



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 17, 2013

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: November 2013 Investment Report

RECOMMENDATION:

That Council accept the November 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 November 30, 2013.

ATTACHMENT: November 2013 Investment 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
November 30, 2013

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

11/13 Federal National Mortgage Association (FNMA)	\$ 1,000,000
11/15 Federal National Mortgage Association (FNMA)	2,000,000
11/18 Montecito Bank & Trust CD (MBTCD)	2,000,000
11/20 Federal National Mortgage Association (FNMA)	2,000,000
11/20 Federal Home Loan Mortgage Corp (FHLMC)	1,000,000
11/26 Federal Home Loan Mortgage Corp (FHLMC)	1,000,000
11/29 Berkshire Hathaway Inc. (BRK)	2,000,000
Total	\$ 11,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

11/12 LAIF Withdrawal - City	\$ (4,000,000)
11/18 Montecito Bank & Trust CD (MBTCD) - Maturity	(2,000,000)
11/20 LAIF Withdrawal - City	(2,000,000)
11/29 Federal Home Loan Bank (FHLB) - Maturity	(2,000,000)
Total	\$ (10,000,000)

ACTIVITY TOTAL

\$ 1,000,000

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 174,555
Amortization	(18,106)
Total	\$ 156,449

INCOME TOTAL

\$ 156,449

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

ENDING BALANCE AS OF OCTOBER 31, 2013

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 34,000,000	0.266%	21.80%	1
Certificates of Deposit	8,000,000	1.267%	5.13%	871
Treasury Securities - Coupon	10,315,793	0.458%	6.61%	882
Federal Agency Issues - Coupon	88,017,918	1.413%	56.43%	1,146
Corporate/Medium Term Notes	<u>10,036,179</u>	<u>1.950%</u>	<u>6.43%</u>	<u>675</u>
	150,369,890	1.116%	96.40%	823
SB Airport Promissory Note	<u>5,603,520</u>	<u>4.195%</u>	<u>3.59%</u>	<u>5,720</u>
Totals and Averages	<u>\$ 155,973,410</u>	<u>1.227%</u>	<u>100.00%</u>	<u>999</u>
UB Money Market Account	3,993,827			
Total Cash and Investments	<u>\$ 159,967,237</u>			

NET CASH AND INVESTMENT ACTIVITY FOR NOVEMBER 2013 **\$ 1,449,097**

ENDING BALANCE AS OF NOVEMBER 30, 2013

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 28,000,000	0.265%	17.84%	1 (1)
Certificates of Deposit	8,000,000	1.217%	5.10%	1,023
Treasury Securities - Coupon	10,305,471	0.458%	6.57%	852
Federal Agency Issues - Coupon	92,980,928	1.390%	59.25%	1,171
Corporate/Medium Term Notes	<u>12,034,825</u>	<u>1.884%</u>	<u>7.67%</u>	<u>792</u>
	151,321,224	1.149%	96.43%	895
SB Airport Promissory Note	<u>5,603,520</u>	<u>4.195%</u>	<u>3.57%</u>	<u>5,690</u>
Totals and Averages	<u>\$ 156,924,744</u>	<u>1.257%</u>	<u>100.00%</u>	<u>1,066</u>
UB Money Market Account	4,491,590			
UB Trust Money Market Account	6,000			
Total Cash and Investments	<u>\$ 161,416,334</u>			

(1) The average life of the LAIF portfolio as of November 30, 2013 is 212 days.

CITY OF SANTA BARBARA
Investment Portfolio
November 30, 2013

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.265	0.265	28,000,000.00	28,000,000.00	28,000,000.00	0.00	
Subtotal, LAIF							28,000,000.00	28,000,000.00	28,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/13	11/18/15	-	-	0.600	0.600	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	
Subtotal, Certificates of deposit							8,000,000.00	8,000,000.00	8,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	10/25/12	03/15/15	Aaa	AA+	0.375	0.342	2,000,000.00	2,000,841.35	2,004,540.00	3,698.65	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,032,438.27	2,037,260.00	4,821.73	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,227,945.67	2,231,260.00	3,314.33	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,027,081.07	2,027,960.00	878.93	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,017,165.13	2,012,500.00	(4,665.13)	
Subtotal, Treasury Securities							10,000,000.00	10,305,471.49	10,313,520.00	8,048.51	
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	2,006,080.00	6,080.00	
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,004,780.00	4,780.00	
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,997,120.00	(2,880.00)	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	2,035,600.00	35,600.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,094,940.00	94,940.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,024,440.00	24,440.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,018,660.00	18,660.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,008,170.14	2,040,940.00	32,769.86	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,000,430.98	2,001,840.00	1,409.02	
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,954,880.00	(45,120.00)	Callable 01/16/14, 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	2,004,160.00	4,160.00	Callable 01/17/14, 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	1,993,260.00	(6,740.00)	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	2,000,633.52	2,001,840.00	1,206.48	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,035,700.00	35,700.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,051,640.00	51,640.00	
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	2,005,840.00	5,840.00	
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	2,007,560.00	7,560.00	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	1,981,320.00	(18,680.00)	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	1,999,680.00	(320.00)	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	2,004,680.00	4,680.00	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	1,999,067.11	2,007,660.00	8,592.89	
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	2,007,760.00	7,760.00	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	2,002,240.00	2,240.00	Callable 01/24/14, then qtrly

CITY OF SANTA BARBARA
Investment Portfolio
November 30, 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	09/12/12	09/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,989,860.00	(10,140.00)	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	3,960,280.00	(39,720.00)	Callable 01/16/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/26/13	11/26/18	Aaa	AA+	1.000	1.793	1,000,000.00	1,000,000.00	1,000,090.00	90.00	SU 1%-2% Callable 11/26/14, once
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,018,829.35	2,028,700.00	9,870.65	
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	1,984,820.00	(15,180.00)	Callable 12/26/13, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	998,869.03	997,640.00	(1,229.03)	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,964,570.00	(35,430.00)	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	2,021,440.00	21,440.00	
FEDERAL NATL MORTGAGE ASSN	08/28/12	08/28/17	Aaa	AA+	1.150	1.150	2,000,000.00	2,000,000.00	2,002,820.00	2,820.00	Callable 02/28/14, 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	1,979,160.00	(20,840.00)	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	2,000,560.00	560.00	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	1,000,620.00	620.00	SU 1%-2% Callable 01/30/14, once
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,985,742.36	1,991,520.00	5,777.64	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,982,480.00	(17,520.00)	Callable 02/08/14, 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	1,982,480.00	(17,520.00)	Callable 02/08/14, 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	3,953,000.00	(47,000.00)	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	2,007,580.00	7,580.00	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	2,060,720.00	60,720.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,984,068.68	2,049,200.00	65,131.32	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,975,800.00	(24,200.00)	Callable 02/05/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/13/13	11/13/18	Aaa	AA+	0.625	1.857	1,000,000.00	1,000,000.00	1,000,430.00	430.00	SU 2% Callable 05/13/14, once
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,985,116.53	1,991,520.00	6,403.47	
Subtotal, Federal Agencies							<u>93,000,000.00</u>	<u>92,980,927.70</u>	<u>93,207,910.00</u>	<u>226,982.30</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,996,941.67	2,077,920.00	80,978.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	1,994,560.00	(5,440.00)	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,061,360.00	61,360.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	A1	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,003,380.00	3,380.00	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,027,265.28	2,051,560.00	24,294.72	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,010,618.04	2,065,740.00	55,121.96	
Subtotal, Corporate Securities							<u>12,000,000.00</u>	<u>12,034,824.99</u>	<u>12,254,520.00</u>	<u>219,695.01</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	<u>5,603,519.96</u>	<u>5,603,519.96</u>	<u>5,603,519.96</u>	<u>0.00</u>	
Subtotal, SBA Note							<u>5,603,519.96</u>	<u>5,603,519.96</u>	<u>5,603,519.96</u>	<u>0.00</u>	
TOTALS							<u>156,603,519.96</u>	<u>156,924,744.14</u>	<u>157,379,469.96</u>	<u>454,725.82</u>	

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.