



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** October 31, 2017

**TO:** Mayor and Councilmembers

**FROM:** Treasury Division, Finance Department

**SUBJECT:** September 30, 2017, Investment Report And September 30, 2017, Fiscal Agent Report

**RECOMMENDATION:** That Council:

- A. Accept the September 30, 2017, Investment Report; and
- B. Accept the September 30, 2017, Fiscal Agent Report.

### DISCUSSION:

On a quarterly basis, staff submits a comprehensive report on the City's portfolio and related activity pursuant to the City's Annual Statement of Investment Policy. The current report covers investment activity for the three-month period of July through September 2017.

Treasury yields were slightly higher by the end of the quarter. As shown in the table to the right, the change in Treasury yields ranged from an increase of 2 basis points on the 30 and 10-year Treasury notes to an increase of 9 basis points on the 2-year Treasury note. All maturities saw slight increases in Treasury yield, including the 5-year note which showed an increase of 3 basis points during the quarter.

U.S. Treasury Market					
	6/30/2017	7/31/2017	8/31/2017	9/30/2017	Cumulative Change
3 Month	1.03%	1.07%	1.01%	1.06%	0.03%
6 Month	1.14%	1.13%	1.08%	1.20%	0.06%
1 Year	1.24%	1.23%	1.23%	1.31%	0.07%
2 Year	1.38%	1.34%	1.33%	1.47%	0.09%
3 Year	1.55%	1.51%	1.44%	1.62%	0.07%
4 Year	1.72%	1.68%	1.57%	1.77%	0.05%
5 Year	1.89%	1.84%	1.70%	1.92%	0.03%
10 Year	2.31%	2.30%	2.12%	2.33%	0.02%
30 Year	2.84%	2.89%	2.73%	2.86%	0.02%
LAIF	0.92%	1.07%	1.07%	1.07%	0.15%

The City generally invests in securities of one to five years in duration. Within this duration, interest rates ranged from 1.31% to 1.92% for Treasury securities at the end of the quarter. The Federal Reserve has been signaling its desire to raise the Federal Funds rate for some time, which in turn influences Treasury yields. At the December 2015 meeting, the Federal Reserve increased

the Federal Funds rate for the first time in seven years. Since then, the Federal Reserve has raised rates three times by .25%, once in calendar year 2016 and twice in calendar year 2017. Even with this higher Federal Funds rate and a corresponding rise in Treasury yields over the past year, it will take several years before the City realizes a material increase in interest earnings, as existing securities mature and are replaced with higher-yielding securities.

### Investment Activity

As shown in the Investment Activity table below, the City invested \$2 million during the quarter. The purchases consisted of \$2 million in “AAA” rated Federal Agency callable securities (identified by a call date). The purchases replaced a portion of \$5 million in Federal Agency securities and \$4.75 million in Certificates of Deposit that matured over the quarter.

### Summary of Cash and Investments

Issuer	Face Amount	Purchase Date	Final Maturity	Call Date	Yield To Call	Yield To Maturity
<i>Purchases:</i>						
Federal Home Loan Mortgage Corp (FHLMC)	\$ 2,000,000	09/29/17	09/28/22	09/28/18	2.357%	2.074%
	\$ 2,000,000					
<i>Calls:</i>						
n/a	\$ 0					
	\$ 0					
<i>Sales/Maturities:</i>						
Federal Farm Credit Bank (FFCB)	\$ 2,000,000	07/17/13	07/17/17	-	-	1.300%
Union Bank CD (UBCD)	4,000,000	08/31/12	08/31/17	-	-	1.511%
Federal Farm Credit Bank (FFCB)	2,000,000	09/18/13	09/18/17	-	-	1.550%
Ally Bank (ALLY)	250,000	09/24/15	09/25/17	-	-	1.250%
BMO Harris Bank NA (BMO)	250,000	09/30/15	09/29/17	-	-	1.100%
Everbank (EVER)	250,000	09/30/15	09/29/17	-	-	1.100%
Federal Home Loan Mortgage Corp (FHLMC)	1,000,000	11/20/13	09/29/17	-	-	1.030%
	\$ 9,750,000					

The book rate of return, or portfolio yield, measures the rate of return of actual earnings generated from the portfolio. As shown in the table to the right, during the quarter, the City’s book rate of return increased by 6.7 basis points from 1.372 percent at June 30, 2017 to 1.439 percent at September 30, 2017.

Mo. Ended	Yield	Days to Maturity
6/30/2017	1.372%	614
7/31/2017	1.445%	671
8/31/2017	1.433%	652
9/30/2017	1.439%	670

The portfolio’s average days to maturity, including the long-term Airport promissory note, increased by 56 days from 614 to 670 days. Excluding the Airport note, the portfolio’s average days to maturity is 567 days, reflecting partial reinvestment of maturities during the quarter in the one-to-five year range in accordance with the City’s Annual Statement of Investment Policy. The Annual Statement of Investment Policy requires that the average days to maturity on the portfolio not exceed 2.5 years, excluding any investments with a final maturity longer than 5 years that were separately authorized by Council, such as the Airport promissory note.

The average LAIF rate at which the City earned interest for funds invested was at 1.07% for the quarter ended September 30, 2017; an increase of 15 basis points from the previous quarter. The City’s LAIF holdings at the end of the quarter were \$49 million. Staff

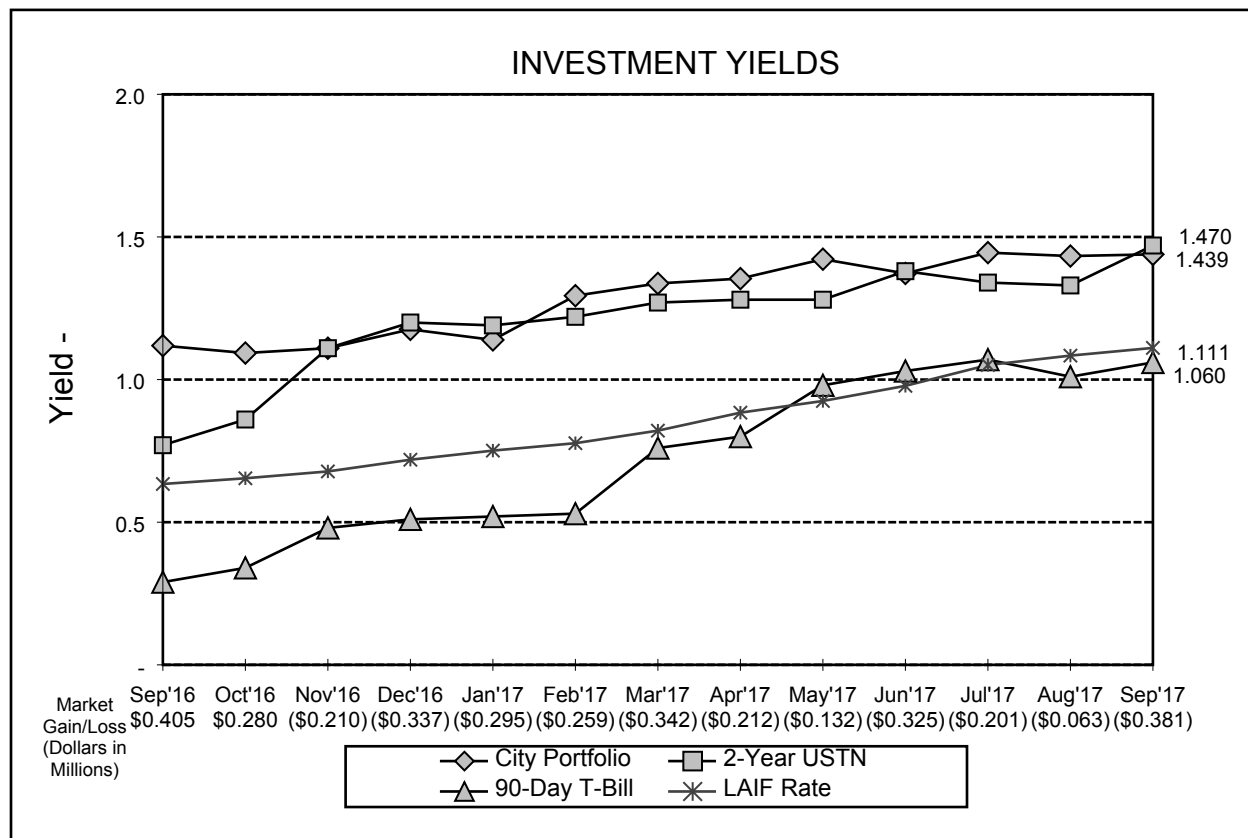
expects to reinvest a portion of the LAIF balances in fixed-term or callable securities during the next quarter.

### Credit Quality on Corporate Notes

There were no credit quality changes to the four corporate issuers of the medium-term notes held in the portfolio (i.e., Berkshire Hathaway, Inc., General Electric Capital Corp, Toyota Motor Credit, and Wells Fargo Bank, NA), and the ratings of all corporate notes remain within the City's Investment Policy guidelines of "A" or better.

### Portfolio Market Gains/Losses

As shown in the Investment Yields chart below, the City's portfolio rate dipped slightly below the 2-year Treasury note rate in December 2016, January 2017, June 2017, and again in September 2017. As of September 30, 2017, the City's portfolio rate exceeds the 90-day Treasury Bill and LAIF rates, and is 3.1 basis points below the 2-year Treasury Note rate. These benchmarks serve as indicators of the City's performance. Trends over time that substantially deviate from these benchmarks would warrant further analysis and review. At September 30, 2017, the portfolio had an overall unrealized market loss of approximately \$381,000.



On a quarterly basis, staff reports the five securities with the largest percentage of unrealized losses. However, because securities in the City's portfolio are held to maturity, no market losses would be realized.

Issuer	Face Amount	Maturity	\$ Mkt Change	% Mkt Change
FEDERAL NATL MORTGAGE ASSN	\$2,000,000	09/29/21	-\$45,020	-2.25%
FEDERAL HOME LOAN MTG CORP	\$2,000,000	10/27/21	-\$43,980	-2.20%
FEDERAL HOME LOAN BANK	\$2,000,000	10/12/21	-\$41,220	-2.06%
FEDERAL NATL MORTGAGE ASSN	\$2,000,000	08/16/21	-\$39,120	-1.96%
FEDERAL HOME LOAN BANK	\$2,000,000	11/23/21	-\$35,440	-1.77%

On a quarterly basis, staff also reports all securities with monthly market declines of greater than 1 percent compared to the prior month. At the end of the quarter there were no securities in the portfolio with a market decline of greater than 1 percent compared to the prior month.

### **Additional Reporting Requirements**

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of September 30, 2017, is in compliance with the City's Statement of Investment Policy; and (2) there are sufficient funds available to meet the City's expenditure requirements for the next six months.

### **Fiscal Agent Investments**

In addition to reporting requirements for public agency portfolios, a description of any of the agency's investments under the management of contracted parties is also required on a quarterly basis. Attachment #2 includes bond funds as of September 30, 2017.

**ATTACHMENTS:** 1. September 30, 2017, Investment Report  
 2. September 30, 2017, Fiscal Agent 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**  
September 30, 2017

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

9/29 Federal Home Loan Mortgage Corp (FHLMC)	\$ 2,000,000
<b>Total</b>	<b>\$ 2,000,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

9/18 Federal Farm Credit Bank (FFCB) - Maturity	\$ (2,000,000)
9/25 Ally Bank (ALLY) - Maturity	(250,000)
9/29 BMO Harris Bank NA (BMO) - Maturity	(250,000)
9/29 Everbank (EVER) - Maturity	(250,000)
9/29 Federal Home Loan Mortgage Corp (FHLMC) - Maturity	(1,000,000)
<b>Total</b>	<b>\$ (3,750,000)</b>

**ACTIVITY TOTAL** \$ (1,750,000)

**INVESTMENT INCOME**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 187,866
Amortization	(343)
<b>Total</b>	<b>\$ 187,523</b>

**INCOME TOTAL** \$ 187,523

**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**September 30, 2017**

**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
State of California LAIF	49,000,000	1.084%	29.54%	1
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	10,019,435	1.578%	6.04%	447
	161,375,568	1.356%	97.30%	550
 SB Airport Promissory Note	 4,479,501	 4.195%	 2.70%	 4,320
Totals and Averages	<b>\$ 165,855,069</b>	<b>1.433%</b>	<b>100.00%</b>	<b>652</b>
 UB Chckg Acct - Cash Offset to June 2017				
<b>Total Cash and Investments</b>	<b>\$ 165,855,069</b>			

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

**\$ (3,710,158)**

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

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 12,413,422	0.400%	7.66%	1 (1)
State of California LAIF	49,000,000	1.111%	30.22%	1 (2)
Certificates of Deposit	2,250,000	2.044%	1.39%	822
Treasury Securities	1,986,759	1.610%	1.23%	1,065
Federal Agency Issues - Coupon	81,996,864	1.605%	50.57%	991
Corporate/Medium Term Notes	10,018,366	1.578%	6.18%	417
	157,665,410	1.361%	97.24%	567
 SB Airport Promissory Note	 4,479,501	 4.195%	 2.76%	 4,290
Totals and Averages	<b>\$ 162,144,911</b>	<b>1.439%</b>	<b>100.00%</b>	<b>670</b>
 <b>Total Cash and Investments</b>	<b>\$ 162,144,911</b>			

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 September 30, 2017 is 190 days.

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**September 30, 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							
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	1.111	1.111	49,000,000.00	49,000,000.00	49,000,000.00	0.00	
<b>Subtotal, LAIF</b>							49,000,000.00	49,000,000.00	49,000,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	251,140.00	1,140.00	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	251,395.00	1,395.00	FDIC Certificate 27471
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	252,492.50	2,492.50	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	251,902.50	1,902.50	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	252,490.00	2,490.00	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	252,852.50	2,852.50	FDIC Certificate 5649
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	251,855.00	1,855.00	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	251,897.50	1,897.50	FDIC Certificate 33124
KEY BANK NA	09/30/15	10/02/17	-	-	1.150	1.150	250,000.00	250,000.00	250,005.00	5.00	FDIC Certificate 17534
<b>Subtotal, Certificates of deposit</b>							2,250,000.00	2,250,000.00	2,266,030.00	16,030.00	
<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	1,986,758.80	1,986,260.00	(498.80)	
<b>Subtotal, Treasury Securities</b>							2,000,000.00	1,986,758.80	1,986,260.00	(498.80)	
<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	2,007,760.00	7,760.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,006,620.00	6,620.00	
FED AGRICULTURAL MTG CORP	01/17/17	01/17/20	-	-	1.675	1.675	2,000,000.00	2,000,000.00	1,995,360.00	(4,640.00)	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	2,010,000.00	10,000.00	
FEDERAL FARM CREDIT BANK	04/13/17	04/13/20	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,995,320.00	(4,680.00)	
FEDERAL FARM CREDIT BANK	05/03/17	05/03/21	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,992,080.00	(7,920.00)	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	1,998,780.00	(1,220.00)	
FEDERAL FARM CREDIT BANK	12/12/16	12/12/19	Aaa	AA+	1.450	1.450	2,000,000.00	2,000,000.00	1,993,020.00	(6,980.00)	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,001,626.44	2,011,160.00	9,533.56	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,002,440.00	2,440.00	
FEDERAL HOME LOAN BANK	10/12/16	10/12/21	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,958,780.00	(41,220.00)	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	1,964,560.00	(35,440.00)	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	1,997,840.00	(2,160.00)	
FEDERAL HOME LOAN BANK	06/16/17	03/16/20	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,996,100.00	(3,900.00)	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,002,297.45	2,007,200.00	4,902.55	
FEDERAL HOME LOAN BANK	12/15/16	06/15/20	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,983,500.00	(16,500.00)	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	1,979,680.00	(20,320.00)	
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	1,991,340.00	(8,660.00)	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	1,994,220.00	(5,780.00)	SU 1.55%-2.5%, Call 06/28/19, once
FEDERAL HOME LOAN MTG CORP	09/29/17	09/28/22	Aaa	AA+	2.000	2.074	2,000,000.00	1,993,039.00	1,987,780.00	(5,259.00)	Callable 09/28/18, then qtrly
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	1,984,580.00	(15,420.00)	Callable 12/30/17, 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	1,994,740.00	(5,260.00)	
FEDERAL HOME LOAN MTG CORP	02/28/17	02/25/19	Aaa	AA+	1.400	0.000	2,000,000.00	2,000,000.00	1,995,440.00	(4,560.00)	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	1,994,620.00	(5,380.00)	Callable 11/27/17, once

**CITY OF SANTA BARBARA**

**Investment Portfolio**

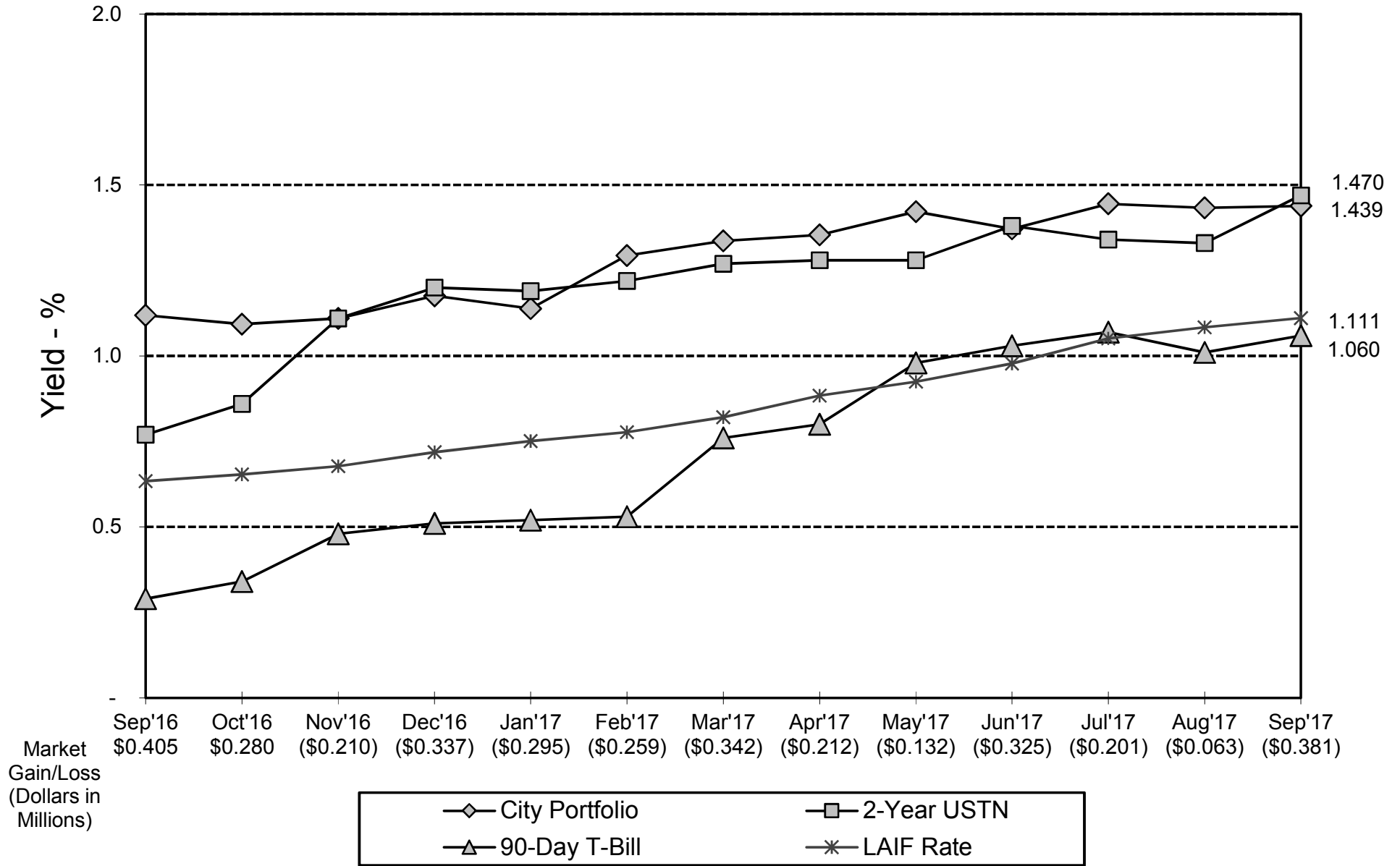
**September 30, 2017**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
	DATE	DATE	MOODY'S	S & P	RATE						
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	1,992,720.00	(7,280.00)	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	1,986,460.00	(13,540.00)	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	1,990,920.00	(9,080.00)	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	1,956,020.00	(43,980.00)	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	1,996,660.00	(3,340.00)	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	2,000,520.00	520.00	Callable 03/29/18, once
FEDERAL HOME LOAN MTG CORP	09/29/16	09/29/21	Aaa	AA+	1.375	1.350	2,000,000.00	2,000,000.00	1,977,820.00	(22,180.00)	SU 1.25%-3.5% Call 12/29/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,999,746.31	1,999,780.00	33.69	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,000,419.26	2,002,600.00	2,180.74	
FEDERAL NATL MORTGAGE ASSN	05/26/16	05/26/20	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	1,981,800.00	(18,200.00)	
FEDERAL NATL MORTGAGE ASSN	08/16/16	08/16/21	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,960,880.00	(39,120.00)	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	1,998,900.00	(1,100.00)	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	1,985,440.00	(14,560.00)	
FEDERAL NATL MORTGAGE ASSN	09/29/16	09/29/21	Aaa	AA+	1.600	1.600	2,000,000.00	2,000,000.00	1,954,980.00	(45,020.00)	Callable 12/29/17, 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	1,997,440.00	(2,560.00)	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	1,999,735.17	1,999,780.00	44.83	
FEDERAL NATL MORTGAGE ASSN	05/26/16	11/26/19	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	1,984,460.00	(15,540.00)	
<b>Subtotal, Federal Agencies</b>							<b>82,000,000.00</b>	<b>81,996,863.63</b>	<b>81,610,100.00</b>	<b>(386,763.63)</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	1,999,940.00	(60.00)	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA-	2.300	2.250	2,000,000.00	2,001,208.94	2,018,100.00	16,891.06	
TOYOTA MOTOR CREDIT	11/20/15	07/13/18	Aa3	AA-	1.550	1.408	2,000,000.00	2,002,171.96	2,001,120.00	(1,051.96)	
TOYOTA MOTOR CREDIT	09/15/16	05/20/19	Aa3	AA-	1.400	1.307	2,000,000.00	2,002,978.57	1,991,040.00	(11,938.57)	
WELLS FARGO BANK NA	09/15/16	05/24/19	Aa2	AA-	1.750	1.377	2,000,000.00	2,012,006.87	1,998,620.00	(13,386.87)	
<b>Subtotal, Corporate Securities</b>							<b>10,000,000.00</b>	<b>10,018,366.34</b>	<b>10,008,820.00</b>	<b>(9,546.34)</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	12,413,421.70	12,413,421.70	12,413,421.70	0.00	
<b>Subtotal, Checking Account</b>							<b>12,413,421.70</b>	<b>12,413,421.70</b>	<b>12,413,421.70</b>	<b>0.00</b>	
<b>TOTALS</b>							<b>162,142,922.71</b>	<b>162,144,911.48</b>	<b>161,764,132.71</b>	<b>(380,778.77)</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.



# INVESTMENT YIELDS



**CITY OF SANTA BARBARA**  
**Fiscal Agent Investments**  
**September 30, 2017**

	CASH & CASH EQUIVALENTS Book & Market	Guaranteed Investment Contracts (GIC) Book & Market	US GOVT & AGENCIES		TOTALS		
			Book	Market	Book	Market	
<b>BOND FUNDS</b>							
<i>RESERVE FUNDS</i>							
2004 RDA - Housing Bonds	44.42	-	-	-	44.42	44.42	
2011 Water - Safe Drinking Water State Loan	1,011,694.11	-	-	-	1,011,694.11	1,011,694.11	
2013 Water - Refunding COPS	1,827,914.18	428,069.44	636,099.18	640,556.80	2,892,082.80	2,896,540.42	
2016 Sewer - Revenue Bonds	11,178.36	-	-	-	11,178.36	11,178.36	
2009 Airport - Revenue Bonds	34,694.94	-	3,139,457.55	3,132,181.20	3,174,152.49	3,166,876.14	
2014 Waterfront - Refunding Bonds	18,445.07	581,455.74	-	-	599,900.81	599,900.81	
<i>Subtotal, Reserve Funds</i>	<u>2,903,971.08</u>	<u>1,009,525.18</u>	<u>3,775,556.73</u>	<u>3,772,738.00</u>	<u>7,689,052.99</u>	<u>7,686,234.26</u>	
<i>PROJECT FUNDS</i>							
2001 RDA Bonds	25,267.95	-	-	-	25,267.95	25,267.95	
2003 RDA Bonds	7,551,935.83	-	-	-	7,551,935.83	7,551,935.83	
<i>Subtotal, Project Funds</i>	<u>7,577,203.78</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,577,203.78</u>	<u>7,577,203.78</u>	
<b>TOTAL FISCAL AGENT INVESTMENTS</b>	<u><b>10,481,174.86</b></u>	<u><b>1,009,525.18</b></u>	<u><b>3,775,556.73</b></u>	<u><b>3,772,738.00</b></u>	<u><b>15,266,256.77</b></u>	<u><b>15,263,438.04</b></u>	

Notes:

- (1) Cash & cash equivalents include money market funds.
- (2) Market values have been obtained from the following trustees: US Bank