



**CITY OF TYLER
CITY COUNCIL COMMUNICATION**

Agenda Number: C-A-3
Date: May 8, 2013
Subject: Request that the City Council consider reviewing and accepting the Investment Report for the quarter ending March 31, 2013.

Page: 1 of 1

Item Reference:

The attached City of Tyler Investment Portfolio Summary includes all of the core information required under the Public Funds Investment plus some additional supporting information that has been prepared to assist the City Council in the quarterly review process.

Investments held on December 31, 2012 by type and by major fund are shown below:

Investment Category	Book Value	Market Value	Average Yield	Average Maturity
Pools/Bank	46,292,294	46,292,294	0.23	1 day
Securities/CD's	34,561,591	34,561,591	0.50	284 days
	80,853,885	80,853,885	0.39	174 days

Benchmarks: Rolling 3 month Treasury average yield was 0.09 percent
Rolling 6 month Treasury average yield was 0.13 percent
The Tex Pool average yield for this quarter was 0.13 percent

INVESTMENT OFFICER APPROVAL


Keidric Trimble 3/31/2013

RECOMMENDATION:

It is recommended that the City Council review and accept the Investment Report for the quarter ending March 31, 2013.

Drafted/Recommended By:
Department Leader



Edited/Submitted By:
City Manager





INVESTMENT PORTFOLIO SUMMARY


For the Quarter Ended

March 31, 2013

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of Tyler is in compliance with the Public Funds Investment Act and the Investment Policy.


Chief Financial Officer

Accounting Manager


Accountant

Disclaimer: These reports were compiled using information provided by the City. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Strategy Summary:

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range between 0.00% and 0.25% (actual Fed Funds are trading +/-15 bps). The FOMC continued monthly easing operations with the objectives of unemployment below 6.5% and inflation less than 2.0%. The Federal budget, deficit and debt ceiling are in various stages of temporary resolution. The European credit crisis gained headlines as Cyprus nearly collapsed. Domestic employment growth is erratic but modestly positive. Overall economic activity remains low to moderate. The US stock markets reached new highs. Financial institution deposits and laddering targeted cash flows still provide the best interest earnings opportunity.

Quarter End Results by Investment Category:

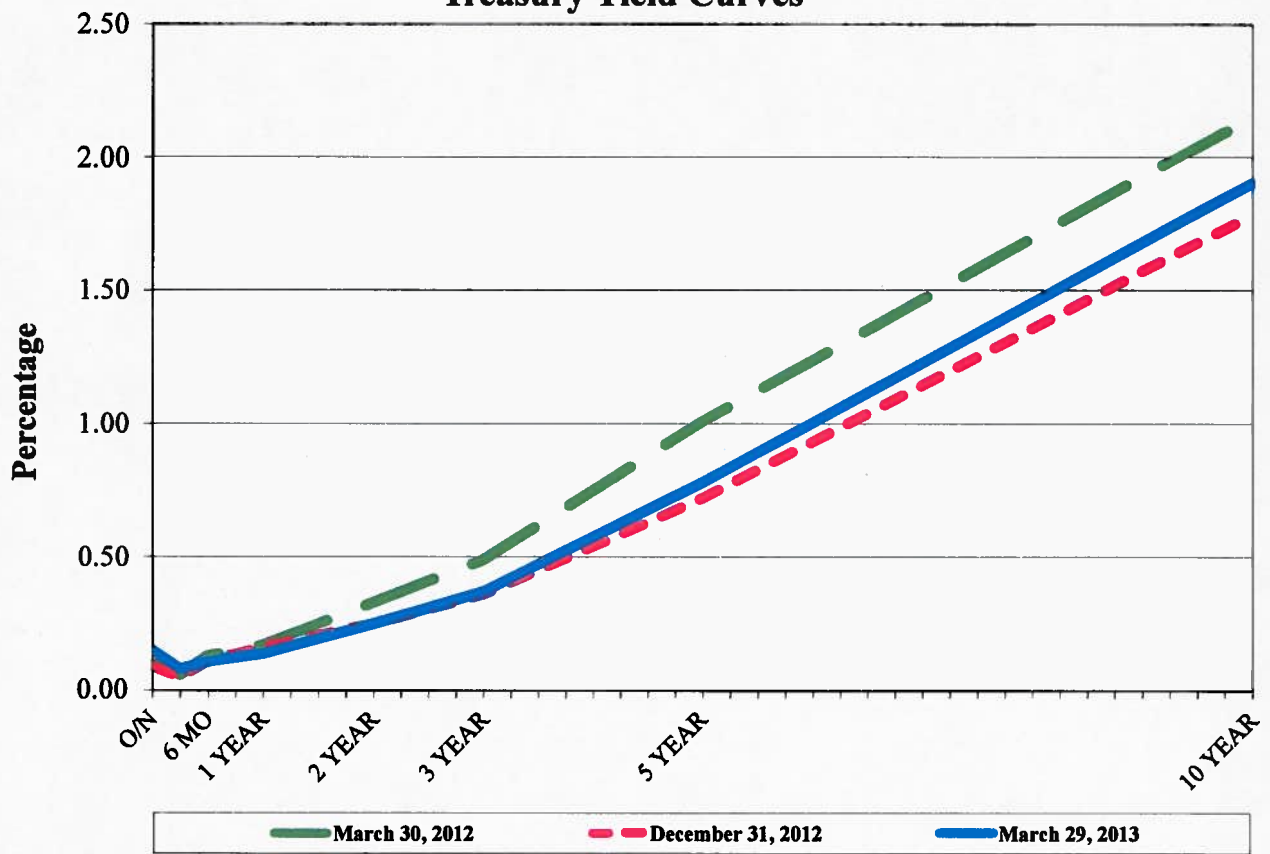
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>March 31, 2013</u>		<u>December 31, 2012</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank	0.23%	\$ 46,292,294	\$ 46,292,294	\$ 32,536,102	\$ 32,536,102
Securities/CDs	0.50%	34,561,591	34,561,591	37,386,351	37,386,351
Totals		\$ 80,853,885	\$ 80,853,885	\$ 69,922,453	\$ 69,922,453

<u>Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.34%	Total Portfolio	0.37%
Rolling Three Mo. Treas. Yield	0.09%	Rolling Three Mo. Treas. Yield	0.09%
Rolling Six Mo. Treas. Yield	0.13%	Rolling Six Mo. Treas. Yield	0.13%
		Quarterly TexPool Yield	0.13%
Quarterly Interest Income	\$ 76,715 Approximate		
Year-to-date Interest Income	\$ 143,905 Approximate		

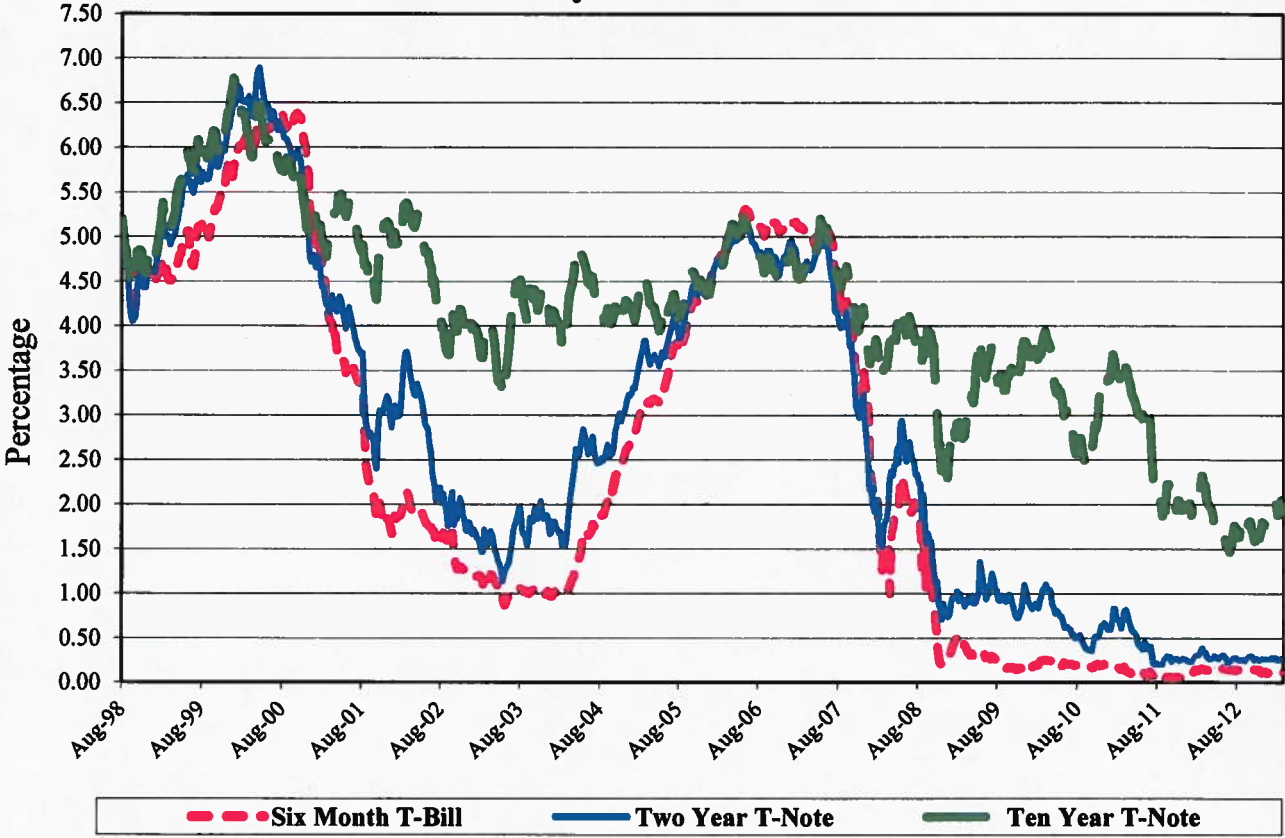
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(2) Fiscal Year-to-Date Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

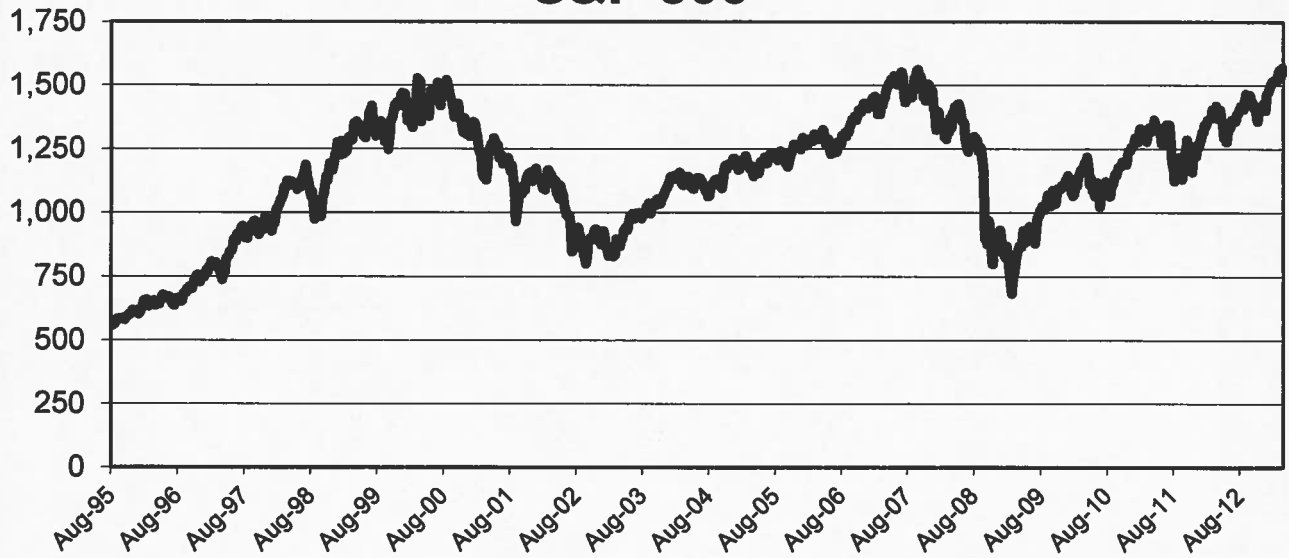
Treasury Yield Curves



US Treasury Historical Yields



S&P 500



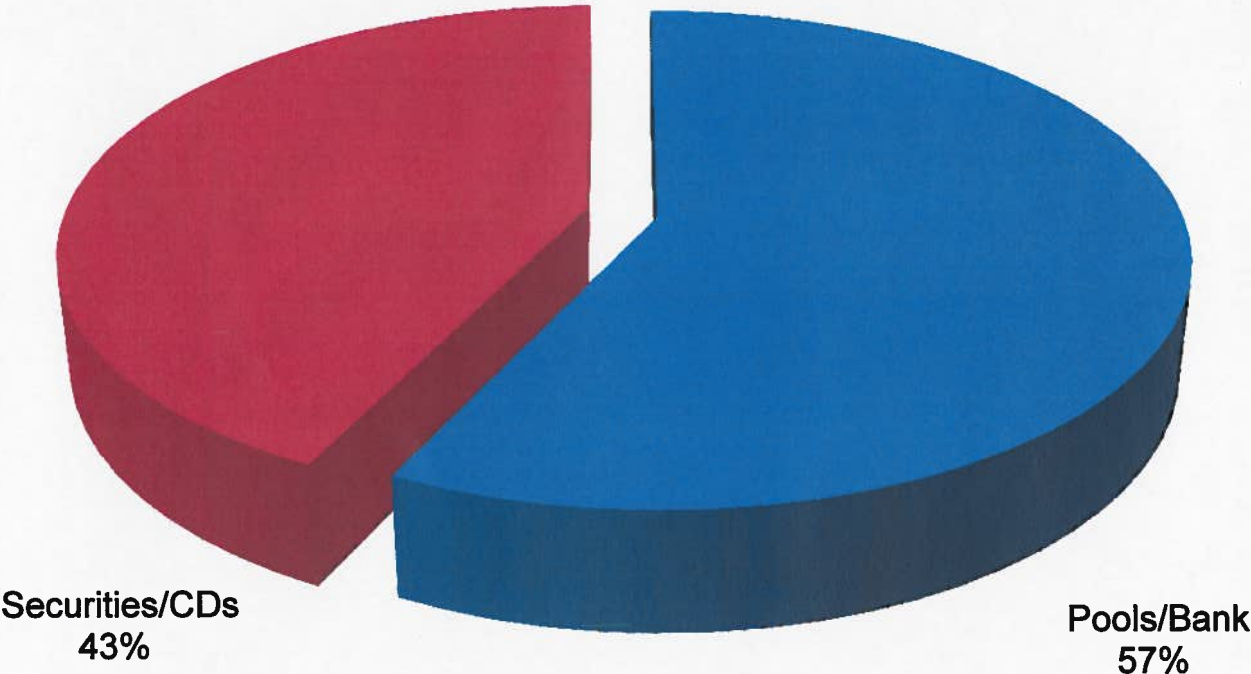
**Detail of Investment Holdings
March 31, 2013**

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchased Value	Book Value	Market Price	Market Value	Life (days)	Yield
Cash - Pooled		0.00%	04/01/13	03/31/13	\$ 18,371,701	\$ 18,371,701	\$ 18,371,701	1.00	\$ 18,371,701	1	0.00%
Cash - Bond		0.00%	04/01/13	03/31/13	1,620,660	1,620,660	1,620,660	1.00	1,620,660	1	0.00%
MMA		0.50%	04/01/13	03/31/13	20,100,233	20,100,233	20,100,233	1.00	20,100,233	1	0.50%
TexPool	AAAm	0.10%	04/01/13	03/31/13	3,147,018	3,147,018	3,147,018	1.00	3,147,018	1	0.10%
TexSTAR - Bond	AAAm	0.11%	04/01/13	03/31/13	3,052,683	3,052,683	3,052,683	1.00	3,052,683	1	0.11%
SSB CD		0.43%	06/18/13	06/18/12	3,009,659	3,009,659	3,009,659	100.00	3,009,659	79	0.43%
SSB CD		0.44%	07/18/13	06/18/12	3,009,884	3,009,884	3,009,884	100.00	3,009,884	109	0.44%
SSB CD		0.45%	07/31/13	07/31/12	3,006,355	3,006,355	3,006,355	100.00	3,006,355	122	0.45%
SSB CD		0.95%	08/01/13	08/01/11	2,629,007	2,629,007	2,629,007	100.00	2,629,007	123	0.95%
SSB CD		0.42%	08/20/13	07/20/12	3,006,355	3,006,355	3,006,355	100.00	3,006,355	142	0.42%
SSB CD		0.26%	12/25/13	03/25/13	3,013,773	3,013,773	3,013,773	100.00	3,013,773	269	0.26%
SSB CD		0.38%	01/20/14	11/20/12	3,002,873	3,002,873	3,002,873	100.00	3,002,873	295	0.38%
SSB CD		0.43%	02/11/14	03/01/13	3,012,602	3,012,602	3,012,602	100.00	3,012,602	317	0.43%
SSB CD - Bond		0.54%	03/25/14	09/25/12	1,853,542	1,853,542	1,853,542	100.00	1,853,542	359	0.54%
SSB CD		0.49%	08/14/14	12/21/12	3,003,625	3,003,625	3,003,625	100.00	3,003,625	501	0.49%
SSB CD		0.63%	09/19/14	09/19/12	3,009,380	3,009,380	3,009,380	100.00	3,009,380	537	0.63%
SSB CD		0.60%	10/17/14	10/17/12	3,004,537	3,004,537	3,004,537	100.00	3,004,537	565	0.60%
					\$ 80,853,885	\$ 80,853,885	\$ 80,853,885		\$ 80,853,885	122	0.34%
										(1)	(2)

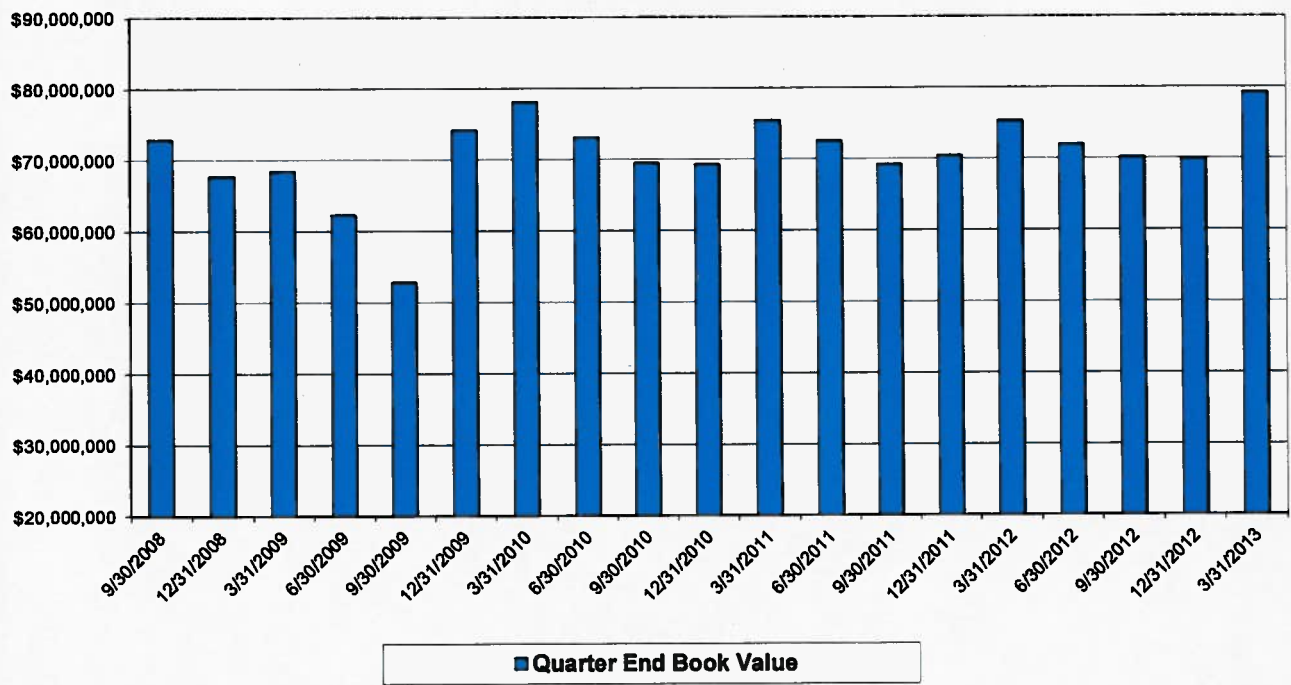
(1) Weighted average life - For purposes of calculating weighted average life, TexPool, TexSTAR, and bank account investments are assumed to have a one day maturity.

(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and bank account investments.

Portfolio Composition



Total Portfolio



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2012		Purchases/ Adjustments	Sales/Adjust/ Maturities	March 31, 2013	
			Par Value	Book Value			Par Value	Book Value
Cash - Pooled	0.00%	04/01/13	\$ 6,262,519	\$ 6,262,519	\$ 12,109,182	\$ -	\$ 18,371,701	\$ 18,371,701
Cash - Bond	0.00%	04/01/13			1,620,660		1,620,660	1,620,660
MMA	0.50%	04/01/13	20,075,462	20,075,462	24,771		20,100,233	20,100,233
TexPool	0.10%	04/01/13	3,146,249	3,146,249	769		3,147,018	3,147,018
TexSTAR - Bond	0.11%	04/01/13	3,051,872	3,051,872	811		3,052,683	3,052,683
SSB CD	0.55%	01/25/13	2,868,930	2,868,930		(2,868,930)		
SSB CD	0.43%	02/20/13	3,009,730	3,009,730		(3,009,730)		
SSB CD	0.43%	03/20/13	3,009,730	3,009,730		(3,009,730)		
SSB CD	0.43%	06/18/13	3,006,471	3,006,471	3,188		3,009,659	3,009,659
SSB CD	0.44%	07/18/13	3,006,622	3,006,622	3,262		3,009,884	3,009,884
SSB CD	0.45%	07/31/13	3,003,176	3,003,176	3,179		3,006,355	3,006,355
SSB CD	0.95%	08/01/13	2,622,727	2,622,727	6,280		2,629,007	2,629,007
SSB CD	0.42%	08/20/13	3,003,176	3,003,176	3,179		3,006,355	3,006,355
SSB CD	0.26%	12/25/13			3,013,773		3,013,773	3,013,773
SSB CD	0.38%	01/20/14	3,000,000	3,000,000	2,873		3,002,873	3,002,873
SSB CD	0.43%	02/11/14			3,012,602		3,012,602	3,012,602
SSB CD - Bond	0.54%	03/25/14	1,851,078	1,851,078	2,465		1,853,542	1,853,542
SSB CD	0.49%	08/14/14	3,000,000	3,000,000	3,625		3,003,625	3,003,625
SSB CD	0.63%	09/19/14	3,004,712	3,004,712	4,668		3,009,380	3,009,380
SSB CD	0.60%	10/17/14	3,000,000	3,000,000	4,537		3,004,537	3,004,537
TOTAL			\$ 69,922,453	\$ 69,922,453	\$ 19,819,822	\$ (8,888,389)	\$ 80,853,885	\$ 80,853,885

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2012		Qtr to Qtr Change	March 31, 2013	
			Par Value	Market Value		Par Value	Market Value
Cash - Pooled	0.00%	04/01/13	\$ 6,262,519	\$ 6,262,519	\$ 12,109,182	\$ 18,371,701	\$ 18,371,701
Cash - Bond	0.00%	04/01/13			1,620,660	1,620,660	1,620,660
MMA	0.50%	04/01/13	20,075,462	20,075,462	24,771	20,100,233	20,100,233
TexPool	0.10%	04/01/13	3,146,249	3,146,249	769	3,147,018	3,147,018
TexSTAR - Bond	0.11%	04/01/13	3,051,872	3,051,872	811	3,052,683	3,052,683
SSB CD	0.55%	01/25/13	2,868,930	2,868,930	(2,868,930)		
SSB CD	0.43%	02/20/13	3,009,730	3,009,730	(3,009,730)		
SSB CD	0.43%	03/20/13	3,009,730	3,009,730	(3,009,730)		
SSB CD	0.43%	06/18/13	3,006,471	3,006,471	3,188	3,009,659	3,009,659
SSB CD	0.44%	07/18/13	3,006,622	3,006,622	3,262	3,009,884	3,009,884
SSB CD	0.45%	07/31/13	3,003,176	3,003,176	3,179	3,006,355	3,006,355
SSB CD	0.95%	08/01/13	2,622,727	2,622,727	6,280	2,629,007	2,629,007
SSB CD	0.42%	08/20/13	3,003,176	3,003,176	3,179	3,006,355	3,006,355
SSB CD	0.26%	12/25/13			3,013,773	3,013,773	3,013,773
SSB CD	0.38%	01/20/14	3,000,000	3,000,000	2,873	3,002,873	3,002,873
SSB CD	0.43%	02/11/14			3,012,602	3,012,602	3,012,602
SSB CD - Bond	0.54%	03/25/14	1,851,078	1,851,078	2,465	1,853,542	1,853,542
SSB CD	0.49%	08/14/14	3,000,000	3,000,000	3,625	3,003,625	3,003,625
SSB CD	0.63%	09/19/14	3,004,712	3,004,712	4,668	3,009,380	3,009,380
SSB CD	0.60%	10/17/14	3,000,000	3,000,000	4,537	3,004,537	3,004,537
TOTAL			\$ 69,922,453	\$ 69,922,453	\$ 10,931,432	\$ 80,853,885	\$ 80,853,885

Allocation

March 31, 2013

Book & Market Value	Security Total	Pooled Funds	Revenue Bond
Pooled Cash	\$ 19,992,360	\$ 18,371,701	\$ 1,620,660
MMA	20,100,233	20,100,233	
TexPool	3,147,018	3,147,018	
TexSTAR	3,052,683		3,052,683.10
06/18/13	3,009,659	3,009,659	
07/18/13	3,009,884	3,009,884	
07/31/13	3,006,355	3,006,355	
08/01/13	2,629,007	2,629,007	
08/20/13	3,006,355	3,006,355	
12/25/13	3,013,773	3,013,773	
01/20/14	3,002,873	3,002,873	
02/11/14	3,012,602	3,012,602	
03/25/14	1,853,542		1,853,542.35
08/14/14	3,003,625	3,003,625	
09/19/14	3,009,380	3,009,380	
10/17/14	3,004,537	3,004,537	
Totals	\$ 80,853,885	\$ 74,327,000	\$ 6,526,885

Allocation

December 31, 2012

Book & Market Value	Security Total	Pooled Funds	Revenue Bond
Pooled Cash	\$ 6,262,519.24	\$ 6,262,519.24	\$ -
MMA	20,075,461.78	20,075,461.78	
TexPool	3,146,248.92	3,146,248.92	
TexSTAR	3,051,872.49	81,709.77	2,970,162.72
01/25/13	2,868,930.08		2,868,930.08
02/20/13	3,009,729.68	3,009,729.68	
03/20/13	3,009,729.68	3,009,729.68	
06/18/13	3,006,471.16	3,006,471.16	
07/18/13	3,006,621.73	3,006,621.73	
07/31/13	3,003,175.89	3,003,175.89	
08/01/13	2,622,726.72	2,622,726.72	
08/20/13	3,003,175.89	3,003,175.89	
01/20/14	3,000,000.00	3,000,000.00	
03/25/14	1,851,077.63		1,851,077.63
08/14/14	3,000,000.00	3,000,000.00	
09/19/14	3,004,712.05	3,004,712.05	
10/17/14	3,000,000.00	3,000,000.00	
Totals	\$ 69,922,452.94	\$ 62,232,282.51	\$ 7,690,170.43

CITY OF TYLER
Equity in Pooled Cash and Investments

		3/31/2013	12/31/2012
General Fund	101	\$ 9,172,529	\$ 1,827,505
General Capital Projects Fund	102	1,854,443	1,755,931
Development Services Fund	202	1,083,781	1,139,040
Cemeteries Operating Fund	204	(58,281)	(15,848)
Forfeitures Fund	205	254,370	282,980
Court Technology Fund	207	391,012	125,067
TIF/TIRZ # 2	209	(284)	(284)
Hotel-Motel Tax Fund	211	1,383,966	1,184,354
Donations Fund	216	928,798	947,819
TIF/TIRZ # 3	218	29,789	3,206
Tyler Tourism & Convention Facilities Fund	219	206,873	100,392
Half Cent Sales Tax Fund	231	11,299,749	9,450,709
Passenger Facility Fund	234	145,571	118,104
Oil & Natural Gas Fund	235	2,855,007	2,835,062
PEG Fee Fund	236	235,498	375,609
Fair Plaza Fund	240	151,426	123,686
Retained HUD Admin Fee Fund	274	55,888	55,628
Housing Assistance Fund	276	476,818	501,544
State/Federal Grants Fund	285	(171,964)	(120,804)
Transit System Fund	286	(707,806)	(625,342)
CDBG Grant Fund	294	(83,935)	(249,502)
HOME Grant Fund	295	162,871	202,350
Utilities Fund	502	2,129,447	1,261,821
Utilities Construction Fund	503	9,881,874	9,732,813
Utilities Debt Service Fund	504	2,880,535	2,818,083
Utilities Debt Reserve Fund	505	1,493,356	1,493,356
Revenue Bond Series 2008	514	129	129
Revenue Bond Series 2009	516	6,526,885	7,690,170
Airport Fund	524	1,689,463	455,836
Airport Grant Fund	525	(3,314)	(554,375)
Solid Waste Fund	580	216,274	(457,179)
Solid Waste Capital Projects Fund	562	1,809,348	1,818,680
Productivity Improvement Fund	639	1,771,466	1,857,150
Fleet Replacement Fund	640	8,806,832	9,184,950
Prop, Liab, W/C Insurance Fund	650	849,849	859,826
Employee Benefits Fund	661	1,504,610	1,821,598
Prop & Facility Management Fund	663	1,323,501	1,338,416
Technology Fund	671	2,248,405	3,265,214
Payroll Fund	710	790,470	842,844
Cemetery Trust Fund	713	2,633,438	2,615,141
Landfill Trust Fund	720	2,354,257	2,343,594
Retiree Benefits Fund	761	1,914,022	2,312,375
Section 125 Trust Fund	772	165,502	171,728
Total		\$ 80,472,449	\$ 70,887,180

Total Portfolio Performance

