



**CITY OF TYLER
CITY COUNCIL COMMUNICATION**

Agenda Number: C-A-1
Date: July 24, 2013
Subject: Request that the City Council consider reviewing and accepting the Investment Report for the quarter ending June 30, 2013.
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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 additional supporting information that has been prepared to assist the City Council in the quarterly review process.

Investments held on June 30, 2013 by type and by major fund are shown below:

Investment Category	Book Value	Market Value	Average Yield	Average Maturity
Pools/Bank	37,731,588	37,731,588	0.17	1 day
Securities/CD's	40,603,405	40,603,405	0.46	253 days
	78,334,993	78,334,993	0.32	125 days

Benchmarks: Rolling 3 month Treasury average yield was 0.08 percent
Rolling 6 month Treasury average yield was 0.12 percent
The Tex Pool average yield for this quarter was 0.10 percent

INVESTMENT OFFICER APPROVAL


Keidric Trimble 6/30/2013

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RECOMMENDATION:

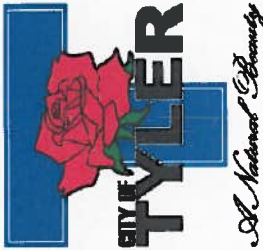
It is recommended that the City Council review and accept the Investment Report for the quarter ending June 30, 2013.

**Drafted/Recommended By:
Department Leader**

A handwritten signature in black ink, appearing to read "Kerdi", with a stylized flourish at the end.

**Edited/Submitted By:
City Manager**

A handwritten signature in black ink, appearing to read "Mark W. David", with a long horizontal flourish extending to the right.



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

June 30, 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.

Leticia Jimenez

Chief Financial Officer

Accounting Manager

E. Chowdhury

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). The FOMC continued Quantitative Easing (QE3), targeting unemployment below 6.5% and inflation less than 2.5%, however they openly discussed the future plan to reduce the amount of easing. The markets reacted quickly with higher Treasury Yield Curve rates and a brief stock market sell-off. Subsequent public comments attempted to calm the fears and reduce the immediate market impact. Domestic and international economic activity remains low to moderate. US employment/unemployment data is a key focal point. Financial institution deposits and laddering targeted cash flows still provide the best interest earnings opportunity.

Quarter End Results by Investment Category:

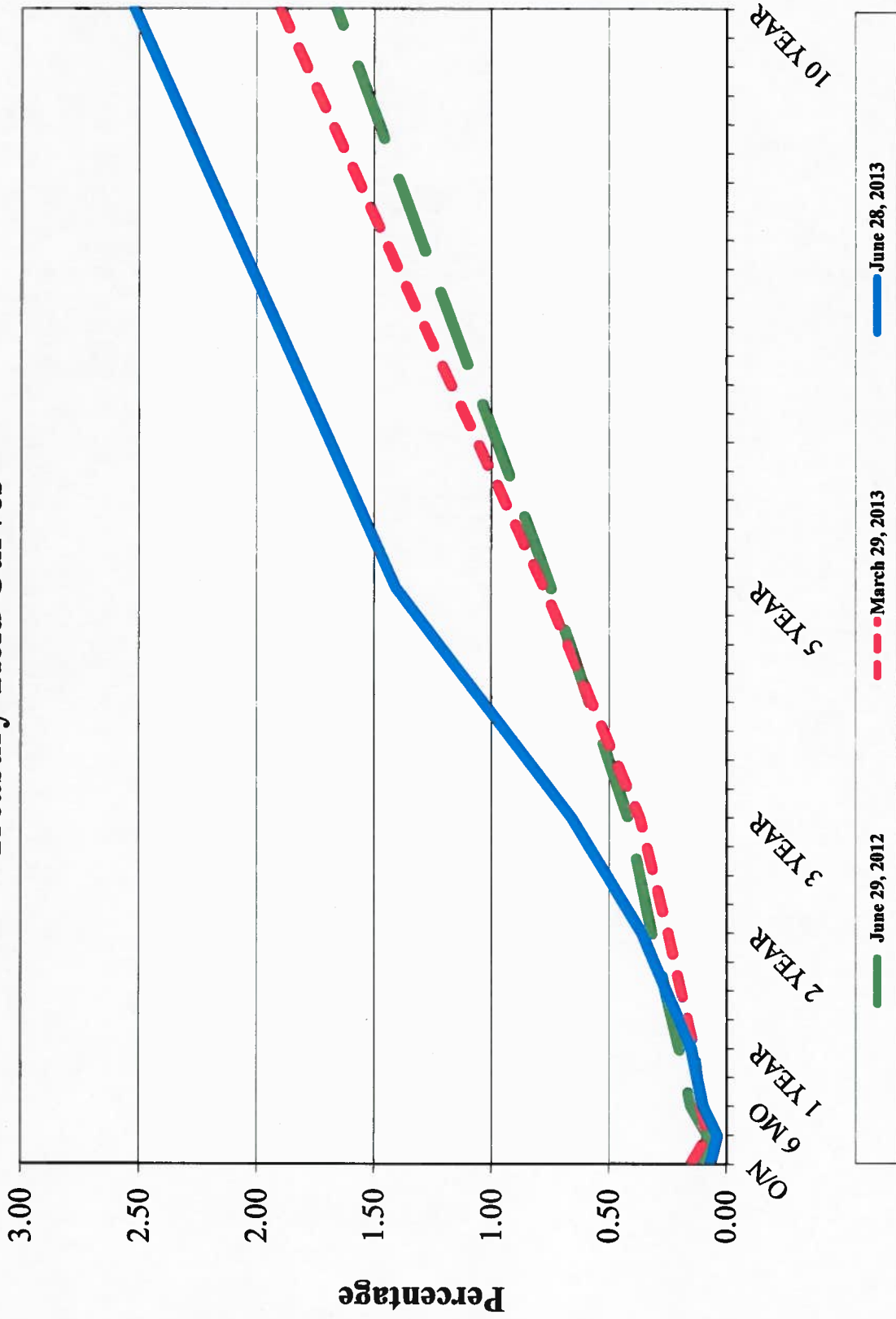
Asset Type	June 30, 2013		March 31, 2013	
	Ave. Yield	Book Value	Market Value	Market Value
Cash/MMA/Pools	0.18%	\$ 42,217,951	\$ 42,217,951	\$ 46,292,294
Securities/CDS	0.46%	40,603,405	40,603,405	34,561,591
Totals		\$ 82,821,356	\$ 82,821,356	\$ 80,853,885

Average Yield (1)	Fiscal Year-to-Date Average Yield (2)
Total Portfolio	Total Portfolio 0.35%
Rolling Three Mo. Treas. Yield	Rolling Three Mo. Treas. Yield 0.08%
Rolling Six Mo. Treas. Yield	Rolling Six Mo. Treas. Yield 0.12%
Quarterly Interest Income \$ 63,804 Approximate	Quarterly TexPool Yield 0.10%
Year-to-date Interest Income \$ 207,709 Approximate	

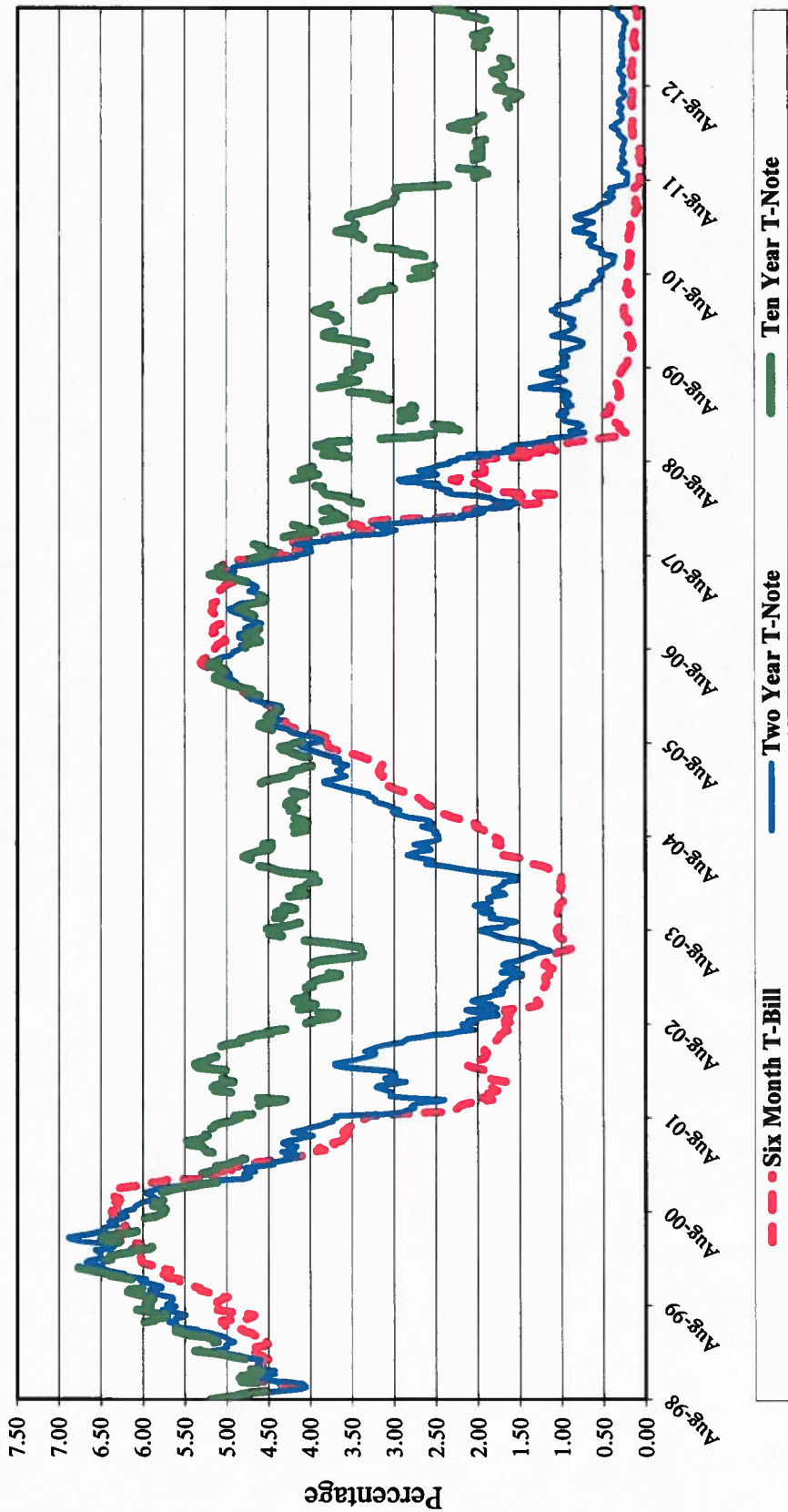
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

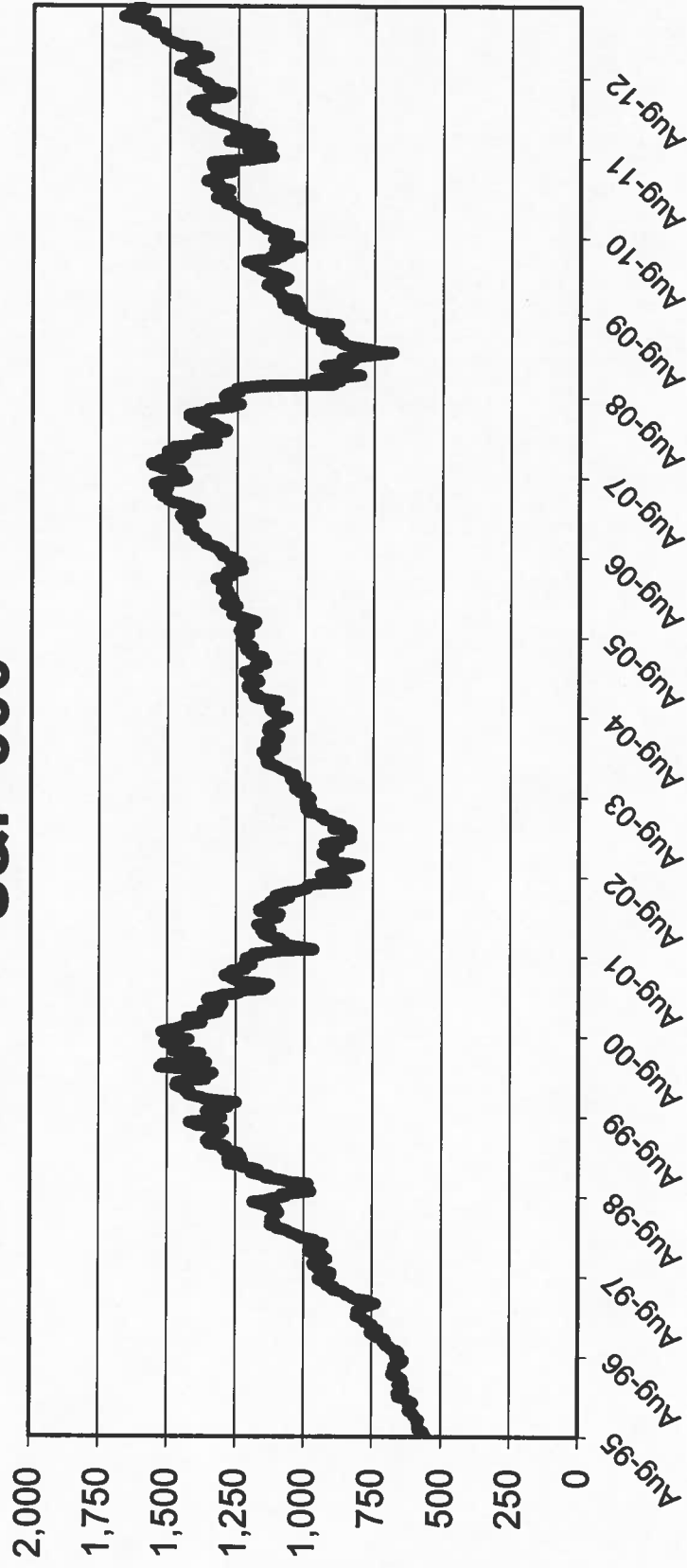
Treasury Yield Curves



US Treasury Historical Yields



S&P 500



Detail of Investment Holdings

June 30, 2013

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchased Value	Book Value	Market Price	Market Value	Life (days)	Yield
Cash - Pooled (3)		0.07%	07/01/13	06/30/13	\$ 14,270,483	\$ 14,270,483	\$ 14,270,483	1.00	\$ 14,270,483	1	0.07%
MMA		0.30%	07/01/13	06/30/13	20,125,299	20,125,299	20,125,299	1.00	20,125,299	1	0.30%
TexPool	AAA	0.06%	07/01/13	06/30/13	3,147,623	3,147,623	3,147,623	1.00	3,147,623	1	0.06%
TexSTAR - Pooled	AAA	0.06%	07/01/13	06/30/13	1,118,561	1,118,561	1,118,561	1.00	1,118,561	1	0.06%
TexSTAR - Bond	AAA	0.06%	07/01/13	06/30/13	3,555,985	3,555,985	3,555,985	1.00	3,555,985	1	0.06%
SSB CD		0.44%	07/18/13	06/18/12	3,013,222	3,013,222	3,013,222	100.00	3,013,222	18	0.44%
SSB CD		0.45%	07/31/13	07/31/12	3,009,434	3,009,434	3,009,434	100.00	3,009,434	31	0.45%
SSB CD		0.95%	08/01/13	08/01/11	2,635,097	2,635,097	2,635,097	100.00	2,635,097	32	0.95%
SSB CD		0.42%	08/20/13	07/20/12	3,009,469	3,009,469	3,009,469	100.00	3,009,469	51	0.42%
SSB CD		0.26%	12/25/13	03/25/13	3,015,748	3,015,748	3,015,748	100.00	3,015,748	178	0.26%
SSB CD		0.38%	01/20/14	11/20/12	3,005,656	3,005,656	3,005,656	100.00	3,005,656	204	0.38%
SSB CD		0.43%	02/11/14	03/01/13	3,015,320	3,015,320	3,015,320	100.00	3,015,320	226	0.43%
SSB CD - Bond		0.54%	03/25/14	09/25/12	1,856,065	1,856,065	1,856,065	100.00	1,856,065	268	0.54%
SSB CD		0.27%	05/21/14	05/21/13	3,000,000	3,000,000	3,000,000	100.00	3,000,000	325	0.27%
SSB CD		0.24%	06/18/14	06/18/13	3,012,921	3,012,921	3,012,921	100.00	3,012,921	353	0.24%
SSB CD		0.49%	08/14/14	12/21/12	3,007,334	3,007,334	3,007,334	100.00	3,007,334	410	0.49%
SSB CD		0.63%	09/19/14	09/19/12	3,014,158	3,014,158	3,014,158	100.00	3,014,158	446	0.63%
SSB CD		0.60%	10/17/14	10/17/12	3,008,982	3,008,982	3,008,982	100.00	3,008,982	474	0.60%
SSB CD		0.37%	11/21/14	05/21/13	3,000,000	3,000,000	3,000,000	100.00	3,000,000	509	0.37%
					\$ 82,821,356	\$ 82,821,356	\$ 82,821,356		\$ 82,821,356	125	0.31%
										(1)	(2)

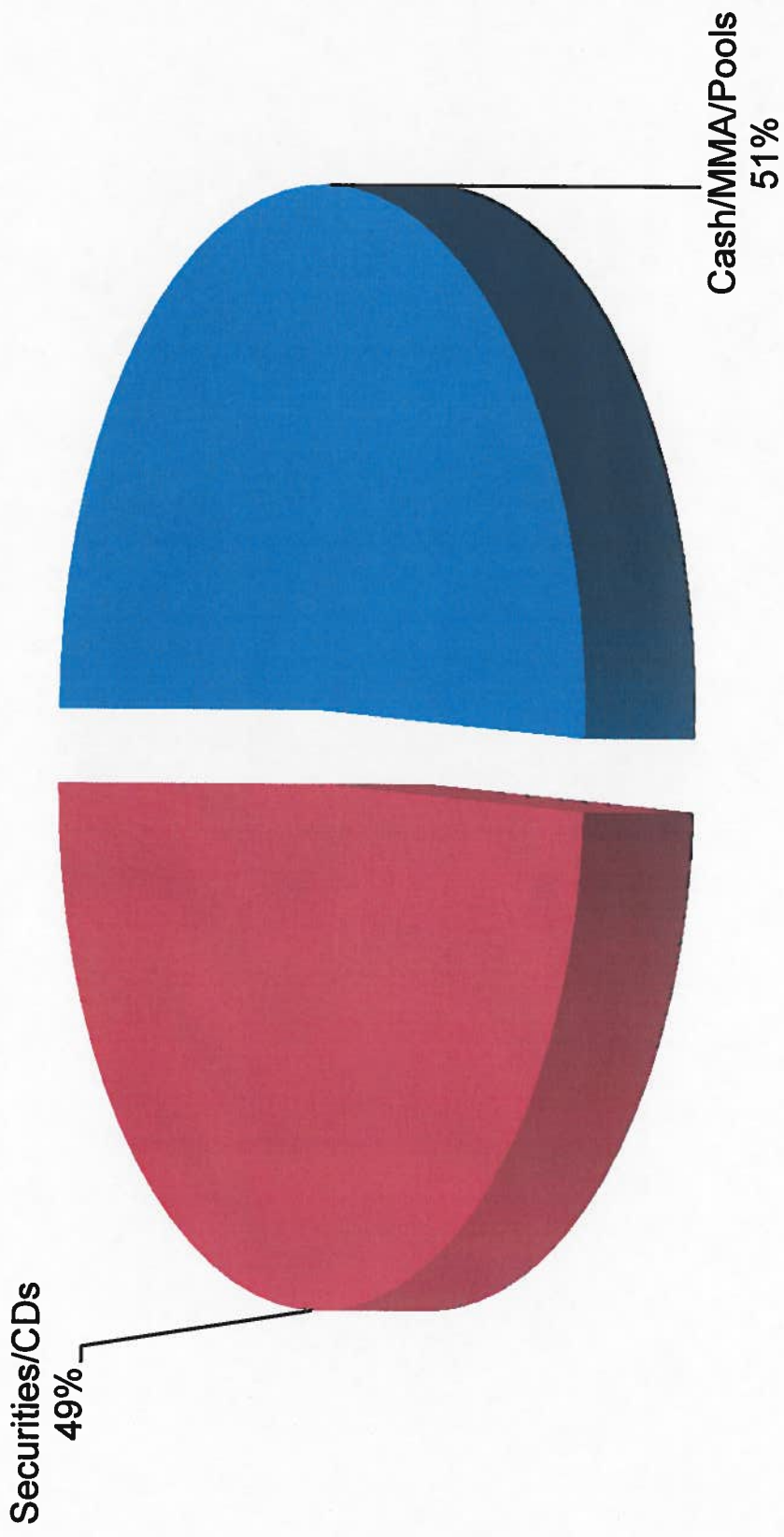
(1) Weighted average life - For purposes of calculating weighted average life, TexPool, TexSTAR, and bank account investments are assumed to have a one day maturity.

(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.

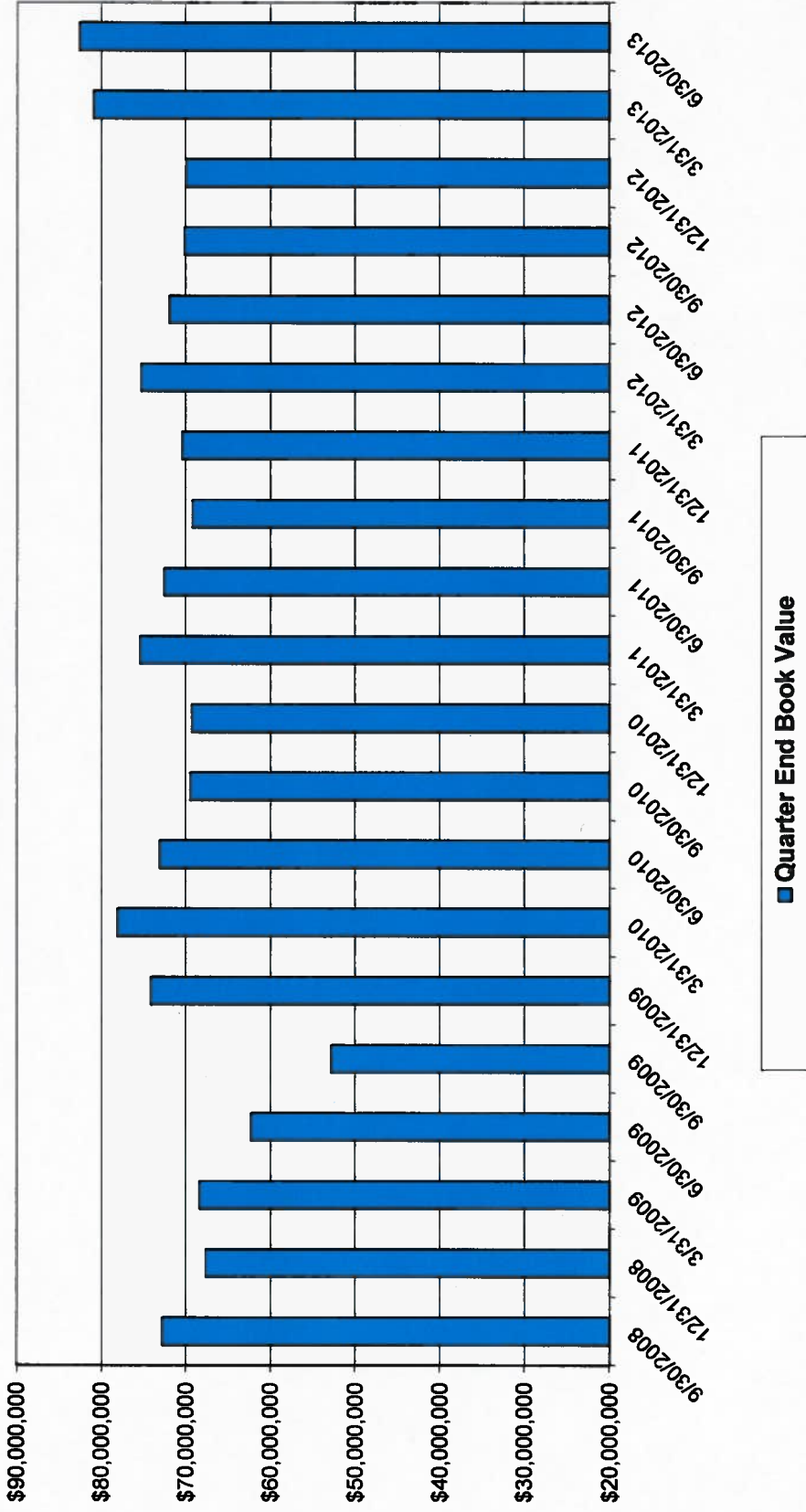
(3) Earnings Credit - Cash balances also earn 0.40% earnings credit rate to offset bank service charges.

Valley View Consulting, L.L.C.

Portfolio Composition



Total Portfolio



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2013			June 30, 2013			
			Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Maturities	Par Value	Book Value	
Cash - Pooled	0.07%	07/01/13	\$18,371,701	\$18,371,701	\$	\$	(4,101,217)	\$ 14,270,483	\$ 14,270,483
Cash - Bond	0.00%	07/01/13	1,620,660	1,620,660			(1,620,660)		
MMA	0.30%	07/01/13	20,100,233	20,100,233					
TexPool	0.06%	07/01/13	3,147,018	3,147,018	25,067			20,125,299	20,125,299
TexSTAR - Pooled	0.06%	07/01/13			605			3,147,623	3,147,623
TexSTAR - Bond	0.06%	07/01/13	3,052,683	3,052,683	1,118,561			1,118,561	1,118,561
					503,302			3,555,985	3,555,985
SSB CD	0.43%	06/18/13	3,009,659	3,009,659			(3,009,659)		
SSB CD	0.44%	07/18/13	3,009,884	3,009,884	3,338			3,013,222	3,013,222
SSB CD	0.45%	07/31/13	3,006,355	3,006,355	3,079			3,009,434	3,009,434
SSB CD	0.95%	08/01/13	2,629,007	2,629,007	6,090			2,635,097	2,635,097
SSB CD	0.42%	08/20/13	3,006,355	3,006,355	3,113			3,009,469	3,009,469
SSB CD	0.26%	12/25/13	3,013,773	3,013,773	1,975			3,015,748	3,015,748
SSB CD	0.38%	01/20/14	3,002,873	3,002,873	2,782			3,005,656	3,005,656
SSB CD	0.43%	02/11/14	3,012,602	3,012,602	2,718			3,015,320	3,015,320
SSB CD - Bond	0.54%	03/25/14	1,853,542	1,853,542	2,523			1,856,065	1,856,065
SSB CD	0.27%	05/21/14			3,000,000			3,000,000	3,000,000
SSB CD	0.24%	06/18/14			3,012,921			3,012,921	3,012,921
SSB CD	0.49%	08/14/14	3,003,625	3,003,625	3,710			3,007,334	3,007,334
SSB CD	0.63%	09/19/14	3,009,380	3,009,380	4,779			3,014,158	3,014,158
SSB CD	0.60%	10/17/14	3,004,537	3,004,537	4,445			3,008,982	3,008,982
SSB CD	0.37%	11/21/14			3,000,000			3,000,000	3,000,000
TOTAL			\$ 80,853,885	\$ 80,853,885	\$ 10,699,007	\$ (8,731,536)	\$ 82,821,356	\$ 82,821,356	\$ 82,821,356

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2013			June 30, 2013		
			Par Value	Market Value	Change	Par Value	Market Value	
Cash - Pooled	0.07%	07/01/13	\$ 18,371,701	\$ 18,371,701	\$ (4,101,217)	\$ 14,270,483	\$ 14,270,483	
Cash - Bond	0.00%	07/01/13	1,620,660	1,620,660	(1,620,660)	-	-	
MMA	0.30%	07/01/13	20,100,233	20,100,233	25,067	20,125,299	20,125,299	
TexPool	0.06%	07/01/13	3,147,018	3,147,018	605	3,147,623	3,147,623	
TexSTAR - Pooled	0.06%	07/01/13			1,118,561	1,118,561	1,118,561	
TexSTAR - Bond	0.06%	07/01/13	3,052,683	3,052,683	503,302	3,555,985	3,555,985	
SSB CD	0.43%	06/18/13	3,009,659	3,009,659	(3,009,659)			
SSB CD	0.44%	07/18/13	3,009,884	3,009,884	3,338	3,013,222	3,013,222	
SSB CD	0.45%	07/31/13	3,006,355	3,006,355	3,079	3,009,434	3,009,434	
SSB CD	0.95%	08/01/13	2,629,007	2,629,007	6,090	2,635,097	2,635,097	
SSB CD	0.42%	08/20/13	3,006,355	3,006,355	3,113	3,009,469	3,009,469	
SSB CD	0.26%	12/25/13	3,013,773	3,013,773	1,975	3,015,748	3,015,748	
SSB CD	0.38%	01/20/14	3,002,873	3,002,873	2,782	3,005,656	3,005,656	
SSB CD	0.43%	02/11/14	3,012,602	3,012,602	2,718	3,015,320	3,015,320	
SSB CD - Bond	0.54%	03/25/14	1,853,542	1,853,542	2,523	1,856,065	1,856,065	
SSB CD	0.27%	05/21/14			3,000,000	3,000,000	3,000,000	
SSB CD	0.24%	06/18/14			3,012,921	3,012,921	3,012,921	
SSB CD	0.49%	08/14/14	3,003,625	3,003,625	3,710	3,007,334	3,007,334	
SSB CD	0.63%	09/19/14	3,009,380	3,009,380	4,779	3,014,158	3,014,158	
SSB CD	0.60%	10/17/14	3,004,537	3,004,537	4,445	3,008,982	3,008,982	
SSB CD	0.37%	11/21/14			3,000,000	3,000,000	3,000,000	
TOTAL			\$ 80,853,885	\$ 80,853,885	\$ 1,967,471	\$ 82,821,356	\$ 82,821,356	

CITY OF TYLER

Equity in Pooled Cash and Investments

		6/30/2013	3/31/2013
		\$	\$
General Fund	101	6,290,306	9,172,529
General Capital Projects Fund	102	1,347,980	1,654,443
Development Services Fund	202	1,261,449	1,083,781
Cemeteries Operating Fund	204	129,349	(58,281)
Forfeitures Fund	205	252,317	254,370
Court Technology Fund	207	460,051	391,012
TIF/TIRZ # 2	209	(275)	(284)
Hotel-Motel Tax Fund	211	1,798,130	1,383,966
Donations Fund	216	946,346	928,798
TIF/TIRZ # 3	218	30,210	29,789
Tyler Tourism & Convention Facilities Fund	219	245,786	206,873
Half Cent Sales Tax Fund	231	13,731,594	11,299,749
Passenger Facility Fund	234	314,811	145,571
Oil & Natural Gas Fund	235	2,874,489	2,855,007
PEG Fee Fund	236	112,960	235,498
Fair Plaza Fund	240	135,955	151,426
Retained HUD Admin Fee Fund	274	55,710	55,668
Housing Assistance Fund	276	352,706	476,818
State/Federal Grants Fund	285	(246,358)	(171,964)
Transit System Fund	286	(348,959)	(707,606)
CDBG Grant Fund	294	23,616	(63,935)
HOME Grant Fund	295	61,815	162,871
Utilities Fund	502	3,169,094	2,129,447
Utilities Construction Fund	503	9,619,186	9,881,874
Utilities Debt Service Fund	504	4,435,558	2,880,535
Utilities Debt Reserve Fund	505	1,493,737	1,493,356
Revenue Bond Series 2008	514	129	129
Revenue Bond Series 2009	516	5,412,050	6,526,885
Airport Fund	524	1,474,316	1,689,463
Airport Grant Fund	525	(80,672)	(3,314)
Solid Waste Fund	560	834,820	216,274
Solid Waste Capital Projects Fund	562	1,648,873	1,809,348
Productivity Improvement Fund	639	1,444,482	1,771,466
Fleet Replacement Fund	640	7,582,842	8,806,832
Prop. Liab. W/C Insurance Fund	650	775,473	849,849
Employee Benefits Fund	661	916,628	1,504,610
Prop & Facility Management Fund	663	1,048,559	1,323,501
Technology Fund	671	1,659,851	2,248,405
Payroll Fund	710	673,656	790,470
Cemetery Trust Fund	713	2,663,767	2,633,438
Landfill Trust Fund	720	2,365,074	2,354,257
Retiree Benefits Fund	761	1,311,514	1,914,022
Section 125 Trust Fund	772	157,314	165,502
Total		\$ 78,436,240	\$ 80,472,449

Allocation

June 30, 2013

Book & Market Value	Security Total	Pooled Funds	Revenue Bond
Cash	\$ 14,270,483	\$ 14,270,483	\$ -
MMA	20,125,299	20,125,299	
TexPool	3,147,623	3,147,623	
TexSTAR	4,674,546	1,118,561	3,555,985
07/18/13	3,013,222	3,013,222	
07/31/13	3,009,434	3,009,434	
08/01/13	2,635,097	2,635,097	
08/20/13	3,009,469	3,009,469	
12/25/13	3,015,748	3,015,748	
01/20/14	3,005,656	3,005,656	
02/11/14	3,015,320	3,015,320	
03/25/14	1,856,065		1,856,065
05/21/14	3,000,000	3,000,000	
06/18/14	3,012,921	3,012,921	
08/14/14	3,007,334	3,007,334	
09/19/14	3,014,158	3,014,158	
10/17/14	3,008,982	3,008,982	
11/21/14	3,000,000	3,000,000	
Totals	\$ 82,821,356	\$ 77,409,306	\$ 5,412,050

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

Total Portfolio Performance

