



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 29, 2008

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: June 30, 2008, Investment Report And June 30, 2008, Fiscal Agent Report

RECOMMENDATION: That Council:

- A. Accept the June 30, 2008, Investment Report; and
- B. Accept the June 30, 2008, Fiscal Agent Report.

DISCUSSION:

The City’s investment reporting schedule requires staff to submit a report on the City portfolio on a quarterly basis. Therefore, this report will cover investment activity for April through June, 2008.

During the second calendar quarter, financial markets exhibited continued strain due to such challenges as rising energy prices, the housing contraction, tightened credit conditions, and a weak job market.

Date	Fed Funds Rate		Discount Rate	
	Change	New Level	Change	New Level
3/18/2008	-0.75%	2.25%	-0.75%	2.50%
4/30/2008	-0.25%	2.00%	-0.25%	2.25%

On April 30, 2008, the Federal Reserve Bank’s Open Market Committee lowered the Federal Funds Rate by 25 basis points (0.25%) from 2.25% to 2.00%. This marked the seventh cut since the beginning of the “credit crunch” which began during the third calendar quarter of 2007. At the same time, the Fed Board of Governors voted to reduce the

Discount Rate by 25 basis points (0.25%) from 2.50% to 2.25%.

U.S. Treasury Market					
	3/31/2008	4/30/2008	5/31/2008	6/30/2008	Cumulative Change
3 Month	1.32%	1.38%	1.88%	1.90%	0.58%
6 Month	1.48%	1.63%	2.01%	2.17%	0.69%
1 Year	1.59%	1.85%	2.08%	2.36%	0.77%
2 Year	1.58%	2.25%	2.64%	2.63%	1.05%
3 Year	1.76%	2.45%	2.92%	2.91%	1.15%
4 Year	2.10%	2.73%	3.17%	3.13%	1.03%
5 Year	2.44%	3.01%	3.42%	3.34%	0.90%
10 Year	3.41%	3.73%	4.06%	3.99%	0.58%
30 Year	4.29%	4.47%	4.72%	4.53%	0.24%
LAIF	3.78%	3.40%	3.07%	2.89%	-0.88%

At the most recent meeting on June 25, 2008, the Federal Reserve kept their target for the Federal Funds Rate unchanged at 2.00%. In a post-meeting statement, Fed officials wrote that while the “upside risks to inflation and inflation expectations have increased,” they expected

inflation to moderate later this year and next year.

Investment Activity

As shown in the table below, the City invested \$21 million during the quarter. All purchases consisted of “AAA” rated Federal Agency securities, of which \$17 million are callable, and \$4 million are non-callable. \$4 million of “AAA” rated Federal Agency securities were called during the quarter, and the \$6 million of maturities also consisted of “AAA” rated Federal Agency securities. The rate at which the City earned interest at LAIF was 3.11% for the quarter ending June 30, 2008.

Issuer	Face Amount	Purchase Date	Final Maturity	Call Date	Yield To Call	Yield To Maturity
<i>Purchases:</i>						
Federal Home Loan Mortgage Corp (FHLMC)	\$ 2,000,000	04/02/08	04/02/12	04/02/09	3.375%	3.375%
Federal Home Loan Bank (FHLB)	2,000,000	04/02/08	04/02/13	01/02/09	4.150%	4.150%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	04/16/08	04/16/13	10/16/08	4.000%	4.000%
Federal Home Loan Bank (FHLB)	2,000,000	04/21/08	10/21/11	07/21/09	3.125%	3.125%
Federal Home Loan Bank (FHLB)	2,000,000	04/22/08	04/22/13	04/22/09	4.517%	4.112%
Federal Home Loan Bank (FHLB)	2,000,000	05/22/08	05/22/13	05/22/09	4.350%	4.350%
Federal Home Loan Bank (FHLB)	2,000,000	05/23/08	06/10/11	-	-	3.520%
Federal Home Loan Mortgage Corp (FHLMC)	5,000,000	06/04/08	06/04/13	09/04/08	4.550%	4.550%
Federal Home Loan Bank (FHLB)	2,000,000	06/16/08	12/10/10	-	-	3.800%
<i>Total Purchases</i>	\$ 21,000,000					
<i>Calls:</i>						
Federal Home Loan Bank (FHLB)	\$ 2,000,000	04/28/06	04/28/10	04/28/08	5.400%	5.400%
Federal Home Loan Bank (FHLB)	2,000,000	05/18/07	05/15/12	05/15/08	5.604%	5.523%
<i>Total Calls</i>	\$ 4,000,000					
<i>Maturities:</i>						
Federal Home Loan Bank (FHLB)	\$ 2,000,000	12/18/06	04/21/08	-	-	5.021%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	06/16/06	06/02/08	-	-	5.370%
Federal Home Loan Bank (FHLB)	2,000,000	06/23/06	06/30/08	-	-	5.500%
<i>Total Maturities</i>	\$ 6,000,000					

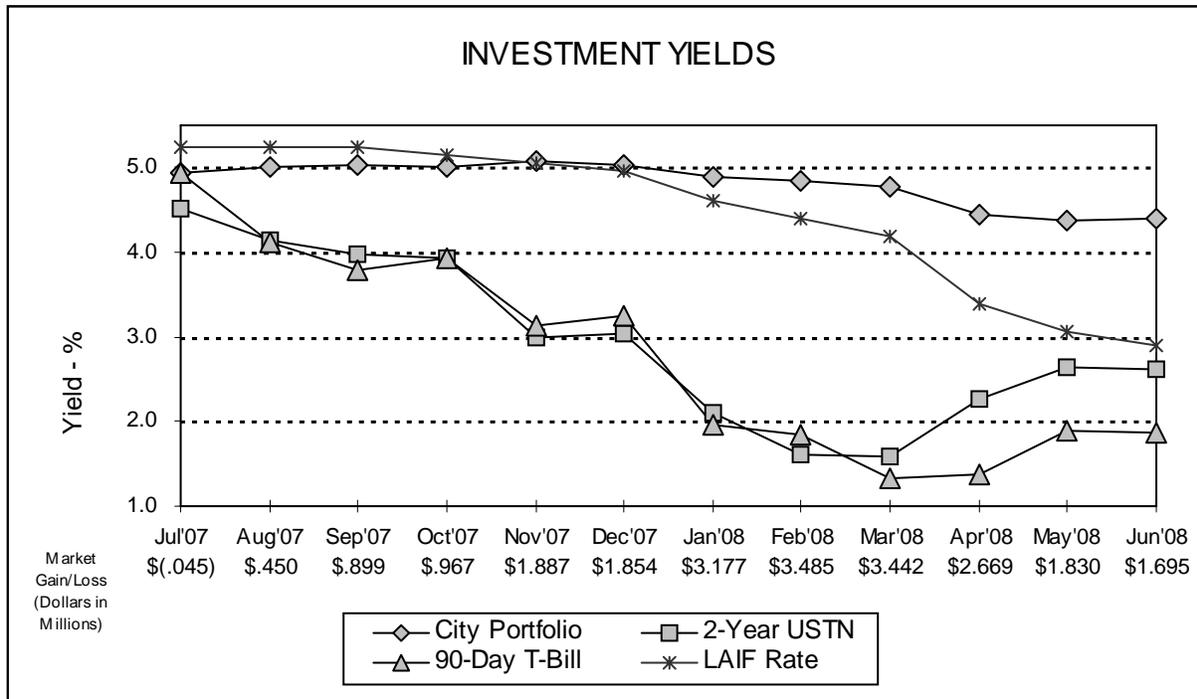
Summary of Cash and Investments

During the quarter, the City’s book rate of return decreased by 38.9 basis points, from 4.776% at March 31, 2008 to 4.387% at June 30, 2008. The average days to maturity increased from 542 to 637.

Mo. Ended	Yield	Days to Maturity
3/31/2008	4.776%	542
4/30/2008	4.453%	564
5/31/2008	4.384%	574
6/30/2008	4.387%	637

Portfolio Market Gains/Losses

As shown on the Investment Yields graph below, the City's portfolio reflected an unrealized market gain on June 30th. This can be attributed to the decrease in market yields at quarter-end.



The table below reflects the five securities with the largest percentage of unrealized losses at June 30, 2008. All of the securities shown on the table are "AAA" rated securities with unrealized market losses only because they were purchased at yields lower than the current market. There were no securities with a market decline greater than 3% compared to the prior month.

Issuer	Face Amount	Maturity	\$ Mkt Loss	% Mkt Loss
Federal Home Loan Bank	\$2,000,000	10/21/11	\$38,750	1.94%
Federal Farm Credit Bank	\$2,000,000	02/01/13	\$38,430	1.92%
Federal Home Loan Bank	\$2,000,000	02/13/13	\$37,757	1.89%
Federal Home Loan Mortgage Corp.	\$2,000,000	04/02/12	\$36,820	1.84%
Federal Home Loan Bank	\$2,000,000	04/22/13	\$28,787	1.45%

Additional Reporting Requirements

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of June 30, 2008 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 June 30, 2008.

ATTACHMENTS: 1. June 30, 2008, Investment Report
2. June 30, 2008, Fiscal Agent Report

PREPARED BY: Tricy Dienst, Finance Analyst

SUBMITTED BY: Robert D. Peirson, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
June 30, 2008

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

06/02	LAIF Deposit/City	\$ 4,000,000
06/04	Federal Home Loan Mortgage Corp. (FHLMC)	5,000,000
06/12	LAIF Deposit/City	1,000,000
06/16	Federal Home Loan Bank (FHLB)	2,000,000
06/25	LAIF Deposit/City	1,500,000
06/30	LAIF Deposit/City	2,000,000
	Total	\$ 15,500,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

06/02	Federal Home Loan Mortgage Corp. (FHLMC) Maturity	\$ (2,000,000)
06/04	LAIF Withdrawal/City	(3,000,000)
06/05	LAIF Withdrawal/City	(2,000,000)
06/06	LAIF Withdrawal/City	(500,000)
06/09	LAIF Withdrawal/City	(1,500,000)
06/19	LAIF Withdrawal/City	(2,500,000)
06/20	LAIF Withdrawal/City	(2,000,000)
06/24	LAIF Withdrawal/City	(500,000)
06/30	Federal Home Loan Bank (FHLB) Maturity	(2,000,000)
06/30	LAIF Withdrawal/RDA	(4,800,000)
	Total	\$ (20,800,000)

ACTIVITY TOTAL **\$ (5,300,000)**

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 523,866
Amortization	33,004
SBB&T Sweep Account Interest	1,314
SBB&T Trust Account M/M Interest	186
Total	\$ 558,370

RDA INVESTMENTS

Interest Earned on Investments (LAIF) **\$ 49,673**

TOTAL INTEREST EARNED **\$ 608,043**

CITY OF SANTA BARBARA
Investment Portfolio
June 30, 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	-	-	-	-	2.900	2.900	18,500,000.00	18,500,000.00	18,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	2.900	2.900	16,200,000.00	16,200,000.00	16,200,000.00	0.00	
Subtotal, LAIF							34,700,000.00	34,700,000.00	34,700,000.00	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	1,997,998.01	2,043,280.00	45,281.99	
U S TREASURY NOTE	02/01/06	02/15/09	Aaa	AAA	3.000	4.501	2,000,000.00	1,982,592.91	2,010,470.00	27,877.09	
Subtotal, Treasury Securities							4,000,000.00	3,980,590.92	4,053,750.00	73,159.08	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,987,334.31	2,020,000.00	32,665.69	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,481.22	2,049,380.00	49,898.78	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,033,973.30	2,114,370.00	80,396.70	
FEDERAL FARM CREDIT BANK	06/02/06	02/18/09	Aaa	AAA	5.260	5.280	2,000,000.00	1,999,795.33	2,030,940.00	31,144.67	
FEDERAL FARM CREDIT BANK	08/28/06	12/17/08	Aaa	AAA	3.700	5.170	2,000,000.00	1,987,348.76	2,009,690.00	22,341.24	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,985,928.37	2,060,630.00	74,701.63	
FEDERAL FARM CREDIT BANK	01/29/07	01/22/09	Aaa	AAA	5.010	5.150	2,000,000.00	1,998,522.81	2,024,690.00	26,167.19	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	1,961,570.00	(38,430.00)	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	981,742.80	1,013,280.00	31,537.20	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,966,981.84	2,013,750.00	46,768.16	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,012,856.17	2,093,750.00	80,893.83	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,938,232.10	2,027,510.00	89,277.90	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	995,729.98	1,031,720.00	35,990.02	
FEDERAL HOME LOAN BANK	02/13/08	02/13/13	Aaa	AAA	3.850	4.001	2,000,000.00	1,996,826.67	1,959,070.00	(37,756.67)	Callable 8/13/08, then cont.
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,001,044.01	1,038,280.00	37,235.99	
FEDERAL HOME LOAN BANK	05/10/07	11/10/10	Aaa	AAA	5.125	5.125	2,000,000.00	2,000,000.00	2,015,310.00	15,310.00	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	2,004,408.61	2,043,750.00	39,341.39	
FEDERAL HOME LOAN BANK	04/02/08	04/02/13	Aaa	AAA	4.150	4.150	2,000,000.00	2,000,000.00	1,992,810.00	(7,190.00)	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	1,961,250.00	(38,750.00)	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	1,991,916.67	1,963,130.00	(28,786.67)	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	1,978,047.71	1,976,250.00	(1,797.71)	
FEDERAL HOME LOAN BANK	02/17/06	02/17/11	Aaa	AAA	5.020	5.020	2,000,000.00	2,000,000.00	2,023,440.00	23,440.00	Callable 2/17/09, once
FEDERAL HOME LOAN BANK	09/08/06	09/08/09	Aaa	AAA	5.250	5.250	1,000,000.00	1,000,000.00	1,005,000.00	5,000.00	Callable 9/08/08, once
FEDERAL HOME LOAN BANK	03/24/06	09/23/08	Aaa	AAA	5.520	5.015	1,000,000.00	1,001,068.10	1,006,720.00	5,651.90	

CITY OF SANTA BARBARA
Investment Portfolio
June 30, 2008

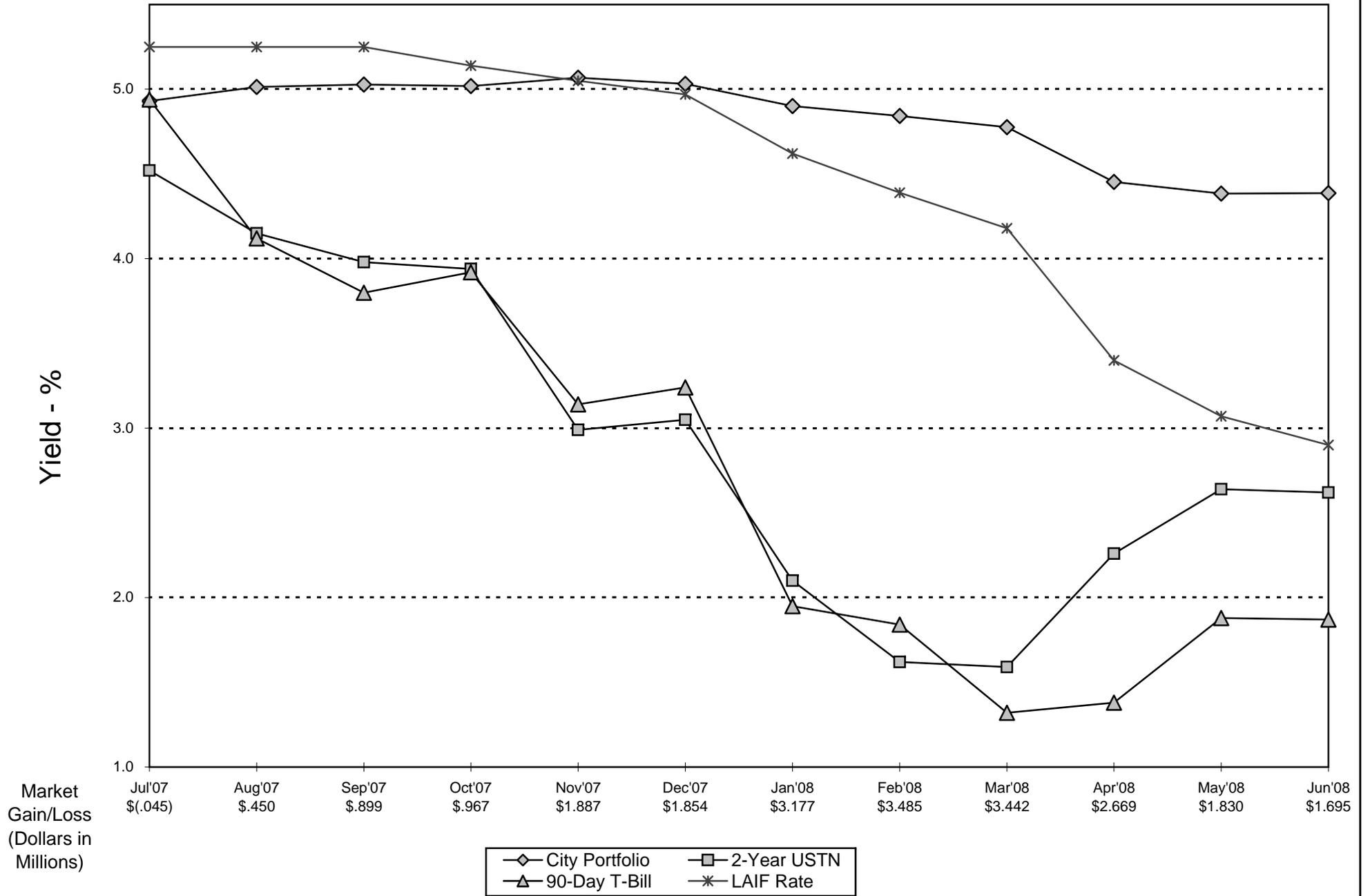
DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN BANK	06/02/06	12/12/08	Aaa	AAA	4.750	5.270	1,000,000.00	997,845.08	1,009,380.00	11,534.92	
FEDERAL HOME LOAN BANK	08/18/06	08/18/10	Aaa	AAA	5.470	5.470	2,000,000.00	2,000,000.00	2,006,880.00	6,880.00	Callable 8/18/08, once
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,002,024.26	1,025,940.00	23,915.74	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,979.16	2,407,294.92	62,315.76	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,531.18	2,069,690.00	70,158.82	
FEDERAL HOME LOAN BANK	12/06/06	12/12/08	Aaa	AAA	5.000	4.700	2,000,000.00	2,002,483.75	2,020,940.00	18,456.25	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,988,311.25	2,049,060.00	60,748.75	
FEDERAL HOME LOAN BANK	12/29/06	09/12/08	Aaa	AAA	5.000	5.000	2,000,000.00	1,999,981.47	2,009,380.00	9,398.53	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,441,008.78	1,467,450.75	26,441.97	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,984,104.07	2,059,380.00	75,275.93	
FEDERAL HOME LOAN BANK	05/22/08	05/22/13	Aaa	AAA	4.350	4.350	2,000,000.00	2,000,000.00	2,000,310.00	310.00	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	1,974,514.90	1,994,060.00	19,545.10	
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	1,976,400.00	(23,600.00)	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	1,980,420.00	(19,580.00)	Callable 10/16/08, then qtrly
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	989,871.98	1,013,680.00	23,808.02	
FEDERAL HOME LOAN MTG CORP	11/30/06	11/14/11	Aaa	AAA	5.350	5.250	2,000,000.00	2,001,617.16	2,013,660.00	12,042.84	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	1,978,931.51	2,049,700.00	70,768.49	
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	2,044,720.00	44,720.00	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	1,963,180.00	(36,820.00)	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	5,007,900.00	7,900.00	Callable 9/04/08, then qtrly
FEDERAL HOME LOAN MTG CORP	09/08/06	09/08/11	Aaa	AAA	5.500	5.500	1,000,000.00	1,000,000.00	1,004,490.00	4,490.00	Callable 9/08/08, once
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,978,551.23	2,041,880.00	63,328.77	
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	2,035,640.00	35,640.00	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	1,954,211.68	2,024,820.00	70,608.32	
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	2,008,060.00	8,060.00	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	1,983,270.02	2,057,190.00	73,919.98	
FEDERAL NATL MORTGAGE ASSN	01/12/07	02/24/09	Aaa	AAA	3.740	5.000	2,000,000.00	1,984,674.59	2,012,190.00	27,515.41	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,995,143.30	2,024,070.00	28,926.70	
FEDERAL NATL MORTGAGE ASSN	05/21/07	11/03/08	Aaa	AAA	4.900	5.100	2,000,000.00	1,998,695.86	2,015,620.00	16,924.14	
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	1,996,570.00	(3,430.00)	Callable 3/05/10, once
Subtotal, Federal Agencies							101,795,000.00	101,460,989.99	102,826,245.67	1,365,255.68	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	4.125	3.630	2,250,000.00	2,266,377.62	2,272,207.50	5,829.88	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,048,204.53	2,089,640.00	41,435.47	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,985,134.52	2,016,060.00	30,925.48	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	991,285.81	1,001,650.00	10,364.19	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,967,580.87	1,988,520.00	20,939.13	

CITY OF SANTA BARBARA
Investment Portfolio
June 30, 2008

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							
TOYOTA MOTOR CREDIT	02/28/06	12/15/08	Aaa	AAA	5.500	5.016	2,000,000.00	2,004,038.93	2,009,140.00	5,101.07	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	4.250	5.140	2,000,000.00	1,972,425.09	2,032,300.00	59,874.91	
WELLS FARGO & CO.	02/13/06	08/15/08	Aa1	AA+	4.000	5.000	2,000,000.00	1,997,727.80	1,999,940.00	2,212.20	
WELLS FARGO & CO.	05/30/07	01/12/11	Aa1	AA+	4.875	5.260	2,000,000.00	1,982,381.74	2,027,580.00	45,198.26	
WELLS FARGO & CO.	10/10/06	08/09/10	Aa1	AA+	4.625	5.000	2,000,000.00	1,985,718.80	2,020,180.00	34,461.20	
Subtotal, Corporate Securities							19,250,000.00	19,200,875.71	19,457,217.50	256,341.79	
TOTALS							161,745,000.00	161,342,456.62	163,037,213.17	1,694,756.55	

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.

INVESTMENT YIELDS



**CITY OF SANTA BARBARA
Fiscal Agent Investments
June 30, 2008**

	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>										
2002 Municipal Improvement - Refunding COPs	13,749.06	547,530.00	-	-	-	-	-	-	561,279.06	561,279.06
2002 Water - Refunding COPs	24,033.54	1,088,268.76	-	-	-	-	-	-	1,112,302.30	1,112,302.30
1994 Water - Revenue Bonds	20,341.74	757,680.00	-	-	-	-	-	-	778,021.74	778,021.74
2002 Waterfront - Reference COPs	431.07	1,393,262.50	-	-	-	-	-	-	1,393,693.57	1,393,693.57
1992 Seismic - Safety Bonds	96,460.08	-	-	-	-	-	-	-	96,460.08	96,460.08
1995 RDA Refunding - Tax Allocation Bonds	-	-	-	-	-	-	-	-	-	-
Subtotal, Reserve Funds	155,015.49	3,786,741.26	-	-	-	-	-	-	3,941,756.75	3,941,756.75
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	4,296,786.36	-	-	-	-	-	-	-	4,296,786.36	4,296,786.36
2003 RDA Bonds	3,788.04	26,440,180.22	-	-	-	-	-	-	26,443,968.26	26,443,968.26
2004 RDA Housing	549,442.14	-	-	-	-	-	-	-	549,442.14	549,442.14
2004 Sewer Revenue Bonds	5,142,323.71	1,357,140.00	-	-	-	-	-	-	6,499,463.71	6,499,463.71
Subtotal, Project Funds	9,992,340.25	27,797,320.22	-	-	-	-	-	-	37,789,660.47	37,789,660.47
Subtotal Bond Funds	10,147,355.74	31,584,061.48	-	-	-	-	-	-	41,731,417.22	41,731,417.22
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	55,625.16	-	229,896.65	304,566.30	25,330.00	24,625.00	130,900.00	130,496.80	441,751.81	515,313.26
	55,625.16	-	229,896.65	304,566.30	25,330.00	24,625.00	130,900.00	130,496.80	441,751.81	515,313.26
TOTAL FISCAL AGENT INVESTMENTS	<u>10,202,980.90</u>	<u>31,584,061.48</u>	<u>229,896.65</u>	<u>304,566.30</u>	<u>25,330.00</u>	<u>24,625.00</u>	<u>130,900.00</u>	<u>130,496.80</u>	<u>42,173,169.03</u>	<u>42,246,730.48</u>

Notes:

- (1) Cash & cash equivalents include money market funds.
- (2) Market values have been obtained from the following trustees: U S Bank, Bank of New York and Santa Barbara Bank & Trust