File Code No. 260.02



# CITY OF SANTA BARBARA

# **COUNCIL AGENDA REPORT**

**AGENDA DATE:** September 24, 2013

**TO:** Mayor and Councilmembers

**FROM:** Treasury Division, Finance Department

**SUBJECT:** August 2013 Investment Report

#### **RECOMMENDATION:**

That Council accept the August 2013 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, 2013.

**ATTACHMENT:** August 2013 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, 2013

INVESTMENT ACTIVITY		INVESTMENT INCOME	
PURCHASES OR DEPOSITS		POOLED INVESTMENTS	
8/15 LAIF Deposit - City	\$ 1,000,000	Interest Earned on Investments	\$ 175,700
8/21 LAIF Deposit - City  Total	 7,000,000 <b>8,000,000</b>	Amortization  Total	(24,297) <b>\$ 151,403</b>
SALES, MATURITIES, CALLS OR WITHDRAWALS			
SALES, MATURITIES, CALLS OR WITHDRAWALS			
8/8 LAIF Withdrawal - City	\$ (2,000,000)		
8/28 Federal Home Loan Bank (FHLB) - Maturity	 (1,000,000)		
Total	\$ (3,000,000)		

## **CITY OF SANTA BARBARA**

# **Summary of Cash and Investments**

August 31, 2013

#### **ENDING BALANCE AS OF JULY 31, 2013**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 27,000,000	0.266%	17.82%	1
Certificates of Deposit	8,000,000	1.267%	5.28%	963
Treasury Securities - Coupon	10,347,447	0.458%	6.83%	974
Federal Agency Issues - Coupon	90,540,121	1.398%	59.75%	1,117
Corporate/Medium Term Notes	10,040,242	1.950%	6.63%	767
	145,927,810	1.153%	96.31%	868
SB Airport Promissory Note	5,603,520	4.195%	3.70%	5,812
Totals and Averages	\$ 151,531,330	1.265%	100.00%	1,051
SBB&T Money Market Account	5,376,547			
Total Cash and Investments	\$ 156,907,877			

#### **NET CASH AND INVESTMENT ACTIVITY FOR AUGUST 2013**

#### \$ 3,848,206

## **ENDING BALANCE AS OF AUGUST 31, 2013**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 33,000,000	0.271%	21.09%	1 (1)
Certificates of Deposit	8,000,000	1.267%	5.11%	932
Treasury Securities - Coupon	10,336,781	0.458%	6.60%	943
Federal Agency Issues - Coupon	89,527,844	1.409%	57.20%	1,099
Corporate/Medium Term Notes	10,038,887	1.950%	6.41%	736
	150,903,513	1.123%	96.41%	815
SB Airport Promissory Note	5,603,520	4.195%	3.58%	5,781
Totals and Averages	\$ 156,507,033	1.234%	100.00%	993
UB Money Market Account	3,249,050			
UB Trust Money Market Funds	1,000,000			
Total Cash and Investments	\$ 160,756,083			

<sup>(1)</sup> The average life of the LAIF portfolio as of August 31, 2013 is 270 days.

## CITY OF SANTA BARBARA

# Investment Portfolio August 31, 2013

	PURCHASE	MATURITY	QUALITY	RATING	STATED	YIELD AT	FACE	воок	MARKET	воок	
DESCRIPTION	DATE	DATE	MOODY'S	S & P	RATE	365	VALUE	VALUE	VALUE	GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.271	0.271	33,000,000.00	33,000,000.00	33,000,000.00	0.00	
Subtotal, LAIF							33,000,000.00	33,000,000.00	33,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/11	11/18/13	-	-	0.800	0.800	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	2,001,004.59	2,002,820.00	1,815.41	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,036,661.27	2,034,380.00	(2,281.27)	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,251,096.40	2,239,380.00	(11,716.40)	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,029,535.62	2,012,340.00	(17,195.62)	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,018,483.30	1,989,840.00	(28,643.30)	
Subtotal, Treasury Securities							10,000,000.00	10,336,781.18	10,278,760.00	(58,021.18)	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,011,220.00	11,220.00	
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,975,580.00	(24,420.00)	Callable, 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	2,094,940.00	94,940.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,001,720.00	1,720.00	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,004,480.00	4,480.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,024,040.00	24,040.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,003,663.33	2,016,900.00	13,236.67	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,009,160.00	9,160.00	
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,894,320.00	(105,680.00)	Callable 10/16/13, then qtrly
FEDERAL HOME LOAN BANK	07/17/13	07/17/18	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,980,040.00	(19,960.00)	Callable 10/17/13, 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	1,961,480.00	(38,520.00)	SU 1.125%-2.5% Call 09/27/13, then qtrly
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,001,333.04	2,002,380.00	1,046.96	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,005,384.95	2,016,900.00	11,515.05	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,040,220.00	40,220.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,055,320.00	55,320.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,503,913.25	1,504,560.00	646.75	
FEDERAL HOME LOAN MTG CORP	01/06/11	02/25/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,012,200.00	12,200.00	
FEDERAL HOME LOAN MTG CORP	03/28/12	03/28/17	Aaa	AA+	1.350	1.350	2,000,000.00	2,000,000.00	2,006,700.00	6,700.00	Callable 03/28/14, once
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	1,956,520.00	(43,480.00)	Callable 09/26/13, then qtrly
FEDERAL HOME LOAN MTG CORP	07/25/13	07/25/18	Aaa	AA+	1.800	1.800	2,000,000.00	2,000,000.00	1,999,920.00	(80.00)	Callable 07/25/14, once
FEDERAL HOME LOAN MTG CORP	02/21/12	02/21/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,005,020.00	5,020.00	Callable 02/21/14, once

# CITY OF SANTA BARBARA Investment Portfolio

August 31, 2013

	PURCHASE	MATURITY	QUALITY	RATING	STATED	YIELD AT	FACE	воок	MARKET	воок	
DESCRIPTION	DATE	DATE	MOODY'S	S&P	RATE	365	VALUE	VALUE	VALUE	GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,998,897.84	2,004,820.00	5,922.16	
FEDERAL HOME LOAN MTG CORP	06/12/12	06/12/17	Aaa	AA+	1.250	1.250	2,000,000.00	2,000,000.00	1,984,860.00	(15,140.00)	Callable 06/12/14, then qtrly
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	1,973,280.00	(26,720.00)	Callable 10/24/13, then qtrly
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	1,959,080.00	(40,920.00)	Callable 09/12/13, 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	3,900,800.00	(99,200.00)	Callable 10/16/13, then qtrly
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,032,834.66	2,049,620.00	16,785.34	
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	1,960,320.00	(39,680.00)	Callable 09/26/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,999,841.67	2,003,680.00	3,838.33	Callable 10/28/13, once
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,921,190.00	(78,810.00)	Callable 01/30/14, 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	2,025,140.00	25,140.00	
FEDERAL NATL MORTGAGE ASSN	08/28/12	08/28/17	Aaa	AA+	1.150	1.150	2,000,000.00	2,000,000.00	1,973,480.00	(26,520.00)	Callable 11/28/13, 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	1,949,460.00	(50,540.00)	Callable 09/12/13, 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	1,979,020.00	(20,980.00)	Callable 12/19/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	07/30/13	07/30/18	Aaa	AA+	1.000	1.896	1,000,000.00	1,000,000.00	1,000,130.00	130.00	SU 1%-2% Callable 01/30/14, once
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,952,100.00	(47,900.00)	Callable 11/08/13, 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	1,952,100.00	(47,900.00)	Callable 11/08/13, 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	3,892,840.00	(107,160.00)	Callable 12/26/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	07/10/13	07/10/18	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,982,960.00	(17,040.00)	Callable 07/10/14, 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	2,061,880.00	61,880.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,981,975.51	2,047,320.00	65,344.49	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,945,260.00	(54,740.00)	Callable 02/05/15, then qtrly
Subtotal, Federal Agencies							89,500,000.00	89,527,844.25	89,092,960.00	(434,884.25)	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,996,566.67	2,074,160.00	77,593.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,047,900.00	47,900.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	A1	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,011,900.00	11,900.00	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,030,750.90	2,049,000.00	18,249.10	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,011,569.86	2,045,840.00	34,270.14	
Subtotal, Corporate Securities							10,000,000.00	10,038,887.43	10,228,800.00	189,912.57	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,603,519.96	5,603,519.96	5,603,519.96	0.00	
Subtotal, SBA Note						-	5,603,519.96	5,603,519.96	5,603,519.96	0.00	
TOTALS							156,103,519.96	156,507,032.82	156,204,039.96	(302,992.86)	

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.