File Code No. 260.02



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 25, 2014

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: February 2014 Investment Report

RECOMMENDATION:

That Council accept the February 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 February 28, 2014.

ATTACHMENT: February 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 February 28, 2014

INVESTMENT ACTIVITY		INVESTMENT INCOME					
PURCHASES OR DEPOSITS			POOLED INVESTMENTS				
2/13 Federal Home Loan Bank (FHLB)	\$	2,000,000	Interest Earned on Investments	\$	177,523		
2/21 LAIF Deposit - City		2,000,000	Amortization		(14,665)		
Total	\$	4,000,000	Total	\$	162,857		
SALES, MATURITIES, CALLS OR WITHDRAWALS							
2/10 Federal Farm Credit Bank (FFCB) - Maturity	\$	(2,000,000)					
2/21 Federal Home Loan Mortgage Corp (FHLMC) - Call	•	(2,000,000)					
2/25 Federal Home Loan Mortgage Corp (FHLMC) - Maturity		(2,000,000)					
2/26 LAIF Withdrawal - City		(3,500,000)					
Total	\$	(9,500,000)					

CITY OF SANTA BARBARA Summary of Cash and Investments February 28, 2014

ENDING BALANCE AS OF JANUARY 31, 2014

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 41,000,000	0.244%	23.46%	1
Certificates of Deposit	8,000,000	1.217%	4.58%	961
Treasury Securities - Coupon	10,284,140	0.458%	5.88%	790
Federal Agency Issues - Coupon	97,984,095	1.375%	56.06%	1,214
Corporate/Medium Term Notes	12,036,772	1.909%	6.89%	1,035
	169,305,007	1.076%	96.87%	870
SB Airport Promissory Note	5,471,399_	4.195%	3.13%	5,628
Totals and Averages	\$ 174,776,406	1.174%	100.00%	1,019
UB Checking Account	5,095,510			
Total Cash and Investments	\$ 179,871,916			

NET CASH AND INVESTMENT ACTIVITY FOR FEBRUARY 2014

\$ (6,359,137)

ENDING BALANCE AS OF FEBRUARY 28, 2014

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 39,500,000	0.236%	23.34%	1 (1)
Certificates of Deposit	8,000,000	1.217%	4.73%	933
Treasury Securities - Coupon	10,274,506	0.458%	6.07%	762
Federal Agency Issues - Coupon	93,980,496	1.391%	55.52%	1,253
Corporate/Medium Term Notes	12,035,340	1.909%	7.11%	1,007
	163,790,341	1.083%	96.77%	887
SB Airport Promissory Note	5,471,399	4.195%	3.23%	5,600
Totals and Averages	\$ 169,261,741	1.184%	100.00%	1,039
UB Checking Account Total Cash and Investments	4,251,039 \$ 173,512,779			

⁽¹⁾ The average life of the LAIF portfolio as of February 28, 2014 is 208 days.

CITY OF SANTA BARBARA

Investment Portfolio February 28, 2014

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY MOODY'S	RATING S&P	STATED RATE	YIELD AT	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.236	0.236	39,500,000.00	39,500,000.00	39,500,000.00	0.00	
Subtotal, LAIF						_	39,500,000.00	39,500,000.00	39,500,000.00	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			_	1.230	1.247	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
UNION BANK	08/31/12		_	_	1.490	1.511	4,000,000.00	4,000,000.00	4,000,000.00	0.00	
Subtotal, Certificates of deposit	00/01/12	00/01/11			1.400	1.011	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	2,000,679.89	2,004,600.00	3,920.11	
U S TREASURY NOTE	10/25/12			AA+	1.250	0.342	2,000,000.00	2,028,261.67	2,033,200.00	4,938.33	
U S TREASURY NOTE	02/22/13	05/15/16		AA+	5.125	0.442	2,000,000.00	2,205,049.34	2,206,880.00	1,830.66	
U S TREASURY NOTE	02/22/13	08/31/16		AA+	1.000	0.502	2,000,000.00	2,024,653.48	2,024,540.00	(113.48)	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00			(6,021.45)	
Subtotal, Treasury Securities	02/22/13	02/20/17	Add	AAT	0.675	0.007	10,000,000.00	2,015,861.45 10,274,505.83	2,009,840.00 10,279,060.00	4,554.17	
- Justotai, Freasury Jecurities							10,000,000.00	10,27 4,303.03	10,27 3,000.00	4,554.17	
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	2,010,320.00	10,320.00	
FED AGRICULTURAL MTG CORP	12/12/13			-	1.705	1.705	2,000,000.00	2,000,000.00	2,008,680.00	8,680.00	
FEDERAL FARM CREDIT BANK	08/15/12			AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,998,900.00	(1,100.00)	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	2,036,900.00	36,900.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16		AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,085,400.00	85,400.00	
FEDERAL FARM CREDIT BANK	07/17/13		Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,022,060.00	22,060.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,013,120.00	13,120.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,007,743.38	2,041,020.00	33,276.62	
FEDERAL HOME LOAN BANK	01/16/13			AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,952,880.00	(47,120.00)	Callable 04/16/14, 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	1,996,700.00	(3,300.00)	Callable 04/17/14, then qtrly
FEDERAL HOME LOAN BANK	01/17/14	04/17/18		AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,009,120.00	9,120.00	
FEDERAL HOME LOAN BANK	02/13/14	02/13/19	Aaa	AA+	2.050	2.050	2,000,000.00	2,000,000.00	2,005,360.00	5,360.00	Callable 05/13/14, 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	1,997,820.00	(2,180.00)	SU 1.125%-2.5% Call 03/27/14, then qtrly
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,028,580.00	28,580.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,043,500.00	43,500.00	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,009,142.06	2,014,020.00	4,877.94	
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	2,001,660.00	1,660.00	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	1,982,580.00	(17,420.00)	Callable 03/26/14, 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	2,000,260.00	260.00	Callable 07/25/14, once
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	1,001,960.00	1,960.00	SU 1.5%-2.75% Call 06/18/14, 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	1,007,050.00	7,050.00	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	1,999,236.39	2,006,640.00	7,403.61	
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	2,004,500.00	4,500.00	Callable 06/12/14, then qtrly

CITY OF SANTA BARBARA Investment Portfolio February 28, 2014

	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	07/24/12	07/24/17	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	1,999,340.00	(660.00)	Callable 04/24/14, 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	1,987,700.00	(12,300.00)	Callable 03/12/14, 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	3,958,040.00	(41,960.00)	Callable 04/16/14, 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	1,001,170.00	1,170.00	SU 1%-2% Callable 11/26/14, once
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,004,824.05	2,006,940.00	2,115.95	
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	1,996,620.00	(3,380.00)	Callable 03/26/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	998,942.89	997,950.00	(992.89)	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,964,240.00	(35,760.00)	Callable 04/30/14, 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	2,016,260.00	16,260.00	
FEDERAL NATL MORTGAGE ASSN	08/28/12	08/28/17	Aaa	AA+	1.150	1.150	2,000,000.00	2,000,000.00	2,000,940.00	940.00	Callable 05/28/14, 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	1,979,520.00	(20,480.00)	Callable 03/12/14, 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	1,999,740.00	(260.00)	Callable 03/19/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,986,655.67	1,981,680.00	(4,975.67)	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,719.37	2,004,240.00	2,520.63	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,982,660.00	(17,340.00)	Callable 05/08/14, 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	1,982,660.00	(17,340.00)	Callable 05/08/14, 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	3,953,520.00	(46,480.00)	Callable 03/26/14, 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	2,007,380.00	7,380.00	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	2,052,500.00	52,500.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,986,161.85	2,042,900.00	56,738.15	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,975,020.00	(24,980.00)	Callable 02/05/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/13/13	11/13/18	Aaa	AA+	0.625	1.857	1,000,000.00	1,000,000.00	1,000,590.00	590.00	SU 2% Callable 05/13/14, once
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,986,069.92	1,981,680.00	(4,389.92)	
Subtotal, Federal Agencies							94,000,000.00	93,980,495.58	94,142,320.00	161,824.42	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,997,316.67	2,068,740.00	71,423.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,003,660.00	3,660.00	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,057,880.00	57,880.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,004,577.28	2,034,920.00	30,342.72	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,023,779.67	2,046,020.00	22,240.33	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,009,666.23	2,061,700.00	52,033.77	
Subtotal, Corporate Securities							12,000,000.00	12,035,339.85	12,272,920.00	237,580.15	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	_	3.500	4.195	5,471,399.48	5,471,399.48	5,471,399.48	0.00	
Subtotal, SBA Note	21, 1, 00	,,				-	5,471,399.48	5,471,399.48	5,471,399.48	0.00	
TOTALS							168,971,399.48	169,261,740.74	169,665,699.48	403,958.74	

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.