



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** September 29, 2020

**TO:** Mayor and Councilmembers

**FROM:** Treasury Division, Finance Department

**SUBJECT:** August 2020 Investment Report

**RECOMMENDATION:**

That Council accept the August 2020 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, 2020.

**ATTACHMENT:** August 2020 Investment Report

**PREPARED BY:** Salvatore Parrilla, Finance Analyst

**SUBMITTED BY:** Pamela Antil, Assistant City Administrator

**APPROVED BY:** City Administrator's Office

ATTACHMENT

**CITY OF SANTA BARBARA**  
**Activity and Interest Report**  
**August 31, 2020**

**INVESTMENT ACTIVITY**

**INVESTMENT INCOME**

**PURCHASES OR DEPOSITS**

8/17 FNMA	\$	3,000,000
8/19 FAMCA		3,000,000
8/26 FNMA		4,000,000
<b>Total</b>	<b>\$</b>	<b>10,000,000</b>

**POOLED INVESTMENTS**

Interest Earned on Investments	\$	287,824
Amortization		4,190
<b>Total</b>	<b>\$</b>	<b>292,014</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

8/14 FHLB	\$	(2,000,000)
8/27 FHLMC	\$	(3,000,000)
8/31 USTN	\$	(2,000,000)
<b>Total</b>	<b>\$</b>	<b>(7,000,000)</b>

**ACTIVITY TOTAL**

**\$ 3,000,000**

**INCOME TOTAL**

**\$ 292,014**

**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**August 31, 2020**

**ENDING BALANCE AS OF July 31, 2020**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 11,445,479	0.450%	6.21%	1
MUFG Union Bank NA Savings Account	515	0.050%	0.00%	1
State of California LAIF	75,000,000	0.920%	40.69%	1
Certificates of Deposit	1,000,000	2.250%	0.54%	60
Treasury Securities	9,988,116	1.751%	5.42%	832
Federal Agency Issues - Coupon	67,001,670	1.954%	36.35%	866
Corporate/Medium Term Notes	19,904,737	2.613%	10.80%	993
	<u>184,340,517</u>	<u>1.502%</u>	<u>100.00%</u>	<u>468</u>
Totals and Averages	<u>\$ 184,340,517</u>	<u>1.502%</u>	<u>100.00%</u>	<u>468</u>
<b>Total Cash and Investments</b>	<b><u>\$ 184,340,517</u></b>			

**NET CASH AND INVESTMENT ACTIVITY FOR August 2020**

**\$ 14,733,337**

**ENDING BALANCE AS OF August 31, 2020**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 23,174,830	0.450%	11.64%	1 (1)
MUFG Union Bank NA Savings Account	311	0.050%	0.00%	1
State of California LAIF	75,000,000	0.784%	37.67%	1 (2)
Certificates of Deposit	1,000,000	2.250%	0.50%	29
Treasury Securities	7,988,726	1.786%	4.01%	1,002
Federal Agency Issues - Coupon	72,001,926	1.757%	36.17%	855
Corporate/Medium Term Notes	19,908,060	2.613%	10.00%	962
	<u>199,073,854</u>	<u>1.328%</u>	<u>100.00%</u>	<u>446</u>
Totals and Averages	<u>\$ 199,073,854</u>	<u>1.328%</u>	<u>100.00%</u>	<u>446</u>
<b>Total Cash and Investments</b>	<b><u>\$ 199,073,854</u></b>			

Note: (1) Earnings Credit Rate (ECR) is provided at the rate of 0.450% by MUFG Union Bank, N.A. to help offset banking fees.

(2) The average life of the LAIF portfolio as of August 31, 2020 is 157 days.

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**August 31, 2020**

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							
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.784	0.784	75,000,000.00	75,000,000.00	75,000,000.00	0.00	
<b>Subtotal, LAIF</b>							75,000,000.00	75,000,000.00	75,000,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	250,458.25	458.25	FDIC Certificate 27471
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	250,458.25	458.25	FDIC Certificate 35141
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	250,458.25	458.25	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	250,468.75	468.75	FDIC Certificate 5649
<b>Subtotal, Certificates of deposit</b>							1,000,000.00	1,000,000.00	1,001,843.50	1,843.50	
<b>TREASURY SECURITIES - COUPON</b>											
U S TREASURY NOTE	05/03/19	04/30/24	Aaa	AA+	2.250	2.342	2,000,000.00	1,993,679.29	2,150,390.00	156,710.71	
U S TREASURY NOTE	06/27/19	08/31/22	Aaa	AA+	1.875	1.743	2,000,000.00	2,005,101.74	2,069,376.00	64,274.26	
U S TREASURY NOTE	01/22/20	02/28/23	Aaa	AA+	1.500	1.527	2,000,000.00	1,998,682.29	2,067,812.00	69,129.71	
U S TREASURY NOTE	01/22/20	06/30/23	Aaa	AA+	1.375	1.534	2,000,000.00	1,991,262.95	2,069,062.00	77,799.05	
<b>Subtotal, Treasury Securities</b>							8,000,000.00	7,988,726.27	8,356,640.00	367,913.73	
<b>FEDERAL AGENCY ISSUES - COUPON</b>											
FED AGRICULTURAL MTG CORP	12/29/16	01/15/21	-	-	2.000	2.000	2,000,000.00	2,000,000.00	2,014,598.00	14,598.00	
FED AGRICULTURAL MTG CORP	05/09/19	04/03/23	-	-	2.360	2.371	2,000,000.00	1,999,468.95	2,110,708.00	111,239.05	
FED AGRICULTURAL MTG CORP	02/12/20	02/12/24	-	-	1.390	1.480	2,000,000.00	1,993,984.60	2,074,972.00	80,987.40	
FED AGRICULTURAL MTG CORP	08/19/20	08/19/22	-	-	0.250	0.250	3,000,000.00	3,000,000.00	2,999,100.00	(900.00)	Callable 11/19/20, Q
FEDERAL FARM CREDIT BANK	10/26/17	10/26/20	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,004,980.00	4,980.00	
FEDERAL FARM CREDIT BANK	05/03/17	05/03/21	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,021,224.00	21,224.00	
FEDERAL FARM CREDIT BANK	01/31/19	10/23/23	Aaa	AA+	2.650	2.670	2,000,000.00	1,998,856.03	2,149,182.00	150,325.97	
FEDERAL FARM CREDIT BANK	06/24/19	06/14/22	Aaa	AA+	1.875	1.839	2,000,000.00	2,001,237.93	2,060,444.00	59,206.07	
FEDERAL FARM CREDIT BANK	06/27/19	12/12/22	Aaa	AA+	1.875	1.830	2,000,000.00	2,001,965.12	2,075,406.00	73,440.88	
FEDERAL FARM CREDIT BANK	06/18/20	06/17/24	Aaa	AA+	0.680	0.680	2,000,000.00	2,000,000.00	2,001,198.00	1,198.00	Callable 06/17/21, P
FEDERAL HOME LOAN BANK	11/22/16	11/22/21	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,039,656.00	39,656.00	
FEDERAL HOME LOAN BANK	10/04/18	09/28/23	Aaa	AA+	3.200	3.227	2,000,000.00	1,999,905.46	2,003,526.00	3,620.54	Callable 1X on 09/28/20.
FEDERAL HOME LOAN BANK	10/26/18	10/26/22	Aaa	AA+	3.150	3.150	2,000,000.00	2,000,000.00	2,008,626.00	8,626.00	Callable 1X on 10/26/20.
FEDERAL HOME LOAN BANK	01/22/19	01/22/24	Aaa	AA+	2.830	2.830	2,000,000.00	2,000,000.00	2,018,232.00	18,232.00	Callable 1X on 01/22/21.
FEDERAL HOME LOAN BANK	01/29/20	07/22/24	Aaa	AA+	1.770	1.739	4,000,000.00	4,004,690.27	4,046,328.00	41,637.73	Callable on 07/22/21, Q
FEDERAL HOME LOAN MTG CORP	05/25/17	05/25/22	Aaa	AA+	2.050	2.050	2,000,000.00	2,000,000.00	2,065,366.00	65,366.00	

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**August 31, 2020**

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P	RATE	365	VALUE	VALUE	VALUE	GAIN/(LOSS)	
FEDERAL HOME LOAN MTG CORP	02/27/17	11/27/20	Aaa	AA+	1.850	1.850	2,000,000.00	2,000,000.00	2,008,088.00	8,088.00	
FEDERAL HOME LOAN MTG CORP	03/16/17	09/16/21	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,038,730.00	38,730.00	
FEDERAL HOME LOAN MTG CORP	04/27/17	07/27/21	Aaa	AA+	1.800	1.800	2,000,000.00	2,000,000.00	2,029,958.00	29,958.00	
FEDERAL HOME LOAN MTG CORP	06/22/17	12/22/20	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	2,009,514.00	9,514.00	
FEDERAL HOME LOAN MTG CORP	10/26/17	04/26/21	Aaa	AA+	1.850	1.850	2,000,000.00	2,000,000.00	2,022,522.00	22,522.00	
FEDERAL HOME LOAN MTG CORP	11/17/17	08/17/21	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,035,310.00	35,310.00	
FEDERAL HOME LOAN MTG CORP	05/30/18	05/26/23	Aaa	AA+	3.000	3.000	2,000,000.00	2,000,000.00	2,036,948.00	36,948.00	Callable 1X on 5/26/2021.
FEDERAL HOME LOAN MTG CORP	03/29/17	03/29/21	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,021,738.00	21,738.00	
FEDERAL HOME LOAN MTG CORP	09/30/19	09/30/24	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,002,216.00	2,216.00	Callable on 09/30/20 , A
FEDERAL HOME LOAN MTG CORP	10/28/19	10/28/24	Aaa	AA+	1.875	1.875	2,000,000.00	2,000,000.00	2,004,650.00	4,650.00	Callable 1X, on 10/28/2020
FEDERAL HOME LOAN MTG CORP	01/29/20	01/22/24	Aaa	AA+	1.750	1.724	4,000,000.00	4,003,408.23	4,020,464.00	17,055.77	Callable on 01/22/21, A
FEDERAL HOME LOAN MTG CORP	02/18/20	12/18/23	Aaa	AA+	1.600	1.596	2,000,000.00	2,000,000.00	2,007,768.00	7,768.00	Callable on 12/18/20, A
FEDERAL NATL MORTGAGE ASSN	01/22/20	02/26/21	Aaa	AA+	1.375	1.540	2,000,000.00	1,998,409.90	2,012,076.00	13,666.10	
FEDERAL NATL MORTGAGE ASSN	01/31/20	10/30/23	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	2,004,338.00	4,338.00	Callable on 10/30/20, Q
FEDERAL NATL MORTGAGE ASSN	08/17/20	08/17/23	Aaa	AA+	0.310	0.310	3,000,000.00	3,000,000.00	2,998,845.00	(1,155.00)	Callable 02/17/2022, Q
FEDERAL NATL MORTGAGE ASSN	08/26/20	08/26/25	Aaa	AA+	0.600	0.600	4,000,000.00	4,000,000.00	4,001,904.00	1,904.00	Callable 08/26/22, Q
<b>Subtotal, Federal Agencies</b>							<u>72,000,000.00</u>	<u>72,001,926.49</u>	<u>72,948,615.00</u>	<u>946,688.51</u>	
<b>CORPORATE/MEDIUM TERM NOTES</b>											
APPLE INC	01/24/19	05/11/22	Aa1	AA+	2.300	2.847	2,000,000.00	1,982,414.32	2,065,216.00	82,801.68	
APPLE INC	04/23/19	05/03/23	Aa1	AA+	2.400	2.718	2,000,000.00	1,983,997.63	2,111,360.00	127,362.37	
APPLE INC	09/11/19	09/11/24	Aa1	AA+	1.800	1.903	2,000,000.00	1,992,121.67	2,101,044.00	108,922.33	
BERKSHIRE HATHAWAY INC	04/05/18	03/15/23	Aa2	AA	2.750	3.016	2,000,000.00	1,987,532.63	2,115,200.00	127,667.37	
BERKSHIRE HATHAWAY FIN	12/12/18	05/15/22	Aa2	AA	3.000	3.204	2,000,000.00	1,993,446.68	2,094,486.00	101,039.32	
MICROSOFT CORP	03/11/19	02/06/22	Aaa	AAA	2.400	2.564	2,000,000.00	1,995,495.60	2,057,104.00	61,608.40	
MICROSOFT CORP	05/23/19	08/08/23	Aaa	AAA	2.000	2.535	2,000,000.00	1,970,348.18	2,094,274.00	123,925.82	
TOYOTA MOTOR CREDIT	07/27/18	07/20/23	A1	A	3.419	3.392	2,000,000.00	2,001,413.92	2,162,962.00	161,548.08	
TOYOTA MOTOR CREDIT	06/14/19	09/08/22	A1	A	2.150	2.182	2,000,000.00	1,998,750.86	2,070,824.00	72,073.14	
TOYOTA MOTOR CREDIT	03/16/20	02/13/25	A1	A	1.800	1.770	2,000,000.00	2,002,538.54	2,091,918.00	89,379.46	
<b>Subtotal, Corporate Securities</b>							<u>20,000,000.00</u>	<u>19,908,060.03</u>	<u>20,964,388.00</u>	<u>1,056,327.97</u>	
<b>CHECKING ACCOUNT</b>											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.450	0.450	<u>23,174,830.14</u>	<u>23,174,830.14</u>	<u>23,174,830.14</u>	<u>0.00</u>	
<b>Subtotal, Checking Account</b>							<u>23,174,830.14</u>	<u>23,174,830.14</u>	<u>23,174,830.14</u>	<u>0.00</u>	
<b>SAVINGS ACCOUNT</b>											
MUFG UNION BANK NA SVNGS ACCNT	-	-	-	-	0.050	0.050	<u>310.80</u>	<u>310.80</u>	<u>310.80</u>	<u>0.00</u>	
<b>Subtotal, Cash</b>							<u>310.80</u>	<u>310.80</u>	<u>310.80</u>	<u>0.00</u>	
<b>TOTALS</b>							<u>199,175,140.94</u>	<u>199,073,853.73</u>	<u>201,446,627.44</u>	<u>2,372,773.71</u>	

Market values have been obtained from the City's safekeeping agent, Montecito Bank & Trust ("MB&T").

# INVESTMENT YIELDS

