



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 26, 2018

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: May 2018 Investment Report

RECOMMENDATION:

That Council accept the May 2018 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of May 31, 2018.

ATTACHMENT: May 2018 Investment Report

PREPARED BY: Robert Samario, Finance Director

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

ATTACHMENT

CITY OF SANTA BARBARA
Activity and Interest Report
May 31, 2018

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

5/22 LAIF Deposit	\$ 5,000,000
5/30 Federal Home Loan Mortgage Corporation (FHLMC)	\$ 2,000,000
5/31 LAIF Deposit	\$ 2,000,000
Total	\$ 9,000,000.00

SALES, MATURITIES, CALLS OR WITHDRAWALS

5/9 LAIF Withdrawal	\$ (5,000,000)
5/29 LAIF Withdrawal	\$ (8,000,000)
Total	\$ (13,000,000.00)

ACTIVITY TOTAL

\$ (4,000,000)

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 275,571
Amortization	1,885
Total	\$ 277,457

INCOME TOTAL

\$ 277,457

CITY OF SANTA BARBARA
Summary of Cash and Investments
May 31, 2018

ENDING BALANCE AS OF April 30, 2018

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 11,893,354	0.400%	6.04%	1
State of California LAIF	65,000,000	1.661%	33.01%	1
Certificates of Deposit	1,750,000	2.157%	0.89%	736
Treasury Securities	1,989,395	1.610%	1.01%	853
Federal Agency Issues - Coupon	103,979,677	1.861%	52.80%	968
Corporate/Medium Term Notes	7,979,206	1.992%	4.05%	620
	<u>192,591,632</u>	<u>1.709%</u>	<u>97.80%</u>	<u>564</u>
SB Airport Promissory Note	4,327,710	4.195%	2.20%	4,078
Totals and Averages	\$ 196,919,342	1.763%	100.00%	641
Total Cash and Investments	\$ 196,919,342			

NET CASH AND INVESTMENT ACTIVITY FOR May 2018

\$ 1,228,403

ENDING BALANCE AS OF May 31, 2018

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 17,119,871	0.400%	8.64%	1 (1)
State of California LAIF	59,000,000	1.755%	29.78%	1 (2)
Certificates of Deposit	1,750,000	2.157%	0.88%	705
Treasury Securities	1,989,780	1.610%	1.00%	822
Federal Agency Issues - Coupon	105,981,229	1.882%	53.49%	954
Corporate/Medium Term Notes	7,979,155	1.992%	4.03%	589
	<u>193,820,035</u>	<u>1.717%</u>	<u>97.82%</u>	<u>561</u>
SB Airport Promissory Note	4,327,710	4.195%	2.18%	4,047
Totals and Averages	\$ 198,147,745	1.771%	100.00%	637
Total Cash and Investments	\$ 198,147,745			

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 April, 2018 is 184 days.

CITY OF SANTA BARBARA

Investment Portfolio

May 31, 2018

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	1.755	1.755	59,000,000.00	59,000,000.00	59,000,000.00	0.00	
Subtotal, LAIF							59,000,000.00	59,000,000.00	59,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
AMERICAN EXPRESS BANK FSB	23-Oct-14	23-Oct-19	-	-	2.200	2.200	250,000.00	250,000.00	248,490.00	(1,510.00)	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	30-Sep-15	30-Sep-20	-	-	2.250	2.250	250,000.00	250,000.00	245,917.50	(4,082.50)	FDIC Certificate 27471
BMW BK NORTH AMERICA	30-Sep-15	30-Sep-20	-	-	2.200	2.200	250,000.00	250,000.00	246,750.00	(3,250.00)	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	29-Oct-14	29-Oct-19	-	-	1.900	1.900	250,000.00	250,000.00	248,647.50	(1,352.50)	FDIC Certificate 33954
CAPITAL ONE NA	30-Sep-15	30-Sep-20	-	-	2.250	2.250	250,000.00	250,000.00	246,752.50	(3,247.50)	FDIC Certificate 4297
DISCOVER BANK	30-Sep-15	30-Sep-20	-	-	2.300	2.300	250,000.00	250,000.00	247,032.50	(2,967.50)	FDIC Certificate 5649
GE CAPITAL BANK	17-Oct-14	17-Oct-19	-	-	2.000	2.000	250,000.00	250,000.00	248,697.50	(1,302.50)	FDIC Certificate 33778
Subtotal, Certificates of deposit							1,750,000.00	1,750,000.00	1,732,287.50	(17,712.50)	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	01-Feb-17	31-Aug-20	Aaa	AA+	1.375	1.610	2,000,000.00	1,989,780.03	1,952,660.00	(37,120.03)	
Subtotal, Treasury Securities							2,000,000.00	1,989,780.03	1,952,660.00	(37,120.03)	
FEDERAL AGENCY ISSUES - COUPON											
FED AGRICULTURAL MTG CORP	30-Jan-18	30-Jan-23	-	-	2.690	2.690	2,000,000.00	2,000,000.00	1,987,700.00	(12,300.00)	Callable 01/30/19, then semi annual
FED AGRICULTURAL MTG CORP	03-Oct-13	03-Oct-18	-	-	1.720	1.720	2,000,000.00	2,000,000.00	1,998,360.00	(1,640.00)	
FED AGRICULTURAL MTG CORP	12-Dec-13	12-Dec-18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	1,996,260.00	(3,740.00)	
FED AGRICULTURAL MTG CORP	17-Jan-17	17-Jan-20	-	-	1.675	1.675	2,000,000.00	2,000,000.00	1,974,960.00	(25,040.00)	Callable 07/17/18, then semi annual
FED AGRICULTURAL MTG CORP	29-Dec-16	15-Jan-21	-	-	2.000	2.000	2,000,000.00	2,000,000.00	1,966,640.00	(33,360.00)	
FEDERAL FARM CREDIT BANK	13-Apr-17	13-Apr-20	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,967,500.00	(32,500.00)	
FEDERAL FARM CREDIT BANK	23-Apr-18	23-Apr-20	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,000,600.00	600.00	Callable once on 4/29/19, then to maturity.
FEDERAL FARM CREDIT BANK	26-Oct-17	26-Oct-20	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,961,020.00	(38,980.00)	
FEDERAL FARM CREDIT BANK	03-May-17	03-May-21	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,951,580.00	(48,420.00)	
FEDERAL FARM CREDIT BANK	24-Jun-15	24-Jun-19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	1,984,300.00	(15,700.00)	
FEDERAL FARM CREDIT BANK	12-Dec-16	12-Dec-19	Aaa	AA+	1.450	1.450	2,000,000.00	2,000,000.00	1,972,160.00	(27,840.00)	
FEDERAL HOME LOAN BANK	13-Sep-13	14-Sep-18	Aaa	AA+	2.000	1.910	2,000,000.00	2,000,488.41	1,999,740.00	(748.41)	
FEDERAL HOME LOAN BANK	29-Dec-17	29-Jun-20	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	1,979,860.00	(20,140.00)	Callable 06/29/18, then qtrly
FEDERAL HOME LOAN BANK	13-Feb-18	13-Feb-23	Aaa	AA+	2.700	2.700	2,000,000.00	2,000,000.00	1,978,580.00	(21,420.00)	Callable 08/13/18, then qtrly
FEDERAL HOME LOAN BANK	28-Feb-18	28-Feb-23	Aaa	AA+	2.100	3.344	2,000,000.00	2,000,000.00	1,991,380.00	(8,620.00)	Callable 02/28/19, then annually
FEDERAL HOME LOAN BANK	12-Oct-16	12-Oct-21	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,931,640.00	(68,360.00)	Callable 04/12/18, then qtrly
FEDERAL HOME LOAN BANK	23-Nov-16	23-Nov-21	Aaa	AA+	1.650	1.650	2,000,000.00	2,000,000.00	1,926,240.00	(73,760.00)	Callable 05/23/18, then qtrly
FEDERAL HOME LOAN BANK	26-May-17	26-May-20	Aaa	AA+	1.600	1.600	2,000,000.00	2,000,000.00	1,966,100.00	(33,900.00)	
FEDERAL HOME LOAN BANK	16-Jun-17	16-Mar-20	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,968,800.00	(31,200.00)	
FEDERAL HOME LOAN BANK	25-Oct-17	25-Apr-22	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	1,952,880.00	(47,120.00)	Callable 10/25/19, once
FEDERAL HOME LOAN BANK	11-Dec-17	11-Dec-20	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	1,969,400.00	(30,600.00)	Callable 06/11/18, then qtrly
FEDERAL HOME LOAN BANK	28-Feb-18	28-Feb-23	Aaa	AA+	2.000	2.894	2,000,000.00	2,000,000.00	1,998,480.00	(1,520.00)	SU 3.0% Call 08/28/2018, then qtrly
FEDERAL HOME LOAN BANK	31-Jan-18	30-Jan-19	Aaa	AA+	1.650	1.898	2,000,000.00	2,000,000.00	1,997,120.00	(2,880.00)	SU 1.8%-2.5%, Call 07/30/2018, then qtrly
FEDERAL HOME LOAN BANK	16-Dec-13	14-Dec-18	Aaa	AA+	1.750	1.650	2,000,000.00	2,001,024.04	1,995,760.00	(5,264.04)	

CITY OF SANTA BARBARA

Investment Portfolio

May 31, 2018

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN BANK	15-Dec-16	15-Jun-20	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,961,080.00	(38,920.00)	
FEDERAL HOME LOAN BANK	22-Nov-16	22-Nov-21	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,945,120.00	(54,880.00)	
FEDERAL HOME LOAN MTG CORP	25-May-17	25-May-22	Aaa	AA+	2.050	2.050	2,000,000.00	2,000,000.00	1,944,560.00	(55,440.00)	
FEDERAL HOME LOAN MTG CORP	28-Jun-17	28-Jun-22	Aaa	AA+	1.550	2.108	2,000,000.00	2,000,000.00	1,982,800.00	(17,200.00)	SU 1.55%-2.5%, Call 06/28/19, once
FEDERAL HOME LOAN MTG CORP	29-Sep-17	28-Sep-22	Aaa	AA+	2.000	2.074	2,000,000.00	1,997,718.66	1,928,380.00	(69,338.66)	Callable 09/28/18, then qtrly
FEDERAL HOME LOAN MTG CORP	21-Nov-17	21-May-21	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	1,958,320.00	(41,680.00)	Callable 11/21/18, then qtrly
FEDERAL HOME LOAN MTG CORP	30-Dec-16	30-Dec-21	Aaa	AA+	2.050	2.050	2,000,000.00	2,000,000.00	1,948,600.00	(51,400.00)	Callable 06/30/18, then qtrly
FEDERAL HOME LOAN MTG CORP	17-Jan-17	17-Jan-20	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,970,940.00	(29,060.00)	
FEDERAL HOME LOAN MTG CORP	28-Feb-17	25-Feb-19	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	1,988,360.00	(11,640.00)	Callable 05/25/18, then qtrly
FEDERAL HOME LOAN MTG CORP	27-Feb-17	27-Nov-20	Aaa	AA+	1.850	1.850	2,000,000.00	2,000,000.00	1,968,160.00	(31,840.00)	
FEDERAL HOME LOAN MTG CORP	16-Mar-17	16-Sep-21	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	1,950,140.00	(49,860.00)	
FEDERAL HOME LOAN MTG CORP	27-Apr-17	27-Jul-21	Aaa	AA+	1.800	1.800	2,000,000.00	2,000,000.00	1,946,760.00	(53,240.00)	Callable 07/27/18, once
FEDERAL HOME LOAN MTG CORP	22-Jun-17	22-Dec-20	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,955,800.00	(44,200.00)	Callable 06/22/18, once
FEDERAL HOME LOAN MTG CORP	26-Oct-17	26-Apr-21	Aaa	AA+	1.850	1.850	2,000,000.00	2,000,000.00	1,961,420.00	(38,580.00)	Callable 10/26/18, once
FEDERAL HOME LOAN MTG CORP	17-Nov-17	17-Aug-21	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	1,960,060.00	(39,940.00)	Callable 08/17/18, once
FEDERAL HOME LOAN MTG CORP	28-Dec-17	28-Jun-21	Aaa	AA+	2.050	2.050	2,000,000.00	2,000,000.00	1,968,560.00	(31,440.00)	Callable 06/28/19, once
FEDERAL HOME LOAN MTG CORP	30-May-18	26-May-23	Aaa	AA+	3.000	3.000	2,000,000.00	2,000,000.00	2,012,280.00	12,280.00	Callable once on 5/26/2021, then bullet until
FEDERAL HOME LOAN MTG CORP	27-Oct-16	27-Oct-21	Aaa	AA+	1.400	1.657	2,000,000.00	2,000,000.00	1,926,520.00	(73,480.00)	SU 1.4%-3%, Call 04/27/18, then qtrly
FEDERAL HOME LOAN MTG CORP	26-Jan-17	26-Jan-22	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	1,962,480.00	(37,520.00)	Callable 04/26/18, then qtrly
FEDERAL HOME LOAN MTG CORP	29-Mar-17	29-Mar-21	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	1,961,540.00	(38,460.00)	
FEDERAL HOME LOAN MTG CORP	27-Dec-17	27-Dec-21	Aaa	AA+	2.125	2.125	2,000,000.00	2,000,000.00	1,968,560.00	(31,440.00)	Callable 12/27/19, once
FEDERAL HOME LOAN MTG CORP	23-Jan-18	01-Aug-19	Aaa	AA+	1.250	2.045	2,000,000.00	1,981,820.44	1,975,500.00	(6,320.44)	
FEDERAL HOME LOAN MTG CORP	29-Sep-16	29-Sep-21	Aaa	AA+	1.375	1.350	2,000,000.00	2,000,000.00	1,957,560.00	(42,440.00)	SU 1.25%-3.5% Call 06/29/18, then qtrly
FEDERAL NATL MORTGAGE ASSN	11-Dec-13	27-Nov-18	Aaa	AA+	1.625	1.606	2,000,000.00	2,000,177.38	1,995,380.00	(4,797.38)	
FEDERAL NATL MORTGAGE ASSN	26-May-16	26-May-20	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	1,958,420.00	(41,580.00)	
FEDERAL NATL MORTGAGE ASSN	16-Aug-16	16-Aug-21	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,913,600.00	(86,400.00)	Callable 05/16/18, then qtrly
FEDERAL NATL MORTGAGE ASSN	26-Jul-16	26-Jul-19	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	1,972,100.00	(27,900.00)	
FEDERAL NATL MORTGAGE ASSN	29-Sep-16	29-Sep-21	Aaa	AA+	1.600	1.600	2,000,000.00	2,000,000.00	1,918,540.00	(81,460.00)	Callable 06/29/18, then qtrly
FEDERAL NATL MORTGAGE ASSN	26-May-16	26-Nov-19	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	1,969,460.00	(30,540.00)	
Subtotal, Federal Agencies							<u>106,000,000.00</u>	<u>105,981,228.93</u>	<u>104,248,060.00</u>	<u>(1,733,168.93)</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY INC	05-Apr-18	15-Mar-23	Aa2	AA	2.750	3.016	2,000,000.00	1,976,483.87	1,966,380.00	(10,103.87)	
GENERAL ELECTRIC CAPITAL CORP	14-Jan-14	14-Jan-19	A2	A	2.300	2.250	2,000,000.00	2,000,582.28	1,997,120.00	(3,462.28)	
TOYOTA MOTOR CREDIT	20-Nov-15	13-Jul-18	Aa3	AA-	1.550	1.408	2,000,000.00	2,000,323.48	1,998,260.00	(2,063.48)	
TOYOTA MOTOR CREDIT	15-Sep-16	20-May-19	Aa3	AA-	1.400	1.307	2,000,000.00	2,001,764.89	1,977,180.00	(24,584.89)	
Subtotal, Corporate Securities							<u>8,000,000.00</u>	<u>7,979,154.52</u>	<u>7,938,940.00</u>	<u>(40,214.52)</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	14-Jul-09	30-Jun-29	-	-	3.500	4.195	<u>4,327,710.20</u>	<u>4,327,710.20</u>	<u>4,327,710.20</u>	<u>0.00</u>	
Subtotal, SBA Note							<u>4,327,710.20</u>	<u>4,327,710.20</u>	<u>4,327,710.20</u>	<u>0.00</u>	
CHECKING ACCOUNT											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	<u>17,119,871.26</u>	<u>17,119,871.26</u>	<u>17,119,871.26</u>	<u>0.00</u>	
Subtotal, Checking Account							<u>17,119,871.26</u>	<u>17,119,871.26</u>	<u>17,119,871.26</u>	<u>0.00</u>	
TOTALS							<u>198,197,581.46</u>	<u>198,147,744.94</u>	<u>196,319,528.96</u>	<u>(1,828,215.98)</u>	

CITY OF SANTA BARBARA
Investment Portfolio
May 31, 2018

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
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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.