



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 26, 2013
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: January 2013 Investment Report

RECOMMENDATION:

That Council accept the January 2013 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of January 31, 2013.

ATTACHMENT: January 2013 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
 January 31, 2013

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

1/2 LAIF Deposit - City	\$ 8,000,000
1/7 LAIF Deposit - City	4,000,000
1/11 LAIF Deposit - City	11,000,000
1/16 Federal Home Loan Bank (FHLB)	4,000,000
1/16 Federal Home Loan Mortgage Corp (FHLMC)	4,000,000
1/30 Federal National Mortgage Association (FNMA)	3,000,000
Total	\$ 34,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

1/15 LAIF Withdrawal - City	\$ (8,000,000)
1/25 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
1/30 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
Total	\$ (12,000,000)

ACTIVITY TOTAL

\$ 22,000,000

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 196,496
Amortization	(15,110)
Interest on SBB&T Accounts	300
Total	\$ 181,686

REDEVELOPMENT SUCCESSOR AGENCY INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 1,520
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INCOME TOTAL

\$ 183,206

CITY OF SANTA BARBARA
Summary of Cash and Investments
January 31, 2013

ENDING BALANCE AS OF DECEMBER 31, 2012

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 30,700,000	0.326%	20.59%	1
Certificates of Deposit	8,000,000	1.267%	5.36%	1,175
Treasury Securities - Coupon	4,049,379	0.370%	2.72%	919
Federal Agency Issues - Coupon	90,626,353	1.464%	60.77%	1,132
Corporate/Medium Term Notes	10,049,721	1.949%	6.74%	979
	<u>143,425,452</u>	<u>1.213%</u>	<u>96.17%</u>	<u>876</u>
SB Airport Promissory Note	5,697,949	7.000%	3.82%	6,024
Totals and Averages	\$ <u>149,123,401</u>	<u>1.434%</u>	<u>100.00%</u>	<u>1,072</u>
SBB&T Money Market Account	13,558,195			
Total Cash and Investments	<u>\$ 162,681,596</u>			

NET CASH AND INVESTMENT ACTIVITY FOR JANUARY 2013 \$ **13,376,405**

ENDING BALANCE AS OF JANUARY 31, 2013

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 45,700,000	0.300%	26.71%	1 (1)
Certificates of Deposit	8,000,000	1.267%	4.68%	1,144
Treasury Securities - Coupon	4,047,884	0.370%	2.37%	888
Federal Agency Issues - Coupon	97,614,091	1.422%	57.05%	1,167
Corporate/Medium Term Notes	10,048,366	1.949%	5.87%	948
	<u>165,410,342</u>	<u>1.111%</u>	<u>96.67%</u>	<u>824</u>
SB Airport Promissory Note	5,697,949	7.000%	3.33%	5,993
Totals and Averages	\$ <u>171,108,291</u>	<u>1.307%</u>	<u>100.00%</u>	<u>996</u>
SBB&T Money Market Account	4,949,710			
Total Cash and Investments	<u>\$ 176,058,001</u>			

(1) The average life of the LAIF portfolio as of January 31, 2013 is 226 days.

CITY OF SANTA BARBARA

Investment Portfolio

January 31, 2013

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS	
	DATE	DATE	MOODY'S	S & P								RATE
LOCAL AGENCY INVESTMENT FUNDS												
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.300	0.300	39,000,000.00	39,000,000.00	39,000,000.00		0.00	
LOCAL AGENCY INV FUND/RDAS	-	-	-	-	0.300	0.300	6,700,000.00	6,700,000.00	6,700,000.00		0.00	
Subtotal, LAIF							<u>45,700,000.00</u>	<u>45,700,000.00</u>	<u>45,700,000.00</u>		<u>0.00</u>	
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	
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	
Subtotal, Certificates of deposit							<u>8,000,000.00</u>	<u>8,000,000.00</u>	<u>8,000,000.00</u>		<u>0.00</u>	
TREASURY SECURITIES - COUPON												
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,046,499.49	2,047,820.00		1,320.51	
U S TREASURY NOTE	10/25/12	03/15/15	Aaa	AA+	0.375	0.342	2,000,000.00	2,001,384.90	2,003,920.00		2,535.10	
Subtotal, Treasury Securities							<u>4,000,000.00</u>	<u>4,047,884.39</u>	<u>4,051,740.00</u>		<u>3,855.61</u>	
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	2,024,900.00		24,900.00	
FEDERAL FARM CREDIT BANK	03/01/12	03/01/17	Aaa	AA+	1.260	1.260	2,000,000.00	2,000,000.00	2,002,140.00		2,140.00	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	2,004,160.00		4,160.00	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	2,004,560.00		4,560.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,007,760.00		7,760.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,127,220.00		127,220.00	
FEDERAL FARM CREDIT BANK	09/13/12	09/13/17	Aaa	AA+	1.020	1.020	2,000,000.00	2,000,000.00	1,998,160.00		(1,840.00)	Callable, continuous
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,026,020.00		26,020.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,036,260.00		36,260.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,011,205.47	2,051,420.00		40,214.53	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,030,520.00		30,520.00	
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,988,240.00		(11,760.00)	Callable 07/16/13, then qtrly
FEDERAL HOME LOAN BANK	09/26/11	08/28/13	Aaa	AA+	1.000	0.381	1,000,000.00	1,003,544.73	1,004,900.00		1,355.27	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,024,661.17	2,052,000.00		27,338.83	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,016,471.60	2,051,420.00		34,948.40	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,057,860.00		57,860.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,077,360.00		77,360.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,517,841.76	1,520,655.00		2,813.24	
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	2,003,280.00		3,280.00	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	2,025,220.00		25,220.00	
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	2,026,360.00		26,360.00	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	2,018,880.00		18,880.00	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	1,998,502.87	2,007,980.00		9,477.13	

CITY OF SANTA BARBARA

Investment Portfolio

January 31, 2013

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	2,017,460.00	17,460.00	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	2,006,460.00	6,460.00	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	2,004,940.00	4,940.00	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	2,001,480.00	1,480.00	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	1,996,740.00	(3,260.00)	Callable 09/12/13, 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	3,988,880.00	(11,120.00)	Callable 07/16/13, then qtrly
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,065,513.70	2,098,300.00	32,786.30	
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	2,005,760.00	5,760.00	Callable 06/07/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,999,258.33	2,018,760.00	19,501.67	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	2,992,020.00	(7,980.00)	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	2,037,060.00	37,060.00	
FEDERAL NATL MORTGAGE ASSN	06/27/11	06/27/16	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,011,940.00	11,940.00	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	2,007,900.00	7,900.00	Callable 08/28/13, 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	1,993,840.00	(6,160.00)	Callable 06/12/13, 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	1,992,640.00	(7,360.00)	Callable 04/12/13, 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	1,994,960.00	(5,040.00)	Callable 05/08/13, 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	1,994,960.00	(5,040.00)	Callable 05/08/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	03/28/12	03/28/17	Aaa	AA+	1.125	1.332	2,000,000.00	2,000,000.00	1,990,420.00	(9,580.00)	SU 1.125%-2.25%, Call 03/28/13, 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	3,984,520.00	(15,480.00)	Callable 12/26/13, 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	2,085,560.00	85,560.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,977,091.46	2,067,340.00	90,248.54	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,009,440.00	9,440.00	Callable 04/18/13, once
FEDERAL NATL MORTGAGE ASSN	06/01/12	05/29/15	Aaa	AA+	0.650	0.650	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>2,002,600.00</u>	<u>2,600.00</u>	Callable 05/29/13, once
Subtotal, Federal Agencies							<u>97,500,000.00</u>	<u>97,614,091.09</u>	<u>98,451,255.00</u>	<u>837,163.91</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,995,691.67	2,100,720.00	105,028.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,067,900.00	67,900.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	A1	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,033,380.00	33,380.00	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,038,884.01	2,064,720.00	25,835.99	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	<u>2,000,000.00</u>	<u>2,013,790.77</u>	<u>2,073,360.00</u>	<u>59,569.23</u>	
Subtotal, Corporate Securities							<u>10,000,000.00</u>	<u>10,048,366.45</u>	<u>10,340,080.00</u>	<u>291,713.55</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	<u>5,697,948.77</u>	<u>5,697,948.77</u>	<u>5,697,948.77</u>	<u>0.00</u>	
Subtotal, SBA Note							<u>5,697,948.77</u>	<u>5,697,948.77</u>	<u>5,697,948.77</u>	<u>0.00</u>	
TOTALS							<u>170,897,948.77</u>	<u>171,108,290.70</u>	<u>172,241,023.77</u>	<u>1,132,733.07</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.