



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 26, 2017
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: August 2017 Investment Report

RECOMMENDATION:

That Council accept the August 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 August 31, 2017.

ATTACHMENT: August 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
August 31, 2017

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

8/24 LAIF Deposit - City	\$ 4,000,000
8/31 LAIF Deposit - City	<u>2,000,000</u>
Total	\$ 6,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

8/1 LAIF Withdrawal - City	\$ (5,000,000)
8/31 Union Bank CD (UBCD) - Maturity	<u>(4,000,000)</u>
Total	\$ (9,000,000)

ACTIVITY TOTAL

\$ (3,000,000)

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 189,121
Amortization	<u>(368)</u>
Total	\$ 188,753

INCOME TOTAL

\$ 188,753

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

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
State of California LAIF	48,000,000	1.051%	28.93%	1
Certificates of Deposit	7,000,000	1.644%	4.22%	307
Treasury Securities	1,986,000	1.610%	1.20%	1,126
Federal Agency Issues - Coupon	83,003,196	1.632%	50.03%	996
Corporate/Medium Term Notes	<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	 <u>4,479,501</u>	 <u>4.195%</u>	 <u>2.70%</u>	 <u>4,351</u>
Totals and Averages	<u>\$ 165,923,266</u>	<u>1.445%</u>	<u>100.00%</u>	<u>671</u>
 UB Chckg Acct - Cash Offset to June 2017				
Total Cash and Investments	<u>\$ 165,923,266</u>			

NET CASH AND INVESTMENT ACTIVITY FOR AUGUST 2017 **\$ (68,196)**

ENDING BALANCE AS OF AUGUST 31, 2017

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 14,366,237	0.400%	8.66%	1 (1)
State of California LAIF	49,000,000	1.084%	29.54%	1 (2)
Certificates of Deposit	3,000,000	1.821%	1.81%	645
Treasury Securities	1,986,386	1.610%	1.20%	1,095
Federal Agency Issues - Coupon	83,003,511	1.632%	50.05%	965
Corporate/Medium Term Notes	<u>10,019,435</u>	<u>1.578%</u>	<u>6.04%</u>	<u>447</u>
	161,375,568	1.356%	97.30%	550
 SB Airport Promissory Note	 <u>4,479,501</u>	 <u>4.195%</u>	 <u>2.70%</u>	 <u>4,320</u>
Totals and Averages	<u>\$ 165,855,069</u>	<u>1.433%</u>	<u>100.00%</u>	<u>652</u>
 Total Cash and Investments	<u>\$ 165,855,069</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 August 31, 2017 is 179 days.

CITY OF SANTA BARBARA

Investment Portfolio

August 31, 2017

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	-	-	-	-	1.084	1.084	49,000,000.00	49,000,000.00	49,000,000.00	0.00	
Subtotal, LAIF							49,000,000.00	49,000,000.00	49,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
ALLY BANK	09/24/15	09/25/17	-	-	1.250	1.250	250,000.00	250,000.00	250,040.00	40.00	FDIC Certificate 57803
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	251,932.50	1,932.50	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	252,765.00	2,765.00	FDIC Certificate 27471
BMO HARRIS BANK NA	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,045.00	45.00	FDIC Certificate 16571
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	252,922.50	2,922.50	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	251,940.00	1,940.00	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	252,920.00	2,920.00	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	253,292.50	3,292.50	FDIC Certificate 5649
EVERBANK	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,027.50	27.50	FDIC Certificate 34775
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	251,882.50	1,882.50	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	251,932.50	1,932.50	FDIC Certificate 33124
KEY BANK NA	09/30/15	10/02/17	-	-	1.150	1.150	250,000.00	250,000.00	250,050.00	50.00	FDIC Certificate 17534
Subtotal, Certificates of deposit							3,000,000.00	3,000,000.00	3,019,750.00	19,750.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	02/01/17	08/31/20	Aaa	AA+	1.375	1.610	2,000,000.00	1,986,385.81	1,995,860.00	9,474.19	
Subtotal, Treasury Securities							2,000,000.00	1,986,385.81	1,995,860.00	9,474.19	
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	2,008,420.00	8,420.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,010,640.00	10,640.00	
FED AGRICULTURAL MTG CORP	01/17/17	01/17/20	-	-	1.675	1.675	2,000,000.00	2,000,000.00	2,000,260.00	260.00	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	2,021,780.00	21,780.00	
FEDERAL FARM CREDIT BANK	04/13/17	04/13/20	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,004,160.00	4,160.00	
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,000,840.00	840.00	
FEDERAL FARM CREDIT BANK	05/03/17	05/03/21	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,006,480.00	6,480.00	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,003,760.00	3,760.00	
FEDERAL FARM CREDIT BANK	12/12/16	12/12/19	Aaa	AA+	1.450	1.450	2,000,000.00	2,000,000.00	1,999,280.00	(720.00)	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,001,768.70	2,015,180.00	13,411.30	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,003,240.00	3,240.00	
FEDERAL HOME LOAN BANK	10/12/16	10/12/21	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,974,000.00	(26,000.00)	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	1,980,360.00	(19,640.00)	Callable 11/23/17, 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	2,007,100.00	7,100.00	
FEDERAL HOME LOAN BANK	06/16/17	03/16/20	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,004,420.00	4,420.00	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,002,456.63	2,010,540.00	8,083.37	
FEDERAL HOME LOAN BANK	12/15/16	06/15/20	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,992,520.00	(7,480.00)	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	1,995,800.00	(4,200.00)	
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	2,001,540.00	1,540.00	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	2,001,360.00	1,360.00	SU 1.55%-2.5%, Call 06/28/19, once

CITY OF SANTA BARBARA

Investment Portfolio

August 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	2,000,020.00	20.00	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	2,002,260.00	2,260.00	
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	1,999,540.00	(460.00)	Callable 11/25/17, 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	2,002,600.00	2,600.00	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	2,001,180.00	1,180.00	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	2,000,360.00	360.00	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	2,000,480.00	480.00	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	1,968,940.00	(31,060.00)	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	2,001,300.00	1,300.00	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	2,002,980.00	2,980.00	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	999,977.02	1,000,000.00	22.98	
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	1,984,940.00	(15,060.00)	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	1,999,441.87	1,999,380.00	(61.87)	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,000,449.50	2,008,280.00	7,830.50	
FEDERAL NATL MORTGAGE ASSN	05/26/16	05/26/20	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	1,979,980.00	(20,020.00)	
FEDERAL NATL MORTGAGE ASSN	08/16/16	08/16/21	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,975,620.00	(24,380.00)	Callable 11/16/17, 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	1,998,980.00	(1,020.00)	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	1,991,000.00	(9,000.00)	
FEDERAL NATL MORTGAGE ASSN	09/29/16	09/29/21	Aaa	AA+	1.600	1.600	2,000,000.00	2,000,000.00	1,969,980.00	(30,020.00)	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	1,997,460.00	(2,540.00)	Callable 11/05/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,999,417.37	1,999,380.00	(37.37)	
FEDERAL NATL MORTGAGE ASSN	05/26/16	11/26/19	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	1,990,000.00	(10,000.00)	
Subtotal, Federal Agencies							<u>83,000,000.00</u>	<u>83,003,511.09</u>	<u>82,916,340.00</u>	<u>(87,171.09)</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,001,100.00	1,100.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA-	2.300	2.250	2,000,000.00	2,001,287.28	2,018,620.00	17,332.72	
TOYOTA MOTOR CREDIT	11/20/15	07/13/18	Aa3	AA-	1.550	1.408	2,000,000.00	2,002,403.02	2,000,980.00	(1,423.02)	
TOYOTA MOTOR CREDIT	09/15/16	05/20/19	Aa3	AA-	1.400	1.307	2,000,000.00	2,003,130.28	1,992,500.00	(10,630.28)	
WELLS FARGO BANK NA	09/15/16	05/24/19	Aa2	AA-	1.750	1.377	2,000,000.00	2,012,614.30	2,001,340.00	(11,274.30)	
Subtotal, Corporate Securities							<u>10,000,000.00</u>	<u>10,019,434.88</u>	<u>10,014,540.00</u>	<u>(4,894.88)</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
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	
Subtotal, SBA Note							<u>4,479,501.01</u>	<u>4,479,501.01</u>	<u>4,479,501.01</u>	<u>0.00</u>	
CHECKING ACCOUNT											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	14,366,236.67	14,366,236.67	14,366,236.67	0.00	
Subtotal, Checking Account							<u>14,366,236.67</u>	<u>14,366,236.67</u>	<u>14,366,236.67</u>	<u>0.00</u>	
TOTALS							<u>165,845,737.68</u>	<u>165,855,069.46</u>	<u>165,792,227.68</u>	<u>(62,841.78)</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.