



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** January 10, 2017  
**TO:** Mayor and Councilmembers  
**FROM:** Treasury Division, Finance Department  
**SUBJECT:** November 2016 Investment Report

**RECOMMENDATION:**

That Council accept the November 2016 Investment Report.

**DISCUSSION:**

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of November 30, 2016.

**ATTACHMENT:** November 2016 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**  
November 30, 2016

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

11/16 LAIF Deposit - City	\$ 5,000,000
11/22 Federal Home Loan Bank (FHLB)	2,000,000
11/23 Federal Home Loan Bank (FHLB)	2,000,000
<b>Total</b>	<b>\$ 9,000,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

11/18 Federal Home Loan Bank (FHLB) - Maturity	\$ (2,000,000)
11/28 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
<b>Total</b>	<b>\$ (4,000,000)</b>

**ACTIVITY TOTAL**

**\$ 5,000,000**

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**INVESTMENT INCOME**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 137,274
Amortization	(1,417)
<b>Total</b>	<b>\$ 135,857</b>

**INCOME TOTAL**

**\$ 135,857**

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**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**November 30, 2016**

**ENDING BALANCE AS OF OCTOBER 31, 2016**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 19,580,550	0.400%	12.60%	1
State of California LAIF	57,000,000	0.654%	36.68%	1
Certificates of Deposit	7,000,000	1.644%	4.50%	580
Treasury Securities	2,001,724	0.607%	1.29%	119
Federal Agency Issues - Coupon	55,000,553	1.385%	35.40%	849
Corporate/Medium Term Notes	10,030,120	1.578%	6.45%	751
	<u>150,612,947</u>	<u>0.995%</u>	<u>96.93%</u>	<u>389</u>
SB Airport Promissory Note	4,775,296	4.195%	3.07%	4,624
Totals and Averages	<b>\$ 155,388,243</b>	<b>1.093%</b>	<b>100.00%</b>	<b>519</b>
<b>Total Cash and Investments</b>	<b>\$ 155,388,243</b>			

**NET CASH AND INVESTMENT ACTIVITY FOR NOVEMBER 2016** **\$ 4,996,413**

**ENDING BALANCE AS OF NOVEMBER 30, 2016**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 19,578,380	0.400%	12.21%	1 (1)
State of California LAIF	62,000,000	0.678%	38.66%	1 (2)
Certificates of Deposit	7,000,000	1.644%	4.36%	550
Treasury Securities	2,001,289	0.607%	1.25%	89
Federal Agency Issues - Coupon	55,000,639	1.447%	34.29%	925
Corporate/Medium Term Notes	10,029,052	1.578%	6.25%	721
	<u>155,609,360</u>	<u>1.015%</u>	<u>97.02%</u>	<u>400</u>
SB Airport Promissory Note	4,775,296	4.195%	2.98%	4,594
Totals and Averages	<b>\$ 160,384,656</b>	<b>1.110%</b>	<b>100.00%</b>	<b>525</b>
<b>Total Cash and Investments</b>	<b>\$ 160,384,656</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 November 30, 2016 is 167 days.

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**November 30, 2016**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.678	0.678	62,000,000.00	62,000,000.00	62,000,000.00	0.00	
<b>Subtotal, LAIF</b>							62,000,000.00	62,000,000.00	62,000,000.00	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	250,977.50	977.50	FDIC Certificate 57803
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	256,572.50	6,572.50	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	258,450.00	8,450.00	FDIC Certificate 27471
BMO HARRIS BANK NA	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,972.50	972.50	FDIC Certificate 16571
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	258,457.50	8,457.50	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	256,630.00	6,630.00	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	258,450.00	8,450.00	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	258,915.00	8,915.00	FDIC Certificate 5649
EVERBANK	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,785.00	785.00	FDIC Certificate 34775
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	256,500.00	6,500.00	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	256,600.00	6,600.00	FDIC Certificate 33124
KEY BANK NA	09/30/15	10/02/17	-	-	1.150	1.150	250,000.00	250,000.00	250,982.50	982.50	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	7,064,292.50	64,292.50	
<b>TREASURY SECURITIES - COUPON</b>											
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,001,289.20	2,002,080.00	790.80	
<b>Subtotal, Treasury Securities</b>							2,000,000.00	2,001,289.20	2,002,080.00	790.80	
<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	2,016,380.00	16,380.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,017,220.00	17,220.00	
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,010,720.00	10,720.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,005,760.00	5,760.00	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,000,620.00	620.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,003,048.98	2,029,880.00	26,831.02	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,008,340.00	8,340.00	
FEDERAL HOME LOAN BANK	10/12/16	10/12/21	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,952,900.00	(47,100.00)	Callable 01/12/17, 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	1,962,600.00	(37,400.00)	Callable 02/23/17, then qtrly
FEDERAL HOME LOAN BANK	01/26/16	04/26/19	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,000,420.00	420.00	Callable 01/26/17, once
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,003,889.22	2,021,100.00	17,210.78	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,964.89	2,002,520.00	2,555.11	
FEDERAL HOME LOAN BANK	11/22/16	11/22/21	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,978,880.00	(21,120.00)	
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	1,956,820.00	(43,180.00)	SU 1.4%-3%, Call 04/27/17, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,755.42	1,001,260.00	1,504.58	
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	1,968,860.00	(31,140.00)	SU 1.25%-3.5% Call 03/29/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,996,701.97	1,999,920.00	3,218.03	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,000,721.61	2,017,720.00	16,998.39	
FEDERAL NATL MORTGAGE ASSN	05/26/16	05/26/20	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	1,966,660.00	(33,340.00)	Callable 05/26/17, once
FEDERAL NATL MORTGAGE ASSN	08/16/16	08/16/21	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,933,560.00	(66,440.00)	Callable 08/16/17, then qtrly

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**November 30, 2016**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL NATL MORTGAGE ASSN	12/26/12	12/26/17	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,993,680.00	(6,320.00)	Callable 12/26/16, 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	1,999,560.00	(440.00)	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	1,971,200.00	(28,800.00)	Callable 07/26/17, once
FEDERAL NATL MORTGAGE ASSN	09/29/16	09/29/21	Aaa	AA+	1.600	1.600	2,000,000.00	2,000,000.00	1,948,940.00	(51,060.00)	Callable 03/29/17, 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	1,992,960.00	(7,040.00)	Callable 02/05/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,996,557.20	1,999,920.00	3,362.80	
FEDERAL NATL MORTGAGE ASSN	05/26/16	11/26/19	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	1,988,120.00	(11,880.00)	Callable 05/26/17, once
<b>Subtotal, Federal Agencies</b>							<u>55,000,000.00</u>	<u>55,000,639.29</u>	<u>54,746,520.00</u>	<u>(254,119.29)</u>	
<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	2,004,800.00	4,800.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA-	2.300	2.250	2,000,000.00	2,001,992.28	2,031,100.00	29,107.72	
TOYOTA MOTOR CREDIT	11/20/15	07/13/18	Aa3	AA-	1.550	1.408	2,000,000.00	2,004,482.56	2,001,320.00	(3,162.56)	
TOYOTA MOTOR CREDIT	09/15/16	05/20/19	Aa3	AA-	1.400	1.307	2,000,000.00	2,004,495.67	1,977,420.00	(27,075.67)	
WELLS FARGO BANK NA	09/15/16	05/24/19	Aa2	AA-	1.750	1.377	2,000,000.00	2,018,081.18	1,993,760.00	(24,321.18)	
<b>Subtotal, Corporate Securities</b>							<u>10,000,000.00</u>	<u>10,029,051.69</u>	<u>10,008,400.00</u>	<u>(20,651.69)</u>	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	4,775,295.56	4,775,295.56	4,775,295.56	0.00	
<b>Subtotal, SBA Note</b>							<u>4,775,295.56</u>	<u>4,775,295.56</u>	<u>4,775,295.56</u>	<u>0.00</u>	
<b>CHECKING ACCOUNT</b>											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	19,578,380.06	19,578,380.06	19,578,380.06	0.00	
<b>Subtotal, Checking Account</b>							<u>19,578,380.06</u>	<u>19,578,380.06</u>	<u>19,578,380.06</u>	<u>0.00</u>	
<b>TOTALS</b>							<u>160,353,675.62</u>	<u>160,384,655.80</u>	<u>160,174,968.12</u>	<u>(209,687.68)</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.