



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 28, 2017

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: February 2017 Investment Report

RECOMMENDATION:

That Council accept the February 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 February 28, 2017.

ATTACHMENT: February 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
February 28, 2017

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

2/1 United States Treasury Note (USTN)	\$ 2,000,000
2/17 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
2/27 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
2/28 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
2/28 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
Total	\$ 10,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

2/28 United States Treasury Note (USTN) - Maturity	\$ (2,000,000)
2/28 LAIF Withdrawal - City	\$ (2,000,000)
Total	\$ (4,000,000)

ACTIVITY TOTAL

\$ 6,000,000

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 169,265
Amortization	(791)
Total	\$ 168,474

INCOME TOTAL

\$ 168,474

CITY OF SANTA BARBARA
Summary of Cash and Investments
February 28, 2017

ENDING BALANCE AS OF JANUARY 31, 2017

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 32,261,342	0.400%	17.35%	1
State of California LAIF	65,000,000	0.751%	34.96%	1
Certificates of Deposit	7,000,000	1.644%	3.77%	488
Treasury Securities	2,000,391	0.607%	1.08%	27
Federal Agency Issues - Coupon	65,001,281	1.570%	34.96%	1,032
Corporate/Medium Term Notes	10,026,915	1.578%	5.39%	659
	181,289,929	1.061%	97.51%	426
SB Airport Promissory Note	4,628,681	4.195%	2.49%	4,532
Totals and Averages	\$ 185,918,610	1.139%	100.00%	528
Total Cash and Investments	\$ 185,918,610			

NET CASH AND INVESTMENT ACTIVITY FOR FEBRUARY 2017 **\$ (14,626,245)**

ENDING BALANCE AS OF FEBRUARY 28, 2017

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 11,652,138	0.400%	6.80%	1 (1)
State of California LAIF	63,000,000	0.777%	36.78%	1 (2)
Certificates of Deposit	7,000,000	1.644%	4.09%	460
Treasury Securities	1,984,098	1.610%	1.16%	1,279
Federal Agency Issues - Coupon	73,001,602	1.618%	42.62%	1,051
Corporate/Medium Term Notes	10,025,846	1.578%	5.85%	631
	166,663,684	1.214%	97.30%	533
SB Airport Promissory Note	4,628,681	4.195%	2.70%	4,504
Totals and Averages	\$ 171,292,365	1.294%	100.00%	641
Total Cash and Investments	\$ 171,292,365			

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 February 28, 2017 is 186 days.

CITY OF SANTA BARBARA

Investment Portfolio

February 28, 2017

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
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.777	0.777	63,000,000.00	63,000,000.00	63,000,000.00	0.00	
Subtotal, LAIF							63,000,000.00	63,000,000.00	63,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
ALLY BANK	09/24/15	09/25/17	-	-	1.250	1.250	250,000.00	250,000.00	250,720.00	720.00	FDIC Certificate 57803
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	253,715.00	3,715.00	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	254,707.50	4,707.50	FDIC Certificate 27471
BMO HARRIS BANK NA	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,727.50	727.50	FDIC Certificate 16571
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	254,712.50	4,712.50	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	253,735.00	3,735.00	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	254,707.50	4,707.50	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	255,140.00	5,140.00	FDIC Certificate 5649
EVERBANK	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,595.00	595.00	FDIC Certificate 34775
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	253,660.00	3,660.00	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	253,720.00	3,720.00	FDIC Certificate 33124
KEY BANK NA	09/30/15	10/02/17	-	-	1.150	1.150	250,000.00	250,000.00	250,735.00	735.00	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	
Subtotal, Certificates of deposit							7,000,000.00	7,000,000.00	7,036,875.00	36,875.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	02/01/17	08/31/20	Aaa	AA+	1.375	1.610	2,000,000.00	1,984,098.13	1,982,960.00	(1,138.13)	
Subtotal, Treasury Securities							2,000,000.00	1,984,098.13	1,982,960.00	(1,138.13)	
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	2,015,000.00	15,000.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,015,940.00	15,940.00	
FED AGRICULTURAL MTG CORP	01/17/17	01/17/20	-	-	1.675	1.675	2,000,000.00	2,000,000.00	1,997,920.00	(2,080.00)	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	2,010,720.00	10,720.00	
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,009,460.00	9,460.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,004,340.00	4,340.00	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,006,720.00	6,720.00	
FEDERAL FARM CREDIT BANK	12/12/16	12/12/19	Aaa	AA+	1.450	1.450	2,000,000.00	2,000,000.00	1,997,880.00	(2,120.00)	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,002,622.22	2,025,840.00	23,217.78	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,006,580.00	6,580.00	
FEDERAL HOME LOAN BANK	10/12/16	10/12/21	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,954,700.00	(45,300.00)	Callable 04/12/17, 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	1,961,200.00	(38,800.00)	Callable 05/23/17, then qtrly
FEDERAL HOME LOAN BANK	12/28/16	12/28/21	Aaa	AA+	1.625	2.351	2,000,000.00	2,000,000.00	1,998,120.00	(1,880.00)	SU 1.625%-3.75%, Call 06/28/17, then qtrly
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,003,411.69	2,017,500.00	14,088.31	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,981.70	2,002,080.00	2,098.30	
FEDERAL HOME LOAN BANK	11/22/16	11/22/21	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,977,680.00	(22,320.00)	
FEDERAL HOME LOAN BANK	12/15/16	06/15/20	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,981,840.00	(18,160.00)	Callable 12/15/17, once
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	1,992,740.00	(7,260.00)	Callable 03/30/17, 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	1,996,620.00	(3,380.00)	
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	1,999,580.00	(420.00)	Callable 08/25/17, then qtrly

CITY OF SANTA BARBARA

Investment Portfolio

February 28, 2017

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 HOME LOAN MTG CORP	02/28/17	02/25/22	Aaa	AA+	2.375	2.375	2,000,000.00	2,000,000.00	2,000,140.00	140.00	Callable 05/25/17, 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	1,997,620.00	(2,380.00)	Callable 11/27/17, 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	1,949,040.00	(50,960.00)	SU 1.4%-3%, Call 04/27/17, 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	1,999,180.00	(820.00)	Callable 01/26/18, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,829.29	1,001,500.00	1,670.71	
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	1,970,380.00	(29,620.00)	SU 1.25%-3.5% Call 03/29/17, then qtrly
FEDERAL HOME LOAN MTG CORP	02/17/17	02/17/22	Aaa	AA+	2.250	2.418	2,000,000.00	2,000,000.00	1,999,680.00	(320.00)	SU 2.25%-3% Call 05/17/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,997,615.27	2,001,160.00	3,544.73	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,000,630.91	2,014,500.00	13,869.09	
FEDERAL NATL MORTGAGE ASSN	05/26/16	05/26/20	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	1,969,100.00	(30,900.00)	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	1,932,260.00	(67,740.00)	Callable 08/16/17, 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	1,997,920.00	(2,080.00)	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	1,977,580.00	(22,420.00)	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	1,950,180.00	(49,820.00)	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	1,995,400.00	(4,600.00)	Callable 05/05/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,997,510.59	2,001,160.00	3,649.41	
FEDERAL NATL MORTGAGE ASSN	05/26/16	11/26/19	Aaa	AA+	1.300	1.300	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>1,985,220.00</u>	<u>(14,780.00)</u>	Callable 05/26/17, once
Subtotal, Federal Agencies							<u>73,000,000.00</u>	<u>73,001,601.67</u>	<u>72,714,480.00</u>	<u>(287,121.67)</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	2,005,880.00	5,880.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA-	2.300	2.250	2,000,000.00	2,001,757.28	2,027,300.00	25,542.72	
TOYOTA MOTOR CREDIT	11/20/15	07/13/18	Aa3	AA-	1.550	1.408	2,000,000.00	2,003,789.38	2,001,220.00	(2,569.38)	
TOYOTA MOTOR CREDIT	09/15/16	05/20/19	Aa3	AA-	1.400	1.307	2,000,000.00	2,004,040.54	1,985,900.00	(18,140.54)	
WELLS FARGO BANK NA	09/15/16	05/24/19	Aa2	AA-	1.750	1.377	<u>2,000,000.00</u>	<u>2,016,258.89</u>	<u>1,997,860.00</u>	<u>(18,398.89)</u>	
Subtotal, Corporate Securities							<u>10,000,000.00</u>	<u>10,025,846.09</u>	<u>10,018,160.00</u>	<u>(7,686.09)</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	<u>4,628,681.16</u>	<u>4,628,681.16</u>	<u>4,628,681.16</u>	<u>0.00</u>	
Subtotal, SBA Note							<u>4,628,681.16</u>	<u>4,628,681.16</u>	<u>4,628,681.16</u>	<u>0.00</u>	
CHECKING ACCOUNT											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	<u>11,652,137.64</u>	<u>11,652,137.64</u>	<u>11,652,137.64</u>	<u>0.00</u>	
Subtotal, Checking Account							<u>11,652,137.64</u>	<u>11,652,137.64</u>	<u>11,652,137.64</u>	<u>0.00</u>	
TOTALS							<u>171,280,818.80</u>	<u>171,292,364.69</u>	<u>171,033,293.80</u>	<u>(259,070.89)</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.