



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** October 29, 2013

**TO:** Mayor and Councilmembers

**FROM:** Treasury Division, Finance Department

**SUBJECT:** September 30, 2013, Investment Report And September 30, 2013, Fiscal Agent Report

**RECOMMENDATION:** That Council:

- A. Accept the September 30, 2013, Investment Report; and
- B. Accept the September 30, 2013, 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 the investment activity for the period of July through September 2013.

During the third quarter 2013, rates fluctuated with a slight spike in August. By the end of the quarter, there was a slight decrease in investment rates, and the overall market rates still remain very low.

As shown in the table to the right, the change in Treasury yields ranged from a decrease of 2 basis points on the 3-month Treasury note to a decrease of 5 basis points on the 1-year Treasury note. Longer term maturities saw an increase in Treasury yield, while the 5 year note and below all decreased slightly by the end of the quarter.

U.S. Treasury Market					
	6/30/2013	7/31/2013	8/31/2013	9/30/2013	Cumulative Change
3 Month	0.04%	0.04%	0.03%	0.02%	-0.02%
6 Month	0.10%	0.08%	0.05%	0.04%	-0.06%
1 Year	0.15%	0.11%	0.13%	0.10%	-0.05%
2 Year	0.36%	0.31%	0.39%	0.33%	-0.03%
3 Year	0.66%	0.61%	0.79%	0.63%	-0.03%
4 Year	1.02%	0.98%	1.21%	1.00%	-0.02%
5 Year	1.41%	1.38%	1.62%	1.39%	-0.02%
10 Year	2.52%	2.60%	2.78%	2.64%	0.12%
30 Year	3.52%	3.64%	3.70%	3.69%	0.17%
LAIF	0.24%	0.26%	0.26%	0.26%	0.02%

### Investment Activity

As shown in the Investment Activity table below, the City invested \$7 million in “AAA” rated Federal Agency callable securities and \$6 million in “AAA” rated Federal Agency bullets. The purchases replaced \$3 million in securities that matured during this quarter and a portion of the securities that matured or were called by issuers the previous quarter.

Issuer	Face Amount	Purchase Date	Final Maturity	Call Date	Yield To Call	Yield To Maturity
<i>Purchases:</i>						
Federal National Mortgage Association (FNMA)	\$ 2,000,000	07/10/13	07/10/18	07/10/14	1.700%	1.700%
Federal Home Loan Bank (FHLB)	2,000,000	07/17/13	07/17/18	10/17/13	1.750%	1.750%
Federal Farm Credit Bank (FFCB)	2,000,000	07/17/13	07/17/17	-	-	1.300%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	07/25/13	07/25/18	07/25/14	1.800%	1.800%
Federal National Mortgage Association (FNMA)	1,000,000	07/30/13	07/30/18	01/30/14	1.000%	1.896%
Federal Home Loan Bank (FHLB)	2,000,000	09/13/13	09/14/18	-	-	1.910%
Federal Farm Credit Bank (FFCB)	2,000,000	09/18/13	09/18/17	-	-	1.550%
	\$ 13,000,000					
<i>Calls:</i>						
N/A	\$ -					
	\$ -					
<i>Maturities:</i>						
Federal Home Loan Bank (FHLB)	\$ 1,000,000	09/22/11	08/28/13	-	-	0.381%
Federal Home Loan Bank (FHLB)	2,000,000	09/17/09	09/13/13	-	-	2.272%
	\$ 3,000,000					

### 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 decreased by 1.2 basis points from 1.267 percent at June 30, 2013 to 1.255 percent at September 30, 2013. The book rate of return will continue to decline through the attrition of higher-yielding securities and reinvestment at the current market rates at historic lows.

Mo. Ended	Yield	Days to Maturity
6/30/2013	1.267%	959
7/31/2013	1.265%	1051
8/31/2013	1.234%	993
9/30/2013	1.255%	1024

The portfolio's average days to maturity, including the long-term Airport promissory note, increased by 65 days from 959 to 1024 days. Excluding the Airport note, the portfolio's average days to maturity is 846 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 912 days, excluding any investments with a final maturity longer than 5 years that were separately authorized by Council, such as the Airport promissory note.

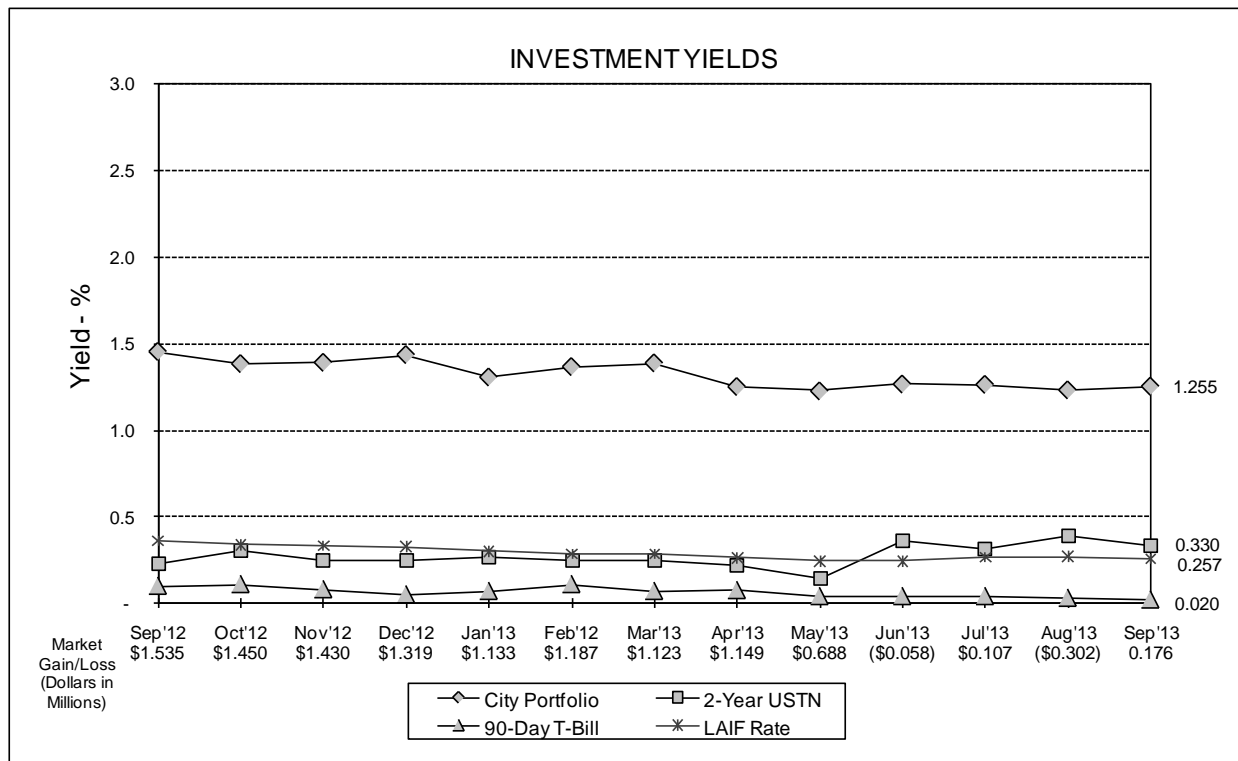
The average LAIF rate at which the City earned interest for funds invested was at 0.26 percent for the quarter ended September 30, 2013, up two basis points from last quarter. The City's LAIF holdings at the end of the quarter were \$29 million. Staff expects to reinvest a portion of the LAIF balances in fixed-term or callable securities during the next quarter.

### Credit Quality on Corporate Notes

There were no changes to the four corporate issuers of the medium-term notes held in the portfolio (i.e., Berkshire Hathaway Financial, General Electric Capital Corp, Proctor & Gamble, and Toyota Motor Credit), 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 continues to significantly outperform the three benchmark measures (the 90-day T-Bill, 2-year T-Note and LAIF). The City's portfolio reflected a very minimal market gain at September 30<sup>th</sup> as a result of the modest decrease in market yields during the quarter compared to the yields on securities currently held in the portfolio. At September 30, 2013, the portfolio had an overall unrealized market gain of \$0.176 million.



On a quarterly basis, staff reports the five securities with the largest percentage of unrealized losses when comparing book value to market value. There were five securities trading below purchase price at the end of the quarter. Market losses occur when current market yields rise above the yields on securities held in the portfolio. 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 NATL MORTGAGE ASSN	\$2,000,000	02/05/18	-\$37,300	-1.87%
FEDERAL NATL MORTGAGE ASSN	\$4,000,000	12/26/17	-\$73,120	-1.83%
FEDERAL NATL MORTGAGE ASSN	\$3,000,000	01/30/18	-\$53,400	-1.78%
FEDERAL HOME LOAN BANK	\$4,000,000	01/16/18	-\$70,120	-1.75%
FEDERAL NATL MORTGAGE ASSN	\$2,000,000	12/12/17	-\$33,840	-1.69%

On a quarterly basis, staff also reports all securities with monthly market declines of greater than 1 percent compared to the prior month. 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 September 30, 2013, 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 September 30, 2013.

**ATTACHMENTS:** 1. September 30, 2013, Investment Report  
 2. September 30, 2013, Fiscal Agent Report

**PREPARED BY:** Genie Wilson, Treasury Manager

**SUBMITTED BY:** Robert Samario, Finance Director

**APPROVED BY:** City Administrator's Office

**CITY OF SANTA BARBARA**  
**Activity and Interest Report**  
September 30, 2013

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

9/13 Federal Home Loan Bank (FHLB)	\$ 2,000,000
9/18 Federal Farm Credit Bank (FFCB)	<u>2,000,000</u>
<b>Total</b>	<b>\$ 4,000,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

9/5 LAIF Withdrawal - City	\$ (1,000,000)
9/13 LAIF Withdrawal - City	(1,000,000)
9/13 Federal Home Loan Bank (FHLB) - Maturity	(2,000,000)
9/19 LAIF Withdrawal - City	<u>(2,000,000)</u>
<b>Total</b>	<b>\$ (6,000,000)</b>

**ACTIVITY TOTAL**

**\$ (2,000,000)**

**INVESTMENT INCOME**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 182,939
Amortization	<u>(21,576)</u>
<b>Total</b>	<b>\$ 161,362</b>

**INCOME TOTAL**

**\$ 161,362**

**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**September 30, 2013**

**ENDING BALANCE AS OF AUGUST 31, 2013**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 33,000,000	0.271%	21.09%	1
Certificates of Deposit	8,000,000	1.267%	5.11%	932
Treasury Securities - Coupon	10,336,781	0.458%	6.60%	943
Federal Agency Issues - Coupon	89,527,844	1.409%	57.20%	1,099
Corporate/Medium Term Notes	<u>10,038,887</u>	<u>1.950%</u>	<u>6.41%</u>	<u>736</u>
	150,903,513	1.123%	96.41%	815
SB Airport Promissory Note	<u>5,603,520</u>	<u>4.195%</u>	<u>3.58%</u>	<u>5,781</u>
Totals and Averages	<u>\$ 156,507,033</u>	<u>1.234%</u>	<u>100.00%</u>	<u>993</u>
UB Money Market Account	3,249,050			
UB Trust Money Market Funds	<u>1,000,000</u>			
<b>Total Cash and Investments</b>	<b><u>\$ 160,756,083</u></b>			

**NET CASH AND INVESTMENT ACTIVITY FOR SEPTEMBER 2013**      **\$ (633,281)**

**ENDING BALANCE AS OF SEPTEMBER 30, 2013**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 29,000,000	0.257%	18.77%	1 (1)
Certificates of Deposit	8,000,000	1.267%	5.18%	902
Treasury Securities - Coupon	10,326,459	0.458%	6.68%	913
Federal Agency Issues - Coupon	91,526,484	1.404%	59.24%	1,117
Corporate/Medium Term Notes	<u>10,037,533</u>	<u>1.950%</u>	<u>6.50%</u>	<u>706</u>
	148,890,476	1.144%	96.37%	846
SB Airport Promissory Note	<u>5,603,520</u>	<u>4.195%</u>	<u>3.63%</u>	<u>5,751</u>
Totals and Averages	<u>\$ 154,493,996</u>	<u>1.255%</u>	<u>100.00%</u>	<u>1,024</u>
UB Money Market Account	5,628,806			
<b>Total Cash and Investments</b>	<b><u>\$ 160,122,802</u></b>			

(1) The average life of the LAIF portfolio as of September 30, 2013 is 239 days.

**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**September 30, 2013**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		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	-	-	-	-	0.257	0.257	29,000,000.00	29,000,000.00	29,000,000.00	0.00	
<b>Subtotal, LAIF</b>							29,000,000.00	29,000,000.00	29,000,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
MONTECITO BANK & TRUST	11/18/11	11/18/13	-	-	0.800	0.800	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
UNION BANK	08/31/12	08/31/15	-	-	1.230	1.247	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
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>							8,000,000.00	8,000,000.00	8,000,000.00	0.00	
<b>TREASURY SECURITIES - COUPON</b>											
U S TREASURY NOTE	10/25/12	03/15/15	Aaa	AA+	0.375	0.342	2,000,000.00	2,000,950.77	2,004,760.00	3,809.23	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,035,269.07	2,037,040.00	1,770.93	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,243,464.29	2,241,260.00	(2,204.29)	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,028,726.43	2,021,260.00	(7,466.43)	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,018,048.74	2,002,960.00	(15,088.74)	
<b>Subtotal, Treasury Securities</b>							10,000,000.00	10,326,459.30	10,307,280.00	(19,179.30)	
<b>FEDERAL AGENCY ISSUES - COUPON</b>											
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,009,280.00	9,280.00	
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,984,160.00	(15,840.00)	Callable, 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	2,022,960.00	22,960.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,095,720.00	95,720.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,010,420.00	10,420.00	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,001,500.00	1,500.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,022,920.00	22,920.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,008,454.65	2,037,640.00	29,185.35	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,002,585.88	2,012,180.00	9,594.12	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,006,180.00	6,180.00	
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,929,880.00	(70,120.00)	Callable 10/16/13, then qtrly
FEDERAL HOME LOAN BANK	07/17/13	07/17/18	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,997,520.00	(2,480.00)	Callable 10/17/13, then qtrly
FEDERAL HOME LOAN BANK	06/27/13	06/27/18	Aaa	AA+	1.250	1.493	2,000,000.00	2,000,000.00	1,980,080.00	(19,920.00)	SU 1.125%-2.5% Call 12/27/13, then qtrly
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,003,801.14	2,012,180.00	8,378.86	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,039,580.00	39,580.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,054,560.00	54,560.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,501,923.46	1,502,325.00	401.54	
FEDERAL HOME LOAN MTG CORP	01/06/11	02/25/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,010,360.00	10,360.00	
FEDERAL HOME LOAN MTG CORP	03/28/12	03/28/17	Aaa	AA+	1.350	1.350	2,000,000.00	2,000,000.00	2,010,000.00	10,000.00	Callable 03/28/14, once
FEDERAL HOME LOAN MTG CORP	06/26/13	06/26/18	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	1,972,520.00	(27,480.00)	Callable 12/26/13, then qtrly
FEDERAL HOME LOAN MTG CORP	07/25/13	07/25/18	Aaa	AA+	1.800	1.800	2,000,000.00	2,000,000.00	2,015,300.00	15,300.00	Callable 07/25/14, once
FEDERAL HOME LOAN MTG CORP	02/21/12	02/21/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,006,860.00	6,860.00	Callable 02/21/14, once

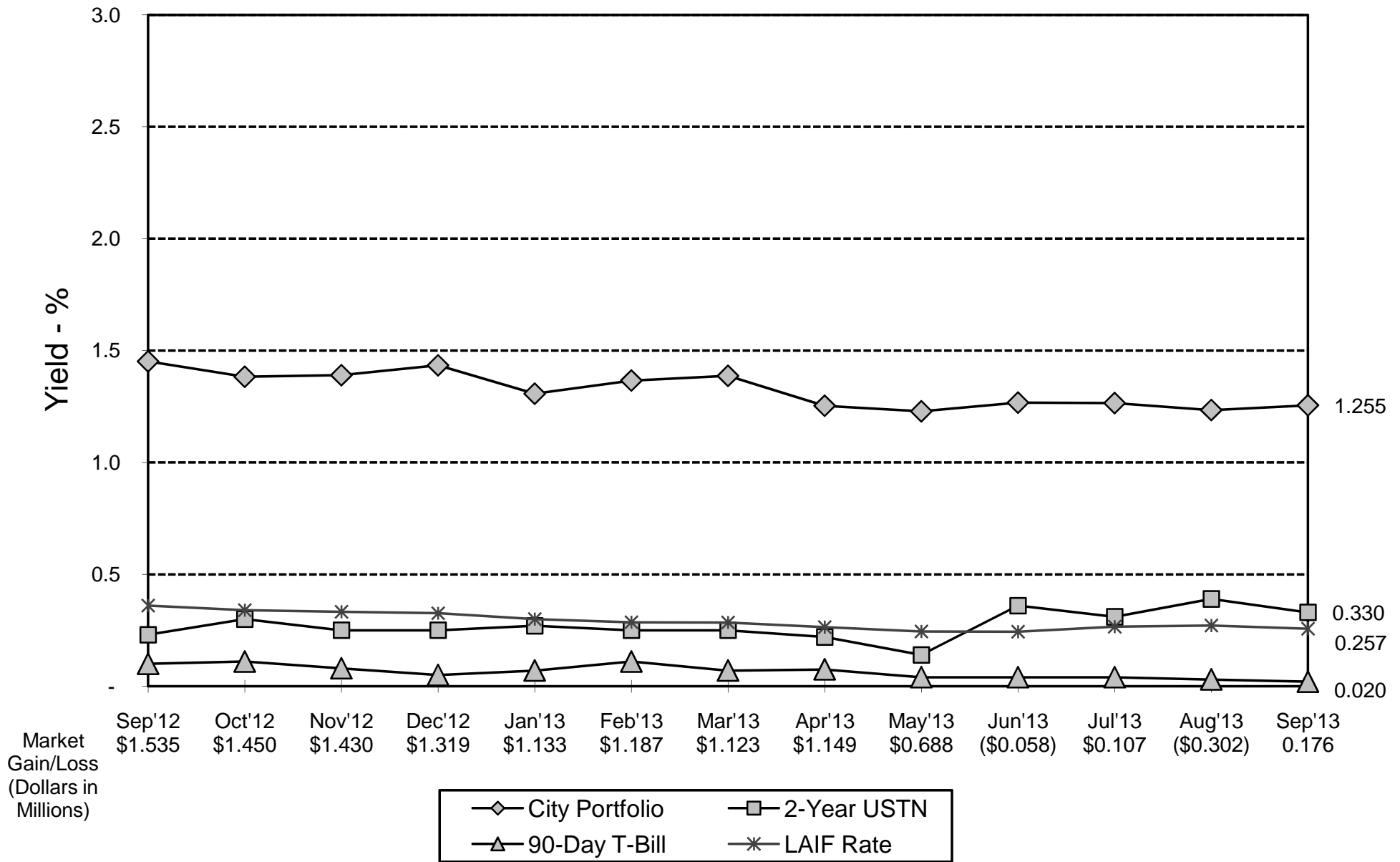
**CITY OF SANTA BARBARA**  
**Investment Portfolio**  
**September 30, 2013**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,998,954.26	2,007,040.00	8,085.74	
FEDERAL HOME LOAN MTG CORP	06/12/12	06/12/17	Aaa	AA+	1.250	1.250	2,000,000.00	2,000,000.00	1,998,580.00	(1,420.00)	Callable 06/12/14, then qtrly
FEDERAL HOME LOAN MTG CORP	07/24/12	07/24/17	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	1,988,380.00	(11,620.00)	Callable 10/24/13, then qtrly
FEDERAL HOME LOAN MTG CORP	09/12/12	09/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,975,380.00	(24,620.00)	Callable 12/12/13, then qtrly
FEDERAL HOME LOAN MTG CORP	01/16/13	01/16/18	Aaa	AA+	1.050	1.050	4,000,000.00	4,000,000.00	3,935,600.00	(64,400.00)	Callable 10/16/13, then qtrly
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,028,166.22	2,043,500.00	15,333.78	
FEDERAL HOME LOAN MTG CORP	06/26/13	06/26/18	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,976,160.00	(23,840.00)	Callable 12/26/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,999,925.00	2,001,820.00	1,895.00	Callable 10/28/13, once
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,946,600.00	(53,400.00)	Callable 01/30/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,024,960.00	24,960.00	
FEDERAL NATL MORTGAGE ASSN	08/28/12	08/28/17	Aaa	AA+	1.150	1.150	2,000,000.00	2,000,000.00	1,990,060.00	(9,940.00)	Callable 11/28/13, 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	1,966,160.00	(33,840.00)	Callable 12/12/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	06/19/13	12/19/16	Aaa	AA+	0.750	0.750	2,000,000.00	2,000,000.00	1,990,880.00	(9,120.00)	Callable 12/19/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	07/30/13	07/30/18	Aaa	AA+	1.000	1.896	1,000,000.00	1,000,000.00	1,001,570.00	1,570.00	SU 1%-2% Callable 01/30/14, once
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,968,820.00	(31,180.00)	Callable 11/08/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,968,820.00	(31,180.00)	Callable 11/08/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/26/12	12/26/17	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,926,880.00	(73,120.00)	Callable 12/26/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	07/10/13	07/10/18	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,997,580.00	(2,420.00)	Callable 07/10/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,062,660.00	62,660.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,982,673.23	2,048,920.00	66,246.77	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,962,700.00	(37,300.00)	Callable 02/05/15, then qtrly
<b>Subtotal, Federal Agencies</b>							<b>91,500,000.00</b>	<b>91,526,483.84</b>	<b>91,517,195.00</b>	<b>(9,288.84)</b>	
<b>CORPORATE/MEDIUM TERM NOTES</b>											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,996,691.67	2,073,380.00	76,688.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,053,300.00	53,300.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	A1	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,009,400.00	9,400.00	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,029,589.03	2,051,480.00	21,890.97	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,011,252.59	2,054,820.00	43,567.41	
<b>Subtotal, Corporate Securities</b>							<b>10,000,000.00</b>	<b>10,037,533.29</b>	<b>10,242,380.00</b>	<b>204,846.71</b>	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,603,519.96	5,603,519.96	5,603,519.96	0.00	
<b>Subtotal, SBA Note</b>							<b>5,603,519.96</b>	<b>5,603,519.96</b>	<b>5,603,519.96</b>	<b>0.00</b>	
<b>TOTALS</b>							<b>154,103,519.96</b>	<b>154,493,996.39</b>	<b>154,670,374.96</b>	<b>176,378.57</b>	

Market values have been obtained from the City's safekeeping agent, Union Bank The Private Bank (UBTPB). UBTPB uses Interactive Data Pricing Service, Bloomberg and DTC.



# INVESTMENT YIELDS



**CITY OF SANTA BARBARA  
Fiscal Agent Investments  
September 30, 2013**

	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
<b>BOND FUNDS</b>										
<i>RESERVE FUNDS</i>										
2004 RDA - Housing Bonds	2.71	-	-	-	-	-	-	-	2.71	2.71
2002 Municipal Improvement - Refunding COPs	10,885.51	547,530.00	-	-	-	-	-	-	558,415.51	558,415.51
2009 Airport Bonds	3,146,857.15	-	-	-	-	-	-	-	3,146,857.15	3,146,857.15
2002 Waterfront - Refunding COPs	949,537.02	1,393,262.50	-	-	-	-	-	-	2,342,799.52	2,342,799.52
Subtotal, Reserve Funds	<u>4,107,282.39</u>	<u>1,940,792.50</u>	-	-	-	-	-	-	<u>6,048,074.89</u>	<u>6,048,074.89</u>
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	2,366,215.00	-	-	-	-	-	-	-	2,366,215.00	2,366,215.00
2003 RDA Bonds	8,506,604.01	-	-	-	-	-	-	-	8,506,604.01	8,506,604.01
2013 Water - Refunding COPS	665,505.72	428,069.44	-	-	-	-	-	-	1,093,575.16	1,093,575.16
2004 Sewer - Revenue Bonds	1,025,235.90	1,357,140.00	-	-	-	-	-	-	2,382,375.90	2,382,375.90
Subtotal, Project Funds	<u>12,563,560.63</u>	<u>1,785,209.44</u>	-	-	-	-	-	-	<u>14,348,770.07</u>	<u>14,348,770.07</u>
<b>SUBTOTAL BOND FUNDS</b>	<b><u>16,670,843.02</u></b>	<b><u>3,726,001.94</u></b>	-	-	-	-	-	-	<b><u>20,396,844.96</u></b>	<b><u>20,396,844.96</u></b>
<b>POLICE/FIRE - SVC RETIREMENT FUND</b>										
Police/Fire Funds	<u>68,468.35</u>	-	<u>173,759.91</u>	<u>263,217.42</u>	<u>215,277.66</u>	<u>220,341.30</u>	-	-	<u>457,505.92</u>	<u>552,027.07</u>
	68,468.35	-	173,759.91	263,217.42	215,277.66	220,341.30	-	-	457,505.92	552,027.07
<b>TOTAL FISCAL AGENT INVESTMENTS</b>	<b><u>16,739,311.37</u></b>	<b><u>3,726,001.94</u></b>	<b><u>173,759.91</u></b>	<b><u>263,217.42</u></b>	<b><u>215,277.66</u></b>	<b><u>220,341.30</u></b>	-	-	<b><u>20,854,350.88</u></b>	<b><u>20,948,872.03</u></b>

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