



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 24, 2016
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: April 2016 Investment Report

RECOMMENDATION:

That Council accept the April 2016 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, 2016.

ATTACHMENT: April 2016 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
 April 30, 2016

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

4/26 LAIF Deposit - City	\$ 8,000,000
Total	\$ 8,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

4/29 Federal Home Loan Mortgage Corp (FHLMC) - Call	\$ (2,000,000)
Total	\$ (2,000,000)

ACTIVITY TOTAL **\$ 6,000,000**

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 138,797
Amortization	(9,595)
Total	\$ 129,202

INCOME TOTAL **\$ 129,202**

CITY OF SANTA BARBARA
Summary of Cash and Investments
April 30, 2016

ENDING BALANCE AS OF MARCH 31, 2016

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 19,131,955	0.400%	13.37%	1
State of California LAIF	32,000,000	0.506%	22.36%	1
Certificates of Deposit	7,000,000	1.644%	4.89%	794
Treasury Securities	6,020,117	0.517%	4.21%	176
Federal Agency Issues - Coupon	66,001,201	1.461%	46.13%	975
Corporate/Medium Term Notes	8,010,684	1.752%	5.60%	674
	<u>138,163,957</u>	<u>1.078%</u>	<u>96.56%</u>	<u>553</u>
SB Airport Promissory Note	4,919,388	4.195%	3.44%	4,838
Totals and Averages	<u>\$ 143,083,346</u>	<u>1.185%</u>	<u>100.00%</u>	<u>700</u>
Total Cash and Investments	<u>\$ 143,083,346</u>			

NET CASH AND INVESTMENT ACTIVITY FOR APRIL 2016 **\$ 6,681,368**

ENDING BALANCE AS OF APRIL 30, 2016

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 19,822,917	0.400%	13.24%	1 (1)
State of California LAIF	40,000,000	0.525%	26.71%	1 (2)
Certificates of Deposit	7,000,000	1.644%	4.67%	764
Treasury Securities	6,011,241	0.517%	4.01%	146
Federal Agency Issues - Coupon	64,001,108	1.430%	42.73%	921
Corporate/Medium Term Notes	8,010,058	1.752%	5.35%	644
	<u>144,845,325</u>	<u>1.029%</u>	<u>96.72%</u>	<u>486</u>
SB Airport Promissory Note	4,919,388	4.195%	3.28%	4,808
Totals and Averages	<u>\$ 149,764,713</u>	<u>1.133%</u>	<u>100.00%</u>	<u>628</u>
Total Cash and Investments	<u>\$ 149,764,713</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 April 30, 2016 is 164 days.

CITY OF SANTA BARBARA

Investment Portfolio

April 30, 2016

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	-	-	-	-	0.525	0.525	40,000,000.00	40,000,000.00	40,000,000.00	0.00	
Subtotal, LAIF							40,000,000.00	40,000,000.00	40,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
ALLY BANK	09/24/15	09/25/17	-	-	1.250	1.250	250,000.00	250,000.00	250,992.50	992.50	FDIC Certificate 57803
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	254,990.00	4,990.00	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	256,207.50	6,207.50	FDIC Certificate 27471
BMO HARRIS BANK NA	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,952.50	952.50	FDIC Certificate 16571
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	256,215.00	6,215.00	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	255,015.00	5,015.00	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	256,207.50	6,207.50	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	257,275.00	7,275.00	FDIC Certificate 5649
EVERBANK	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,952.50	952.50	FDIC Certificate 34775
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	254,927.50	4,927.50	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	254,990.00	4,990.00	FDIC Certificate 33124
KEY BANK NA	09/30/15	10/02/17	-	-	1.150	1.150	250,000.00	250,000.00	250,980.00	980.00	FDIC Certificate 17534
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							7,000,000.00	7,000,000.00	7,049,705.00	49,705.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,003,561.65	2,003,540.00	(21.65)	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,003,290.73	2,004,160.00	869.27	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,004,389.06	2,004,540.00	150.94	
Subtotal, Treasury Securities							6,000,000.00	6,011,241.44	6,012,240.00	998.56	
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	2,031,960.00	31,960.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,038,560.00	38,560.00	
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,020,220.00	20,220.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,013,640.00	13,640.00	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,030,540.00	30,540.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,004,044.76	2,050,300.00	46,255.24	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,022,220.00	22,220.00	
FEDERAL HOME LOAN BANK	06/29/15	06/29/18	Aaa	AA+	1.170	1.170	2,000,000.00	2,000,000.00	2,001,560.00	1,560.00	Callable 06/29/16, once
FEDERAL HOME LOAN BANK	01/26/16	04/26/19	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,005,680.00	5,680.00	Callable 01/26/17, once
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,005,003.46	2,039,640.00	34,636.54	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,925.68	2,006,720.00	6,794.32	
FEDERAL HOME LOAN BANK	10/22/14	11/18/16	Aaa	AA+	0.750	0.500	2,000,000.00	2,002,714.69	2,002,340.00	(374.69)	
FEDERAL HOME LOAN MTG CORP	11/25/15	05/25/18	Aaa	AA+	1.050	1.050	2,000,000.00	2,000,000.00	2,000,040.00	40.00	Callable 05/25/16, once
FEDERAL HOME LOAN MTG CORP	12/29/15	06/29/18	Aaa	AA+	1.200	1.200	2,000,000.00	2,000,000.00	2,000,480.00	480.00	Callable 06/29/16, once
FEDERAL HOME LOAN MTG CORP	01/29/16	01/29/21	Aaa	AA+	1.500	2.172	2,000,000.00	2,000,000.00	2,000,500.00	500.00	SU 1.5%-5.5% Call 07/29/16, then qtrly
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	2,006,540.00	6,540.00	Callable 08/24/16, then qtrly

CITY OF SANTA BARBARA

Investment Portfolio

April 30, 2016

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	12/28/15	12/28/20	Aaa	AA+	1.500	2.365	2,000,000.00	2,000,000.00	2,000,600.00	600.00	SU 1.5%-5% Call 06/28/16, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,583.07	1,003,380.00	3,796.93	
FEDERAL HOME LOAN MTG CORP	01/29/16	07/29/19	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,001,100.00	1,100.00	Callable 07/29/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,994,510.00	(5,490.00)	Callable 07/30/16, 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	2,000,040.00	40.00	Callable 06/12/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,994,570.94	2,003,300.00	8,729.06	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,000,933.26	2,034,220.00	33,286.74	
FEDERAL NATL MORTGAGE ASSN	12/26/12	12/26/17	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	4,004,480.00	4,480.00	Callable 06/26/16, 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	2,000,900.00	900.00	SU 1.5%-3% Call 07/29/16, 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	1,998,840.00	(1,160.00)	Callable 05/05/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,994,332.63	2,003,300.00	8,967.37	
FEDERAL NATL MORTGAGE ASSN	06/30/15	06/30/20	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,004,020.00	4,020.00	Callable 06/30/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/27/15	11/28/18	Aaa	AA+	1.200	1.200	2,000,000.00	2,000,000.00	2,003,200.00	3,200.00	Callable 11/28/16, once
FEDERAL NATL MORTGAGE ASSN	11/27/15	11/27/19	Aaa	AA+	1.125	1.678	2,000,000.00	2,000,000.00	2,009,860.00	9,860.00	SU 1.125%-2.250%, Call 11/27/17, once
FEDERAL NATL MORTGAGE ASSN	11/30/15	11/25/20	Aaa	AA+	1.000	2.015	2,000,000.00	2,000,000.00	1,999,360.00	(640.00)	SU 1%-2.2% Call 08/25/16, once
Subtotal, Federal Agencies							64,000,000.00	64,001,108.49	64,332,050.00	330,941.51	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,020,240.00	20,240.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,002,540.61	2,059,360.00	56,819.39	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,001,417.15	2,009,660.00	8,242.85	
TOYOTA MOTOR CREDIT	11/20/15	07/13/18	Aa3	AA-	1.550	1.408	2,000,000.00	2,006,099.98	2,018,600.00	12,500.02	
Subtotal, Corporate Securities							8,000,000.00	8,010,057.74	8,107,860.00	97,802.26	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	4,919,388.34	4,919,388.34	4,919,388.34	0.00	
Subtotal, SBA Note							4,919,388.34	4,919,388.34	4,919,388.34	0.00	
CHECKING ACCOUNT											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	19,822,917.28	19,822,917.28	19,822,917.28	0.00	
Subtotal, Checking Account							19,822,917.28	19,822,917.28	19,822,917.28	0.00	
TOTALS							149,742,305.62	149,764,713.29	150,244,160.62	479,447.33	

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.