



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 28, 2014

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: September 30, 2014, Investment Report And September 30, 2014, Fiscal Agent Report

RECOMMENDATION: That Council:

- A. Accept the September 30, 2014, Investment Report; and
- B. Accept the September 30, 2014, Fiscal Agent Report.

DISCUSSION:

On a quarterly basis, staff submits a comprehensive report on the City’s portfolio and related activity pursuant to the City’s Annual Statement of Investment Policy. The current report covers the investment activity for the period of July through September 2014.

Treasury yields were mostly higher by the end of the quarter. As shown in the table to the right, the change in Treasury yields ranged from a decrease of 13 basis points on the 30-year Treasury note to an increase of 19 basis points on the 3-year Treasury note. The 1 to 5-year maturities saw the largest increases in Treasury yield, and the 5-year note increased by 16 basis points by the end of the quarter.

U.S. Treasury Market					
	6/30/2014	7/31/2014	8/31/2014	9/30/2014	Cumulative Change
3 Month	0.04%	0.03%	0.03%	0.02%	-0.02%
6 Month	0.07%	0.05%	0.05%	0.03%	-0.04%
1 Year	0.11%	0.12%	0.09%	0.13%	0.02%
2 Year	0.47%	0.53%	0.48%	0.58%	0.11%
3 Year	0.88%	1.02%	0.94%	1.07%	0.19%
4 Year	1.25%	1.37%	1.28%	1.40%	0.15%
5 Year	1.62%	1.76%	1.63%	1.78%	0.16%
10 Year	2.53%	2.85%	2.35%	2.52%	-0.01%
30 Year	3.34%	3.32%	3.09%	3.21%	-0.13%
LAIF	0.22%	0.24%	0.24%	0.24%	0.02%

The 1 to 5-year maturities saw the largest increases in Treasury yield, and the 5-year note increased by 16 basis points by the end of the quarter.

Investment Activity

As shown in the Investment Activity table on the next page, the City invested \$6 million during the quarter. The purchases consisted of \$6 million in “AAA” rated Federal Agency callable securities. The purchases replaced \$4 million in Federal Agency securities that were called, and \$2 million in Federal Agency securities that matured over the quarter.

Issuer	Face Amount	Purchase Date	Final Maturity	Call Date	Yield To Call	Yield To Maturity
<i>Purchases:</i>						
Federal Farm Credit Bank (FFCB)	\$ 2,000,000	07/09/14	07/09/18	07/09/15	1.470%	1.470%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	07/28/14	04/28/17	10/28/14	1.000%	1.000%
Federal Home Loan Bank (FHLB)	2,000,000	09/10/14	09/30/19	12/30/14	2.100%	2.100%
	\$ 6,000,000					
<i>Calls:</i>						
Federal National Mortgage Association (FNMA)	\$ 2,000,000	07/10/13	07/10/18	07/10/14	1.700%	1.700%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	07/25/13	07/25/18	07/25/14	1.800%	1.800%
	\$ 4,000,000					
<i>Maturities:</i>						
Federal Home Loan Bank (FHLB)	\$ 2,000,000	08/03/10	09/12/14	-	-	1.375%
	\$ 2,000,000					

Summary of Cash and Investments

The book rate of return, or portfolio yield, measures the rate of return of actual earnings generated from the portfolio. As shown in the table to the right, during the quarter, the City's book rate of return increased by 1.7 basis points from 1.160 percent at June 30, 2014 to 1.177 percent at September 30, 2014.

Mo. Ended	Yield	Days to Maturity
6/30/2014	1.160%	931
7/31/2014	1.179%	931
8/31/2014	1.172%	896
9/30/2014	1.177%	893

The portfolio's average days to maturity, including the long-term Airport promissory note, decreased by 38 days from 931 to 893 days. Excluding the Airport note, the portfolio's average days to maturity is 752 days, reflecting reinvestment of maturities and calls during the quarter in the one-to-five year range in accordance with the City's Annual Statement of Investment Policy. The Annual Statement of Investment Policy requires that the average days to maturity on the portfolio not exceed 2.5 years, excluding any investments with a final maturity longer than 5 years that were separately authorized by Council, such as the Airport promissory note.

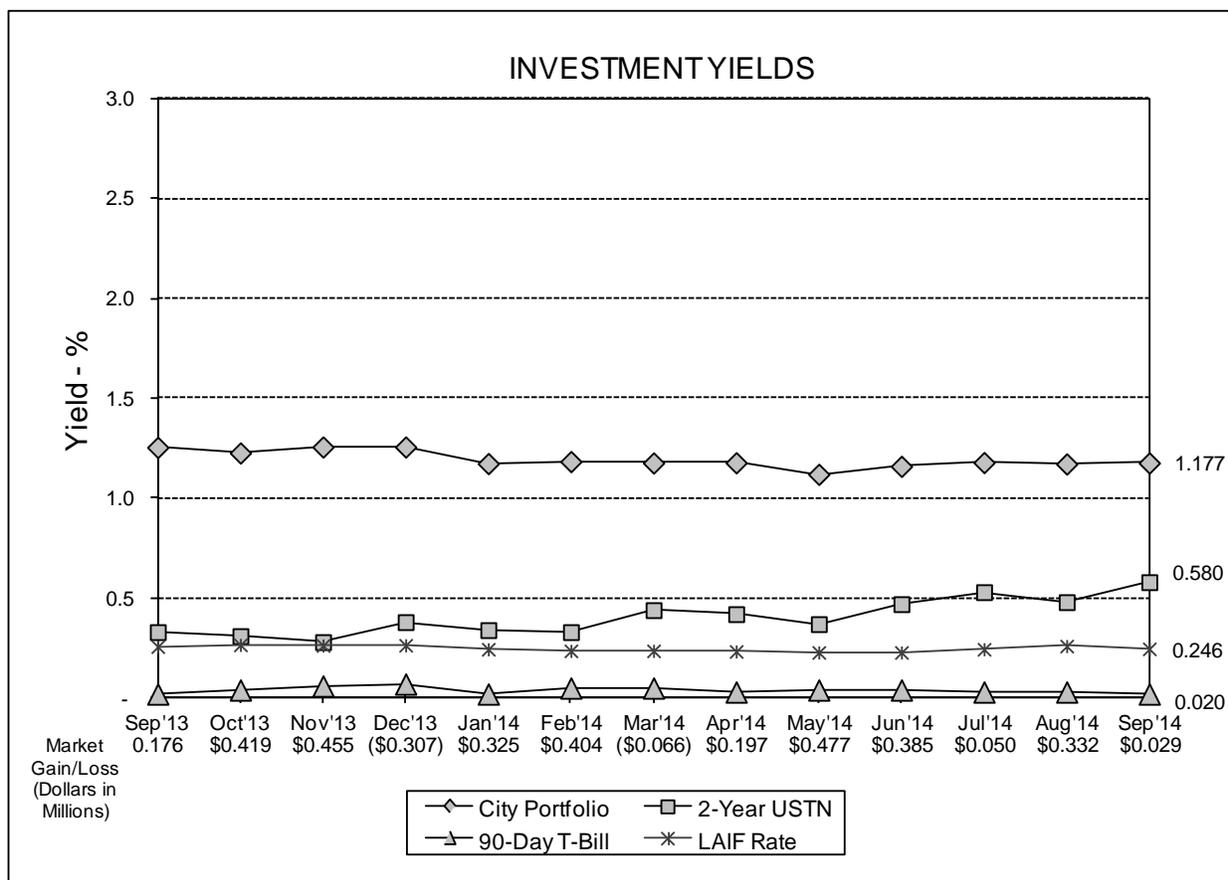
The average LAIF rate at which the City earned interest for funds invested was at 0.24 percent for the quarter ended September 30, 2014, which was down from last quarter by 2 basis points. The City's LAIF holdings at the end of the quarter were \$24 million. Staff expects to reinvest a portion of the LAIF balances in fixed-term or callable securities during the next quarter.

Credit Quality on Corporate Notes

There were no credit quality changes to the four corporate issuers of the medium-term notes held in the portfolio (i.e., Berkshire Hathaway Financial, Inc., General Electric Capital Corp, Proctor & Gamble, and Toyota Motor Credit), and the ratings of all corporate notes remain within the City's Investment Policy guidelines of "A" or better.

Portfolio Market Gains/Losses

As shown in the Investment Yields chart below, the City's portfolio continues to significantly outperform the three benchmark measures (the 90-day T-Bill, 2-year T-Note and LAIF). At September 30, 2014, the portfolio had an overall unrealized market gain of \$0.029 million.



On a quarterly basis, staff reports the five securities with the largest percentage of unrealized losses as shown in the table below. However, because securities in the City's portfolio are held to maturity, no market losses would be realized.

Issuer	Face Amount	Maturity	\$ Mkt Change	% Mkt Change
FEDERAL NATL MORTGAGE ASSN	\$2,000,000	02/05/18	-\$28,260	-1.41%
FEDERAL NATL MORTGAGE ASSN	\$4,000,000	12/26/17	-\$55,840	-1.40%
FEDERAL NATL MORTGAGE ASSN	\$3,000,000	01/30/18	-\$40,440	-1.35%
FEDERAL NATL MORTGAGE ASSN	\$2,000,000	12/12/17	-\$25,040	-1.25%
FEDERAL HOME LOAN BANK	\$4,000,000	01/16/18	-\$46,920	-1.17%

On a quarterly basis, staff also reports all securities with monthly market declines of greater than 1 percent compared to the prior month. There were no securities in the portfolio with a market decline of greater than 1 percent compared to the prior month.

Additional Reporting Requirements

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of September 30, 2014, is in compliance with the City's Statement of Investment Policy; and (2) there are sufficient funds available to meet the City's expenditure requirements for the next six months.

Fiscal Agent Investments

In addition to reporting requirements for public agency portfolios, a description of any of the agency's investments under the management of contracted parties is also required on a quarterly basis. Attachment 2 includes bond funds and the police and fire service retirement fund as of September 30, 2014.

ATTACHMENTS: 1. September 30, 2014, Investment Report
2. September 30, 2014, Fiscal Agent 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
September 30, 2014

INVESTMENT ACTIVITY**PURCHASES OR DEPOSITS**

9/4 LAIF Deposit - City	\$ 2,000,000
9/30 Federal Home Loan Bank (FHLB)	<u>2,000,000</u>
Total	\$ 4,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

9/12 Federal Home Loan Bank (FHLB) - Maturity	\$ (2,000,000)
9/29 LAIF Withdrawal - City	<u>(2,000,000)</u>
Total	\$ (4,000,000)

ACTIVITY TOTAL

<u>\$ -</u>

INVESTMENT INCOME**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 161,773
Amortization	<u>(10,013)</u>
Total	\$ 151,760

INCOME TOTAL

<u>\$ 151,760</u>

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

ENDING BALANCE AS OF AUGUST 31, 2014

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
Union Bank Checking Account	\$ 19,582,629	0.400%	11.18%	1
State of California LAIF	24,000,000	0.260%	13.70%	1
Certificates of Deposit	8,000,000	1.217%	4.57%	749
Treasury Securities	10,211,198	0.458%	5.83%	578
Federal Agency Issues - Coupon	95,979,346	1.370%	54.80%	1,106
Corporate/Medium Term Notes	12,026,745	1.910%	6.87%	823
	<u>169,799,917</u>	<u>1.077%</u>	<u>96.95%</u>	<u>754</u>
SB Airport Promissory Note	5,336,967	4.195%	3.05%	5,416
Totals and Averages	<u>\$ 175,136,884</u>	<u>1.172%</u>	<u>100.00%</u>	<u>896</u>
Total Cash and Investments	<u>\$ 175,136,884</u>			

NET CASH AND INVESTMENT ACTIVITY FOR SEPTEMBER 2014 **\$ 361,978**

ENDING BALANCE AS OF SEPTEMBER 30, 2014

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
Union Bank Checking Account	\$ 19,954,619	0.400%	11.37%	1 (1)
State of California LAIF	24,000,000	0.246%	13.68%	1 (2)
Certificates of Deposit	8,000,000	1.217%	4.56%	719
Treasury Securities	10,200,876	0.458%	5.81%	548
Federal Agency Issues - Coupon	95,981,087	1.385%	54.69%	1,115
Corporate/Medium Term Notes	12,025,312	1.910%	6.85%	793
	<u>170,161,895</u>	<u>1.082%</u>	<u>96.96%</u>	<u>752</u>
SB Airport Promissory Note	5,336,967	4.195%	3.04%	5,386
Totals and Averages	<u>\$ 175,498,862</u>	<u>1.177%</u>	<u>100.00%</u>	<u>893</u>
Total Cash and Investments	<u>\$ 175,498,862</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 September 30, 2014 is 232 days.

CITY OF SANTA BARBARA

ATTACHMENT 1

Investment Portfolio
September 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	-	-	-	-	0.246	0.246	24,000,000.00	24,000,000.00	24,000,000.00	0.00	
Subtotal, LAIF							24,000,000.00	24,000,000.00	24,000,000.00	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	2,000,296.00	2,002,960.00	2,664.00	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,018,330.64	2,023,280.00	4,949.36	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,150,606.96	2,151,800.00	1,193.04	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,018,881.22	2,016,260.00	(2,621.22)	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,012,761.59	2,002,040.00	(10,721.59)	
Subtotal, Treasury Securities							10,000,000.00	10,200,876.41	10,196,340.00	(4,536.41)	
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	2,005,800.00	5,800.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,016,420.00	16,420.00	
FEDERAL FARM CREDIT BANK	07/09/14	07/09/18	Aaa	AA+	1.470	1.470	2,000,000.00	2,000,000.00	1,989,560.00	(10,440.00)	Callable 07/09/15, 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	1,992,960.00	(7,040.00)	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	2,026,140.00	26,140.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,054,860.00	54,860.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,012,740.00	12,740.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,006,747.60	2,029,240.00	22,492.40	
FEDERAL HOME LOAN BANK	04/17/14	04/17/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,999,240.00	(760.00)	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	3,953,080.00	(46,920.00)	Callable 10/16/14, 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	2,003,200.00	3,200.00	
FEDERAL HOME LOAN BANK	09/30/14	09/30/19	Aaa	AA+	2.100	2.100	2,000,000.00	2,000,000.00	1,996,560.00	(3,440.00)	Callable 12/30/14, then qtrly
FEDERAL HOME LOAN BANK	05/28/14	05/28/19	Aaa	AA+	1.375	2.288	2,000,000.00	2,000,000.00	1,994,640.00	(5,360.00)	SU 1.375%-6% Call 11/28/14, then qtrly
FEDERAL HOME LOAN BANK	06/26/14	06/26/19	Aaa	AA+	1.250	2.062	2,000,000.00	1,998,111.11	1,998,300.00	188.89	SU 1.25%-6% Call 12/26/14, 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	1,989,460.00	(10,540.00)	SU 1.125%-2.5% Call 12/27/14, 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	998,060.00	(1,940.00)	Callable, continuous
FEDERAL HOME LOAN BANK	05/22/14	05/22/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,992,740.00	(7,260.00)	Callable, continuous
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,010,520.00	10,520.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,024,200.00	24,200.00	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,008,027.82	2,003,060.00	(4,967.82)	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,819.23	2,002,140.00	2,320.77	
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	1,983,480.00	(16,520.00)	Callable 12/26/14, 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	1,001,910.00	1,910.00	SU 1.5%-2.75% Call 12/18/14, 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	1,003,420.00	3,420.00	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	1,999,631.36	2,004,340.00	4,708.64	
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	1,997,000.00	(3,000.00)	Callable 10/24/14, 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	2,002,440.00	2,440.00	Callable 10/24/14, then qtrly

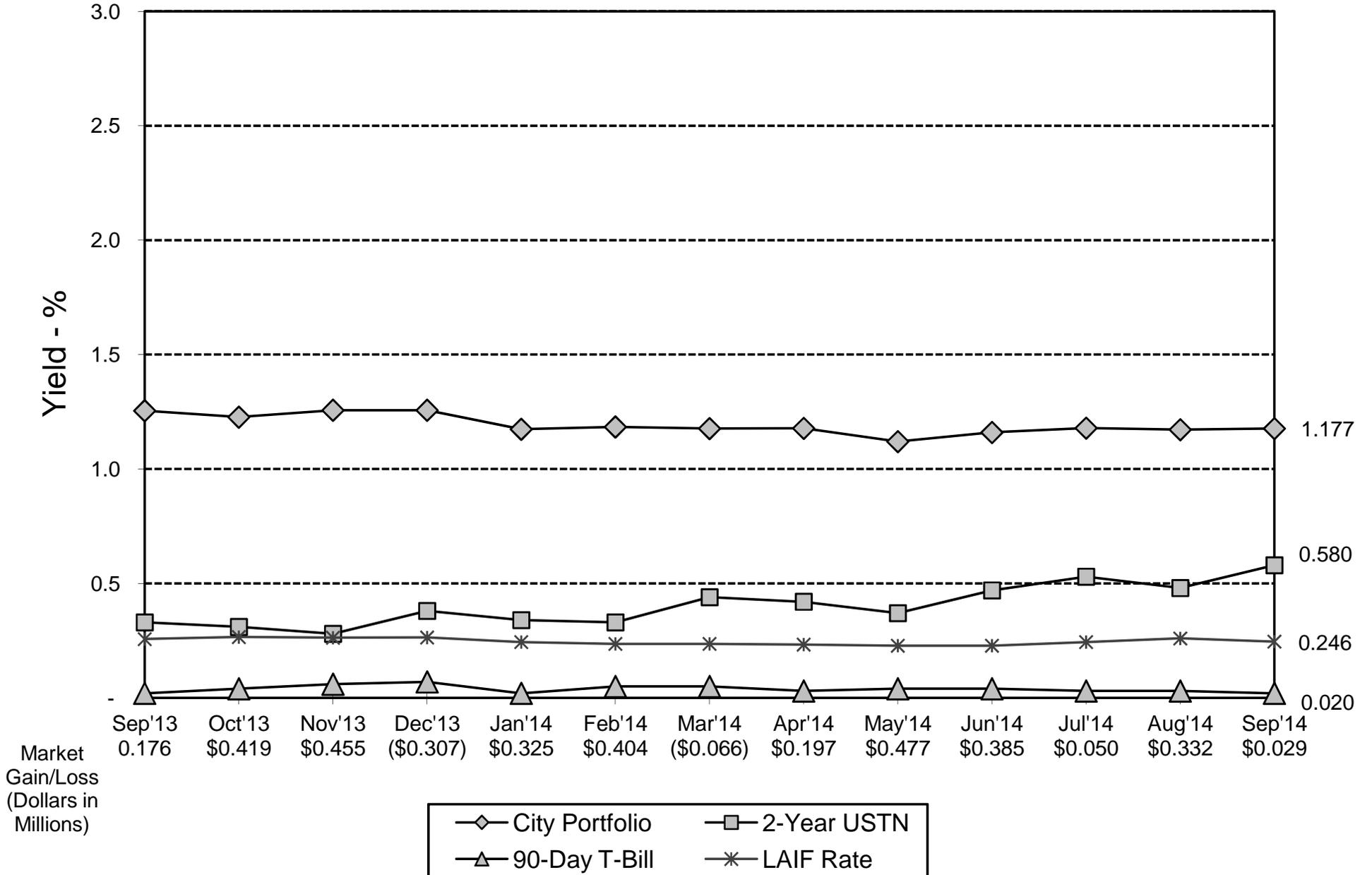
CITY OF SANTA BARBARA

Investment Portfolio
September 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	06/30/14	06/30/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,995,420.00	(4,580.00)	Callable 06/30/15, once
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	1,993,540.00	(6,460.00)	Callable 12/12/14, 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	3,979,000.00	(21,000.00)	Callable 10/16/14, 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	1,001,380.00	1,380.00	SU 1%-2% Callable 11/26/14, once
FEDERAL HOME LOAN MTG CORP	07/28/14	04/28/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,998,640.00	(1,360.00)	Callable 10/28/14, 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	1,995,560.00	(4,440.00)	Callable 12/26/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,115.25	995,490.00	(3,625.25)	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,959,560.00	(40,440.00)	Callable 10/30/14, 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	2,003,160.00	3,160.00	
FEDERAL NATL MORTGAGE ASSN	12/12/12	12/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,974,960.00	(25,040.00)	Callable 12/12/14, 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	1,993,880.00	(6,120.00)	Callable 12/19/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,988,786.70	1,981,020.00	(7,766.70)	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,507.73	1,995,860.00	(5,647.73)	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,977,500.00	(22,500.00)	Callable 11/08/14, 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	1,977,500.00	(22,500.00)	Callable 11/08/14, 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	3,944,160.00	(55,840.00)	Callable 12/26/14, 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	2,035,120.00	35,120.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,991,045.90	2,030,100.00	39,054.10	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,971,740.00	(28,260.00)	Callable 02/05/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,988,294.49	1,981,020.00	(7,274.49)	
Subtotal, Federal Agencies							96,000,000.00	95,981,087.19	95,870,120.00	(110,967.19)	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,998,191.67	2,046,520.00	48,328.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	1,995,960.00	(4,040.00)	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,035,200.00	35,200.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,004,028.94	2,019,720.00	15,691.06	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,015,646.56	2,030,100.00	14,453.44	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,007,445.32	2,041,880.00	34,434.68	
Subtotal, Corporate Securities							12,000,000.00	12,025,312.49	12,169,380.00	144,067.51	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,336,966.90	5,336,966.90	5,336,966.90	0.00	
Subtotal, SBA Note							5,336,966.90	5,336,966.90	5,336,966.90	0.00	
CHECKING ACCOUNT											
Union Bank Checking Account	-	-	-	-	0.400	0.400	19,954,618.95	19,954,618.95	19,954,618.95	0.00	
Subtotal, Checking Account							19,954,618.95	19,954,618.95	19,954,618.95	0.00	
TOTALS							175,291,585.85	175,498,861.94	175,527,425.85	28,563.91	

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.

INVESTMENT YIELDS



**CITY OF SANTA BARBARA
Fiscal Agent Investments
September 30, 2014**

	CASH & CASH EQUIVALENTS Book & Market	Guaranteed Investment Contracts (GIC) Book & Market	STOCKS		BONDS		US GOVT & AGENCIES		TOTALS	
			Book	Market	Book	Market	Book	Market	Book	Market
BOND FUNDS										
<i>RESERVE FUNDS</i>										
2004 RDA - Housing Bonds	0.65	-	-	-	-	-	-	-	0.65	0.65
2002 Municipal Improvement - Refunding COPS	18,824.80	547,530.00	-	-	-	-	-	-	566,354.80	566,354.80
2011 Water - Safe Drinking Water State Loan	458,956.80	-	-	-	-	-	-	-	458,956.80	458,956.80
2013 Water - Refunding COPS	1,776,416.76	428,069.44	-	-	-	-	636,099.18	639,660.80	2,840,585.38	2,844,147.00
2004 Sewer - Revenue Bonds	64,580.27	1,357,140.00	-	-	-	-	-	-	1,421,720.27	1,421,720.27
2009 Airport - Revenue Bonds	123,418.08	-	-	-	-	-	3,046,249.96	3,035,464.35	3,169,668.04	3,158,882.43
2014 Waterfront - Refunding Bonds	4,439.68	581,455.74	-	-	-	-	-	-	585,895.42	585,895.42
Subtotal, Reserve Funds	<u>2,446,637.04</u>	<u>2,914,195.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,682,349.14</u>	<u>3,675,125.15</u>	<u>9,043,181.36</u>	<u>9,035,957.37</u>
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	2,366,565.19	-	-	-	-	-	-	-	2,366,565.19	2,366,565.19
2003 RDA Bonds	8,507,865.14	-	-	-	-	-	-	-	8,507,865.14	8,507,865.14
Subtotal, Project Funds	<u>10,874,430.33</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,874,430.33</u>	<u>10,874,430.33</u>
SUBTOTAL BOND FUNDS	<u>13,321,067.37</u>	<u>2,914,195.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,682,349.14</u>	<u>3,675,125.15</u>	<u>19,917,611.69</u>	<u>19,910,387.70</u>
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	64,700.90	-	137,534.15	242,142.31	219,676.71	229,709.60	-	-	421,911.76	536,552.81
	<u>64,700.90</u>	<u>-</u>	<u>137,534.15</u>	<u>242,142.31</u>	<u>219,676.71</u>	<u>229,709.60</u>	<u>-</u>	<u>-</u>	<u>421,911.76</u>	<u>536,552.81</u>
TOTAL FISCAL AGENT INVESTMENTS	<u>13,385,768.27</u>	<u>2,914,195.18</u>	<u>137,534.15</u>	<u>242,142.31</u>	<u>219,676.71</u>	<u>229,709.60</u>	<u>3,682,349.14</u>	<u>3,675,125.15</u>	<u>20,339,523.45</u>	<u>20,446,940.51</u>

Notes:

- (1) Cash & cash equivalents include money market funds.
(2) Market values have been obtained from the following trustees: US Bank and MUFG Union Bank, N.A. - The Private Bank