



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 19, 2015

**TO:** Mayor and Councilmembers

**FROM:** Treasury Division, Finance Department

**SUBJECT:** April 2015 Investment Report

**RECOMMENDATION:**

That Council accept the April 2015 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, 2015.

**ATTACHMENT:** April 2015 Investment Report

**PREPARED BY:** Julie Nemes, Treasury Manager

**SUBMITTED BY:** Robert Samario, Acting Assistant City Administrator/Finance Director

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

**CITY OF SANTA BARBARA**  
**Activity and Interest Report**  
**April 30, 2015**

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

	\$	-
<b>Total</b>	<b>\$</b>	<b>-</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

4/15 Federal Home Loan Bank (FHLB) - Call	\$	(2,000,000)
4/17 Federal Home Loan Bank (FHLB) - Call		(2,000,000)
4/17 Federal Home Loan Mortgage Corp (FHLMC) - Maturity		(2,000,000)
<b>Total</b>	<b>\$</b>	<b>(6,000,000)</b>

**ACTIVITY TOTAL**

**\$ (6,000,000)**

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**INVESTMENT INCOME**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$	165,506
Amortization		(11,065)
<b>Total</b>	<b>\$</b>	<b>154,441</b>

**INCOME TOTAL**

**\$ 154,441**

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**CITY OF SANTA BARBARA**  
**Summary of Cash and Investments**  
**April 30, 2015**

**ENDING BALANCE AS OF MARCH 31, 2015**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 12,936,008	0.400%	7.97%	1
State of California LAIF	24,000,000	0.278%	14.79%	1
Certificates of Deposit	9,000,000	1.311%	5.55%	663
Treasury Securities	8,138,287	0.487%	5.01%	459
Federal Agency Issues - Coupon	90,997,515	1.358%	56.07%	1,001
Corporate/Medium Term Notes	12,016,718	1.910%	7.40%	612
	<u>157,088,527</u>	1.109%	96.80%	689
SB Airport Promissory Note	5,200,182	4.195%	3.20%	5,204
Totals and Averages	<u>\$ 162,288,709</u>	1.207%	100.00%	833
<b>Total Cash and Investments</b>	<b><u>\$ 162,288,709</u></b>			

**NET CASH AND INVESTMENT ACTIVITY FOR APRIL 2015**                                 **\$ (719,719)**

**ENDING BALANCE AS OF APRIL 30, 2015**

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 18,227,353	0.400%	11.28%	1 (1)
State of California LAIF	24,000,000	0.283%	14.85%	1 (2)
Certificates of Deposit	9,000,000	1.311%	5.57%	633
Treasury Securities	8,128,019	0.487%	5.03%	430
Federal Agency Issues - Coupon	84,998,150	1.394%	52.61%	1,005
Corporate/Medium Term Notes	12,015,285	1.910%	7.44%	582
	<u>156,368,808</u>	1.095%	96.78%	650
SB Airport Promissory Note	5,200,182	4.195%	3.22%	5,174
Totals and Averages	<u>\$ 161,568,990</u>	1.195%	100.00%	796
<b>Total Cash and Investments</b>	<b><u>\$ 161,568,990</u></b>			

Note:

(1) Interest earnings allowance is provided at the rate of 0.400% by MUFG Union Bank, N.A. to help offset banking fees.

(2) The average life of the LAIF portfolio as of April 30, 2015 is 220 days.

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**April 30, 2015**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.283	0.283	24,000,000.00	24,000,000.00	24,000,000.00	0.00	
<b>Subtotal, LAIF</b>							24,000,000.00	24,000,000.00	24,000,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	252,890.00	2,890.00	FDIC Certificate 35328
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	252,860.00	2,860.00	FDIC Certificate 33954
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	252,847.50	2,847.50	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	252,842.50	2,842.50	FDIC Certificate 33124
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	
<b>Subtotal, Certificates of deposit</b>							9,000,000.00	9,000,000.00	9,011,440.00	11,440.00	
<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	2,008,492.42	2,011,560.00	3,067.58	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,096,673.39	2,099,680.00	3,006.61	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,013,162.91	2,015,460.00	2,297.09	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,009,690.70	2,011,880.00	2,189.30	
<b>Subtotal, Treasury Securities</b>							8,000,000.00	8,128,019.42	8,138,580.00	10,560.58	
<b>FEDERAL AGENCY ISSUES - COUPON</b>											
FED AGRICULTURAL MTG CORP	10/03/13	10/03/18	-	-	1.720	1.720	2,000,000.00	2,000,000.00	2,029,020.00	29,020.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,042,860.00	42,860.00	
FEDERAL FARM CREDIT BANK	01/22/15	07/22/19	Aaa	AA+	1.720	1.720	2,000,000.00	2,000,000.00	1,994,980.00	(5,020.00)	Callable, continuous
FEDERAL FARM CREDIT BANK	07/09/14	07/09/18	Aaa	AA+	1.470	1.470	2,000,000.00	2,000,000.00	2,003,240.00	3,240.00	Callable 07/09/15, then continuous
FEDERAL FARM CREDIT BANK	01/22/15	01/22/19	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,002,600.00	2,600.00	Callable 01/22/16, then continuous
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,996,880.00	(3,120.00)	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	2,032,240.00	32,240.00	
FEDERAL FARM CREDIT BANK	12/16/14	12/16/19	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,010,860.00	10,860.00	Callable 12/16/15, then continuous
FEDERAL FARM CREDIT BANK	02/11/15	02/11/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,001,740.00	1,740.00	Callable 02/11/16, then continuous
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,036,520.00	36,520.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,022,180.00	22,180.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,005,751.82	2,058,680.00	52,928.18	
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,986,680.00	(13,320.00)	Callable 07/16/15, 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	2,026,940.00	26,940.00	
FEDERAL HOME LOAN BANK	06/26/14	06/26/19	Aaa	AA+	1.250	2.062	2,000,000.00	2,000,000.00	2,002,980.00	2,980.00	SU 1.25%-6% Call 06/26/15, then qtrly
FEDERAL HOME LOAN BANK	11/26/14	11/26/19	Aaa	AA+	1.500	2.102	2,000,000.00	2,000,000.00	2,001,940.00	1,940.00	SU 1.5%-5% Call 05/26/15, then qtrly
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,002,760.00	2,760.00	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,006,913.58	2,041,360.00	34,446.42	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,858.45	2,012,440.00	12,581.55	
FEDERAL HOME LOAN BANK	10/22/14	11/18/16	Aaa	AA+	0.750	0.500	2,000,000.00	2,007,675.55	2,009,140.00	1,464.45	
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	1,999,140.00	(860.00)	Callable 06/26/15, then qtrly
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	1,001,790.00	1,790.00	SU 1.5%-2.75% Call 06/18/15, then qtrly
FEDERAL HOME LOAN MTG CORP	06/30/14	06/30/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,002,880.00	2,880.00	Callable 06/30/15, once

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**April 30, 2015**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
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	1,999,640.00	(360.00)	Callable 06/12/15, 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	4,006,200.00	6,200.00	Callable 07/16/15, then qtrly
FEDERAL HOME LOAN MTG CORP	11/26/14	11/26/19	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,002,500.00	2,500.00	Callable 05/26/15, then qtrly
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	2,003,660.00	3,660.00	Callable 06/26/15, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,287.60	1,006,750.00	7,462.40	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	3,004,110.00	4,110.00	Callable 07/30/15, 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	1,989,820.00	(10,180.00)	Callable 06/12/15, 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	2,001,420.00	1,420.00	Callable 06/19/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,990,917.73	2,003,920.00	13,002.27	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,296.08	2,031,160.00	29,863.92	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,997,880.00	(2,120.00)	Callable 05/08/15, 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	1,997,880.00	(2,120.00)	Callable 05/08/15, 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	3,987,680.00	(12,320.00)	Callable 06/26/15, 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	2,014,020.00	14,020.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,995,929.95	2,014,720.00	18,790.05	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,989,320.00	(10,680.00)	Callable 05/05/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,990,519.07	2,003,920.00	13,400.93	
<b>Subtotal, Federal Agencies</b>							85,000,000.00	84,998,149.83	85,374,450.00	376,300.17	
<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	1,999,066.67	2,024,560.00	25,493.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,024,200.00	24,200.00	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,019,540.00	19,540.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,003,480.61	2,047,600.00	44,119.39	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,007,513.44	2,015,420.00	7,906.56	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,005,224.42	2,037,680.00	32,455.58	
<b>Subtotal, Corporate Securities</b>							12,000,000.00	12,015,285.14	12,169,000.00	153,714.86	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,200,181.75	5,200,181.75	5,200,181.75	0.00	
<b>Subtotal, SBA Note</b>							5,200,181.75	5,200,181.75	5,200,181.75	0.00	
<b>CHECKING ACCOUNT</b>											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	18,227,353.48	18,227,353.48	18,227,353.48	0.00	
<b>Subtotal, Checking Account</b>							18,227,353.48	18,227,353.48	18,227,353.48	0.00	
<b>TOTALS</b>							161,427,535.23	161,568,989.62	162,121,005.23	552,015.61	

Market values have been obtained from the City's safekeeping agent, MUFG Union Bank NA - The Private Bank (UBTPB). UBTPB uses Interactive Data Pricing Service, Bloomberg and DTC.