

CITY OF SANTA BARBARA
Activity and Interest Report
October 31, 2008

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

10/01	Federal Home Loan Bank (FHLB)	\$ 2,000,000
10/07	LAIF Deposit/City	2,600,000
10/14	LAIF Deposit/City	2,400,000
10/15	Federal Home Loan Bank (FHLB)	2,000,000
10/16	LAIF Deposit/City	1,400,000
10/21	LAIF Deposit/City	1,100,000
10/31	LAIF Deposit/City	2,500,000
10/31	LAIF Deposit/RDA	2,000,000
	Total	\$ 16,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

10/01	LAIF Withdrawal/City	\$ (1,000,000)
10/02	LAIF Withdrawal/City	(750,000)
10/09	LAIF Withdrawal/City	(1,200,000)
10/10	LAIF Withdrawal/City	(2,300,000)
10/15	LAIF Withdrawal/City	(1,200,000)
10/20	LAIF Withdrawal/City	(300,000)
10/23	LAIF Withdrawal/City	(3,600,000)
	Total	\$ (10,350,000)

ACTIVITY TOTAL **\$ 5,650,000**

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 530,458
Amortization	25,330
SBB&T Sweep Account Interest	391
SBB&T Trust Account M/M Interest	420
Total	\$ 556,598

RDA INVESTMENTS

Interest Earned on Investments (LAIF) **\$ 33,705**

TOTAL INTEREST EARNED **\$ 590,303**

CITY OF SANTA BARBARA
Summary of Cash and Investments
October 31, 2008

ENDING BALANCE AS OF SEPTEMBER 30, 2008

<u>Description</u>	<u>Book Value</u>	<u>Yield to Maturity (365 days)</u>	<u>Percent of Portfolio</u>	<u>Average Days to Maturity</u>
State of California LAIF	\$ 27,150,000	2.770%	17.33%	1
Certificates of Deposit	2,000,000	5.000%	1.28%	48
Treasury Securities - Coupon	3,988,163	4.751%	2.55%	182
Federal Agency Issues - Coupon	98,531,280	4.671%	62.89%	817
Corporate/Medium Term Notes	17,215,031	4.921%	10.99%	494
SB Airport Promissory Note	7,800,000	6.500%	4.98%	92
Totals and Averages	<u>\$ 156,684,474</u>	4.466%	100.00%	578
SBB&T Money Market Account	1,714,037			
Total Cash and Investments	<u>\$ 158,398,511</u>			

NET CASH AND INVESTMENT ACTIVITY FOR OCTOBER 2008 **\$ 6,176,489**

ENDING BALANCE AS OF OCTOBER 31, 2008

<u>Description</u>	<u>Book Value</u>	<u>Yield to Maturity (365 days)</u>	<u>Percent of Portfolio</u>	<u>Average Days to Maturity</u>
State of California LAIF	\$ 28,800,000	2.709%	17.74%	1 (1)
Certificates of Deposit	2,000,000	5.000%	1.23%	17
Treasury Securities - Coupon	3,990,715	4.751%	2.46%	151
Federal Agency Issues - Coupon	102,550,687	4.635%	63.16%	778
Corporate/Medium Term Notes	17,218,992	4.921%	10.61%	463
SB Airport Promissory Note	7,800,000	6.500%	4.80%	61
Totals and Averages	<u>\$ 162,360,395</u>	4.421%	100.00%	547
SBB&T Money Market Account	2,214,606			
Total Cash and Investments	<u>\$ 164,575,000</u>			

Note:

(1) The average life of the LAIF portfolio as of October 31, 2008 is 241 days.

CITY OF SANTA BARBARA
Investment Portfolio
October 31, 2008

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
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	2.709	2.709	12,100,000.00	12,100,000.00	12,100,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	2.709	2.709	16,700,000.00	16,700,000.00	16,700,000.00	0.00	
Subtotal, LAIF							28,800,000.00	28,800,000.00	28,800,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/06	11/18/08	-	-	5.000	5.000	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,998,772.36	2,039,380.00	40,607.64	
U S TREASURY NOTE	02/01/06	02/15/09	Aaa	AAA	3.000	4.501	2,000,000.00	1,991,942.57	2,012,970.00	21,027.43	
Subtotal, Treasury Securities							4,000,000.00	3,990,714.93	4,052,350.00	61,635.07	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,992,686.01	2,014,690.00	22,003.99	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,634.56	2,035,310.00	35,675.44	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,029,527.50	2,103,750.00	74,222.50	
FEDERAL FARM CREDIT BANK	06/02/06	02/18/09	Aaa	AAA	5.260	5.280	2,000,000.00	1,999,903.52	2,016,260.00	16,356.48	
FEDERAL FARM CREDIT BANK	08/28/06	12/17/08	Aaa	AAA	3.700	5.170	2,000,000.00	1,996,494.23	2,003,120.00	6,625.77	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,988,110.02	2,052,500.00	64,389.98	
FEDERAL FARM CREDIT BANK	01/29/07	01/22/09	Aaa	AAA	5.010	5.150	2,000,000.00	1,999,404.71	2,011,260.00	11,855.29	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	1,955,630.00	(44,370.00)	Callable 2/01/10, then cont.
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	985,513.65	1,008,440.00	22,926.35	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,975,202.13	2,006,250.00	31,047.87	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,011,399.38	2,093,130.00	81,730.62	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,946,083.95	2,030,630.00	84,546.05	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	996,568.61	1,023,440.00	26,871.39	
FEDERAL HOME LOAN BANK	02/13/08	02/13/13	Aaa	AAA	3.850	4.001	2,000,000.00	2,000,000.00	1,952,500.00	(47,500.00)	Continuously callable
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,888.96	1,032,345.00	31,456.04	
FEDERAL HOME LOAN BANK	05/10/07	11/10/10	Aaa	AAA	5.125	5.125	2,000,000.00	2,000,000.00	2,001,260.00	1,260.00	Callable 11/10/08, once
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,002,857.19	2,030,940.00	28,082.81	
FEDERAL HOME LOAN BANK	04/02/08	04/02/13	Aaa	AAA	4.150	4.150	2,000,000.00	2,000,000.00	1,984,380.00	(15,620.00)	Callable 1/02/09, then qtrly
FEDERAL HOME LOAN BANK	04/21/08	10/21/11	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	1,980,010.00	(19,990.00)	Callable 7/21/09, once
FEDERAL HOME LOAN BANK	04/22/08	04/22/13	Aaa	AAA	4.000	4.112	2,000,000.00	1,995,250.00	1,954,380.00	(40,870.00)	Callable 4/22/09, then qtrly
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,980,535.22	1,979,370.00	(1,165.22)	
FEDERAL HOME LOAN BANK	09/25/08	08/18/09	Aaa	AAA	3.750	3.231	2,000,000.00	2,008,050.22	2,014,070.00	6,019.78	
FEDERAL HOME LOAN BANK	02/17/06	02/17/11	Aaa	AAA	5.020	5.020	2,000,000.00	2,000,000.00	2,013,120.00	13,120.00	Callable 2/17/09, once
FEDERAL HOME LOAN BANK	10/01/08	03/30/09	Aaa	AAA	3.580	3.520	2,000,000.00	2,000,491.12	2,009,380.00	8,888.88	

CITY OF SANTA BARBARA
Investment Portfolio
October 31, 2008

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P							
FEDERAL HOME LOAN BANK	06/02/06	12/12/08	Aaa	AAA	4.750	5.270	1,000,000.00	999,451.23	1,002,500.00	3,048.77	
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,001,459.35	1,018,440.00	16,980.65	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,984.43	2,387,878.33	42,893.90	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,606.29	2,059,060.00	59,453.71	
FEDERAL HOME LOAN BANK	12/06/06	12/12/08	Aaa	AAA	5.000	4.700	2,000,000.00	2,000,632.51	2,005,620.00	4,987.49	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,990,284.03	2,039,380.00	49,095.97	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,444,444.92	1,462,912.25	18,467.33	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,987,226.02	2,043,750.00	56,523.98	
FEDERAL HOME LOAN BANK	05/22/08	05/22/13	Aaa	AAA	4.350	4.350	2,000,000.00	2,000,000.00	1,993,750.00	(6,250.00)	Callable 05/22/09, then qtrly
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,977,994.09	1,997,820.00	19,825.91	
FEDERAL HOME LOAN BANK	09/25/08	09/25/09	Aaa	AAA	3.250	3.250	2,000,000.00	2,000,000.00	2,004,690.00	4,690.00	
FEDERAL HOME LOAN BANK	10/15/08	07/15/11	Aaa	AAA	4.000	4.002	2,000,000.00	2,000,000.00	1,990,630.00	(9,370.00)	Callable 7/15/09, once
FEDERAL HOME LOAN MTG CORP	03/26/08	03/26/13	Aaa	AAA	4.200	4.200	2,000,000.00	2,000,000.00	1,977,560.00	(22,440.00)	Callable 3/26/09, then qtrly
FEDERAL HOME LOAN MTG CORP	04/16/08	04/16/13	Aaa	AAA	4.000	4.000	2,000,000.00	2,000,000.00	1,969,600.00	(30,400.00)	Callable quarterly
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	992,765.70	1,008,750.00	15,984.30	
FEDERAL HOME LOAN MTG CORP	11/30/06	11/14/11	Aaa	AAA	5.350	5.250	2,000,000.00	2,000,158.07	2,001,420.00	1,261.93	Callable 11/14/08, once
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,982,418.71	2,042,400.00	59,981.29	
FEDERAL HOME LOAN MTG CORP	10/15/07	10/15/12	Aaa	AAA	5.050	5.050	2,000,000.00	2,000,000.00	2,032,640.00	32,640.00	Callable 10/15/09, once
FEDERAL HOME LOAN MTG CORP	04/02/08	04/02/12	Aaa	AAA	3.375	3.375	2,000,000.00	2,000,000.00	1,982,020.00	(17,980.00)	Callable 4/02/09, once
FEDERAL HOME LOAN MTG CORP	06/04/08	06/04/13	Aaa	AAA	4.550	4.550	5,000,000.00	5,000,000.00	4,997,950.00	(2,050.00)	Callable quarterly
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,983,114.80	2,029,260.00	46,145.20	
FEDERAL HOME LOAN MTG CORP	04/20/07	04/20/12	Aaa	AAA	5.250	5.250	2,000,000.00	2,000,000.00	2,025,180.00	25,180.00	Callable 4/20/09, once
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,961,114.44	2,027,680.00	66,565.56	
FEDERAL HOME LOAN MTG CORP	01/09/08	01/09/12	Aaa	AAA	4.250	4.250	2,000,000.00	2,000,000.00	2,006,300.00	6,300.00	Callable 1/09/09, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,986,363.39	2,041,250.00	54,886.61	
FEDERAL NATL MORTGAGE ASSN	01/12/07	02/24/09	Aaa	AAA	3.740	5.000	2,000,000.00	1,992,567.51	2,007,190.00	14,622.49	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,997,522.09	2,013,760.00	16,237.91	
FEDERAL NATL MORTGAGE ASSN	05/21/07	11/03/08	Aaa	AAA	4.900	5.100	2,000,000.00	1,999,978.62	2,000,000.00	21.38	
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	1,984,380.00	(15,620.00)	Callable 3/05/10, once
Subtotal, Federal Agencies							102,795,000.00	102,550,687.18	103,459,935.58	909,248.40	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	4.125	3.630	2,250,000.00	2,262,830.12	2,256,120.00	(6,710.12)	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,042,121.94	1,979,580.00	(62,541.94)	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,989,244.79	1,994,400.00	5,155.21	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	994,325.64	988,560.00	(5,765.64)	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,978,889.87	1,968,280.00	(10,609.87)	
TOYOTA MOTOR CREDIT	02/28/06	12/15/08	Aaa	AAA	5.500	5.016	2,000,000.00	2,001,083.61	1,995,000.00	(6,083.61)	

**CITY OF SANTA BARBARA
Investment Portfolio
October 31, 2008**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	4.250	5.140	2,000,000.00	1,977,814.32	1,987,120.00	9,305.68	
WELLS FARGO & CO.	05/30/07	01/12/11	Aa1	AA+	4.875	5.260	2,000,000.00	1,984,702.47	1,997,280.00	12,577.53	
WELLS FARGO & CO.	10/10/06	08/09/10	Aa1	AA+	4.625	5.000	2,000,000.00	1,987,979.67	1,991,720.00	3,740.33	
Subtotal, Corporate Securities							17,250,000.00	17,218,992.43	17,158,060.00	(60,932.43)	
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SB AIRPORT PROMISSORY NOTE											
SANTA BARBARA AIRPORT	07/01/08	01/01/09	-	-	6.500	6.500	7,800,000.00	7,800,000.00	7,800,000.00	0.00	
Subtotal, SBA Note							7,800,000.00	7,800,000.00	7,800,000.00	0.00	
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TOTALS							162,645,000.00	162,360,394.54	163,270,345.58	909,951.04	

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.