



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 26, 2012

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: May 2012 Investment Report

RECOMMENDATION:

That Council accept the May 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 May 31, 2012.

ATTACHMENT: May 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
May 31, 2012

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

5/4 LAIF Deposit - City	\$ 3,000,000
5/10 LAIF Deposit - City	3,000,000
5/14 LAIF Deposit - City	2,000,000
5/24 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
5/29 LAIF Deposit - City	<u>10,000,000</u>
Total	\$ 20,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

5/2 LAIF Withdrawal - City	\$ (4,000,000)
5/9 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
5/16 LAIF Withdrawal - City	(4,000,000)
5/23 Federal Farm Credit Bank (FFCB) - Call	(2,000,000)
5/30 LAIF Withdrawal - City	(6,000,000)
5/31 LAIF Withdrawal - City	<u>(3,000,000)</u>
Total	\$ (21,000,000)

ACTIVITY TOTAL

\$ (1,000,000)

INVESTMENT INCOME

POOLED INVESTMENTS

INTEREST INCOME

Interest Earned on Investments	\$ 220,887
Amortization	(14,888)
Interest on SBB&T Accounts	<u>276</u>
Total	\$ 206,275

REDEVELOPMENT SUCCESSOR AGENCY INVESTMENTS

Interest Earned on Investments (LAIF)	<u>\$ 2,775</u>
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INCOME TOTAL

\$ 209,050

CITY OF SANTA BARBARA

Investment Portfolio

May 31, 2012

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.363	0.363	37,000,000.00	37,000,000.00	37,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDAS	-	-	-	-	0.363	0.363	9,000,000.00	9,000,000.00	9,000,000.00	0.00	
Subtotal, LAIF							46,000,000.00	46,000,000.00	46,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
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	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,033,860.00	33,860.00	
FEDERAL FARM CREDIT BANK	03/01/12	03/01/17	Aaa	AA+	1.260	1.260	2,000,000.00	2,000,000.00	2,008,760.00	8,760.00	Callable 03/01/13, 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	2,036,420.00	36,420.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,033,980.00	33,980.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AA+	2.125	2.125	2,000,000.00	2,000,000.00	2,001,880.00	1,880.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,136,500.00	136,500.00	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AA+	4.375	2.110	1,700,000.00	1,700,719.57	1,701,411.00	691.43	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,047,640.00	47,640.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,044,100.00	44,100.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,019,825.07	2,087,020.00	67,194.93	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	2,013,040.00	13,040.00	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,051,420.00	51,420.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	2,008,220.00	8,220.00	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AA+	2.000	2.653	2,000,000.00	2,000,000.00	2,015,460.00	15,460.00	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	1,007,654.55	1,009,320.00	1,665.45	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,051,321.89	2,105,660.00	54,338.11	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,029,142.06	2,087,020.00	57,877.94	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AA+	1.375	1.325	2,000,000.00	2,000,019.09	2,000,500.00	480.91	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,067,200.00	67,200.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,087,480.00	87,480.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,533,760.07	1,536,705.00	2,944.93	
FEDERAL HOME LOAN BANK	02/28/12	02/28/17	Aaa	AA+	1.250	1.250	5,000,000.00	5,000,000.00	5,003,750.00	3,750.00	Callable 06/28/12, then monthly
FEDERAL HOME LOAN MTG CORP	10/19/11	10/19/16	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,003,300.00	3,300.00	Callable 07/19/12, then qtrly
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	2,005,200.00	5,200.00	Callable 03/28/13, once
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AA+	2.125	1.699	2,000,000.00	2,002,524.59	2,012,220.00	9,695.41	
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	2,035,960.00	35,960.00	
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	2,029,440.00	29,440.00	Callable 03/28/14, once
FEDERAL HOME LOAN MTG CORP	09/28/11	09/28/16	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	2,006,360.00	6,360.00	Callable 09/28/12, 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	2,020,740.00	20,740.00	Callable 02/21/14, once

CITY OF SANTA BARBARA

Investment Portfolio

May 31, 2012

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
			MOODY'S	S & P							
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,998,051.47	1,998,840.00	788.53	
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	1,999,500.00	(500.00)	Callable 05/24/13, then qtrly
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AA+	1.000	2.420	2,000,000.00	1,994,261.60	2,003,120.00	8,858.40	
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,102,861.18	2,148,940.00	46,078.82	
FEDERAL HOME LOAN MTG CORP	10/03/11	10/03/16	Aaa	AA+	1.000	1.612	2,000,000.00	2,000,000.00	2,001,100.00	1,100.00	SU 2.25% Callable 07/03/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.000	1.401	1,000,000.00	999,837.50	1,001,880.00	2,042.50	SU 1%-3%, Call 09/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/09/11	11/09/16	Aaa	AA+	1.500	1.807	2,000,000.00	1,999,780.56	2,011,120.00	11,339.44	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	2,006,680.00	6,680.00	SU 2% Callable 12/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	06/07/11	03/07/16	Aaa	AA+	2.075	2.075	2,000,000.00	2,000,000.00	2,000,580.00	580.00	Callable 06/07/12, once
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.300	1.475	2,000,000.00	2,000,000.00	2,001,780.00	1,780.00	SU 1.3%-2.25%, Call 06/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,998,591.67	2,025,260.00	26,668.33	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	1,999,350.00	2,008,300.00	8,950.00	SU 1.5%, Callable 01/25/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AA+	2.000	2.055	2,000,000.00	1,999,501.67	2,006,160.00	6,658.33	Callable 08/10/12, once
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,041,740.00	41,740.00	
FEDERAL NATL MORTGAGE ASSN	06/27/11	06/27/16	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,028,560.00	28,560.00	Callable 06/27/13, once
FEDERAL NATL MORTGAGE ASSN	04/12/12	04/12/17	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	2,013,500.00	13,500.00	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	2,012,460.00	12,460.00	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	2,011,300.00	11,300.00	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	2,085,980.00	85,980.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,971,509.68	2,067,320.00	95,810.32	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,035,860.00	35,860.00	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	2,010,560.00	10,560.00	Callable 01/30/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/24/12	04/24/17	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,008,140.00	8,140.00	Callable 10/24/12, then qtrly
Subtotal, Federal Agencies							<u>104,200,000.00</u>	<u>104,408,712.22</u>	<u>105,759,246.00</u>	<u>1,350,533.78</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,994,691.67	2,089,560.00	94,868.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,026,380.00	26,380.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	A1	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,027,420.00	27,420.00	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,048,179.00	2,074,680.00	26,501.00	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,016,328.94	2,037,100.00	20,771.06	
Subtotal, Corporate Securities							<u>10,000,000.00</u>	<u>10,059,199.61</u>	<u>10,255,140.00</u>	<u>195,940.39</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	5,877,334.65	5,877,334.65	5,877,334.65	0.00	
Subtotal, SBA Note							<u>5,877,334.65</u>	<u>5,877,334.65</u>	<u>5,877,334.65</u>	<u>0.00</u>	
TOTALS							<u>168,077,334.65</u>	<u>168,345,246.48</u>	<u>169,891,720.65</u>	<u>1,546,474.17</u>	

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.