



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** November 20, 2012

**TO:** Mayor and Councilmembers

**FROM:** Treasury Division, Finance Department

**SUBJECT:** October 2012 Investment Report

**RECOMMENDATION:**

That Council accept the October 2012 Investment Report.

**DISCUSSION:**

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of October 31, 2012.

**ATTACHMENT:** October 2012 Investment Report

**PREPARED BY:** Jill Taura, Treasury Manager

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

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

**CITY OF SANTA BARBARA**  
**Activity and Interest Report**  
**October 31, 2012**

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

10/1 LAIF Deposit - City	\$ 4,500,000
10/5 LAIF Deposit - City	1,500,000
10/11 LAIF Deposit - City	2,500,000
10/25 United States Treasury Note (USTN)	2,000,000
10/25 United States Treasury Note (USTN)	2,000,000
10/30 LAIF Deposit - City	4,500,000
<b>Total</b>	<b>\$ 17,000,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

10/3 LAIF Withdrawal - City	\$ (3,500,000)
10/9 LAIF Withdrawal - City	(2,000,000)
10/24 LAIF Withdrawal - City	(2,000,000)
10/24 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
10/29 Federal Home Loan Bank (FHLB) - Maturity	(2,000,000)
10/30 Federal Home Loan Bank (FHLB) - Maturity	(2,000,000)
<b>Total</b>	<b>\$ (13,500,000)</b>

**ACTIVITY TOTAL**

**\$ 3,500,000**

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**INVESTMENT INCOME**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 201,041
Amortization	(13,895)
Interest on SBB&T Accounts	305
<b>Total</b>	<b>\$ 187,451</b>

**REDEVELOPMENT SUCCESSOR AGENCY INVESTMENTS**

Interest Earned on Investments (LAIF)	<b>\$ 1,737</b>
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**INCOME TOTAL**

**\$ 189,188**

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**CITY OF SANTA BARBARA**

**Investment Portfolio**

**October 31, 2012**

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.340	0.340	40,000,000.00	40,000,000.00	40,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDAS	-	-	-	-	0.340	0.340	6,700,000.00	6,700,000.00	6,700,000.00	0.00	
<b>Subtotal, LAIF</b>							<b>46,700,000.00</b>	<b>46,700,000.00</b>	<b>46,700,000.00</b>	<b>0.00</b>	
<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	
SANTA BARBARA BANK & TRUST	08/31/12	08/31/15	-	-	1.230	1.247	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
SANTA BARBARA BANK & TRUST	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>							<b>8,000,000.00</b>	<b>8,000,000.00</b>	<b>8,000,000.00</b>	<b>0.00</b>	
<b>TREASURY SECURITIES - COUPON</b>											
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,050,768.90	2,051,720.00	951.10	
U S TREASURY NOTE	10/25/12	03/15/15	Aaa	AA+	0.375	0.342	2,000,000.00	2,001,549.94	2,002,360.00	810.06	
<b>Subtotal, Federal Agencies</b>							<b>4,000,000.00</b>	<b>4,052,318.84</b>	<b>4,054,080.00</b>	<b>1,761.16</b>	
<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	2,028,900.00	28,900.00	
FEDERAL FARM CREDIT BANK	03/01/12	03/01/17	Aaa	AA+	1.260	1.260	2,000,000.00	2,000,000.00	2,006,320.00	6,320.00	Callable 03/01/13, then cont.
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	2,005,940.00	5,940.00	Callable 08/15/13, then cont.
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AA+	2.600	2.600	2,000,000.00	2,000,000.00	2,016,840.00	16,840.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,017,960.00	17,960.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,136,660.00	136,660.00	
FEDERAL FARM CREDIT BANK	09/13/12	09/13/17	Aaa	AA+	1.020	1.020	2,000,000.00	2,000,000.00	1,998,960.00	(1,040.00)	Callable 12/13/12, then cont.
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,034,560.00	34,560.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,039,780.00	39,780.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,014,437.82	2,064,920.00	50,482.18	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,038,580.00	38,580.00	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AA+	2.000	2.653	2,000,000.00	2,000,000.00	2,002,620.00	2,620.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	09/26/11	08/28/13	Aaa	AA+	1.000	0.381	1,000,000.00	1,005,085.91	1,006,750.00	1,664.09	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,034,658.94	2,072,540.00	37,881.06	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,021,223.02	2,064,920.00	43,696.98	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,063,020.00	63,020.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,083,080.00	83,080.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,523,811.13	1,526,970.00	3,158.87	
FEDERAL HOME LOAN MTG CORP	03/28/12	03/28/17	Aaa	AA+	1.210	1.210	2,000,000.00	2,000,000.00	2,005,100.00	5,100.00	Callable 03/28/13, once
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	2,028,900.00	28,900.00	
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	2,030,400.00	30,400.00	Callable 03/28/14, 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	2,023,020.00	23,020.00	Callable 02/21/14, once
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,998,333.59	2,006,560.00	8,226.41	

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**October 31, 2012**

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
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	2,019,520.00	19,520.00	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	2,007,200.00	7,200.00	Callable 07/24/13, then qtrly
FEDERAL HOME LOAN MTG CORP	05/24/12	05/24/17	Aaa	AA+	1.200	1.200	2,000,000.00	2,000,000.00	2,006,020.00	6,020.00	Callable 05/24/13, then qtrly
FEDERAL HOME LOAN MTG CORP	08/28/12	08/28/17	Aaa	AA+	1.030	1.030	2,000,000.00	2,000,000.00	2,003,980.00	3,980.00	Callable 02/28/13, 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	1,999,900.00	(100.00)	Callable 09/12/13, then qtrly
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,079,519.01	2,116,860.00	37,340.99	
FEDERAL HOME LOAN MTG CORP	06/07/12	06/07/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,008,960.00	8,960.00	Callable 06/07/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/09/11	11/09/16	Aaa	AA+	1.500	1.807	2,000,000.00	1,999,988.89	2,007,960.00	7,971.11	SU 1.5%-3.5%, Call 11/09/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/28/11	12/28/16	Aaa	AA+	1.125	1.641	2,000,000.00	2,000,000.00	2,002,860.00	2,860.00	SU 2% Callable 12/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,999,008.33	2,024,020.00	25,011.67	Callable 10/28/13, once
FEDERAL NATL MORTGAGE ASSN	01/25/12	01/25/17	Aaa	AA+	1.000	1.256	2,000,000.00	1,999,766.67	2,004,820.00	5,053.33	SU 1.5%, Callable 01/25/13, 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	2,039,940.00	39,940.00	
FEDERAL NATL MORTGAGE ASSN	06/27/11	06/27/16	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,018,060.00	18,060.00	Callable 06/27/13, once
FEDERAL NATL MORTGAGE ASSN	08/28/12	08/28/17	Aaa	AA+	1.150	1.150	2,000,000.00	2,000,000.00	2,010,700.00	10,700.00	Callable 08/28/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/12/12	04/12/17	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	2,010,900.00	10,900.00	Callable 04/12/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/28/11	12/28/16	Aaa	AA+	1.625	1.625	2,000,000.00	2,000,000.00	2,004,600.00	4,600.00	Callable 12/28/12, once
FEDERAL NATL MORTGAGE ASSN	03/28/12	03/28/17	Aaa	AA+	1.125	1.332	2,000,000.00	2,000,000.00	2,009,200.00	9,200.00	SU 1.125%-2.25%, Call 03/28/13, 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	2,091,140.00	91,140.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,974,998.29	2,071,260.00	96,261.71	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,019,760.00	19,760.00	Callable 04/18/13, once
FEDERAL NATL MORTGAGE ASSN	01/30/12	01/30/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,005,940.00	5,940.00	Callable 01/30/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	06/01/12	05/29/15	Aaa	AA+	0.650	0.650	2,000,000.00	2,000,000.00	2,002,940.00	2,940.00	Callable 05/29/13, once
<b>Subtotal, Federal Agencies</b>							<b>88,500,000.00</b>	<b>88,650,831.60</b>	<b>89,789,840.00</b>	<b>1,139,008.40</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	1,995,316.67	2,105,620.00	110,303.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,070,340.00	70,340.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	A1	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,036,280.00	36,280.00	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,042,369.63	2,076,180.00	33,810.37	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,014,742.58	2,073,620.00	58,877.42	
<b>Subtotal, Corporate Securities</b>							<b>10,000,000.00</b>	<b>10,052,428.88</b>	<b>10,362,040.00</b>	<b>309,611.12</b>	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	5,789,184.34	5,789,184.34	5,789,184.34	0.00	
<b>Subtotal, SBA Note</b>							<b>5,789,184.34</b>	<b>5,789,184.34</b>	<b>5,789,184.34</b>	<b>0.00</b>	
<b>TOTALS</b>							<b>162,989,184.34</b>	<b>163,244,763.66</b>	<b>164,695,144.34</b>	<b>1,450,380.68</b>	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.