



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 25, 2017

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: June 30, 2017, Investment Report And June 30, 2017, Fiscal Agent Report

RECOMMENDATION: That Council:

- A. Accept the June 30, 2017, Investment Report; and
- B. Accept the June 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 April through June 2017.

Most 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 a decrease of 18 basis points on the 30-year Treasury note to an increase of 27 basis points on the 3-month Treasury note. Maturities

U.S. Treasury Market					
	3/31/2017	4/30/2017	5/31/2017	6/30/2017	Cumulative Change
3 Month	0.76%	0.80%	0.98%	1.03%	0.27%
6 Month	0.91%	0.99%	1.08%	1.14%	0.23%
1 Year	1.03%	1.07%	1.17%	1.24%	0.21%
2 Year	1.27%	1.28%	1.28%	1.38%	0.11%
3 Year	1.50%	1.45%	1.44%	1.55%	0.05%
4 Year	1.72%	1.63%	1.60%	1.72%	0.00%
5 Year	1.93%	1.81%	1.75%	1.89%	-0.04%
10 Year	2.40%	2.29%	2.21%	2.31%	-0.09%
30 Year	3.02%	2.96%	2.87%	2.84%	-0.18%
LAIF	0.78%	0.92%	0.92%	0.92%	0.14%

ranging from 3 months to 3 years saw modest increases, while the 30-year, 10-year, and 5-year all slightly decreased in Treasury yield over the quarter.

The City generally invests in securities of one to five years in duration. Within this duration, interest rates ranged from 1.24% to 1.89% 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 six months, 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 \$16 million during the quarter. The purchases consisted of \$8 million in “AAA” rated Federal Agency callable securities (identified by a call date), and \$8 million in “AAA” rated Federal Agency bullet securities. The purchases replaced \$6 million in Federal Agency securities that were called, and \$2 million in Federal Agency securities that matured over the quarter. In addition, the portfolio also received \$149,180 in a semi-annual principal payment on the Airport promissory note at the end of June. The outstanding balance on the Airport promissory note is \$4.480 million.

Issuer	Face Amount	Purchase Date	Final Maturity	Call Date	Yield To Call	Yield To Maturity
<i>Purchases:</i>						
Federal Farm Credit Bank (FFCB)	\$ 2,000,000	04/13/17	04/13/20	-	-	1.550%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	04/27/17	07/27/21	07/27/18	1.800%	1.800%
Federal Farm Credit Bank (FFCB)	2,000,000	05/03/17	05/03/21	-	-	1.750%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	05/25/17	05/25/22	05/25/18	2.050%	2.050%
Federal Home Loan Bank (FHLB)	2,000,000	05/26/17	05/26/20	-	-	1.600%
Federal Home Loan Bank (FHLB)	2,000,000	06/16/17	03/16/20	-	-	1.550%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	06/22/17	12/22/20	06/22/18	1.700%	1.700%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	06/28/17	06/28/22	06/28/19	1.550%	2.108%
	\$ 16,000,000					
<i>Calls:</i>						
Federal Home Loan Mortgage Corp (FHLMC)	\$ 2,000,000	02/17/17	02/17/22	05/17/17	2.250%	2.418%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	02/28/17	02/25/22	05/25/17	2.375%	2.375%
Federal Home Loan Bank (FHLB)	2,000,000	12/28/16	12/28/21	06/28/17	1.625%	2.351%
	\$ 6,000,000					
<i>Sales/Maturities:</i>						
Federal Home Loan Bank (FHLB)	\$ 2,000,000	06/18/14	06/09/17	-	-	1.003%
Airport Promissory Note - Partial Redemption	149,180	07/14/09	06/30/29	-	-	4.195%
	\$ 2,149,180					

Summary of Cash and Investments

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 3.5 basis points from 1.337 percent at March 31, 2017 to 1.372 percent at June 30, 2017.

Mo. Ended	Yield	Days to Maturity
3/31/2017	1.337%	669
4/30/2017	1.354%	645
5/31/2017	1.326%	600
6/30/2017	1.372%	614

The portfolio’s average days to maturity, including the long-term Airport promissory note, decreased by 55 days from 669 to 614 days. Excluding the Airport note, the portfolio’s average days to maturity is 522 days, reflecting reinvestment of maturities and calls 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.

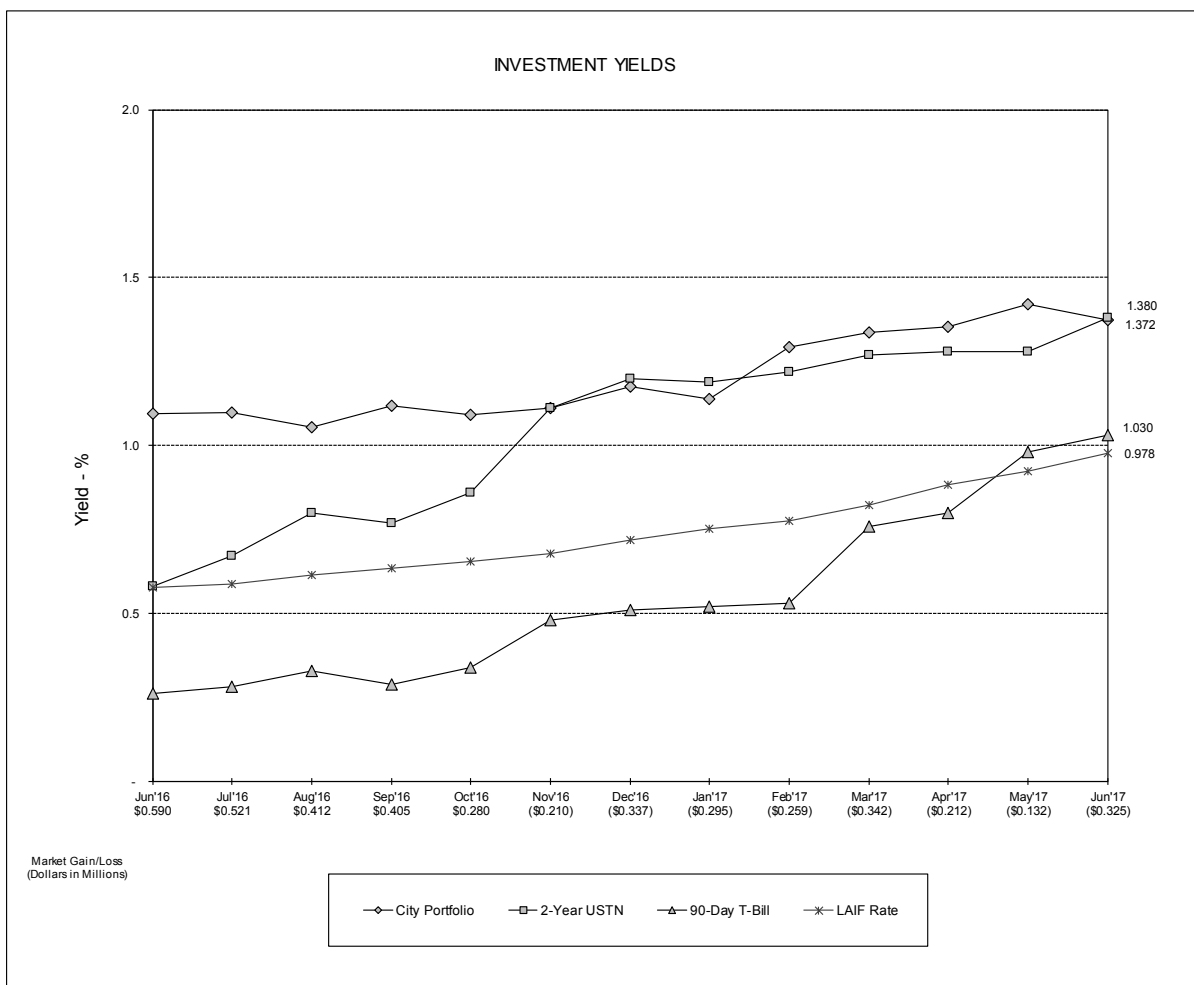
The average LAIF rate at which the City earned interest for funds invested was at 0.92 percent for the quarter ended June 30, 2017; an increase of 14 basis points from the previous quarter. The City's LAIF holdings at the end of the quarter were \$65 million. Staff expects to reinvest a portion of the 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, and again in June 2017. As of June 30, 2017, the City's portfolio rate exceeds the 90-day Treasury Bill and

LAIIF rates, and is 0.8 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 June 30, 2017, the portfolio had an overall unrealized market loss of approximately \$325,000.

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 HOME LOAN MTG CORP	\$2,000,000	10/27/21	-\$44,900	-2.25%
FEDERAL NATL MORTGAGE ASSN	\$2,000,000	09/29/21	-\$44,620	-2.23%
FEDERAL HOME LOAN BANK	\$2,000,000	10/12/21	-\$40,600	-2.03%
FEDERAL NATL MORTGAGE ASSN	\$2,000,000	08/16/21	-\$38,560	-1.93%
FEDERAL HOME LOAN BANK	\$2,000,000	11/23/21	-\$34,400	-1.72%

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 June 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 and the police and fire service retirement fund as of June 30, 2017.

ATTACHMENTS: 1. June 30, 2017, Investment Report
 2. June 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
June 30, 2017

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

6/16 Federal Home Loan Bank (FHLB)	\$ 2,000,000
6/22 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
6/28 Federal Home Loan Mortgage Corp (FHLMC)	<u>2,000,000</u>
Total	\$ 6,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

6/9 Federal Home Loan Bank (FHLB) - Maturity	\$ (2,000,000)
6/28 Federal Home Loan Bank (FHLB) - Call	(2,000,000)
6/30 Airport Promissory Note - Partial Redemption	<u>(149,180)</u>
Total	\$ (4,149,180)

ACTIVITY TOTAL

\$ 1,850,820

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 208,062
Amortization	<u>(379)</u>
Total	\$ 207,683

INCOME TOTAL

\$ 207,683

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

ENDING BALANCE AS OF MAY 31, 2017

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 17,754,037	0.400%	9.37%	1
State of California LAIF	65,000,000	0.925%	34.32%	1
Certificates of Deposit	7,000,000	1.644%	3.70%	368
Treasury Securities	1,985,242	1.610%	1.05%	1,187
Federal Agency Issues - Coupon	83,002,564	1.615%	43.83%	998
Corporate/Medium Term Notes	10,022,640	1.578%	5.29%	539
	<u>184,764,484</u>	<u>1.255%</u>	<u>97.56%</u>	<u>505</u>
SB Airport Promissory Note	4,628,681	4.195%	2.44%	4,412
Totals and Averages	<u>\$ 189,393,165</u>	<u>1.326%</u>	<u>100.00%</u>	<u>600</u>
Total Cash and Investments	<u>\$ 189,393,165</u>			

NET CASH AND INVESTMENT ACTIVITY FOR JUNE 2017

\$ (2,573,068)

ENDING BALANCE AS OF JUNE 30, 2017

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 13,335,653	0.400%	7.14%	1 (1)
State of California LAIF	65,000,000	0.978%	34.79%	1 (2)
Certificates of Deposit	7,000,000	1.644%	3.75%	338
Treasury Securities	1,985,615	1.610%	1.06%	1,157
Federal Agency Issues - Coupon	85,002,881	1.624%	45.50%	1,003
Corporate/Medium Term Notes	10,021,572	1.578%	5.36%	509
	<u>182,345,721</u>	<u>1.302%</u>	<u>97.60%</u>	<u>522</u>
SB Airport Promissory Note	4,479,501	4.195%	2.40%	4,382
Totals and Averages	<u>\$ 186,825,222</u>	<u>1.372%</u>	<u>100.00%</u>	<u>614</u>
UB Trust Cash	(5,125)			
Total Cash and Investments	<u>\$ 186,820,097</u>			

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 June 30, 2017 is 194 days.

CITY OF SANTA BARBARA

Investment Portfolio

June 30, 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
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.978	0.978	65,000,000.00	65,000,000.00	65,000,000.00	0.00	
Subtotal, LAIF							65,000,000.00	65,000,000.00	65,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
ALLY BANK	09/24/15	09/25/17	-	-	1.250	1.250	250,000.00	250,000.00	250,070.00	70.00	FDIC Certificate 57803
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	252,360.00	2,360.00	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	252,752.50	2,752.50	FDIC Certificate 27471
BMO HARRIS BANK NA	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,062.50	62.50	FDIC Certificate 16571
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	253,252.50	3,252.50	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	252,372.50	2,372.50	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	253,250.00	3,250.00	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	253,642.50	3,642.50	FDIC Certificate 5649
EVERBANK	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,005.00	5.00	FDIC Certificate 34775
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	252,310.00	2,310.00	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	252,362.50	2,362.50	FDIC Certificate 33124
KEY BANK NA	09/30/15	10/02/17	-	-	1.150	1.150	250,000.00	250,000.00	250,067.50	67.50	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	
Subtotal, Certificates of deposit							7,000,000.00	7,000,000.00	7,022,507.50	22,507.50	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	02/01/17	08/31/20	Aaa	AA+	1.375	1.610	2,000,000.00	1,985,614.96	1,985,940.00	325.04	
Subtotal, Treasury Securities							2,000,000.00	1,985,614.96	1,985,940.00	325.04	
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	2,007,320.00	7,320.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,009,960.00	9,960.00	
FED AGRICULTURAL MTG CORP	01/17/17	01/17/20	-	-	1.675	1.675	2,000,000.00	2,000,000.00	1,997,740.00	(2,260.00)	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	2,011,300.00	11,300.00	
FEDERAL FARM CREDIT BANK	04/13/17	04/13/20	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,995,260.00	(4,740.00)	
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,002,540.00	2,540.00	
FEDERAL FARM CREDIT BANK	05/03/17	05/03/21	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,994,220.00	(5,780.00)	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,000,300.00	300.00	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,000,800.00	800.00	
FEDERAL FARM CREDIT BANK	12/12/16	12/12/19	Aaa	AA+	1.450	1.450	2,000,000.00	2,000,000.00	1,995,940.00	(4,060.00)	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,002,053.20	2,014,840.00	12,786.80	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,002,920.00	2,920.00	
FEDERAL HOME LOAN BANK	10/12/16	10/12/21	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,959,400.00	(40,600.00)	Callable 07/12/17, 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	1,965,600.00	(34,400.00)	Callable 08/23/17, 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	1,998,680.00	(1,320.00)	
FEDERAL HOME LOAN BANK	06/16/17	03/16/20	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,996,480.00	(3,520.00)	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,002,774.98	2,010,780.00	8,005.02	
FEDERAL HOME LOAN BANK	12/15/16	06/15/20	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,983,140.00	(16,860.00)	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	1,981,480.00	(18,520.00)	
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	1,994,300.00	(5,700.00)	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	1,994,880.00	(5,120.00)	SU 1.55%-2.5%, Call 06-28-19, 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	1,993,320.00	(6,680.00)	Callable 09/30/17, then qtrly

CITY OF SANTA BARBARA

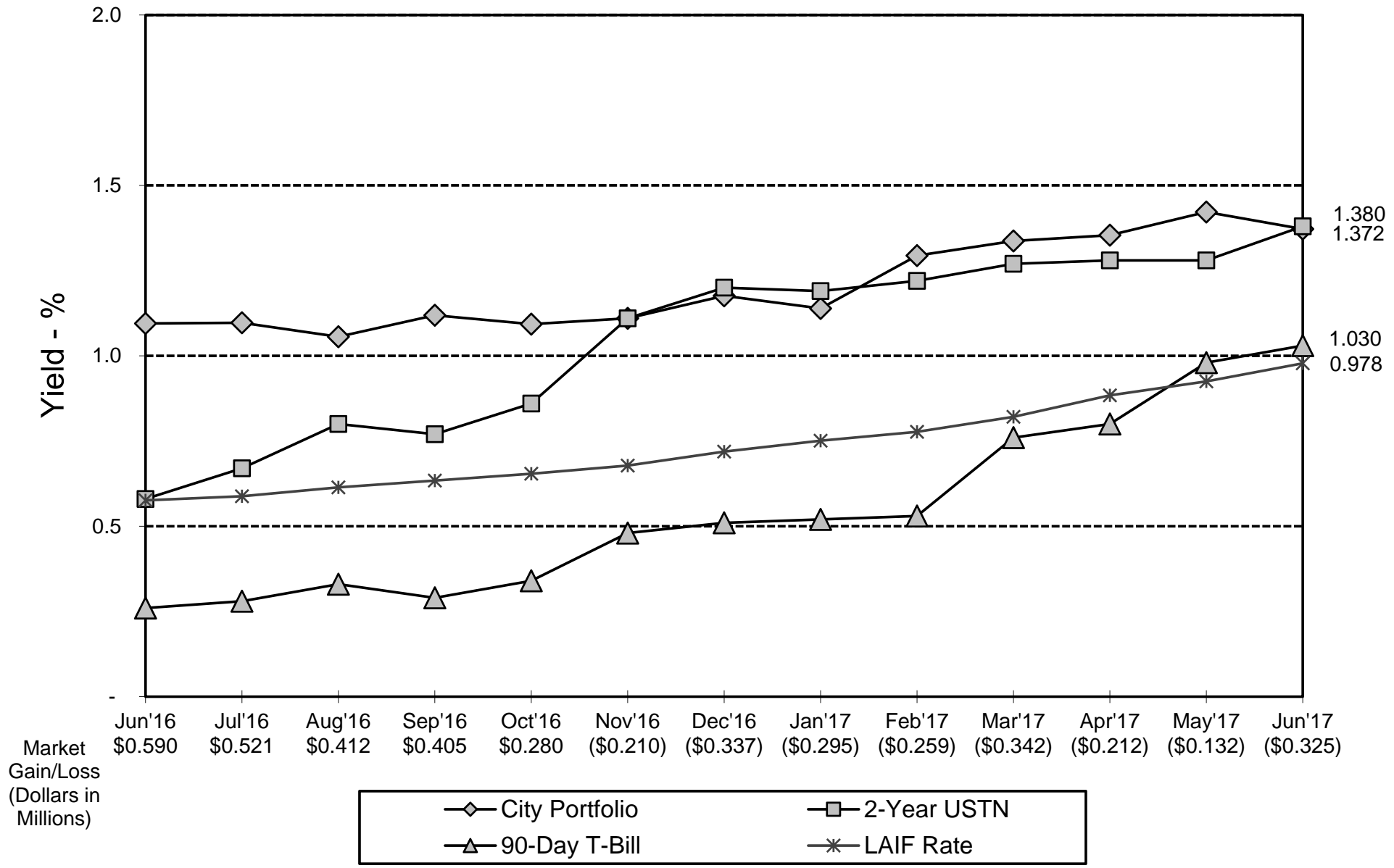
Investment Portfolio

June 30, 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
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	1,998,320.00	(1,680.00)	
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	1,997,240.00	(2,760.00)	Callable 08/25/17, 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	2,003,160.00	3,160.00	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	1,995,200.00	(4,800.00)	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	1,988,400.00	(11,600.00)	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	1,991,600.00	(8,400.00)	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	1,955,100.00	(44,900.00)	SU 1.4%-3%, Call 07/27/17, 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	1,999,620.00	(380.00)	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	2,001,880.00	1,880.00	Callable 03/29/18, once
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,927.78	999,770.00	(157.78)	
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	1,975,920.00	(24,080.00)	SU 1.25%-3.5% Call 09/29/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,998,833.00	1,998,580.00	(253.00)	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,000,509.97	2,006,840.00	6,330.03	
FEDERAL NATL MORTGAGE ASSN	05/26/16	05/26/20	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	1,970,100.00	(29,900.00)	
FEDERAL NATL MORTGAGE ASSN	08/16/16	08/16/21	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,961,440.00	(38,560.00)	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	1,997,800.00	(2,200.00)	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	1,982,000.00	(18,000.00)	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	1,955,380.00	(44,620.00)	Callable 09/29/17, 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	1,994,720.00	(5,280.00)	Callable 08/05/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,998,781.78	1,998,580.00	(201.78)	
FEDERAL NATL MORTGAGE ASSN	05/26/16	11/26/19	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	1,986,080.00	(13,920.00)	
Subtotal, Federal Agencies							85,000,000.00	85,002,880.71	84,668,930.00	(333,950.71)	
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	2,001,880.00	1,880.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA-	2.300	2.250	2,000,000.00	2,001,443.94	2,018,080.00	16,636.06	
TOYOTA MOTOR CREDIT	11/20/15	07/13/18	Aa3	AA-	1.550	1.408	2,000,000.00	2,002,865.14	2,003,480.00	614.86	
TOYOTA MOTOR CREDIT	09/15/16	05/20/19	Aa3	AA-	1.400	1.307	2,000,000.00	2,003,433.70	1,987,900.00	(15,533.70)	
WELLS FARGO BANK NA	09/15/16	05/24/19	Aa2	AA-	1.750	1.377	2,000,000.00	2,013,829.16	1,996,120.00	(17,709.16)	
Subtotal, Corporate Securities							10,000,000.00	10,021,571.94	10,007,460.00	(14,111.94)	
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	13,335,653.22	13,335,653.22	13,335,653.22	0.00	
Subtotal, Checking Account							13,335,653.22	13,335,653.22	13,335,653.22	0.00	
CASH											
UB TRUST CASH	-	-	-	-	0.000	0.000	(5,125.00)	(5,125.00)	(5,125.00)	0.00	
Subtotal, Cash							(5,125.00)	(5,125.00)	(5,125.00)	0.00	
TOTALS							186,810,029.23	186,820,096.84	186,494,866.73	(325,230.11)	

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
June 30, 2017

	CASH & CASH EQUIVALENTS Book & Market	Guaranteed Investment Contracts (GIC) Book & Market	STOCKS		BONDS		US GOVT & AGENCIES		TOTALS	
			Book	Market	Book	Market	Book	Market	Book	Market
BOND FUNDS										
<i>RESERVE FUNDS</i>										
2004 RDA - Housing Bonds	617,662.45	-	-	-	-	-	-	-	617,662.45	617,662.45
2002 Municipal Improvement - Refunding COPs	-	-	-	-	-	-	-	-	-	-
2011 Water - Safe Drinking Water State Loan	1,011,188.54	-	-	-	-	-	-	-	1,011,188.54	1,011,188.54
2013 Water - Refunding COPS	16,619.93	428,069.44	-	-	-	-	636,099.18	640,640.00	1,080,788.55	1,085,329.37
2016 Sewer - Revenue Bonds	11,172.74	-	-	-	-	-	-	-	11,172.74	11,172.74
2009 Airport - Revenue Bonds	2,140,375.36	-	-	-	-	-	3,139,457.55	3,138,150.20	5,279,832.91	5,278,525.56
2014 Waterfront - Refunding Bonds	10,102.26	581,455.74	-	-	-	-	-	-	591,558.00	591,558.00
Subtotal, Reserve Funds	<u>3,807,121.28</u>	<u>1,009,525.18</u>	-	-	-	-	<u>3,775,556.73</u>	<u>3,778,790.20</u>	<u>8,592,203.19</u>	<u>8,595,436.66</u>
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	27,156.83	-	-	-	-	-	-	-	27,156.83	27,156.83
2003 RDA Bonds	7,577,587.84	-	-	-	-	-	-	-	7,577,587.84	7,577,587.84
Subtotal, Project Funds	<u>7,604,744.67</u>	-	-	-	-	-	-	-	<u>7,604,744.67</u>	<u>7,604,744.67</u>
SUBTOTAL BOND FUNDS	11,411,865.95	1,009,525.18	-	-	-	-	3,775,556.73	3,778,790.20	16,196,947.86	16,200,181.33
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
TOTAL FISCAL AGENT INVESTMENTS	<u>11,411,865.95</u>	<u>1,009,525.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,775,556.73</u>	<u>3,778,790.20</u>	<u>16,196,947.86</u>	<u>16,200,181.33</u>

Notes:

- (1) Cash & cash equivalents include money market funds.
- (2) Market values have been obtained from the following trustees: US Bank and MUFG Union Bank, N.A. - The Private Bank