



**CITY OF TYLER  
CITY COUNCIL COMMUNICATION**

**Agenda Number:** C-A-9  
**Date:** February 13, 2013  
**Subject:** Request that the City Council consider reviewing and accepting the Investment Report for the quarter ending December 31, 2012.

**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 Securities/CD's	32,536,102	32,536,102	0.25	1 day
	37,386,351	37,386,351	0.51	296 days
	69,922,453	69,922,453	0.39	159 days

**Benchmarks:** Rolling 3 month Treasury average yield was 0.09 percent  
Rolling 6 month Treasury average yield was 0.14 percent  
The Tex Pool average yield for this quarter was 0.15 percent

**INVESTMENT OFFICER APPROVAL**

Keidric Trimble 12/31/2012

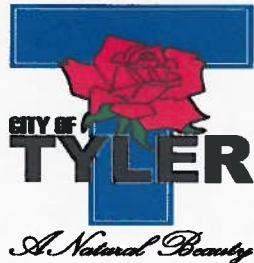
**RECOMMENDATION:**

It is recommended that the City Council review and accept the Investment Report for the quarter ending December 31, 2012.

**Drafted/Recommended By:**  
**Department Leader**

  
**Chief, Financial Officer**

**Edited/Submitted By:**  
**City Manager**



## INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

December 31, 2012

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.

A handwritten signature in black ink that reads 'Kerdué Trumble'.

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Chief Financial Officer

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Accounting Manager

A handwritten signature in blue ink that reads 'Elpachouse'.

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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). At the December meeting, the FOMC extended Operation Twist and modified the exceptionally low rate target from "mid-2015" to unemployment below 6.2% and inflation less than 2.0%. The Fiscal Cliff was narrowly avoided, but largely unresolved. Federal spending and the debt ceiling need to be re-addressed later this spring. The European credit crisis was subdued, but also unresolved long term. Domestic employment growth is modest and inconsistent. Overall economic activity remains low to moderate. The US stock market continued edging higher. Financial institution deposits and laddering targeted cash flows still provide the best interest earnings opportunity.

**Quarter End Results by Investment Category:**

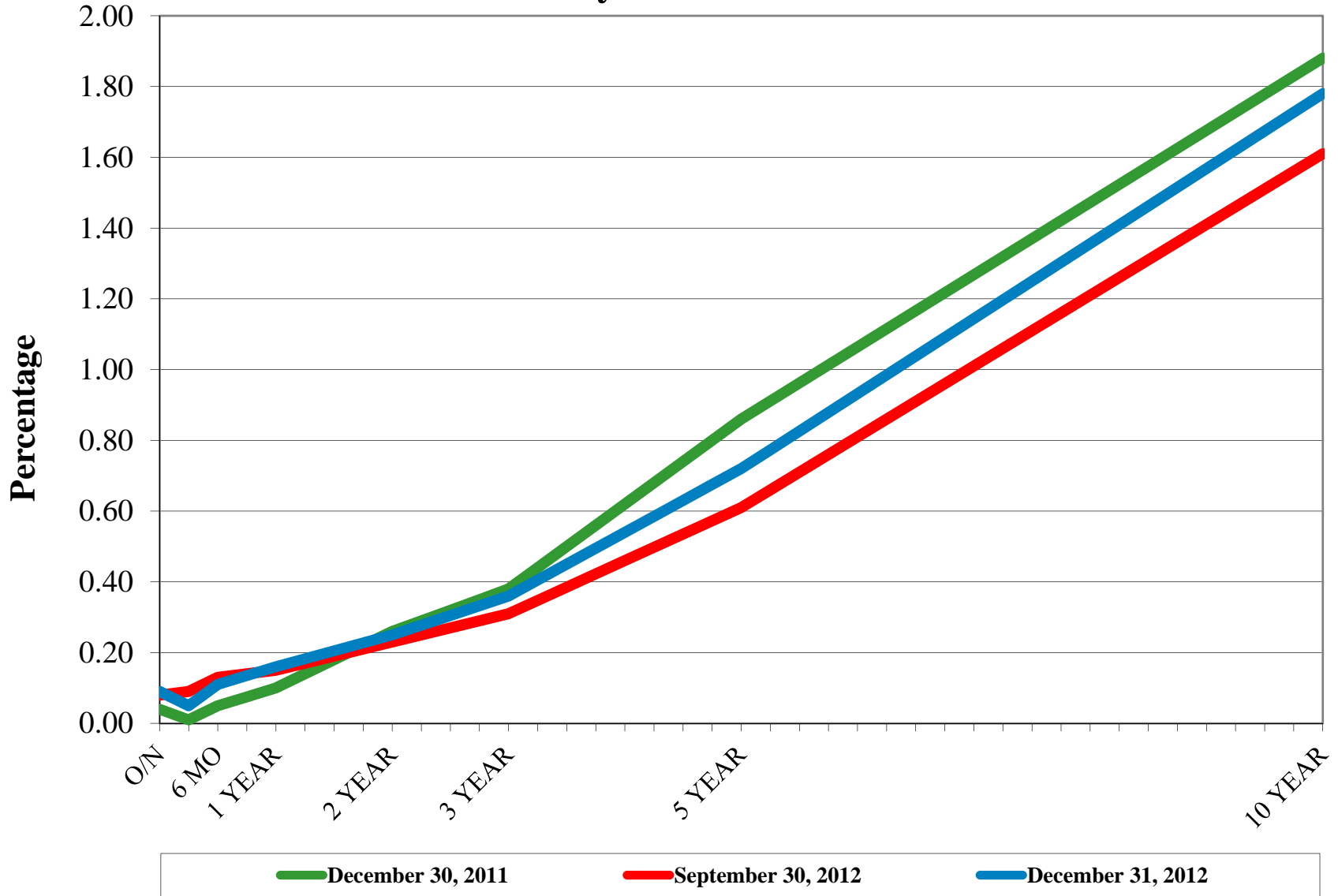
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>December 31, 2012</u>		<u>September 30, 2012</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank	0.25%	\$ 32,536,102.43	\$ 32,536,102.43	\$ 33,657,307.54	\$ 33,657,307.54
Securities/CDs	0.51%	37,386,350.51	37,386,350.51	36,481,767.46	36,481,767.46
<b>Totals</b>		<b>\$ 69,922,452.94</b>	<b>\$ 69,922,452.94</b>	<b>\$ 70,139,075.00</b>	<b>\$ 70,139,075.00</b>

Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	0.39%	Total Portfolio	0.39%
Rolling Three Mo. Treas. Yield	0.09%	Rolling Three Mo. Treas. Yield	0.09%
Rolling Six Mo. Treas. Yield	0.14%	Rolling Six Mo. Treas. Yield	0.14%
		Quarterly TexPool Yield	0.15%
Quarterly Interest Income	\$ 67,190	Approximate	
Year-to-date Interest Income	\$ 67,190	Approximate	

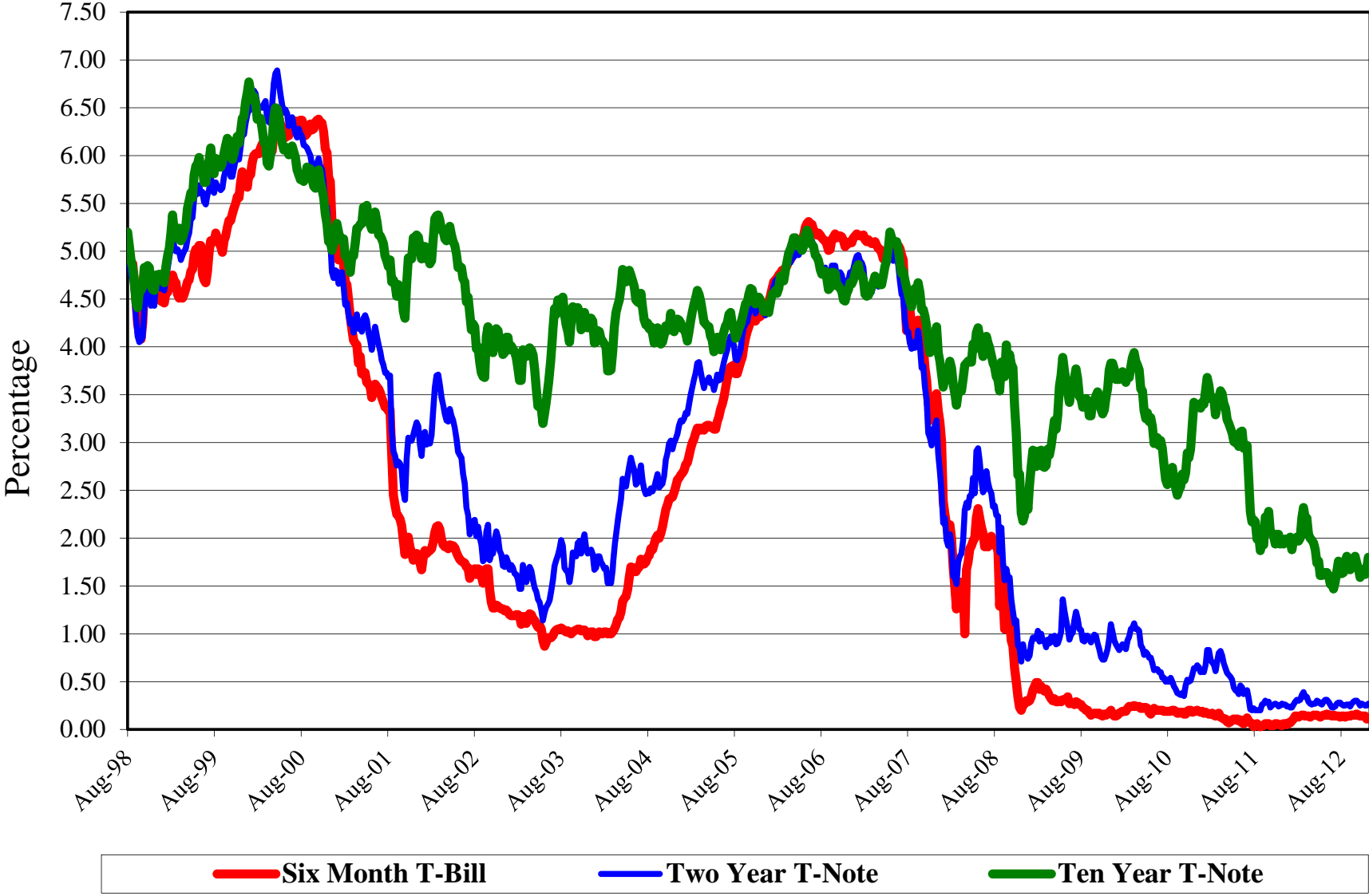
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

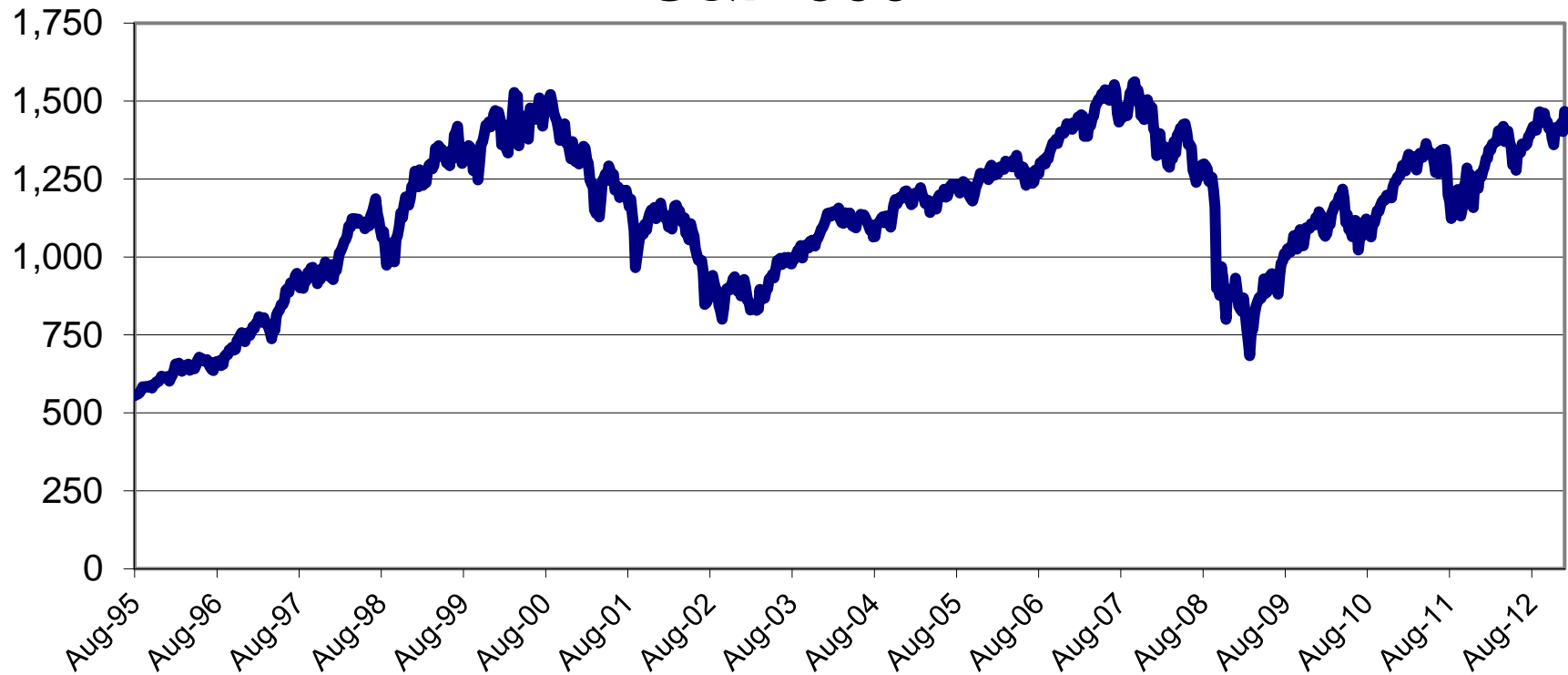
# Treasury Yield Curves



# US Treasury Historical Yields



# S&P 500



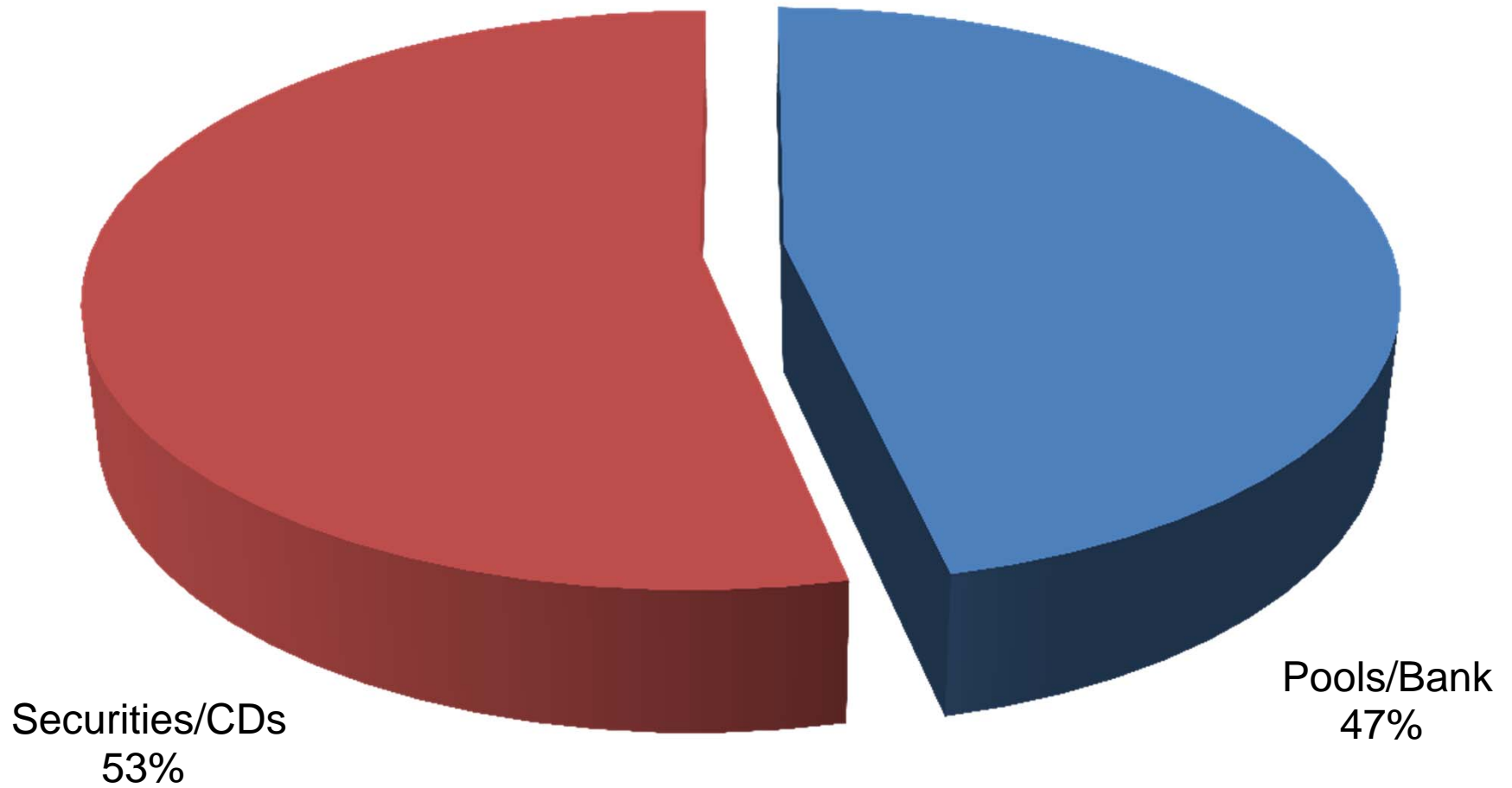
## Detail of Investment Holdings December 31, 2012

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchased Value	Book Value	Market Price	Market Value	Life (days)	Yield
Pooled Cash		0.00%	01/01/13	12/31/12	\$ 6,262,519.24	\$ 6,262,519.24	\$ 6,262,519.24	1.000	\$ 6,262,519.24	1	0.00%
MMA		0.36%	01/01/13	12/31/12	20,075,461.78	20,075,461.78	20,075,461.78	1.000	20,075,461.78	1	0.36%
TexPool	AAAm	0.16%	01/01/13	12/31/12	3,146,248.92	3,146,248.92	3,146,248.92	1.000	3,146,248.92	1	0.16%
TexSTAR	AAAm	0.16%	01/01/13	12/31/12	3,051,872.49	3,051,872.49	3,051,872.49	1.000	3,051,872.49	1	0.16%
SSB CD - Bond Funds		0.55%	01/25/13	04/25/12	2,868,930.08	2,868,930.08	2,868,930.08	100.000	2,868,930.08	25	0.55%
SSB CD		0.43%	02/20/13	03/01/12	3,009,729.68	3,009,729.68	3,009,729.68	100.000	3,009,729.68	51	0.43%
SSB CD		0.43%	03/20/13	03/01/12	3,009,729.68	3,009,729.68	3,009,729.68	100.000	3,009,729.68	79	0.43%
SSB CD		0.43%	06/18/13	06/18/12	3,006,471.16	3,006,471.16	3,006,471.16	100.000	3,006,471.16	169	0.43%
SSB CD		0.44%	07/18/13	06/18/12	3,006,621.73	3,006,621.73	3,006,621.73	100.000	3,006,621.73	199	0.44%
SSB CD		0.45%	07/31/13	07/31/12	3,003,175.89	3,003,175.89	3,003,175.89	100.000	3,003,175.89	212	0.45%
SSB CD		0.95%	08/01/13	08/01/11	2,622,726.72	2,622,726.72	2,622,726.72	100.000	2,622,726.72	213	0.95%
SSB CD		0.42%	08/20/13	07/20/12	3,003,175.89	3,003,175.89	3,003,175.89	100.000	3,003,175.89	232	0.42%
SSB CD		0.38%	01/20/14	11/20/12	3,000,000.00	3,000,000.00	3,000,000.00	100.000	3,000,000.00	385	0.38%
SSB CD - Bond Funds		0.54%	03/25/14	09/25/12	1,851,077.63	1,851,077.63	1,851,077.63	100.000	1,851,077.63	449	0.54%
SSB CD		0.49%	08/14/14	12/21/12	3,000,000.00	3,000,000.00	3,000,000.00	100.000	3,000,000.00	591	0.49%
SSB CD		0.63%	09/19/14	09/19/12	3,004,712.05	3,004,712.05	3,004,712.05	100.000	3,004,712.05	627	0.63%
SSB CD		0.60%	10/17/14	10/17/12	3,000,000.00	3,000,000.00	3,000,000.00	100.000	3,000,000.00	655	0.60%
					<b>\$ 69,922,452.94</b>	<b>\$ 69,922,452.94</b>	<b>\$ 69,922,452.94</b>		<b>\$ 69,922,452.94</b>	<b>159</b>	<b>0.39%</b>
										<b>(1)</b>	<b>(2)</b>

(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.

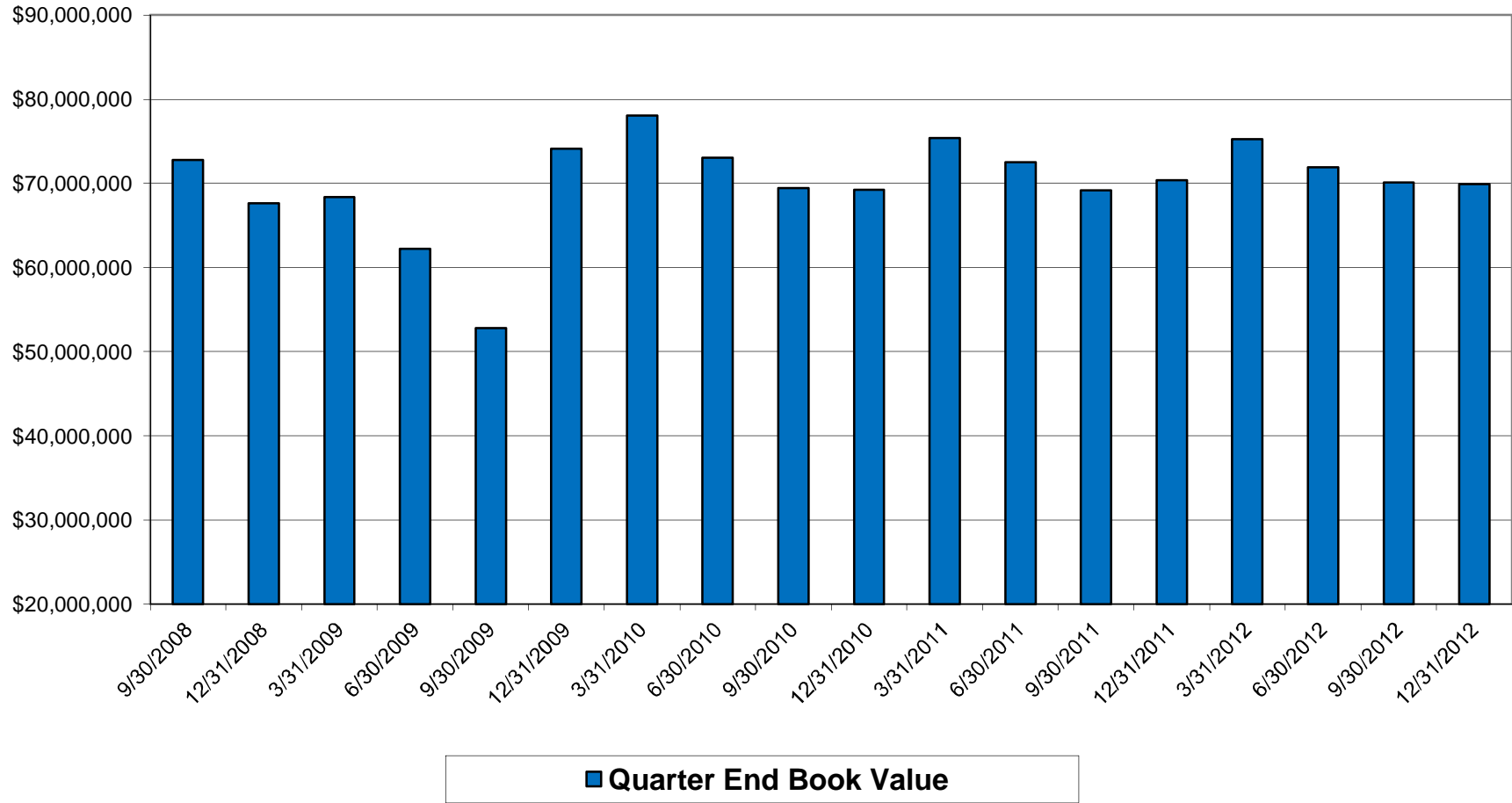
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and bank account investments.

## Portfolio Composition





# Total Portfolio



## Book Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2012			December 31, 2012		
			Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Maturities	Par Value	Book Value
Pooled Cash	0.00%	01/01/13	\$ 5,473,860.00	\$ 5,473,860.00	\$ 788,659.24	\$ -	\$ 6,262,519.24	\$ 6,262,519.24
MMA	0.36%	01/01/13	20,050,192.43	20,050,192.43	25,269.35		20,075,461.78	20,075,461.78
TexPool	0.16%	01/01/13	3,144,999.78	3,144,999.78	1,249.14		3,146,248.92	3,146,248.92
TexSTAR	0.16%	01/01/13	4,988,255.33	4,988,255.33		(1,936,382.84)	3,051,872.49	3,051,872.49
SSB CD	0.38%	10/17/12	3,005,749.60	3,005,749.60		(3,005,749.60)		
SSB CD	0.55%	11/19/12	2,566,509.33	2,566,509.33		(2,566,509.33)		
SSB CD	0.55%	12/19/12	2,559,186.71	2,559,186.71		(2,559,186.71)		
SSB CD	0.55%	01/25/13	2,865,679.70	2,865,679.70	3,250.38		2,868,930.08	2,868,930.08
SSB CD	0.43%	02/20/13	3,006,506.54	3,006,506.54	3,223.14		3,009,729.68	3,009,729.68
SSB CD	0.43%	03/20/13	3,006,506.54	3,006,506.54	3,223.14		3,009,729.68	3,009,729.68
SSB CD	0.43%	06/18/13	3,003,251.51	3,003,251.51	3,219.65		3,006,471.16	3,006,471.16
SSB CD	0.44%	07/18/13	3,003,327.12	3,003,327.12	3,294.61		3,006,621.73	3,006,621.73
SSB CD	0.45%	07/31/13	3,000,000.00	3,000,000.00	3,175.89		3,003,175.89	3,003,175.89
SSB CD	0.95%	08/01/13	2,616,461.54	2,616,461.54	6,265.18		2,622,726.72	2,622,726.72
SSB CD	0.42%	08/20/13	3,000,000.00	3,000,000.00	3,175.89		3,003,175.89	3,003,175.89
SSB CD	0.38%	01/20/14			3,000,000.00		3,000,000.00	3,000,000.00
SSB CD	0.54%	03/25/14	1,848,588.87	1,848,588.87	2,488.76		1,851,077.63	1,851,077.63
SSB CD	0.49%	08/14/14			3,000,000.00		3,000,000.00	3,000,000.00
SSB CD	0.63%	09/19/14	3,000,000.00	3,000,000.00	4,712.05		3,004,712.05	3,004,712.05
SSB CD	0.60%	10/17/14			3,000,000.00		3,000,000.00	3,000,000.00
<b>TOTAL</b>			<b>\$ 70,139,075.00</b>	<b>\$ 70,139,075.00</b>	<b>\$ 9,851,206.42</b>	<b>\$ (10,067,828.48)</b>	<b>\$ 69,922,452.94</b>	<b>\$ 69,922,452.94</b>

## Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2012		Qtr to Qtr Change	December 31, 2012	
			Par Value	Market Value		Par Value	Market Value
Pooled Cash	0.00%	01/01/13	\$ 5,473,860.00	\$ 5,473,860.00	\$ 788,659.24	\$ 6,262,519.24	\$ 6,262,519.24
MMA	0.36%	01/01/13	20,050,192.43	20,050,192.43	25,269.35	20,075,461.78	20,075,461.78
TexPool	0.16%	01/01/13	3,144,999.78	3,144,999.78	1,249.14	3,146,248.92	3,146,248.92
TexSTAR	0.16%	01/01/13	4,988,255.33	4,988,255.33	(1,936,382.84)	3,051,872.49	3,051,872.49
SSB CD	0.38%	10/17/12	3,005,749.60	3,005,749.60	(3,005,749.60)		
SSB CD	0.55%	11/19/12	2,566,509.33	2,566,509.33	(2,566,509.33)		
SSB CD	0.55%	12/19/12	2,559,186.71	2,559,186.71	(2,559,186.71)		
SSB CD	0.55%	01/25/13	2,865,679.70	2,865,679.70	3,250.38	2,868,930.08	2,868,930.08
SSB CD	0.43%	02/20/13	3,006,506.54	3,006,506.54	3,223.14	3,009,729.68	3,009,729.68
SSB CD	0.43%	03/20/13	3,006,506.54	3,006,506.54	3,223.14	3,009,729.68	3,009,729.68
SSB CD	0.43%	06/18/13	3,003,251.51	3,003,251.51	3,219.65	3,006,471.16	3,006,471.16
SSB CD	0.44%	07/18/13	3,003,327.12	3,003,327.12	3,294.61	3,006,621.73	3,006,621.73
SSB CD	0.45%	07/31/13	3,000,000.00	3,000,000.00	3,175.89	3,003,175.89	3,003,175.89
SSB CD	0.95%	08/01/13	2,616,461.54	2,616,461.54	6,265.18	2,622,726.72	2,622,726.72
SSB CD	0.42%	08/20/13	3,000,000.00	3,000,000.00	3,175.89	3,003,175.89	3,003,175.89
SSB CD	0.38%	01/20/14			3,000,000.00	3,000,000.00	3,000,000.00
SSB CD	0.54%	03/25/14	1,848,588.87	1,848,588.87	2,488.76	1,851,077.63	1,851,077.63
SSB CD	0.49%	08/14/14			3,000,000.00	3,000,000.00	3,000,000.00
SSB CD	0.63%	09/19/14	3,000,000.00	3,000,000.00	4,712.05	3,004,712.05	3,004,712.05
SSB CD	0.60%	10/17/14			3,000,000.00	3,000,000.00	3,000,000.00
<b>TOTAL</b>			<b>\$ 70,139,075.00</b>	<b>\$ 70,139,075.00</b>	<b>\$ (216,622.06)</b>	<b>\$ 69,922,452.94</b>	<b>\$ 69,922,452.94</b>

# Allocation

December 31, 2012

<b>Book &amp; Market Value</b>	<b>Security Total</b>	<b>Pooled Funds</b>	<b>Revenue Bond</b>
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	
<b>Totals</b>	<b>\$ 69,922,452.94</b>	<b>\$ 62,232,282.51</b>	<b>\$ 7,690,170.43</b>

## Allocation

September 30, 2012

<b>Book &amp; Market Value</b>	<b>Security Total</b>	<b>Pooled Funds</b>	<b>Revenue Bond</b>
Pooled Cash	\$ 5,473,860.00	\$ 5,473,860.00	\$ -
MMA	20,050,192.43	20,050,192.43	
TexPool	3,144,999.78	3,144,999.78	
TexSTAR	4,988,255.33	1,597,314.54	3,390,940.79
10/17/12	3,005,749.60	3,005,749.60	
11/19/12	2,566,509.33	2,566,509.33	
12/19/12	2,559,186.71	2,559,186.71	
01/25/13	2,865,679.70		2,865,679.70
02/20/13	3,006,506.54	3,006,506.54	
03/20/13	3,006,506.54	3,006,506.54	
06/18/13	3,003,251.51	3,003,251.51	
07/18/13	3,003,327.12	3,003,327.12	
07/31/13	3,000,000.00	3,000,000.00	
08/01/13	2,616,461.54	2,616,461.54	
08/20/13	3,000,000.00	3,000,000.00	
03/25/14	1,848,588.87		1,848,588.87
09/19/14	3,000,000.00	3,000,000.00	
<b>Totals</b>	<b>\$ 70,139,075.00</b>	<b>\$ 62,033,865.64</b>	<b>\$ 8,105,209.36</b>

Data updated from previous report.

**CITY OF TYLER**  
**Equity in Pooled Cash and Investments**

		12/31/2012	9/30/2012
General Fund	101	1,827,505.29	5,299,089.54
General Capital Projects Fund	102	1,755,930.51	2,311,754.42
Development Services Fund	202	1,139,039.64	1,161,242.95
Cemeteries Operating Fund	204	(15,845.88)	57,305.20
Forfeitures Fund	205	282,980.03	312,290.49
Court Technology Fund	207	125,067.44	267,119.40
TIF/TIRZ # 2	209	(283.92)	(8.92)
Hotel-Motel Tax Fund	211	1,184,354.41	1,399,097.52
Donations Fund	216	947,619.46	901,988.88
TIF/TIRZ # 3	218	3,205.81	3,202.41
Tyler Tourism & Convention Facilities Fund	219	100,392.35	401,488.21
Half Cent Sales Tax Fund	231	9,450,708.74	9,218,928.81
Passenger Facility Fund	234	118,104.36	135,074.86
Oil & Natural Gas Fund	235	2,835,062.07	2,807,873.93
PEG Fee Fund	236	375,608.50	353,863.40
Fair Plaza Fund	240	123,685.89	116,120.24
Retained HUD Admin Fee Fund	274	55,628.19	55,568.92
Housing Assistance Fund	276	501,543.50	668,000.50
State/Federal Grants Fund	285	(120,804.48)	(86,412.35)
Transit System Fund	286	(625,341.64)	(844,893.80)
CDBG Grant Fund	294	(249,501.96)	(238,817.41)
HOME Grant Fund	295	202,349.94	198,852.19
Utilities Fund	502	1,261,820.83	9,147,557.68
Utilities Construction Fund	503	9,732,812.87	3,305,836.12
Utilities Debt Service Fund	504	2,816,082.88	1,260,469.84
Utilities Debt Reserve Fund	505	1,493,356.38	1,493,356.38
Revenue Bond Series 2008	514	129.35	16,858.27
Revenue Bond Series 2009	516	7,690,170.43	8,088,351.09
Airport Fund	524	455,836.27	591,214.53
Airport Grant Fund	525	(554,375.42)	(49,602.65)
Solid Waste Fund	560	(457,178.54)	1,255,154.10
Solid Waste Capital Projects Fund	562	1,818,680.05	1,606,968.46
Productivity Improvement Fund	639	1,857,149.70	1,145,141.80
Fleet Replacement Fund	640	9,184,950.13	6,487,606.63
Prop, Liab, W/C Insurance Fund	650	859,826.28	910,992.57
Employee Benefits Fund	661	1,821,597.80	2,264,013.98
Prop & Facility Management Fund	663	1,338,415.87	787,433.37
Technology Fund	671	3,265,214.35	605,011.98
Payroll Fund	710	842,844.40	628,549.65
Cemetery Trust Fund	713	2,615,141.27	2,613,684.62
Landfill Trust Fund	720	2,343,594.17	2,332,101.49
Retiree Benefits Fund	761	2,312,375.00	991,396.03
Section 125 Trust Fund	772	192,636.26	171,728.02
<b>Total</b>		<b>70,908,088.58</b>	<b>70,152,553.35</b>

# Total Portfolio Performance

