



**CITY OF TYLER
CITY COUNCIL COMMUNICATION**

Agenda Number: C-A-6

Date: May 14, 2014

Subject: Request that the City Council consider reviewing and accepting the Investment Report for the quarter ending March 31, 2014.

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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 March 31, 2014 by type and by major fund are shown below:

Investment Category	Book Value	Market Value	Average Yield	Average Maturity
Pools/Bank	43,251,472	43,251,472	0.31	1 day
Securities/CD's	38,862,657	38,862,657	0.41	264 days
Revenue Bond	3,617,516	3,617,516	0.02	1 day
	85,720,473	85,720,473	0.34	120 days

Benchmarks: Rolling 3 month Treasury average yield was 0.06 percent
Rolling 6 month Treasury average yield was 0.08 percent
The Tex Pool average yield for this quarter was 0.03 percent

INVESTMENT OFFICER APPROVAL


Keidric Trimble 5/1/14


RECOMMENDATION:

It is recommended that the City Council review and accept the Investment Report for the quarter ending March 31, 2014.

Agenda Number: C-A-6

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**Drafted/Recommended By:
Department Leader**


Keidric Trimble, CFO

**Edited/Submitted By:
City Manager**





INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

March 31, 2014

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.

Kerstin Juwille
Chief Financial Officer

Accounting Manager

Spencer House
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 traded <10 bps). In December, the FOMC began tapering the Quantitative Easing (QE3) program. The monthly purchase amount has been decreased three times (\$10 billion each time) to \$55 billion. A continued, orderly tapering is anticipated as long as economic activity remains moderately positive. Fourth quarter 2013 GDP was revised lower to +2.4% from its earlier estimate of +3.2%. Employment data remains positive, but modest and inconsistent. The US stock markets touched new highs. Financial institution deposit yields generally provide the best interest earnings opportunity, although spreads to security yields have tightened.

Quarter End Results by Investment Category:

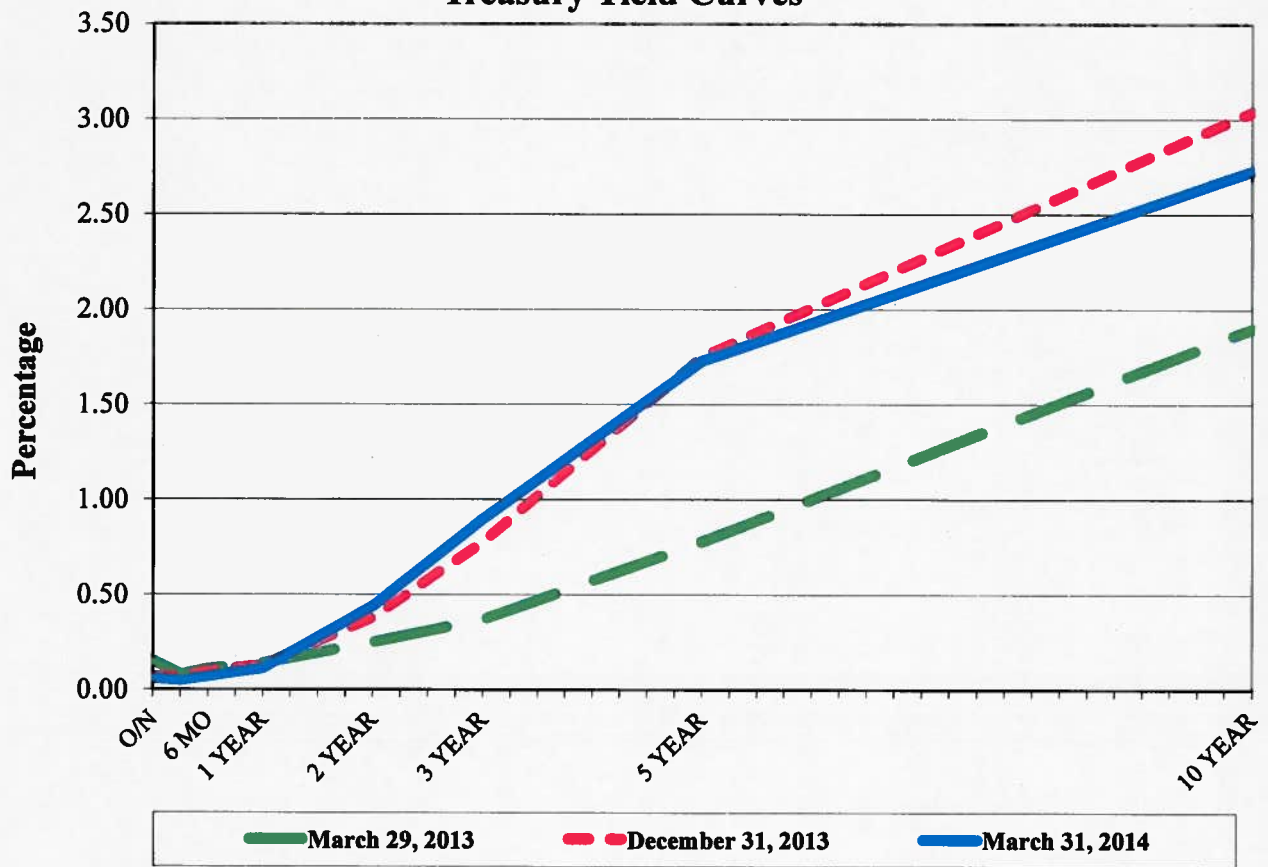
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>March 31, 2014</u>		<u>December 31, 2013</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank	0.31%	\$ 43,251,472	\$ 43,251,472	\$ 31,803,123	\$ 31,803,123
Securities/CDs	0.41%	38,862,657	38,862,657	40,686,912	40,686,912
Revenue Bond	0.02%	3,617,516	3,617,516	5,082,903	5,082,903
Totals		\$ 85,731,645	\$ 85,731,645	\$ 77,572,938	\$ 77,572,938

<u>Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.34%	Total Portfolio	0.33%
Rolling Three Mo. Treas. Yield	0.05%	Rolling Three Mo. Treas. Yield	0.06%
Rolling Six Mo. Treas. Yield	0.08%	Rolling Six Mo. Treas. Yield	0.08%
		Quarterly TexPool Yield	0.03%
Quarterly Interest Income \$	65,863 Approximate		
Year-to-date Interest Income \$	123,796 Approximate		

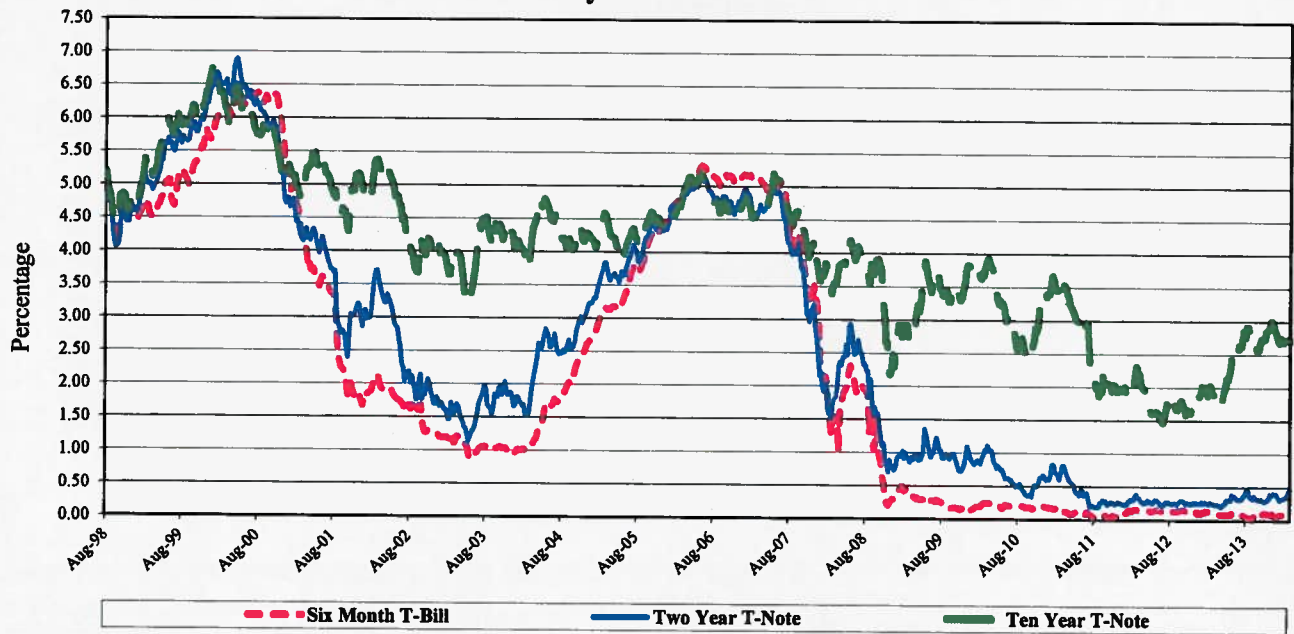
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

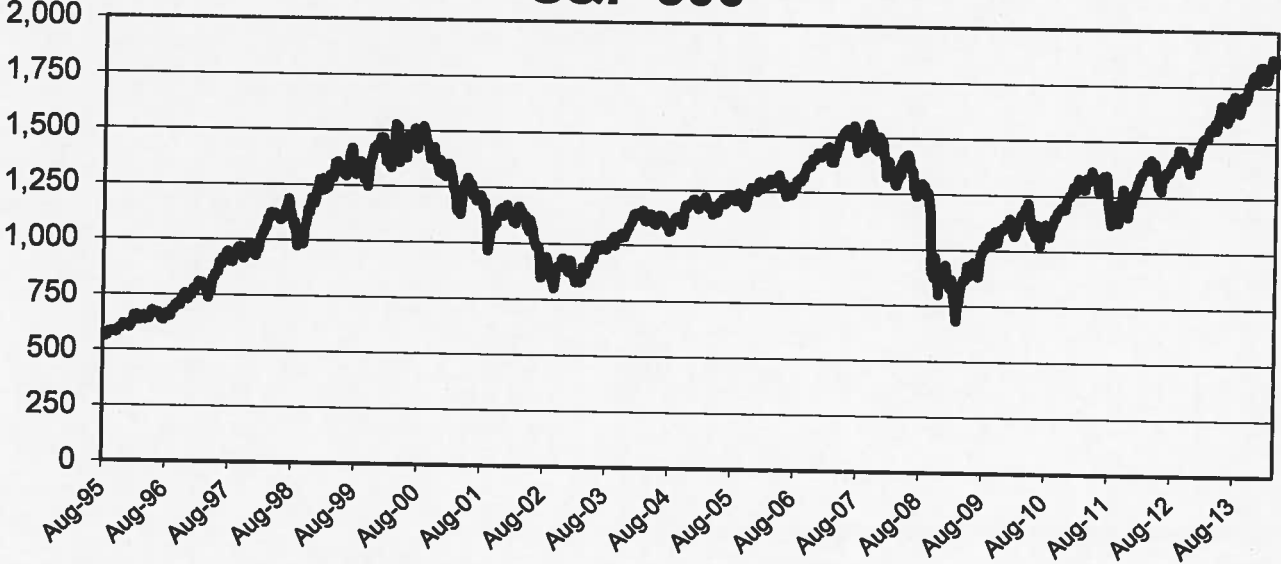
Treasury Yield Curves



US Treasury Historical Yields



S&P 500



**Detail of Investment Holdings
March 31, 2014**

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchased Value	Book Value	Market Price	Market Value	Life (days)	Yield
Cash - Pooled (3)		0.00%	04/01/14	03/31/14	\$ 9,202,844	\$ 9,202,844	\$ 9,202,844	1.00	\$ 9,202,844	1	0.00%
Cash - Bond (3)		0.00%	04/01/14	03/31/14	1,402,761	1,402,761	1,402,761	1.00	1,402,761	1	0.00%
NOW		0.50%	04/01/14	03/31/14	19,895,326	19,895,326	19,895,326	1.00	19,895,326	1	0.50%
NOW #2		0.24%	04/01/14	03/31/14	14,004,924	14,004,924	14,004,924	1.00	14,004,924	1	0.24%
TexPool	AAAm	0.03%	04/01/14	03/31/14	148,379	148,379	148,379	1.00	148,379	1	0.03%
TexSTAR - Bond	AAAm	0.04%	04/01/14	03/31/14	2,214,754	2,214,754	2,214,754	1.00	2,214,754	1	0.04%
SSB CD		0.27%	05/21/14	05/21/13	3,008,129	3,008,129	3,008,129	100.00	3,008,129	51	0.27%
SSB CD		0.24%	08/18/14	08/18/13	3,018,332	3,018,332	3,018,332	100.00	3,018,332	79	0.24%
SSB CD		0.25%	07/31/14	07/31/12	3,016,418	3,016,418	3,016,418	100.00	3,016,418	122	0.25%
SSB CD		0.26%	08/08/14	08/18/12	3,018,264	3,018,264	3,018,264	100.00	3,018,264	130	0.26%
SSB CD		0.49%	08/14/14	12/21/12	3,018,369	3,018,369	3,018,369	100.00	3,018,369	136	0.49%
SSB CD		0.63%	09/19/14	09/19/12	3,028,384	3,028,384	3,028,384	100.00	3,028,384	172	0.63%
SSB CD		0.25%	09/20/14	07/20/12	3,017,494	3,017,494	3,017,494	100.00	3,017,494	173	0.25%
SSB CD		0.60%	10/17/14	10/17/13	3,022,605	3,022,605	3,022,605	100.00	3,022,605	200	0.60%
SSB CD		0.37%	11/21/14	05/21/13	3,008,401	3,008,401	3,008,401	100.00	3,008,401	235	0.37%
SSB CD		0.48%	08/04/15	07/30/09	2,647,871	2,647,871	2,647,871	100.00	2,647,871	491	0.48%
SSB CD		0.52%	12/28/15	03/25/13	3,023,574	3,023,574	3,023,574	100.00	3,023,574	637	0.52%
SSB CD		0.38%	03/22/15	11/20/12	3,013,329	3,013,329	3,013,329	100.00	3,013,329	356	0.38%
SSB CD		0.55%	02/11/16	03/01/12	3,023,488	3,023,488	3,023,488	100.00	3,023,488	682	0.55%
					\$ 85,731,645	\$ 85,731,645	\$ 85,731,645		\$ 85,731,645	120	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.

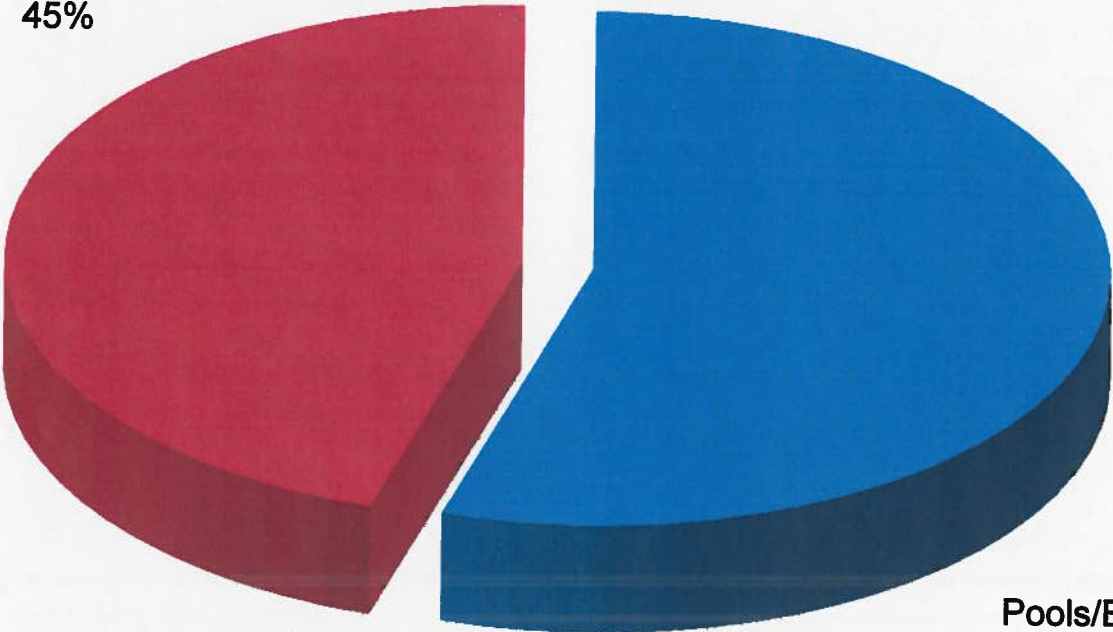
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and bank account investments.

(3) Cash - Pooled funds are use as compensating balance to offset bank service charges.

Valley View Consulting, L.L.C.

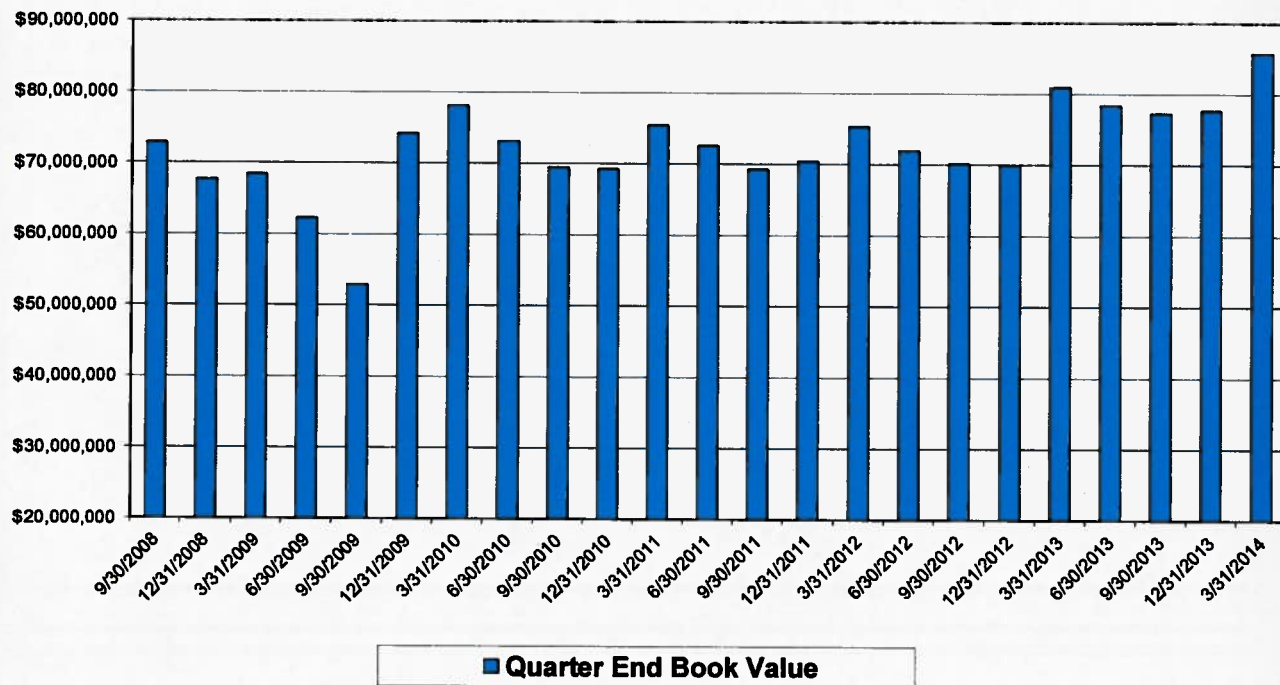
Portfolio Composition

Securities/CDs
45%



Pools/Bank
55%

Total Portfolio



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2013		Purchases/ Adjustments	Sales/Adjust/ Maturities	March 31, 2014	
			Par Value	Book Value			Par Value	Book Value
Cash - Pooled	0.00%	04/01/14	\$13,844,411	\$13,844,411	\$ -	\$ (4,641,567)	\$ 9,202,844	\$ 9,202,844
Cash - Bond	0.00%	04/01/14			1,402,761		1,402,761	1,402,761
NOW	0.50%	04/01/14	16,671,475	16,671,475	3,223,851		19,895,326	19,895,326
NOW #2	0.24%	04/01/14			14,004,924		14,004,924	14,004,924
TexPool	0.03%	04/01/14	3,148,331	3,148,331		(2,999,953)	148,379	148,379
TexSTAR - Bond	0.04%	04/01/14	3,221,809	3,221,809		(1,007,055)	2,214,754	2,214,754
SSB CD	0.38%	01/20/14	3,011,416	3,011,416		(3,011,416)		
SSB CD	0.43%	02/11/14	3,020,946	3,020,946		(3,020,946)		
SSB CD - Bond	0.54%	03/25/14	1,861,094	1,861,094		(1,861,094)		
SSB CD	0.27%	05/21/14	3,004,085	3,004,085	2,044		3,006,129	3,006,129
SSB CD	0.24%	06/18/14	3,016,547	3,016,547	1,785		3,018,332	3,018,332
SSB CD	0.25%	07/31/14	3,014,518	3,014,518	1,900		3,016,418	3,016,418
SSB CD	0.26%	08/08/14	3,016,287	3,016,287	1,977		3,018,264	3,018,264
SSB CD	0.49%	08/14/14	3,014,727	3,014,727	3,642		3,018,369	3,018,369
SSB CD	0.63%	09/19/14	3,023,687	3,023,687	4,697		3,028,384	3,028,384
SSB CD	0.25%	09/20/14	3,015,594	3,015,594	1,900		3,017,494	3,017,494
SSB CD	0.60%	10/17/14	3,018,041	3,018,041	4,564		3,022,605	3,022,605
SSB CD	0.37%	11/21/14	3,005,598	3,005,598	2,803		3,008,401	3,008,401
SSB CD	0.48%	08/04/15	2,644,671	2,644,671	3,200		2,647,871	2,647,871
SSB CD	0.52%	12/28/15	3,019,702	3,019,702	3,872		3,023,574	3,023,574
SSB CD	0.38%	03/22/15			3,013,329		3,013,329	3,013,329
SSB CD	0.55%	02/11/16			3,023,488		3,023,488	3,023,488
TOTAL			\$77,572,938	\$77,572,938	\$ 24,700,737	\$ (16,542,031)	\$ 85,731,645	\$ 85,731,645

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2013		Qtr to Qtr Change	March 31, 2014	
			Par Value	Market Value		Par Value	Market Value
Cash - Pooled	0.00%	04/01/14	\$ 13,844,411	\$ 13,844,411	\$ (4,641,567)	\$ 9,202,844	\$ 9,202,844
Cash - Bond	0.00%	04/01/14			1,402,761	1,402,761	1,402,761
NOW	0.50%	04/01/14	16,671,475	16,671,475	3,223,851	19,895,326	19,895,326
NOW #2	0.24%	04/01/14			14,004,924	14,004,924	14,004,924
TexPool	0.03%	04/01/14	3,148,331	3,148,331	(2,999,953)	148,379	148,379
TexSTAR - Bond	0.04%	04/01/14	3,221,809	3,221,809	(1,007,055)	2,214,754	2,214,754
SSB CD	0.38%	01/20/14	3,011,416	3,011,416	(3,011,416)		
SSB CD	0.43%	02/11/14	3,020,946	3,020,946	(3,020,946)		
SSB CD - Bond	0.54%	03/25/14	1,861,094	1,861,094	(1,861,094)		
SSB CD	0.27%	05/21/14	3,004,085	3,004,085	2,044	3,006,129	3,006,129
SSB CD	0.24%	06/18/14	3,016,547	3,016,547	1,785	3,018,332	3,018,332
SSB CD	0.25%	07/31/14	3,014,518	3,014,518	1,900	3,016,418	3,016,418
SSB CD	0.26%	08/08/14	3,016,287	3,016,287	1,977	3,018,264	3,018,264
SSB CD	0.49%	08/14/14	3,014,727	3,014,727	3,642	3,018,369	3,018,369
SSB CD	0.63%	09/19/14	3,023,687	3,023,687	4,697	3,028,384	3,028,384
SSB CD	0.25%	09/20/14	3,015,594	3,015,594	1,900	3,017,494	3,017,494
SSB CD	0.60%	10/17/14	3,018,041	3,018,041	4,564	3,022,605	3,022,605
SSB CD	0.37%	11/21/14	3,005,598	3,005,598	2,803	3,008,401	3,008,401
SSB CD	0.48%	08/04/15	2,644,671	2,644,671	3,200	2,647,871	2,647,871
SSB CD	0.52%	12/28/15	3,019,702	3,019,702	3,872	3,023,574	3,023,574
SSB CD	0.38%	03/22/15			3,013,329	3,013,329	3,013,329
SSB CD	0.55%	02/11/16			3,023,488	3,023,488	3,023,488
TOTAL			\$ 77,572,938	\$ 77,572,938	\$ 8,158,707	\$ 85,731,645	\$ 85,731,645

**Allocation
Book & Market
Value**

March 31, 2014

	Security Total	Pooled Funds	Revenue Bond
Cash	\$ 10,605,606	\$ 9,202,844	\$ 1,402,761
NOW	19,895,326	19,895,326	
NOW #2	14,004,924	14,004,924	
TexPool	148,379	148,379	
TexSTAR	2,214,754		2,214,754
05/21/14	3,006,129	3,006,129	
06/18/14	3,018,332	3,018,332	
07/31/14	3,016,418	3,016,418	
08/08/14	3,018,264	3,018,264	
08/14/14	3,018,369	3,018,369	
09/19/14	3,028,384	3,028,384	
09/20/14	3,017,494	3,017,494	
10/17/14	3,022,605	3,022,605	
11/21/14	3,008,401	3,008,401	
08/04/15	2,647,871	2,647,871	
12/28/15	3,023,574	3,023,574	
03/22/15	3,013,329	3,013,329	
02/11/16	3,023,488	3,023,488	
Totals	\$ 85,731,645	\$ 82,114,129	\$ 3,617,516

**Allocation
Book & Market
Value**

December 31, 2013

	Security Total	Pooled Funds	Revenue Bond
Cash	\$ 13,844,411	\$ 13,844,411	\$ -
MMA	\$ 16,671,475	16,671,475	
TexPool	\$ 3,148,331	3,148,331	
TexSTAR	\$ 3,221,809	1,007,257	2,214,551
01/20/14	3,011,416	3,011,416	
02/11/14	3,020,946	3,020,946	
03/25/14	1,861,094		1,861,094
05/21/14	3,004,085	3,004,085	
06/18/14	3,016,547	3,016,547	
07/31/14	3,014,518	3,014,518	
08/08/14	3,016,287	3,016,287	
08/14/14	3,014,727	3,014,727	
09/19/14	3,023,687	3,023,687	
09/20/14	3,015,594	3,015,594	
10/17/14	3,018,041	3,018,041	
11/21/14	3,005,598	3,005,598	
08/04/15	2,644,671	2,644,671	
12/28/15	3,019,702	3,019,702	
Totals	\$ 77,572,938	\$ 73,497,293	\$ 4,075,645

CITY OF TYLER
Equity in Pooled Cash and Investments

		3/31/2014	12/31/2013
General Fund	101	11,230,497	3,367,194
General Capital Projects Fund	102	912,571	959,134
Development Services Fund	202	1,424,984	1,194,529
Cemeteries Operating Fund	204	140,498	176,454
Forfeitures Fund	205	213,836	269,357
Court Technology Fund	207	505,560	332,585
Hotel-Motel Tax Fund	211	2,080,934	2,213,663
Donations Fund	216	931,736	958,794
TIF/TIRZ # 3	218	75,665	29,406
Tyler Tourism & Convention Facilities Fund	219	341,604	135,235
Half Cent Sales Tax Fund	231	15,885,091	16,688,068
Passenger Facility Fund	234	180,853	367,981
Oil & Natural Gas Fund	235	2,992,747	2,983,675
PEG Fee Fund	236	244,289	196,843
Fair Plaza Fund	240	165,432	151,178
Retained HUD Admin Fee Fund	274	55,841	55,805
Housing Assistance Fund	276	285,104	726,954
State/Federal Grants Fund	285	(70,230)	(43,844)
Transit System Fund	286	(522,726)	(465,473)
CDBG Grant Fund	294	33,013	(248,582)
HOME Grant Fund	295	15,765	(53,509)
Utilities Fund	502	(186,016)	2,922,046
Utilities Construction Fund	503	13,972,946	10,499,636
Utilities Debt Service Fund	504	2,509,630	2,600,356
Utilities Debt Reserve Fund	505	1,493,737	1,493,737
Revenue Bond Series 2008	514	129	129
Revenue Bond Series 2009	516	3,617,516	4,075,645
Airport Fund	524	756,154	543,686
Airport Grant Fund	525	(71,321)	(221,266)
Solid Waste Fund	560	(34,823)	(549,163)
Solid Waste Capital Projects Fund	562	1,626,445	1,719,052
Productivity Improvement Fund	639	1,409,956	1,627,531
Fleet Replacement Fund	640	11,944,967	10,447,207
Prop. Liab, W/C Insurance Fund	650	989,417	1,007,600
Employee Benefits Fund	661	933,438	876,606
Prop & Facility Management Fund	663	1,262,706	1,333,751
Technology Fund	671	1,898,551	1,998,098
Payroll Fund	710	65,916	792,550
Cemetery Trust Fund	713	2,706,035	2,700,884
Landfill Trust Fund	720	2,397,664	2,390,119
Retiree Benefits Fund	761	1,654,380	2,063,736
Section 125 Trust Fund	772	183,929	185,972
Total		86,254,422	78,501,241

Total Portfolio Performance

