



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 26, 2013

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: February 2013 Investment Report

RECOMMENDATION:

That Council accept the February 2013 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of February 28, 2013.

ATTACHMENT: February 2013 Investment Report

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
February 28, 2013

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

| | |
|--|----------------------|
| 2/5 Federal National Mortgage Association (FNMA) | \$ 2,000,000 |
| 2/8 LAIF Deposit - City | 3,000,000 |
| 2/22 United States Treasury Note (USTN) | 2,000,000 |
| 2/22 United States Treasury Note (USTN) | 2,000,000 |
| 2/22 United States Treasury Note (USTN) | 2,000,000 |
| Total | \$ 11,000,000 |

SALES, MATURITIES, CALLS OR WITHDRAWALS

| | |
|---|------------------------|
| 2/6 LAIF Withdrawal - City | \$ (6,000,000) |
| 2/11 LAIF Withdrawal - City | (2,000,000) |
| 2/21 LAIF Withdrawal - City | (6,000,000) |
| 2/27 LAIF Withdrawal - City | (4,000,000) |
| 2/28 Federal Home Loan Mortgage Corp (FHLMC) - Call | (2,000,000) |
| Total | \$ (20,000,000) |

ACTIVITY TOTAL

\$ (9,000,000)

INVESTMENT INCOME

POOLED INVESTMENTS

| | |
|--------------------------------|-------------------|
| Interest Earned on Investments | \$ 200,404 |
| Amortization | (17,103) |
| Interest on SBB&T Accounts | 314 |
| Total | \$ 183,615 |

REDEVELOPMENT SUCCESSOR AGENCY INVESTMENTS

| | |
|---------------------------------------|-----------------|
| Interest Earned on Investments (LAIF) | \$ 1,470 |
|---------------------------------------|-----------------|

INCOME TOTAL

\$ 185,085

CITY OF SANTA BARBARA

Investment Portfolio

February 28, 2013

| DESCRIPTION | PURCHASE | MATURITY | QUALITY RATING | | STATED | YIELD AT | FACE | BOOK | MARKET | BOOK | COMMENTS | |
|--|----------|----------|----------------|-------|--------|----------|----------------------|----------------------|----------------------|------|------------------|-------------------------------|
| | DATE | DATE | MOODY'S | S & P | | | | | | | | RATE |
| LOCAL AGENCY INVESTMENT FUNDS | | | | | | | | | | | | |
| LOCAL AGENCY INVESTMENT FUND | - | - | - | - | 0.286 | 0.286 | 24,000,000.00 | 24,000,000.00 | 24,000,000.00 | | 0.00 | |
| LOCAL AGENCY INV FUND/RDAS | - | - | - | - | 0.286 | 0.286 | 6,700,000.00 | 6,700,000.00 | 6,700,000.00 | | 0.00 | |
| Subtotal, LAIF | | | | | | | 30,700,000.00 | 30,700,000.00 | 30,700,000.00 | | 0.00 | |
| CERTIFICATES OF DEPOSIT | | | | | | | | | | | | |
| MONTECITO BANK & TRUST | 11/18/11 | 11/18/13 | - | - | 0.800 | 0.800 | 2,000,000.00 | 2,000,000.00 | 2,000,000.00 | | 0.00 | |
| SANTA BARBARA BANK & TRUST | 08/31/12 | 08/31/15 | - | - | 1.230 | 1.247 | 2,000,000.00 | 2,000,000.00 | 2,000,000.00 | | 0.00 | |
| SANTA BARBARA BANK & TRUST | 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 | 2,001,334.67 | 2,005,160.00 | | 3,825.33 | |
| U S TREASURY NOTE | 10/25/12 | 10/31/15 | Aaa | AA+ | 1.250 | 0.397 | 2,000,000.00 | 2,045,200.10 | 2,049,860.00 | | 4,659.90 | |
| U S TREASURY NOTE | 02/22/13 | 05/15/16 | Aaa | AA+ | 5.125 | 0.442 | 2,000,000.00 | 2,297,906.67 | 2,300,480.00 | | 2,573.33 | |
| U S TREASURY NOTE | 02/22/13 | 08/31/16 | Aaa | AA+ | 1.000 | 0.502 | 2,000,000.00 | 2,034,498.69 | 2,037,980.00 | | 3,481.31 | |
| U S TREASURY NOTE | 02/22/13 | 02/28/17 | Aaa | AA+ | 0.875 | 0.607 | 2,000,000.00 | 2,021,148.60 | 2,025,780.00 | | 4,631.40 | |
| Subtotal, Treasury Securities | | | | | | | 10,000,000.00 | 10,400,088.73 | 10,419,260.00 | | 19,171.27 | |
| FEDERAL AGENCY ISSUES - COUPON | | | | | | | | | | | | |
| FEDERAL FARM CREDIT BANK | 02/10/11 | 02/10/14 | Aaa | AA+ | 1.375 | 1.375 | 2,000,000.00 | 2,000,000.00 | 2,022,580.00 | | 22,580.00 | |
| FEDERAL FARM CREDIT BANK | 03/01/12 | 03/01/17 | Aaa | AA+ | 1.260 | 1.260 | 2,000,000.00 | 2,000,000.00 | 2,000,000.00 | | 0.00 | Callable 03/01/13, then cont. |
| FEDERAL FARM CREDIT BANK | 08/15/12 | 08/15/17 | Aaa | AA+ | 0.980 | 0.980 | 2,000,000.00 | 2,000,000.00 | 2,006,100.00 | | 6,100.00 | Callable 08/15/13, then cont. |
| FEDERAL FARM CREDIT BANK | 03/05/09 | 03/04/13 | Aaa | AA+ | 2.600 | 2.600 | 2,000,000.00 | 2,000,000.00 | 2,000,420.00 | | 420.00 | |
| FEDERAL FARM CREDIT BANK | 05/08/09 | 04/08/13 | Aaa | AA+ | 2.200 | 2.200 | 2,000,000.00 | 2,000,000.00 | 2,004,240.00 | | 4,240.00 | |
| FEDERAL FARM CREDIT BANK | 02/16/11 | 02/16/16 | Aaa | AA+ | 2.570 | 2.570 | 2,000,000.00 | 2,000,000.00 | 2,126,160.00 | | 126,160.00 | |
| FEDERAL FARM CREDIT BANK | 09/13/12 | 09/13/17 | Aaa | AA+ | 1.020 | 1.020 | 2,000,000.00 | 2,000,000.00 | 2,000,200.00 | | 200.00 | Callable, continuous |
| FEDERAL HOME LOAN BANK | 04/15/10 | 10/15/13 | Aaa | AA+ | 2.000 | 2.000 | 2,000,000.00 | 2,000,000.00 | 2,022,700.00 | | 22,700.00 | |
| FEDERAL HOME LOAN BANK | 08/05/10 | 09/12/14 | Aaa | AA+ | 1.375 | 1.375 | 2,000,000.00 | 2,000,000.00 | 2,034,960.00 | | 34,960.00 | |
| FEDERAL HOME LOAN BANK | 09/17/09 | 12/13/13 | Aaa | AA+ | 3.125 | 2.440 | 2,000,000.00 | 2,010,128.02 | 2,046,160.00 | | 36,031.98 | |
| FEDERAL HOME LOAN BANK | 04/05/10 | 11/29/13 | Aaa | AA+ | 2.000 | 2.000 | 2,000,000.00 | 2,000,000.00 | 2,027,140.00 | | 27,140.00 | |
| FEDERAL HOME LOAN BANK | 01/16/13 | 01/16/18 | Aaa | AA+ | 1.000 | 1.000 | 4,000,000.00 | 4,000,000.00 | 3,999,160.00 | | (840.00) | Callable 07/16/13, then qtrly |
| FEDERAL HOME LOAN BANK | 09/26/11 | 08/28/13 | Aaa | AA+ | 1.000 | 0.381 | 1,000,000.00 | 1,003,031.00 | 1,004,210.00 | | 1,179.00 | |
| FEDERAL HOME LOAN BANK | 09/17/09 | 09/13/13 | Aaa | AA+ | 4.375 | 2.272 | 2,000,000.00 | 2,021,328.58 | 2,044,940.00 | | 23,611.42 | |
| FEDERAL HOME LOAN BANK | 02/22/10 | 12/13/13 | Aaa | AA+ | 3.125 | 2.130 | 2,000,000.00 | 2,014,887.79 | 2,046,160.00 | | 31,272.21 | |
| FEDERAL HOME LOAN BANK | 02/09/11 | 01/29/15 | Aaa | AA+ | 1.750 | 1.750 | 2,000,000.00 | 2,000,000.00 | 2,055,560.00 | | 55,560.00 | |
| FEDERAL HOME LOAN BANK | 04/15/11 | 05/27/15 | Aaa | AA+ | 2.000 | 2.000 | 2,000,000.00 | 2,000,000.00 | 2,074,040.00 | | 74,040.00 | |
| FEDERAL HOME LOAN BANK | 09/26/11 | 10/30/13 | Aaa | AA+ | 2.000 | 0.400 | 1,500,000.00 | 1,515,851.98 | 1,518,165.00 | | 2,313.02 | |
| FEDERAL HOME LOAN MTG CORP | 03/28/12 | 03/28/17 | Aaa | AA+ | 1.210 | 1.210 | 2,000,000.00 | 2,000,000.00 | 2,001,480.00 | | 1,480.00 | Callable 03/28/13, once |
| FEDERAL HOME LOAN MTG CORP | 01/06/11 | 02/25/14 | Aaa | AA+ | 1.375 | 1.375 | 2,000,000.00 | 2,000,000.00 | 2,022,900.00 | | 22,900.00 | |
| FEDERAL HOME LOAN MTG CORP | 03/28/12 | 03/28/17 | Aaa | AA+ | 1.350 | 1.350 | 2,000,000.00 | 2,000,000.00 | 2,026,780.00 | | 26,780.00 | Callable 03/28/14, once |
| FEDERAL HOME LOAN MTG CORP | 02/21/12 | 02/21/17 | Aaa | AA+ | 1.300 | 1.300 | 2,000,000.00 | 2,000,000.00 | 2,020,100.00 | | 20,100.00 | Callable 02/21/14, once |
| FEDERAL HOME LOAN MTG CORP | 04/23/12 | 04/17/15 | Aaa | AA+ | 0.500 | 0.534 | 2,000,000.00 | 1,998,559.29 | 2,007,900.00 | | 9,340.71 | |

CITY OF SANTA BARBARA

Investment Portfolio

February 28, 2013

| DESCRIPTION | PURCHASE | MATURITY | QUALITY RATING | | STATED | YIELD AT | FACE | BOOK | MARKET | BOOK | COMMENTS |
|--|----------|----------|----------------|-------|--------|----------|-----------------------|-----------------------|-----------------------|---------------------|--|
| | DATE | DATE | MOODY'S | S & P | | | | | | | |
| 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 | 2,019,980.00 | 19,980.00 | Callable 06/12/14, then qtrly |
| 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 | 2,005,720.00 | 5,720.00 | Callable 07/24/13, then qtrly |
| FEDERAL HOME LOAN MTG CORP | 05/24/12 | 05/24/17 | Aaa | AA+ | 1.200 | 1.200 | 2,000,000.00 | 2,000,000.00 | 2,003,620.00 | 3,620.00 | Callable 05/24/13, 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 | 2,004,540.00 | 4,540.00 | Callable 09/12/13, 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 | 4,003,200.00 | 3,200.00 | Callable 07/16/13, then qtrly |
| FEDERAL HOME LOAN MTG CORP | 02/11/11 | 04/02/14 | Aaa | AA+ | 4.500 | 1.615 | 2,000,000.00 | 2,060,845.27 | 2,091,080.00 | 30,234.73 | |
| FEDERAL HOME LOAN MTG CORP | 06/07/12 | 06/07/17 | Aaa | AA+ | 1.300 | 1.300 | 2,000,000.00 | 2,000,000.00 | 2,005,360.00 | 5,360.00 | Callable 06/07/13, then qtrly |
| FEDERAL NATL MORTGAGE ASSN | 10/28/11 | 10/28/16 | Aaa | AA+ | 1.500 | 1.521 | 2,000,000.00 | 1,999,341.67 | 2,016,520.00 | 17,178.33 | Callable 10/28/13, once |
| FEDERAL NATL MORTGAGE ASSN | 01/30/13 | 01/30/18 | Aaa | AA+ | 1.030 | 1.030 | 3,000,000.00 | 3,000,000.00 | 3,000,750.00 | 750.00 | Callable 01/30/14, 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 | 2,035,460.00 | 35,460.00 | |
| FEDERAL NATL MORTGAGE ASSN | 06/27/11 | 06/27/16 | Aaa | AA+ | 2.000 | 2.000 | 2,000,000.00 | 2,000,000.00 | 2,008,880.00 | 8,880.00 | Callable 06/27/13, once |
| FEDERAL NATL MORTGAGE ASSN | 08/28/12 | 08/28/17 | Aaa | AA+ | 1.150 | 1.150 | 2,000,000.00 | 2,000,000.00 | 2,008,060.00 | 8,060.00 | Callable 08/28/13, 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 | 2,000,300.00 | 300.00 | Callable 06/12/13, then qtrly |
| FEDERAL NATL MORTGAGE ASSN | 04/12/12 | 04/12/17 | Aaa | AA+ | 1.400 | 1.400 | 2,000,000.00 | 2,000,000.00 | 2,001,860.00 | 1,860.00 | Callable 04/12/13, 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 | 2,001,640.00 | 1,640.00 | Callable 05/08/13, 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 | 2,001,640.00 | 1,640.00 | Callable 05/08/13, then qtrly |
| FEDERAL NATL MORTGAGE ASSN | 03/28/12 | 03/28/17 | Aaa | AA+ | 1.125 | 1.332 | 2,000,000.00 | 2,000,000.00 | 2,000,800.00 | 800.00 | SU 1.125%-2.25%, Call 03/28/13, 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 | 3,998,920.00 | (1,080.00) | Callable 12/26/13, 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 | 2,082,340.00 | 82,340.00 | |
| FEDERAL NATL MORTGAGE ASSN | 12/10/10 | 10/26/15 | Aaa | AA+ | 1.625 | 2.067 | 2,000,000.00 | 1,977,789.18 | 2,065,260.00 | 87,470.82 | |
| FEDERAL NATL MORTGAGE ASSN | 04/18/11 | 04/18/16 | Aaa | AA+ | 2.500 | 2.500 | 2,000,000.00 | 2,000,000.00 | 2,005,520.00 | 5,520.00 | Callable 04/18/13, once |
| FEDERAL NATL MORTGAGE ASSN | 06/01/12 | 05/29/15 | Aaa | AA+ | 0.650 | 0.650 | 2,000,000.00 | 2,000,000.00 | 2,001,540.00 | 1,540.00 | Callable 05/29/13, once |
| FEDERAL NATL MORTGAGE ASSN | 02/05/13 | 02/05/18 | Aaa | AA+ | 1.000 | 1.000 | <u>2,000,000.00</u> | <u>2,000,000.00</u> | <u>2,001,320.00</u> | <u>1,320.00</u> | Callable 02/05/15, then qtrly |
| Subtotal, Federal Agencies | | | | | | | <u>97,500,000.00</u> | <u>97,601,762.78</u> | <u>98,476,365.00</u> | <u>874,602.22</u> | |
| CORPORATE/MEDIUM TERM NOTES | | | | | | | | | | | |
| BERKSHIRE HATHAWAY FIN | 12/15/10 | 12/15/15 | Aa2 | AA+ | 2.450 | 2.530 | 2,000,000.00 | 1,995,816.67 | 2,099,620.00 | 103,803.33 | |
| GENERAL ELECTRIC CAPITAL CORP | 11/10/10 | 11/09/15 | A1 | AA+ | 2.250 | 2.250 | 2,000,000.00 | 2,000,000.00 | 2,072,460.00 | 72,460.00 | |
| GENERAL ELECTRIC CAPITAL CORP | 01/07/11 | 01/07/14 | A1 | AA+ | 2.100 | 2.100 | 2,000,000.00 | 2,000,000.00 | 2,029,800.00 | 29,800.00 | |
| PROCTOR & GAMBLE | 09/20/11 | 11/15/15 | Aa3 | AA- | 1.800 | 1.085 | 2,000,000.00 | 2,037,722.14 | 2,063,980.00 | 26,257.86 | |
| TOYOTA MOTOR CREDIT | 09/26/11 | 09/15/16 | Aa3 | AA- | 2.000 | 1.800 | <u>2,000,000.00</u> | <u>2,013,473.49</u> | <u>2,074,240.00</u> | <u>60,766.51</u> | |
| Subtotal, Corporate Securities | | | | | | | <u>10,000,000.00</u> | <u>10,047,012.30</u> | <u>10,340,100.00</u> | <u>293,087.70</u> | |
| SB AIRPORT PROMISSORY NOTE (LT) | | | | | | | | | | | |
| SANTA BARBARA AIRPORT | 07/14/09 | 06/30/29 | - | - | 7.000 | 7.000 | <u>5,697,948.77</u> | <u>5,697,948.77</u> | <u>5,697,948.77</u> | <u>0.00</u> | |
| Subtotal, SBA Note | | | | | | | <u>5,697,948.77</u> | <u>5,697,948.77</u> | <u>5,697,948.77</u> | <u>0.00</u> | |
| TOTALS | | | | | | | <u>161,897,948.77</u> | <u>162,446,812.58</u> | <u>163,633,673.77</u> | <u>1,186,861.19</u> | |

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.