



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 24, 2015
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: October 2015 Investment Report

RECOMMENDATION:

That Council accept the October 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 October 31, 2015.

ATTACHMENT: October 2015 Investment Report
PREPARED BY: Julie Nemes, Treasury Manager
SUBMITTED BY: Robert Samario, Finance Director
APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
 October 31, 2015

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

10/16 LAIF Deposit - City	\$ 5,000,000
10/29 Federal National Mortgage Association (FNMA)	2,000,000
10/31 Cash/Pending Redemption	2,000,000
Total	\$ 9,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

10/16 Federal Home Loan Bank (FHLB) - Call	\$ (4,000,000)
10/16 Federal Home Loan Mortgage Corp (FHLMC) - Call	(4,000,000)
10/26 Federal National Mortgage Association (FNMA) - Maturity	(2,000,000)
10/31 United States Treasury Note (USTN) - Maturity	(2,000,000)
Total	\$ (12,000,000)

ACTIVITY TOTAL

\$ (3,000,000)

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 145,315
Amortization	(11,508)
Total	\$ 133,808

INCOME TOTAL

\$ 133,808

**CITY OF SANTA BARBARA
Summary of Cash and Investments
October 31, 2015**

ENDING BALANCE AS OF SEPTEMBER 30, 2015

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 18,820,492	0.400%	12.30%	1
State of California LAIF	34,000,000	0.337%	22.23%	1
Certificates of Deposit	9,000,000	1.412%	5.88%	771
Treasury Securities	8,075,652	0.487%	5.28%	277
Federal Agency Issues - Coupon	66,001,175	1.365%	43.15%	920
Corporate/Medium Term Notes	12,008,123	1.911%	7.85%	429
	<u>147,905,442</u>	<u>1.005%</u>	<u>96.69%</u>	<u>508</u>
SB Airport Promissory Note	5,061,003	4.195%	3.31%	5,021
Totals and Averages	<u>\$ 152,966,445</u>	<u>1.111%</u>	<u>100.00%</u>	<u>657</u>
Total Cash and Investments	<u>\$ 152,966,445</u>			

NET CASH AND INVESTMENT ACTIVITY FOR OCTOBER 2015 **\$ (7,599,074)**

ENDING BALANCE AS OF OCTOBER 31, 2015

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 14,232,925	0.400%	9.93%	1 (1)
State of California LAIF	39,000,000	0.357%	27.20%	1 (2)
Certificates of Deposit	9,000,000	1.412%	6.28%	740
Treasury Securities	6,065,088	0.516%	4.23%	327
Federal Agency Issues - Coupon	58,001,664	1.402%	40.46%	964
Corporate/Medium Term Notes	12,006,690	1.911%	8.37%	398
	<u>138,306,368</u>	<u>1.010%</u>	<u>96.47%</u>	<u>502</u>
SB Airport Promissory Note	5,061,003	4.195%	3.53%	4,990
Totals and Averages	<u>\$ 143,367,371</u>	<u>1.123%</u>	<u>100.00%</u>	<u>660</u>
Cash/Pending Treasury Security Redemption	\$ 2,000,000			
Total Cash and Investments	<u>\$ 145,367,371</u>			

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 October 31, 2015 is 200 days.

CITY OF SANTA BARBARA

Investment Portfolio

October 31, 2015

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	-	-	-	-	0.357	0.357	39,000,000.00	39,000,000.00	39,000,000.00	0.00	
Subtotal, LAIF							39,000,000.00	39,000,000.00	39,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
ALLY BANK	09/24/15	09/25/17	-	-	1.250	1.250	250,000.00	250,000.00	250,262.50	262.50	FDIC Certificate 57803
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	250,905.00	905.00	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	250,230.00	230.00	FDIC Certificate 27471
BMO HARRIS BANK NA	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,187.50	187.50	FDIC Certificate 16571
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	250,230.00	230.00	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	250,870.00	870.00	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	250,230.00	230.00	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	250,227.50	227.50	FDIC Certificate 5649
EVERBANK	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,187.50	187.50	FDIC Certificate 34775
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	250,857.50	857.50	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	250,865.00	865.00	FDIC Certificate 33124
KEY BANK NA	09/30/15	10/02/17	-	-	1.150	1.150	250,000.00	250,000.00	250,212.50	212.50	FDIC Certificate 17534
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	08/31/17	-	-	1.490	1.511	4,000,000.00	4,000,000.00	4,000,000.00	0.00	
Subtotal, Certificates of deposit							9,000,000.00	9,000,000.00	9,005,265.00	5,265.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,049,863.12	2,051,060.00	1,196.88	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,008,199.84	2,009,400.00	1,200.16	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,007,025.39	2,008,460.00	1,434.61	
Subtotal, Treasury Securities							6,000,000.00	6,065,088.35	6,068,920.00	3,831.65	
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	2,019,860.00	19,860.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,031,860.00	31,860.00	
FEDERAL FARM CREDIT BANK	01/22/15	01/22/19	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,003,800.00	3,800.00	Callable 01/22/16, then 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	2,024,760.00	24,760.00	
FEDERAL FARM CREDIT BANK	12/16/14	12/16/19	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,001,660.00	1,660.00	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	2,003,480.00	3,480.00	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	2,013,640.00	13,640.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,017,040.00	17,040.00	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,011,840.00	11,840.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,004,898.29	2,051,860.00	46,961.71	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,020,280.00	20,280.00	
FEDERAL HOME LOAN BANK	06/29/15	06/29/18	Aaa	AA+	1.170	1.170	2,000,000.00	2,000,000.00	2,004,760.00	4,760.00	Callable 06/29/16, once
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,005,958.52	2,036,000.00	30,041.48	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,892.06	2,009,020.00	9,127.94	
FEDERAL HOME LOAN BANK	10/22/14	11/18/16	Aaa	AA+	0.750	0.500	2,000,000.00	2,005,195.12	2,003,380.00	(1,815.12)	

CITY OF SANTA BARBARA

Investment Portfolio

October 31, 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	08/24/15	08/24/20	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,012,140.00	12,140.00	Callable 08/24/16, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,435.33	1,003,260.00	3,824.67	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	3,006,090.00	6,090.00	Callable 01/30/16, 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	2,001,620.00	1,620.00	Callable 12/12/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,992,744.33	2,002,920.00	10,175.67	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,114.67	2,031,980.00	30,865.33	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	2,000,200.00	200.00	Callable 11/08/15, 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	2,000,200.00	200.00	Callable 11/08/15, 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	4,003,520.00	3,520.00	Callable 12/26/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/29/15	10/29/20	Aaa	AA+	1.500	1.766	2,000,000.00	2,000,000.00	1,994,700.00	(5,300.00)	SU 1.5%-3% Call 04/29/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,993,940.00	(6,060.00)	Callable 11/05/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,992,425.85	2,002,920.00	10,494.15	
FEDERAL NATL MORTGAGE ASSN	06/30/15	06/30/20	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,012,360.00	12,360.00	Callable 06/30/16, then qtrly
Subtotal, Federal Agencies							<u>58,000,000.00</u>	<u>58,001,664.17</u>	<u>58,319,090.00</u>	<u>317,425.83</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,999,816.67	2,005,160.00	5,343.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,016,600.00	16,600.00	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,000,580.00	580.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,003,010.61	2,033,880.00	30,869.39	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,000,542.21	2,000,960.00	417.79	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,003,320.78	2,024,080.00	20,759.22	
Subtotal, Corporate Securities							<u>12,000,000.00</u>	<u>12,006,690.27</u>	<u>12,081,260.00</u>	<u>74,569.73</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,061,002.86	5,061,002.86	5,061,002.86	0.00	
Subtotal, SBA Note							<u>5,061,002.86</u>	<u>5,061,002.86</u>	<u>5,061,002.86</u>	<u>0.00</u>	
CHECKING ACCOUNT											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	14,232,925.32	14,232,925.32	14,232,925.32	0.00	
Subtotal, Checking Account							<u>14,232,925.32</u>	<u>14,232,925.32</u>	<u>14,232,925.32</u>	<u>0.00</u>	
CASH/PENDING REDEMPTION											
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Cash/Pending Redemption							<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>0.00</u>	
TOTALS							<u>145,293,928.18</u>	<u>145,367,370.97</u>	<u>145,768,463.18</u>	<u>401,092.21</u>	

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.