



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 20, 2014
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: April 2014 Investment Report

RECOMMENDATION:

That Council accept the April 2014 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of April 30, 2014.

ATTACHMENT: April 2014 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
 April 30, 2014

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

4/1 LAIF Deposit - City	\$ 2,000,000
4/15 Federal Home Loan Bank (FHLB)	1,000,000
4/17 Federal Home Loan Bank (FHLB)	2,000,000
4/24 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
Total	\$ 7,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

4/2 Federal Home Loan Mortgage Corp (FHLMC) - Maturity	\$ (2,000,000)
4/17 Federal Home Loan Bank (FHLB) - Call	(2,000,000)
4/17 LAIF Withdrawal - City	(2,000,000)
Total	\$ (6,000,000)

ACTIVITY TOTAL

\$ 1,000,000

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 167,905
Amortization	(10,841)
Total	\$ 157,065

INCOME TOTAL

\$ 157,065

CITY OF SANTA BARBARA
Summary of Cash and Investments
April 30, 2014

ENDING BALANCE AS OF MARCH 31, 2014

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 40,500,000	0.236%	24.07%	1
Certificates of Deposit	8,000,000	1.217%	4.75%	902
Treasury Securities - Coupon	10,263,840	0.458%	6.10%	731
Federal Agency Issues - Coupon	91,976,896	1.392%	54.67%	1,224
Corporate/Medium Term Notes	12,033,907	1.909%	7.15%	976
	<u>162,774,644</u>	<u>1.075%</u>	<u>96.74%</u>	<u>854</u>
SB Airport Promissory Note	5,471,399	4.195%	3.25%	5,569
Totals and Averages	<u>\$ 168,246,043</u>	<u>1.177%</u>	<u>100.00%</u>	<u>1,008</u>
UB Checking Account	5,750,839			
Total Cash and Investments	<u>\$ 173,996,882</u>			

NET CASH AND INVESTMENT ACTIVITY FOR APRIL 2014 **\$ 6,728,893**

ENDING BALANCE AS OF APRIL 30, 2014

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 40,500,000	0.233%	23.93%	1 ⁽¹⁾
Certificates of Deposit	8,000,000	1.217%	4.73%	872
Treasury Securities - Coupon	10,253,518	0.458%	6.06%	701
Federal Agency Issues - Coupon	92,977,810	1.394%	54.94%	1,231
Corporate/Medium Term Notes	12,032,475	1.909%	7.11%	946
	<u>163,763,803</u>	<u>1.077%</u>	<u>96.77%</u>	<u>855</u>
SB Airport Promissory Note	5,471,399	4.195%	3.23%	5,539
Totals and Averages	<u>\$ 169,235,203</u>	<u>1.178%</u>	<u>100.00%</u>	<u>1,007</u>
UB Checking Account	11,490,572			
Total Cash and Investments	<u>\$ 180,725,775</u>			

(1) The average life of the LAIF portfolio as of April 30, 2014 is 199 days.

CITY OF SANTA BARBARA

Investment Portfolio

April 30, 2014

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							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.233	0.233	40,500,000.00	40,500,000.00	40,500,000.00	0.00	
Subtotal, LAIF							40,500,000.00	40,500,000.00	40,500,000.00	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	2,000,570.46	2,004,840.00	4,269.54	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,025,430.86	2,030,460.00	5,029.14	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,189,530.72	2,190,000.00	469.28	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,023,008.12	2,019,540.00	(3,468.12)	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,014,977.85	2,003,760.00	(11,217.85)	
Subtotal, Treasury Securities							10,000,000.00	10,253,518.01	10,248,600.00	(4,918.01)	
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	2,004,980.00	4,980.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,007,760.00	7,760.00	
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,989,880.00	(10,120.00)	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	2,027,220.00	27,220.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,077,120.00	77,120.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,014,800.00	14,800.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,009,540.00	9,540.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,007,458.87	2,033,400.00	25,941.13	
FEDERAL HOME LOAN BANK	04/17/14	04/17/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,999,460.00	(540.00)	Callable, 04/17/15 once
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,948,600.00	(51,400.00)	Callable 07/16/14, then qtrly
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,004,340.00	4,340.00	
FEDERAL HOME LOAN BANK	02/13/14	02/13/19	Aaa	AA+	2.050	2.050	2,000,000.00	2,000,000.00	2,001,260.00	1,260.00	Callable 05/13/14, 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	1,992,720.00	(7,280.00)	SU 1.125%-2.5% Call 06/27/14, then qtrly
FEDERAL HOME LOAN BANK	04/15/14	04/15/19	Aaa	AA+	2.070	2.070	1,000,000.00	1,000,000.00	997,540.00	(2,460.00)	Callable 07/15/14, then cont.
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,024,200.00	24,200.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,039,260.00	39,260.00	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,008,823.70	2,003,080.00	(5,743.70)	
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	1,978,500.00	(21,500.00)	Callable 06/26/14, 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	1,996,100.00	(3,900.00)	Callable 07/25/14, once
FEDERAL HOME LOAN MTG CORP	12/18/13	12/18/18	Aaa	AA+	1.500	1.839	1,000,000.00	1,000,000.00	1,001,270.00	1,270.00	SU 1.5%-2.75% Call 06/18/14, then qtrly
FEDERAL HOME LOAN MTG CORP	12/31/13	12/31/18	Aaa	AA+	1.825	1.825	1,000,000.00	1,000,000.00	1,007,130.00	7,130.00	Callable 12/31/14, once
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,999,349.24	2,007,260.00	7,910.76	
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	2,002,480.00	2,480.00	Callable 06/12/14, then qtrly

CITY OF SANTA BARBARA

Investment Portfolio

April 30, 2014

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	07/24/12	07/24/17	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	1,997,600.00	(2,400.00)	Callable 07/24/14, then qtrly
FEDERAL HOME LOAN MTG CORP	04/24/14	04/24/19	Aaa	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,002,020.00	2,020.00	Callable 10/24/14, 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	1,985,880.00	(14,120.00)	Callable 06/12/14, 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	3,955,240.00	(44,760.00)	Callable 07/16/14, 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	1,001,270.00	1,270.00	SU 1%-2% Callable 11/26/14, once
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	1,992,240.00	(7,760.00)	Callable 06/26/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	998,992.14	995,890.00	(3,102.14)	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,963,310.00	(36,690.00)	Callable 07/30/14, 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	2,013,240.00	13,240.00	
FEDERAL NATL MORTGAGE ASSN	08/28/12	08/28/17	Aaa	AA+	1.150	1.150	2,000,000.00	2,000,000.00	1,997,300.00	(2,700.00)	Callable 05/28/14, 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	1,977,740.00	(22,260.00)	Callable 06/12/14, 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	1,997,900.00	(2,100.00)	Callable 06/19/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,987,264.53	1,977,520.00	(9,744.53)	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,658.90	1,997,920.00	(3,738.90)	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,980,300.00	(19,700.00)	Callable 05/08/14, 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	1,980,300.00	(19,700.00)	Callable 05/08/14, 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	3,950,360.00	(49,640.00)	Callable 06/26/14, 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	2,001,000.00	1,000.00	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	2,050,020.00	50,020.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,987,557.29	2,041,400.00	53,842.71	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,974,220.00	(25,780.00)	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	1,000,050.00	50.00	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	1,986,705.51	1,977,520.00	(9,185.51)	
Subtotal, Federal Agencies							93,000,000.00	92,977,810.18	92,978,140.00	329.82	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,997,566.67	2,060,260.00	62,693.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	1,999,200.00	(800.00)	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,052,060.00	52,060.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,004,420.61	2,025,760.00	21,339.39	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,021,455.92	2,039,880.00	18,424.08	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,009,031.68	2,056,580.00	47,548.32	
Subtotal, Corporate Securities							12,000,000.00	12,032,474.88	12,233,740.00	201,265.12	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,471,399.48	5,471,399.48	5,471,399.48	0.00	
Subtotal, SBA Note							5,471,399.48	5,471,399.48	5,471,399.48	0.00	
TOTALS							168,971,399.48	169,235,202.55	169,431,879.48	196,676.93	

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.