01/22/16, 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	1,996,560.00	(3,440.00)	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	2,029,340.00	29,340.00	
FEDERAL FARM CREDIT BANK	12/16/14	12/16/19	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,000,740.00	740.00	Callable 12/16/15, then continuous
FEDERAL FARM CREDIT BANK	02/11/15	02/11/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	1,995,900.00	(4,100.00)	Callable 02/11/16, then continuous
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,044,280.00	44,280.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,019,220.00	19,220.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,006,036.32	2,047,460.00	41,423.68	
FEDERAL HOME LOAN BANK	04/17/14	04/17/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,001,780.00	1,780.00	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	3,972,640.00	(27,360.00)	Callable 04/16/15, 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	2,021,600.00	21,600.00	
FEDERAL HOME LOAN BANK	06/26/14	06/26/19	Aaa	AA+	1.250	2.062	2,000,000.00	2,000,000.00	1,997,380.00	(2,620.00)	SU 1.25%-6% Call 03/26/15, 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	2,004,360.00	4,360.00	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	2,001,320.00	1,320.00	SU 1.125%-2.5% Call 03/27/15, then qtrly
FEDERAL HOME LOAN BANK	05/22/14	05/22/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,998,740.00	(1,260.00)	Callable, continuous
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,008,800.00	8,800.00	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,007,231.94	2,028,740.00	21,508.06	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,847.25	2,010,380.00	10,532.75	
FEDERAL HOME LOAN BANK	10/22/14	11/18/16	Aaa	AA+	0.750	0.500	2,000,000.00	2,008,502.36	2,006,300.00	(2,202.36)	

CITY OF SANTA BARBARA

Investment Portfolio

February 28, 2015

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	06/26/13	06/26/18	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	1,998,700.00	(1,300.00)	Callable 03/26/15, 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	1,000,600.00	600.00	SU 1.5%-2.75% Call 03/18/15, then qtrly
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,999,913.48	1,999,700.00	(213.48)	
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	2,004,660.00	4,660.00	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	1,994,760.00	(5,240.00)	Callable 03/12/15, 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	3,998,160.00	(1,840.00)	Callable 04/16/15, 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	2,005,960.00	5,960.00	Callable 05/26/15, 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	2,001,580.00	1,580.00	Callable 03/26/15, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,238.36	1,001,900.00	2,661.64	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,974,950.00	(25,050.00)	Callable 04/30/15, 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	1,984,420.00	(15,580.00)	Callable 03/12/15, 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	1,998,800.00	(1,200.00)	Callable 03/19/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,990,308.87	1,996,560.00	6,251.13	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,356.55	2,021,700.00	20,343.45	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,985,600.00	(14,400.00)	Callable 05/08/15, 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	1,985,600.00	(14,400.00)	Callable 05/08/15, 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	3,977,240.00	(22,760.00)	Callable 03/26/15, 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	2,020,080.00	20,080.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,994,534.51	2,018,620.00	24,085.49	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,983,200.00	(16,800.00)	Callable 05/05/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	<u>2,000,000.00</u>	<u>1,989,883.47</u>	<u>1,996,560.00</u>	<u>6,676.53</u>	
Subtotal, Federal Agencies							<u>93,000,000.00</u>	<u>92,996,853.11</u>	<u>93,183,750.00</u>	<u>186,896.89</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,998,816.67	2,031,560.00	32,743.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,020,520.00	20,520.00	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,023,980.00	23,980.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,003,637.28	2,052,220.00	48,582.72	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,009,837.19	2,018,520.00	8,682.81	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	<u>2,000,000.00</u>	<u>2,005,858.96</u>	<u>2,038,640.00</u>	<u>32,781.04</u>	
Subtotal, Corporate Securities							<u>12,000,000.00</u>	<u>12,018,150.10</u>	<u>12,185,440.00</u>	<u>167,289.90</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	<u>5,200,181.75</u>	<u>5,200,181.75</u>	<u>5,200,181.75</u>	<u>0.00</u>	
Subtotal, SBA Note							<u>5,200,181.75</u>	<u>5,200,181.75</u>	<u>5,200,181.75</u>	<u>0.00</u>	
CHECKING ACCOUNT											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	<u>15,181,539.61</u>	<u>15,181,539.61</u>	<u>15,181,539.61</u>	<u>0.00</u>	
Subtotal, Checking Account							<u>15,181,539.61</u>	<u>15,181,539.61</u>	<u>15,181,539.61</u>	<u>0.00</u>	
TOTALS							<u>172,381,721.36</u>	<u>172,545,647.49</u>	<u>172,903,016.36</u>	<u>357,368.87</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.