



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 21, 2017
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: October 2017 Investment Report

RECOMMENDATION:

That Council accept the October 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 October 31, 2017.

ATTACHMENT: October 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
October 31, 2017

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

10/17 LAIF Deposit - City	\$ 3,000,000
10/25 Federal Home Loan Bank (FHLB)	2,000,000
10/26 Federal Farm Credit Bank (FFCB)	2,000,000
10/26 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
10/27 LAIF Deposit - City	4,000,000
Total	\$ 13,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

10/2 Key Bank NA (KEY) - Maturity	\$ (250,000)
10/4 LAIF Withdrawal - City	(2,000,000)
10/26 Federal National Mortgage Association (FNMA) - Maturity	(2,000,000)
10/26 Federal National Mortgage Association (FNMA) - Maturity	(2,000,000)
10/27 Wells Fargo Bank, N.A. (WFC) - Sale	(2,000,000)
10/27 Goldman Sachs Bank USA (GS) - Sale	(250,000)
Total	\$ (8,500,000)

ACTIVITY TOTAL

\$ 4,500,000

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 190,545
Amortization	170
Total	\$ 190,715

GAIN/LOSS ON INVESTMENTS

Loss on Sale of Corporate Bond (WFC)	\$ (16,280)
Gain on Sale of Corporate Negotiable CD (GS)	1,000
Total	\$ (15,280)

INCOME TOTAL

\$ 175,434

CITY OF SANTA BARBARA

Investment Portfolio

October 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)	
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	1.143	1.143	54,000,000.00	54,000,000.00	54,000,000.00	0.00	
Subtotal, LAIF							54,000,000.00	54,000,000.00	54,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	251,130.00	1,130.00	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	251,117.50	1,117.50	FDIC Certificate 27471
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	252,180.00	2,180.00	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	251,850.00	1,850.00	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	252,177.50	2,177.50	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	252,530.00	2,530.00	FDIC Certificate 5649
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	251,800.00	1,800.00	FDIC Certificate 33778
Subtotal, Certificates of deposit							1,750,000.00	1,750,000.00	1,762,785.00	12,785.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	02/01/17	08/31/20	Aaa	AA+	1.375	1.610	2,000,000.00	1,987,144.22	1,981,180.00	(5,964.22)	
Subtotal, Treasury Securities							2,000,000.00	1,987,144.22	1,981,180.00	(5,964.22)	
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	2,004,340.00	4,340.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,003,660.00	3,660.00	
FED AGRICULTURAL MTG CORP	01/17/17	01/17/20	-	-	1.675	1.675	2,000,000.00	2,000,000.00	1,990,880.00	(9,120.00)	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	2,010,120.00	10,120.00	
FEDERAL FARM CREDIT BANK	04/13/17	04/13/20	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,991,740.00	(8,260.00)	
FEDERAL FARM CREDIT BANK	05/03/17	05/03/21	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,987,040.00	(12,960.00)	
FEDERAL FARM CREDIT BANK	10/26/17	10/26/20	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,996,480.00	(3,520.00)	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	1,996,300.00	(3,700.00)	
FEDERAL FARM CREDIT BANK	12/12/16	12/12/19	Aaa	AA+	1.450	1.450	2,000,000.00	2,000,000.00	1,989,860.00	(10,140.00)	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,001,484.19	2,009,020.00	7,535.81	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,001,600.00	1,600.00	
FEDERAL HOME LOAN BANK	10/12/16	10/12/21	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,965,180.00	(34,820.00)	Callable 01/12/18, 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	1,959,340.00	(40,660.00)	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	1,993,860.00	(6,140.00)	
FEDERAL HOME LOAN BANK	06/16/17	03/16/20	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,991,240.00	(8,760.00)	
FEDERAL HOME LOAN BANK	10/25/17	04/25/22	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	1,996,100.00	(3,900.00)	Callable 10/25/19, once
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,002,138.28	2,005,040.00	2,901.72	
FEDERAL HOME LOAN BANK	12/15/16	06/15/20	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,979,880.00	(20,120.00)	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	1,974,080.00	(25,920.00)	
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	1,988,160.00	(11,840.00)	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	1,993,220.00	(6,780.00)	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	1,993,623.96	1,984,400.00	(9,223.96)	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	1,978,760.00	(21,240.00)	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	1,991,780.00	(8,220.00)	

CITY OF SANTA BARBARA

Investment Portfolio

October 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							
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	1,992,900.00	(7,100.00)	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	1,999,160.00	(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	1,987,180.00	(12,820.00)	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	1,983,960.00	(16,040.00)	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	1,986,860.00	(13,140.00)	Callable 06/22/18, once
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	1,991,620.00	(8,380.00)	Callable 10/26/18, 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	1,952,040.00	(47,960.00)	SU 1.4%-3%, Call 01/27/18, 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	1,990,500.00	(9,500.00)	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	1,997,240.00	(2,760.00)	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	1,975,900.00	(24,100.00)	SU 1.25%-3.5% Call 12/29/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,000,389.03	2,002,080.00	1,690.97	
FEDERAL NATL MORTGAGE ASSN	05/26/16	05/26/20	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	1,982,320.00	(17,680.00)	
FEDERAL NATL MORTGAGE ASSN	08/16/16	08/16/21	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,956,080.00	(43,920.00)	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	1,999,300.00	(700.00)	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	1,982,400.00	(17,600.00)	
FEDERAL NATL MORTGAGE ASSN	09/29/16	09/29/21	Aaa	AA+	1.600	1.600	2,000,000.00	2,000,000.00	1,950,180.00	(49,820.00)	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	1,997,760.00	(2,240.00)	Callable 11/05/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	05/26/16	11/26/19	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	1,980,680.00	(19,320.00)	
Subtotal, Federal Agencies							84,000,000.00	83,997,635.46	83,490,240.00	(507,395.46)	
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	2,000,620.00	620.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA-	2.300	2.250	2,000,000.00	2,001,130.61	2,012,880.00	11,749.39	
TOYOTA MOTOR CREDIT	11/20/15	07/13/18	Aa3	AA-	1.550	1.408	2,000,000.00	2,001,940.90	2,000,020.00	(1,920.90)	
TOYOTA MOTOR CREDIT	09/15/16	05/20/19	Aa3	AA-	1.400	1.307	2,000,000.00	2,002,826.86	1,989,120.00	(13,706.86)	
Subtotal, Corporate Securities							8,000,000.00	8,005,898.37	8,002,640.00	(3,258.37)	
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							4,479,501.01	4,479,501.01	4,479,501.01	0.00	
CHECKING ACCOUNT											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	14,085,572.22	14,085,572.22	14,085,572.22	0.00	
Subtotal, Checking Account							14,085,572.22	14,085,572.22	14,085,572.22	0.00	
TOTALS							168,315,073.23	168,305,751.28	167,801,918.23	(503,833.05)	

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.