



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** September 12, 2017  
**TO:** Mayor and Councilmembers  
**FROM:** Treasury Division, Finance Department  
**SUBJECT:** July 2017 Investment Report

**RECOMMENDATION:**

That Council accept the July 2017 Investment Report.

**DISCUSSION:**

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of July 31, 2017.

**ATTACHMENT:** July 2017 Investment Report  
**PREPARED BY:** Julie Nemes, Treasury Manager  
**SUBMITTED BY:** Robert Samario, Finance Director  
**APPROVED BY:** City Administrator's Office

**CITY OF SANTA BARBARA**  
**Activity and Interest Report**  
 July 31, 2017

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

	\$ -
<b>Total</b>	<b>\$ -</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

7/13 LAIF Withdrawal - City	\$ (2,000,000)
7/17 Federal Farm Credit Bank (FFCB) - Maturity	(2,000,000)
7/24 LAIF Withdrawal - City	(10,000,000)
7/25 LAIF Withdrawal - City	(5,000,000)
<b>Total</b>	<b>\$ (19,000,000)</b>

**ACTIVITY TOTAL**

**\$ (19,000,000)**

**INVESTMENT INCOME**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 196,966
Amortization	(368)
<b>Total</b>	<b>\$ 196,598</b>

**INCOME TOTAL**

**\$ 196,598**

**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**July 31, 2017**

**ENDING BALANCE AS OF JUNE 30, 2017**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 13,335,653	0.400%	7.14%	1
State of California LAIF Certificates of Deposit	65,000,000	0.978%	34.79%	1
Treasury Securities	7,000,000	1.644%	3.75%	338
Federal Agency Issues - Coupon	1,985,615	1.610%	1.06%	1,157
Corporate/Medium Term Notes	85,002,881	1.624%	45.50%	1,003
	<u>10,021,572</u>	<u>1.578%</u>	<u>5.36%</u>	<u>509</u>
	182,345,721	1.302%	97.60%	522
 SB Airport Promissory Note	 4,479,501	 4.195%	 2.40%	 4,382
Totals and Averages	<u>\$ 186,825,222</u>	<u>1.372%</u>	<u>100.00%</u>	<u>614</u>
 UB Trust Cash	 (5,125)			
<b>Total Cash and Investments</b>	<u><b>\$ 186,820,097</b></u>			

**NET CASH AND INVESTMENT ACTIVITY FOR JULY 2017**

**\$ (20,896,831)**

**ENDING BALANCE AS OF JULY 31, 2017**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 11,434,065	0.400%	6.89%	1 (1)
State of California LAIF Certificates of Deposit	48,000,000	1.051%	28.93%	1 (2)
Treasury Securities	7,000,000	1.644%	4.22%	307
Federal Agency Issues - Coupon	1,986,000	1.610%	1.20%	1,126
Corporate/Medium Term Notes	83,003,196	1.632%	50.03%	996
	<u>10,020,503</u>	<u>1.578%</u>	<u>6.04%</u>	<u>478</u>
	161,443,765	1.369%	97.30%	569
 SB Airport Promissory Note	 4,479,501	 4.195%	 2.70%	 4,351
Totals and Averages	<u>\$ 165,923,266</u>	<u>1.445%</u>	<u>100.00%</u>	<u>671</u>
 <b>Total Cash and Investments</b>	<u><b>\$ 165,923,266</b></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 July 31, 2017 is 192 days.

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**July 31, 2017**

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)	
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	1.051	1.051	48,000,000.00	48,000,000.00	48,000,000.00	0.00	
<b>Subtotal, LAIF</b>							48,000,000.00	48,000,000.00	48,000,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
ALLY BANK	09/24/15	09/25/17	-	-	1.250	1.250	250,000.00	250,000.00	250,057.50	57.50	FDIC Certificate 57803
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	252,227.50	2,227.50	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	252,477.50	2,477.50	FDIC Certificate 27471
BMO HARRIS BANK NA	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,052.50	52.50	FDIC Certificate 16571
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	252,800.00	2,800.00	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	252,232.50	2,232.50	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	252,797.50	2,797.50	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	253,180.00	3,180.00	FDIC Certificate 5649
EVERBANK	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,015.00	15.00	FDIC Certificate 34775
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	252,182.50	2,182.50	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	252,222.50	2,222.50	FDIC Certificate 33124
KEY BANK NA	09/30/15	10/02/17	-	-	1.150	1.150	250,000.00	250,000.00	250,055.00	55.00	FDIC Certificate 17534
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	
<b>Subtotal, Certificates of deposit</b>							7,000,000.00	7,000,000.00	7,020,300.00	20,300.00	
<b>TREASURY SECURITIES - COUPON</b>											
U S TREASURY NOTE	02/01/17	08/31/20	Aaa	AA+	1.375	1.610	2,000,000.00	1,986,000.38	1,990,620.00	4,619.62	
<b>Subtotal, Treasury Securities</b>							2,000,000.00	1,986,000.38	1,990,620.00	4,619.62	
<b>FEDERAL AGENCY ISSUES - COUPON</b>											
FED AGRICULTURAL MTG CORP	10/03/13	10/03/18	-	-	1.720	1.720	2,000,000.00	2,000,000.00	2,007,860.00	7,860.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,010,560.00	10,560.00	
FED AGRICULTURAL MTG CORP	01/17/17	01/17/20	-	-	1.675	1.675	2,000,000.00	2,000,000.00	2,000,080.00	80.00	Callable 01/17/18, then semi annual
FED AGRICULTURAL MTG CORP	12/29/16	01/15/21	-	-	2.000	2.000	2,000,000.00	2,000,000.00	2,015,840.00	15,840.00	
FEDERAL FARM CREDIT BANK	04/13/17	04/13/20	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,999,220.00	(780.00)	
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,001,720.00	1,720.00	
FEDERAL FARM CREDIT BANK	05/03/17	05/03/21	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,998,560.00	(1,440.00)	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,003,200.00	3,200.00	
FEDERAL FARM CREDIT BANK	12/12/16	12/12/19	Aaa	AA+	1.450	1.450	2,000,000.00	2,000,000.00	1,998,080.00	(1,920.00)	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,001,910.95	2,015,180.00	13,269.05	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,003,140.00	3,140.00	
FEDERAL HOME LOAN BANK	10/12/16	10/12/21	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,964,700.00	(35,300.00)	Callable 10/12/17, then qtrly
FEDERAL HOME LOAN BANK	11/23/16	11/23/21	Aaa	AA+	1.650	1.650	2,000,000.00	2,000,000.00	1,970,920.00	(29,080.00)	Callable 08/23/17, then qtrly
FEDERAL HOME LOAN BANK	05/26/17	05/26/20	Aaa	AA+	1.600	1.600	2,000,000.00	2,000,000.00	2,002,020.00	2,020.00	
FEDERAL HOME LOAN BANK	06/16/17	03/16/20	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,999,640.00	(360.00)	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,002,615.81	2,010,720.00	8,104.19	
FEDERAL HOME LOAN BANK	12/15/16	06/15/20	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,986,880.00	(13,120.00)	Callable 12/15/17, once
FEDERAL HOME LOAN BANK	11/22/16	11/22/21	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,986,580.00	(13,420.00)	
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	1,999,700.00	(300.00)	Callable 05/25/18, once
FEDERAL HOME LOAN MTG CORP	06/28/17	06/28/22	Aaa	AA+	1.550	2.108	2,000,000.00	2,000,000.00	1,997,260.00	(2,740.00)	SU 1.55%-2.5%, Call 06/28/19, once

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**July 31, 2017**

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	12/30/16	12/30/21	Aaa	AA+	2.050	2.050	2,000,000.00	2,000,000.00	1,996,540.00	(3,460.00)	Callable 09/30/17, then qtrly
FEDERAL HOME LOAN MTG CORP	01/17/17	01/17/20	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,000,520.00	520.00	
FEDERAL HOME LOAN MTG CORP	02/28/17	02/25/19	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	1,998,660.00	(1,340.00)	Callable 08/25/17, then qtrly
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	2,002,840.00	2,840.00	Callable 11/27/17, once
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	1,999,900.00	(100.00)	Callable 03/16/18, once
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	1,993,060.00	(6,940.00)	Callable 07/27/18, once
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	1,995,700.00	(4,300.00)	Callable 06/22/18, once
FEDERAL HOME LOAN MTG CORP	10/27/16	10/27/21	Aaa	AA+	1.400	1.657	2,000,000.00	2,000,000.00	1,960,300.00	(39,700.00)	SU 1.4%-3%, Call 10/27/17, then qtrly
FEDERAL HOME LOAN MTG CORP	01/26/17	01/26/22	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,000,520.00	520.00	Callable 01/26/18, then qtrly
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	2,001,920.00	1,920.00	Callable 03/29/18, once
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,952.40	999,780.00	(172.40)	
FEDERAL HOME LOAN MTG CORP	09/29/16	09/29/21	Aaa	AA+	1.250	1.858	2,000,000.00	2,000,000.00	1,979,420.00	(20,580.00)	SU 1.25%-3.5% Call 09/29/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,999,137.44	1,998,880.00	(257.44)	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,000,479.73	2,007,400.00	6,920.27	
FEDERAL NATL MORTGAGE ASSN	05/26/16	05/26/20	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	1,974,120.00	(25,880.00)	
FEDERAL NATL MORTGAGE ASSN	08/16/16	08/16/21	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,966,620.00	(33,380.00)	Callable 08/16/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/27/15	11/27/19	Aaa	AA+	1.125	1.678	2,000,000.00	2,000,000.00	1,998,460.00	(1,540.00)	SU 1.125%-2.250%, Call 11/27/17, once
FEDERAL NATL MORTGAGE ASSN	07/26/16	07/26/19	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	1,986,520.00	(13,480.00)	
FEDERAL NATL MORTGAGE ASSN	09/29/16	09/29/21	Aaa	AA+	1.600	1.600	2,000,000.00	2,000,000.00	1,960,680.00	(39,320.00)	Callable 09/29/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,995,880.00	(4,120.00)	Callable 08/05/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,999,099.58	1,998,880.00	(219.58)	
FEDERAL NATL MORTGAGE ASSN	05/26/16	11/26/19	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	1,988,400.00	(11,600.00)	
<b>Subtotal, Federal Agencies</b>							<b>83,000,000.00</b>	<b>83,003,195.91</b>	<b>82,776,860.00</b>	<b>(226,335.91)</b>	
<b>CORPORATE/MEDIUM TERM NOTES</b>											
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,001,920.00	1,920.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA-	2.300	2.250	2,000,000.00	2,001,365.61	2,019,880.00	18,514.39	
TOYOTA MOTOR CREDIT	11/20/15	07/13/18	Aa3	AA-	1.550	1.408	2,000,000.00	2,002,634.08	2,001,280.00	(1,354.08)	
TOYOTA MOTOR CREDIT	09/15/16	05/20/19	Aa3	AA-	1.400	1.307	2,000,000.00	2,003,281.99	1,993,860.00	(9,421.99)	
WELLS FARGO BANK NA	09/15/16	05/24/19	Aa2	AA-	1.750	1.377	2,000,000.00	2,013,221.73	2,004,320.00	(8,901.73)	
<b>Subtotal, Corporate Securities</b>							<b>10,000,000.00</b>	<b>10,020,503.41</b>	<b>10,021,260.00</b>	<b>756.59</b>	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	4,479,501.01	4,479,501.01	4,479,501.01	0.00	
<b>Subtotal, SBA Note</b>							<b>4,479,501.01</b>	<b>4,479,501.01</b>	<b>4,479,501.01</b>	<b>0.00</b>	
<b>CHECKING ACCOUNT</b>											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	11,434,064.91	11,434,064.91	11,434,064.91	0.00	
<b>Subtotal, Checking Account</b>							<b>11,434,064.91</b>	<b>11,434,064.91</b>	<b>11,434,064.91</b>	<b>0.00</b>	
<b>TOTALS</b>							<b>165,913,565.92</b>	<b>165,923,265.62</b>	<b>165,722,605.92</b>	<b>(200,659.70)</b>	

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.