



**CITY OF TYLER
CITY COUNCIL COMMUNICATION**

Agenda Number: C-A-9
Date: July 23, 2014
Subject: Request that the City Council consider reviewing and accepting the Investment Report for the quarter ending June 30, 2014.
Page: 1 of 2

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 June 30, 2014 by type and by major fund are shown below:

Investment Category	Book Value	Market Value	Average Yield	Average Maturity
Pools/Bank	36,047,918	36,047,918	0.32	1 day
Securities/CD's	38,901,402	38,901,402	0.46	288 days
Revenue Bond	2,921,528	2,921,528	0.03	1 day
	77,870,848	77,870,848	0.38	145 days

Benchmarks: Rolling 3 month Treasury average yield was 0.05 percent
Rolling 6 month Treasury average yield was 0.07 percent
The Tex Pool average yield for this quarter was 0.03 percent

INVESTMENT OFFICER APPROVAL


Keidric Trimble 7/14/14

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RECOMMENDATION:

It is recommended that the City Council review and accept the Investment Report for the quarter ending June 30, 2014.

**Drafted/Recommended By:
Department Leader**



Keidric Trimble, CFO

**Edited/Submitted By:
City Manager**





INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

June 30, 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.

Kendal Pruitt

Chief Financial Officer

Accounting Manager

Cheryl 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 five times (\$10 billion each time) to \$35 billion. A continued, orderly tapering is anticipated as long as economic activity remains moderately positive. First quarter 2014 GDP (originally estimated at -1.0%) was revised to -2.9%. Many full year GDP estimates have since been reduced, including the FOMC's to 2.1-2.3%. Employment data remains positive with new payrolls exceeding 288,000 in June and upward revisions of the previous two months. 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>June 30, 2014</u>		<u>March 31, 2014</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank	0.32%	\$ 36,047,918	\$ 36,047,918	\$ 43,251,472	\$ 43,251,472
Securities/CDs	0.46%	38,901,402	38,901,402	38,862,657	38,862,657
Revenue Bond	0.03%	2,921,528	2,921,528	3,617,516	3,617,516
Totals		\$ 77,870,848	\$ 77,870,848	\$ 85,731,645	\$ 85,731,645

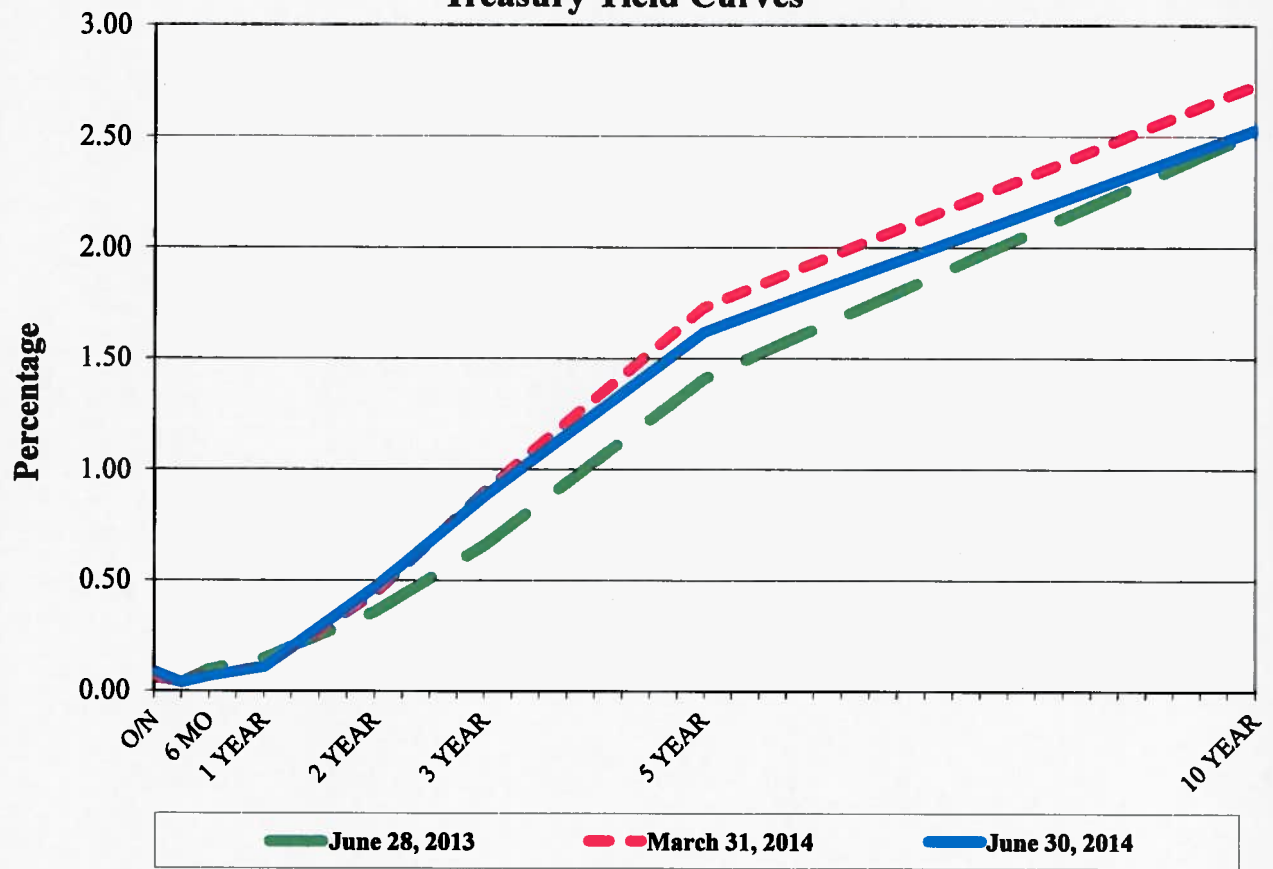
<u>Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.38%	Total Portfolio	0.35%
Rolling Three Mo. Treas. Yield	0.03%	Rolling Three Mo. Treas. Yield	0.05%
Rolling Six Mo. Treas. Yield	0.07%	Rolling Six Mo. Treas. Yield	0.07%
		Quarterly TexPool Yield	0.03%

Quarterly Interest Income \$ 69,450 Approximate
 Year-to-date Interest Income \$ 193,246 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.

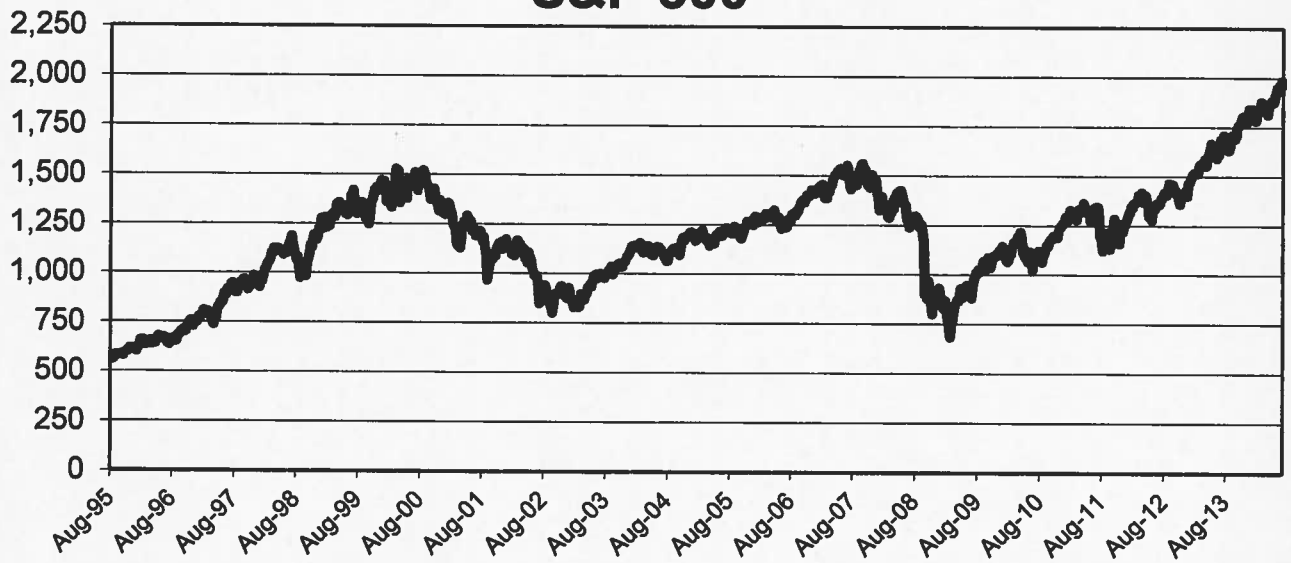
Treasury Yield Curves



US Treasury Historical Yields



S&P 500



**Detail of Investment Holdings
June 30, 2014**

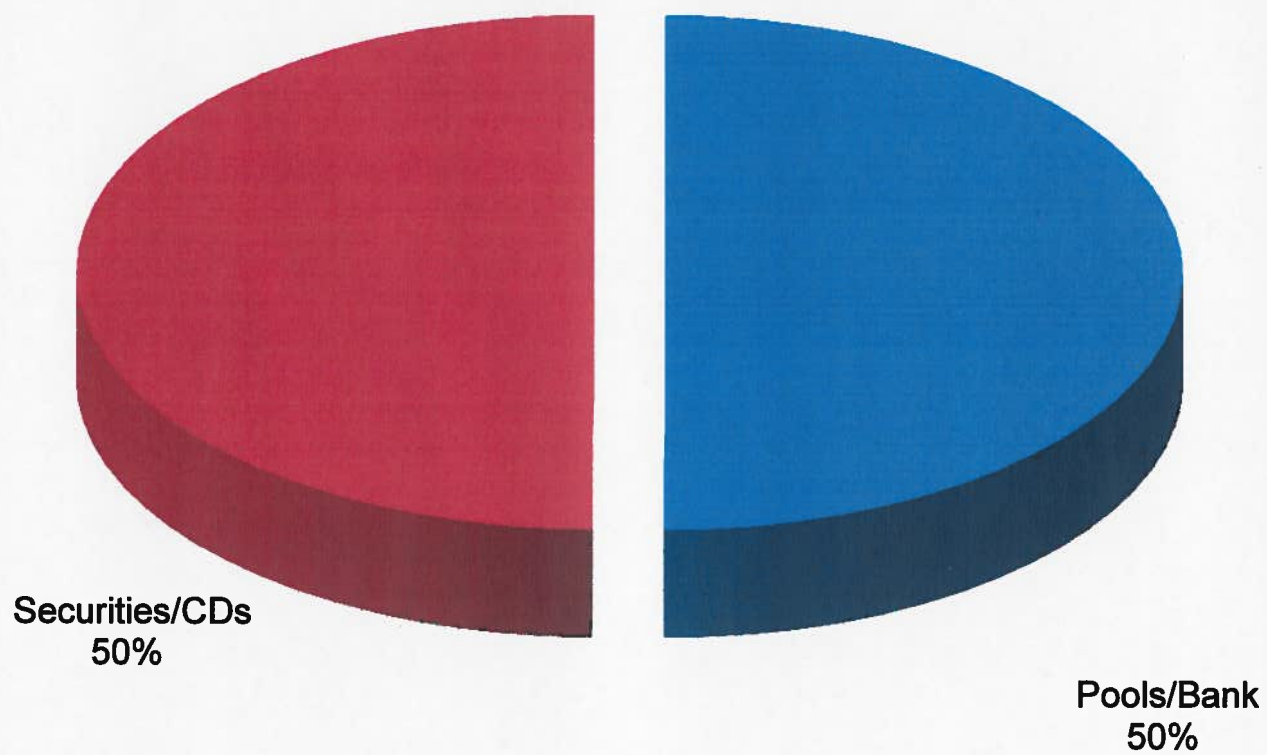
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchased Value	Book Value	Market Price	Market Value	Life (days)	Yield
Cash - Pooled (3)		0.00%	07/01/14	06/30/14	\$ 4,768,903	\$ 4,768,903	\$ 4,768,903	1.00	\$ 4,768,903	1	0.00%
NOW		0.50%	07/01/14	06/30/14	19,920,137	19,920,137	19,920,137	1.00	19,920,137	1	0.50%
NOW #2		0.23%	07/01/14	06/30/14	6,155,271	6,155,271	6,155,271	1.00	6,155,271	1	0.23%
TexPool	AAAm	0.03%	07/01/14	06/30/14	5,203,607	5,203,607	5,203,607	1.00	5,203,607	1	0.03%
TexSTAR - Bond	AAAm	0.03%	07/01/14	06/30/14	2,921,528	2,921,528	2,921,528	1.00	2,921,528	1	0.03%
SSB CD		0.25%	07/31/14	07/31/12	3,018,257	3,018,257	3,018,257	100.00	3,018,257	31	0.25%
SSB CD		0.49%	08/14/14	12/21/12	3,022,097	3,022,097	3,022,097	100.00	3,022,097	45	0.49%
SSB CD		0.26%	08/18/14	06/18/12	3,020,199	3,020,199	3,020,199	100.00	3,020,199	49	0.26%
SSB CD		0.63%	09/19/14	09/19/12	3,033,192	3,033,192	3,033,192	100.00	3,033,192	81	0.63%
SSB CD		0.25%	09/20/14	07/20/12	3,019,333	3,019,333	3,019,333	100.00	3,019,333	82	0.25%
SSB CD		0.60%	10/17/14	10/17/13	3,027,077	3,027,077	3,027,077	100.00	3,027,077	109	0.60%
SSB CD		0.37%	11/21/14	05/21/13	3,011,115	3,011,115	3,011,115	100.00	3,011,115	144	0.37%
SSB CD		0.38%	03/22/15	01/20/14	3,015,632	3,015,632	3,015,632	100.00	3,015,632	265	0.38%
SSB CD		0.48%	08/04/15	08/01/11	2,650,970	2,650,970	2,650,970	100.00	2,650,970	400	0.48%
SSB CD		0.52%	12/28/15	12/26/13	3,027,537	3,027,537	3,027,537	100.00	3,027,537	546	0.52%
SSB CD		0.55%	02/11/16	02/11/14	3,027,543	3,027,543	3,027,543	100.00	3,027,543	591	0.55%
SSB CD		0.58%	05/23/16	05/23/14	3,008,153	3,008,153	3,008,153	100.00	3,008,153	693	0.58%
SSB CD		0.65%	06/27/16	06/25/14	3,020,297	3,020,297	3,020,297	100.00	3,020,297	728	0.65%
					\$ 77,870,848	\$ 77,870,848	\$ 77,870,848		\$ 77,870,848	145	0.38%
										(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.

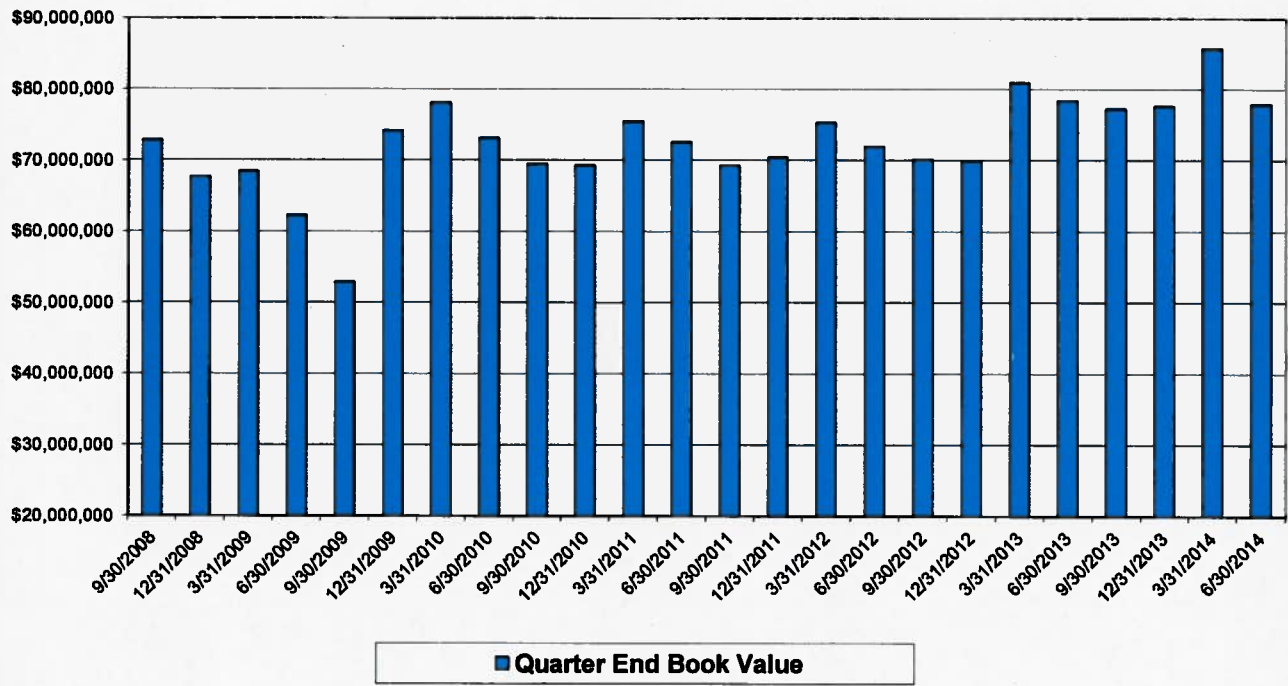
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and bank account investments.

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

Portfolio Composition



Total Portfolio



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2014		Purchases/ Adjustments	Sales/Adjust/ Maturities	June 30, 2014	
			Par Value	Book Value			Par Value	Book Value
Cash - Pooled	0.00%	07/01/14	\$ 9,202,844	\$ 9,202,844	\$ -	\$ (4,433,942)	\$ 4,768,903	\$ 4,768,903
Cash - Bond	0.00%	07/01/14	\$ 1,402,761	\$ 1,402,761		(1,402,761)		
NOW	0.50%	07/01/14	19,895,326	19,895,326	24,811		19,920,137	19,920,137
NOW #2	0.23%	07/01/14	14,004,924	14,004,924		(7,849,653)	6,155,271	6,155,271
TexPool	0.03%	07/01/14	148,379	148,379	5,055,228		5,203,607	5,203,607
TexSTAR - Bond	0.03%	07/01/14	2,214,754	2,214,754	706,774		2,921,528	2,921,528
SSB CD	0.27%	05/21/14	3,006,129	3,006,129		(3,006,129)		
SSB CD	0.24%	06/18/14	3,018,332	3,018,332		(3,018,332)		
SSB CD	0.25%	07/31/14	3,016,418	3,016,418	1,839		3,018,257	3,018,257
SSB CD	0.26%	08/08/14	3,018,264	3,018,264	3,834		3,022,097	3,022,097
SSB CD	0.49%	08/14/14	3,018,369	3,018,369	1,829		3,020,199	3,020,199
SSB CD	0.63%	09/19/14	3,028,384	3,028,384	4,809		3,033,192	3,033,192
SSB CD	0.25%	09/20/14	3,017,494	3,017,494	1,839		3,019,333	3,019,333
SSB CD	0.60%	10/17/14	3,022,605	3,022,605	4,472		3,027,077	3,027,077
SSB CD	0.37%	11/21/14	3,008,401	3,008,401	2,714		3,011,115	3,011,115
SSB CD	0.38%	03/22/15	3,013,329	3,013,329	2,303		3,015,632	3,015,632
SSB CD	0.48%	08/04/15	2,647,871	2,647,871	3,099		2,650,970	2,650,970
SSB CD	0.52%	12/28/15	3,023,574	3,023,574	3,963		3,027,537	3,027,537
SSB CD	0.55%	02/11/16	3,023,488	3,023,488	4,055		3,027,543	3,027,543
SSB CD	0.58%	05/23/16			3,008,153		3,008,153	3,008,153
SSB CD	0.65%	06/27/16			3,020,297		3,020,297	3,020,297
TOTAL			\$ 85,731,645	\$ 85,731,645	\$ 11,850,020	\$ (19,710,817)	\$ 77,870,848	\$ 77,870,848

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2014		Qtr to Qtr Change	June 30, 2014	
			Par Value	Market Value		Par Value	Market Value
Cash - Pooled	0.00%	07/01/14	\$ 9,202,844	\$ 9,202,844	\$ (4,433,942)	\$ 4,768,903	\$ 4,768,903
Cash - Bond	0.00%	07/01/14	1,402,761	1,402,761	(1,402,761)		
NOW	0.50%	07/01/14	19,895,326	19,895,326	24,811	19,920,137	19,920,137
NOW #2	0.23%	07/01/14	14,004,924	14,004,924	(7,849,653)	6,155,271	6,155,271
TexPool	0.03%	07/01/14	148,379	148,379	5,055,228	5,203,607	5,203,607
TexSTAR - Bond	0.03%	07/01/14	2,214,754	2,214,754	706,774	2,921,528	2,921,528
SSB CD	0.27%	05/21/14	3,006,129	3,006,129	(3,006,129)		
SSB CD	0.24%	06/18/14	3,018,332	3,018,332	(3,018,332)		
SSB CD	0.25%	07/31/14	3,016,418	3,016,418	1,839	3,018,257	3,018,257
SSB CD	0.26%	08/08/14	3,018,264	3,018,264	3,834	3,022,097	3,022,097
SSB CD	0.49%	08/14/14	3,018,369	3,018,369	1,829	3,020,199	3,020,199
SSB CD	0.63%	09/19/14	3,028,384	3,028,384	4,809	3,033,192	3,033,192
SSB CD	0.25%	09/20/14	3,017,494	3,017,494	1,839	3,019,333	3,019,333
SSB CD	0.60%	10/17/14	3,022,605	3,022,605	4,472	3,027,077	3,027,077
SSB CD	0.37%	11/21/14	3,008,401	3,008,401	2,714	3,011,115	3,011,115
SSB CD	0.38%	03/22/15	3,013,329	3,013,329	2,303	3,015,632	3,015,632
SSB CD	0.48%	08/04/15	2,647,871	2,647,871	3,099	2,650,970	2,650,970
SSB CD	0.52%	12/28/15	3,023,574	3,023,574	3,963	3,027,537	3,027,537
SSB CD	0.55%	02/11/16	3,023,488	3,023,488	4,055	3,027,543	3,027,543
SSB CD	0.58%	05/23/16			3,008,153	3,008,153	3,008,153
SSB CD	0.65%	06/27/16			3,020,297	3,020,297	3,020,297
TOTAL			\$ 85,731,645	\$ 85,731,645	\$ (7,860,797)	\$ 77,870,848	\$ 77,870,848

**Allocation
Book & Market
Value**

June 30, 2014

	Security Total	Pooled Funds	Revenue Bond
Cash	\$ 4,768,903	\$ 4,768,903	\$ -
NOW	19,920,137	19,920,137	
NOW #2	6,155,271	6,155,271	
TexPool	5,203,607	5,203,607	
TexSTAR	2,921,528		2,921,528
07/31/14	3,018,257	3,018,257	
08/08/14	3,022,097	3,022,097	
08/14/14	3,020,199	3,020,199	
09/19/14	3,033,192	3,033,192	
09/20/14	3,019,333	3,019,333	
10/17/14	3,027,077	3,027,077	
11/21/14	3,011,115	3,011,115	
03/22/15	3,015,632	3,015,632	
08/04/15	2,650,970	2,650,970	
12/28/15	3,027,537	3,027,537	
02/11/16	3,027,543	3,027,543	
05/23/16	3,008,153	3,008,153	
06/27/16	3,020,297	3,020,297	
Totals	\$ 77,870,848	\$ 74,949,319	\$ 2,921,528

**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

Equity in Pooled Cash and Investments

		6/30/2014	3/31/2014
General Fund	101	8,954,271	11,230,497
General Capital Projects Fund	102	500,293	912,571
Development Services Fund	202	1,690,709	1,424,984
Cemeteries Operating Fund	204	105,668	140,496
Forfeitures Fund	205	279,050	213,836
Court Technology Fund	207	480,006	505,560
TIF/TIRZ # 2	209	2,677	-
Hotel-Motel Tax Fund	211	2,401,388	2,080,934
Donations Fund	216	1,008,593	931,736
TIF/TIRZ # 3	218	78,151	75,665
Tyler Tourism & Convention Facilities Fund	219	561,202	341,604
Half Cent Sales Tax Fund	231	17,088,817	15,885,091
Passenger Facility Fund	234	223,256	180,853
Oil & Natural Gas Fund	235	1,030,425	2,992,747
PEG Fee Fund	236	299,959	244,289
Fair Plaza Fund	240	174,694	165,432
Retained HUD Admin Fee Fund	274	55,892	55,841
Housing Assistance Fund	276	455,549	285,104
State/Federal Grants Fund	285	(89,783)	(70,230)
Transit System Fund	286	(616,763)	(522,726)
CDBG Grant Fund	294	(134,471)	33,013
HOME Grant Fund	295	14,973	15,765
Utilities Fund	502	844,804	(186,016)
Utilities Construction Fund	503	12,107,716	13,972,946
Utilities Debt Service Fund	504	3,848,671	2,509,830
Utilities Debt Reserve Fund	505	1,493,737	1,493,737
Revenue Bond Series 2008	514	34	129
Revenue Bond Series 2009	516	2,921,429	3,617,516
Airport Fund	524	752,061	756,154
Airport Grant Fund	525	(519,846)	(71,321)
Solid Waste Fund	560	540,493	(34,823)
Solid Waste Capital Projects Fund	562	1,368,549	1,626,445
Productivity Improvement Fund	639	1,196,316	1,409,956
Fleet Replacement Fund	640	7,680,926	11,944,967
Prop. Liab, W/C Insurance Fund	650	928,585	989,417
Employee Benefits Fund	661	614,252	933,438
Prop & Facility Management Fund	663	676,469	1,262,706
Technology Fund	671	1,000,347	1,898,551
Payroll Fund	710	800,739	65,916
Cemetery Trust Fund	713	2,726,679	2,706,035
Landfill Trust Fund	720	2,408,834	2,397,664
Retiree Benefits Fund	761	1,020,594	1,654,380
Section 125 Trust Fund	772	163,432	183,929
Total		77,317,376	86,254,422

Total Portfolio Performance

