



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 15, 2015
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: November 2015 Investment Report

RECOMMENDATION:

That Council accept the November 2015 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, 2015.

ATTACHMENT: November 2015 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, 2015

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

11/12 LAIF Deposit - City	\$ 8,000,000
11/20 Toyota Motor Credit Corp (TOYOTA)	2,000,000
11/25 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
11/27 Federal National Mortgage Association (FNMA)	2,000,000
11/27 Federal National Mortgage Association (FNMA)	2,000,000
11/30 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
11/30 Federal National Mortgage Association (FNMA)	2,000,000
Total	\$ 20,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

11/2 Cash Redemption from 10/31	\$ (2,000,000)
11/8 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
11/8 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
11/9 General Electric Capital Corporation (GECC) - Maturity	(2,000,000)
11/15 Proctor & Gamble (PGAMBL) - Maturity	(2,000,000)
11/18 Montecito Bank & Trust CD (MBTCD) - Maturity	(2,000,000)
11/25 LAIF Withdrawal - City	(4,000,000)
11/30 LAIF Withdrawal - City	(6,000,000)
Total	\$ (22,000,000)

ACTIVITY TOTAL

\$ (2,000,000)

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 138,435
Amortization	(9,866)
Total	\$ 128,569

INCOME TOTAL

\$ 128,569

ATTACHMENT

CITY OF SANTA BARBARA
Summary of Cash and Investments
November 30, 2015

ENDING BALANCE AS OF OCTOBER 31, 2015

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 14,232,925	0.400%	9.93%	1
State of California LAIF	39,000,000	0.357%	27.20%	1
Certificates of Deposit	9,000,000	1.412%	6.28%	740
Treasury Securities	6,065,088	0.516%	4.23%	327
Federal Agency Issues - Coupon	58,001,664	1.402%	40.46%	964
Corporate/Medium Term Notes	12,006,690	1.911%	8.37%	398
	<u>138,306,368</u>	<u>1.010%</u>	<u>96.47%</u>	<u>502</u>
SB Airport Promissory Note	5,061,003	4.195%	3.53%	4,990
Totals and Averages	<u>\$ 143,367,371</u>	<u>1.123%</u>	<u>100.00%</u>	<u>660</u>
Cash/Pending Treasury Security Redemption	\$ 2,000,000			
Total Cash and Investments	<u>\$ 145,367,371</u>			

NET CASH AND INVESTMENT ACTIVITY FOR NOVEMBER 2015 **\$ 3,131,985**

ENDING BALANCE AS OF NOVEMBER 30, 2015

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 19,367,437	0.400%	13.04%	1 (1)
State of California LAIF	37,000,000	0.374%	24.92%	1 (2)
Certificates of Deposit	7,000,000	1.644%	4.71%	916
Treasury Securities	6,056,212	0.517%	4.08%	298
Federal Agency Issues - Coupon	64,001,572	1.442%	43.10%	1,006
Corporate/Medium Term Notes	10,013,133	1.907%	6.74%	640
	<u>143,438,353</u>	<u>1.029%</u>	<u>96.59%</u>	<u>551</u>
SB Airport Promissory Note	5,061,003	4.195%	3.41%	4,960
Totals and Averages	<u>\$ 148,499,356</u>	<u>1.137%</u>	<u>100.00%</u>	<u>701</u>
Total Cash and Investments	<u>\$ 148,499,356</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 November 30, 2015 is 183 days.

CITY OF SANTA BARBARA

Investment Portfolio

November 30, 2015

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	-	-	-	-	0.374	0.374	37,000,000.00	37,000,000.00	37,000,000.00	0.00	
Subtotal, LAIF							37,000,000.00	37,000,000.00	37,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
ALLY BANK	09/24/15	09/25/17	-	-	1.250	1.250	250,000.00	250,000.00	250,480.00	480.00	FDIC Certificate 57803
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	251,122.50	1,122.50	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	250,465.00	465.00	FDIC Certificate 27471
BMO HARRIS BANK NA	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,410.00	410.00	FDIC Certificate 16571
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	250,467.50	467.50	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	251,090.00	1,090.00	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	250,465.00	465.00	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	250,465.00	465.00	FDIC Certificate 5649
EVERBANK	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,410.00	410.00	FDIC Certificate 34775
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	251,077.50	1,077.50	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	251,082.50	1,082.50	FDIC Certificate 33124
KEY BANK NA	09/30/15	10/02/17	-	-	1.150	1.150	250,000.00	250,000.00	250,432.50	432.50	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	7,007,967.50	7,967.50	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,042,231.01	2,042,500.00	268.99	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,007,390.65	2,005,540.00	(1,850.65)	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,006,590.83	2,002,180.00	(4,410.83)	
Subtotal, Treasury Securities							6,000,000.00	6,056,212.49	6,050,220.00	(5,992.49)	
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	2,009,760.00	9,760.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,018,260.00	18,260.00	
FEDERAL FARM CREDIT BANK	01/22/15	01/22/19	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,001,980.00	1,980.00	Callable 01/22/16, then continuous
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,018,880.00	18,880.00	
FEDERAL FARM CREDIT BANK	12/16/14	12/16/19	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,000,500.00	500.00	Callable 12/16/15, then continuous
FEDERAL FARM CREDIT BANK	02/11/15	02/11/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,001,820.00	1,820.00	Callable 02/11/16, then continuous
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,010,360.00	10,360.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,011,880.00	11,880.00	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,002,320.00	2,320.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,004,756.04	2,042,160.00	37,403.96	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,013,220.00	13,220.00	
FEDERAL HOME LOAN BANK	06/29/15	06/29/18	Aaa	AA+	1.170	1.170	2,000,000.00	2,000,000.00	2,002,200.00	2,200.00	Callable 06/29/16, once
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,005,799.34	2,023,980.00	18,180.66	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,897.67	2,003,080.00	3,182.33	
FEDERAL HOME LOAN BANK	10/22/14	11/18/16	Aaa	AA+	0.750	0.500	2,000,000.00	2,004,781.72	2,001,500.00	(3,281.72)	
FEDERAL HOME LOAN MTG CORP	11/25/15	05/25/18	Aaa	AA+	1.050	1.050	2,000,000.00	2,000,000.00	1,994,620.00	(5,380.00)	Callable 05/25/16, once
FEDERAL HOME LOAN MTG CORP	11/30/15	05/24/19	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,998,460.00	(1,540.00)	Callable 02/24/16, then qtrly
FEDERAL HOME LOAN MTG CORP	08/24/15	08/24/20	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,009,040.00	9,040.00	Callable 08/24/16, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,459.96	1,000,700.00	1,240.04	

CITY OF SANTA BARBARA

Investment Portfolio

November 30, 2015

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	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	3,003,540.00	3,540.00	Callable 01/30/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/12/12	12/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,000,400.00	400.00	Callable 12/12/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,993,048.77	1,995,800.00	2,751.23	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,084.43	2,018,860.00	17,775.57	
FEDERAL NATL MORTGAGE ASSN	12/26/12	12/26/17	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	4,001,360.00	1,360.00	Callable 12/26/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/29/15	10/29/20	Aaa	AA+	1.500	1.766	2,000,000.00	2,000,000.00	1,987,240.00	(12,760.00)	SU 1.5%-3% Call 04/29/16, 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	1,988,260.00	(11,740.00)	Callable 02/05/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,992,743.64	1,995,800.00	3,056.36	
FEDERAL NATL MORTGAGE ASSN	06/30/15	06/30/20	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,009,400.00	9,400.00	Callable 06/30/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/27/15	11/28/18	Aaa	AA+	1.200	1.200	2,000,000.00	2,000,000.00	1,992,200.00	(7,800.00)	Callable 11/28/16, once
FEDERAL NATL MORTGAGE ASSN	11/27/15	11/27/19	Aaa	AA+	1.125	1.678	2,000,000.00	2,000,000.00	1,996,460.00	(3,540.00)	SU 1.125%-2.250%, Call 11/27/17, once
FEDERAL NATL MORTGAGE ASSN	11/30/15	11/25/20	Aaa	AA+	1.000	2.015	2,000,000.00	2,000,000.00	1,998,480.00	(1,520.00)	SU 1%-2.2% Call 08/25/16, once
Subtotal, Federal Agencies							64,000,000.00	64,001,571.57	64,152,520.00	150,948.43	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,999,941.67	2,001,680.00	1,738.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,005,300.00	5,300.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,002,932.28	2,034,280.00	31,347.72	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,003,003.51	2,018,380.00	15,376.49	
TOYOTA MOTOR CREDIT	11/20/15	07/13/18	Aa3	AA-	1.550	1.408	2,000,000.00	2,007,255.28	2,001,360.00	(5,895.28)	
Subtotal, Corporate Securities							10,000,000.00	10,013,132.74	10,061,000.00	47,867.26	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,061,002.86	5,061,002.86	5,061,002.86	0.00	
Subtotal, SBA Note							5,061,002.86	5,061,002.86	5,061,002.86	0.00	
CHECKING ACCOUNT											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	19,367,436.54	19,367,436.54	19,367,436.54	0.00	
Subtotal, Checking Account							19,367,436.54	19,367,436.54	19,367,436.54	0.00	
TOTALS							148,428,439.40	148,499,356.20	148,700,146.90	200,790.70	

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.