



**CITY OF TYLER
CITY COUNCIL COMMUNICATION**

Agenda Number: C-A-12
Date: February 12, 2014
Subject: Request that the City Council consider reviewing and accepting the Investment Report for the quarter ending December 31, 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 some additional supporting information that has been prepared to assist the City Council in the quarterly review process.

Investments held on December 31, 2013 by type and major fund are shown below:

Investment Category	Book Value	Market Value	Average Yield	Average Maturity
Pools/Bank	36,886,026	36,886,026	0.23	1 day
Securities/CD's	40,686,912	40,686,912	0.40	256 days
	77,572,938	77,572,938	0.32	135 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 0.04 percent

INVESTMENT OFFICER APPROVAL


Keidric Trimble 2/12/14


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RECOMMENDATION:

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

**Drafted/Recommended By:
Department Leader**


Keidric Trimble, CFO

**Edited/Submitted By:
City Manager**





INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

December 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.

Kendric J. Smith

Chief Financial Officer

Accounting Manager

[Signature]
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), but announced the first tapering phase after their December meeting (\$75 billion per month down from \$85 billion). The fixed income market anticipated the change resulting in only modest yield curve adjustments. Domestic employment data remains erratic, with lingering concern over the U-6 and participation rates. Revised third quarter GDP surged to 4.1% - a very positive sign. The US stock markets held strong. Financial institution deposits and laddering targeted cash flows still provide the best interest earnings opportunity.

Quarter End Results by Investment Category:

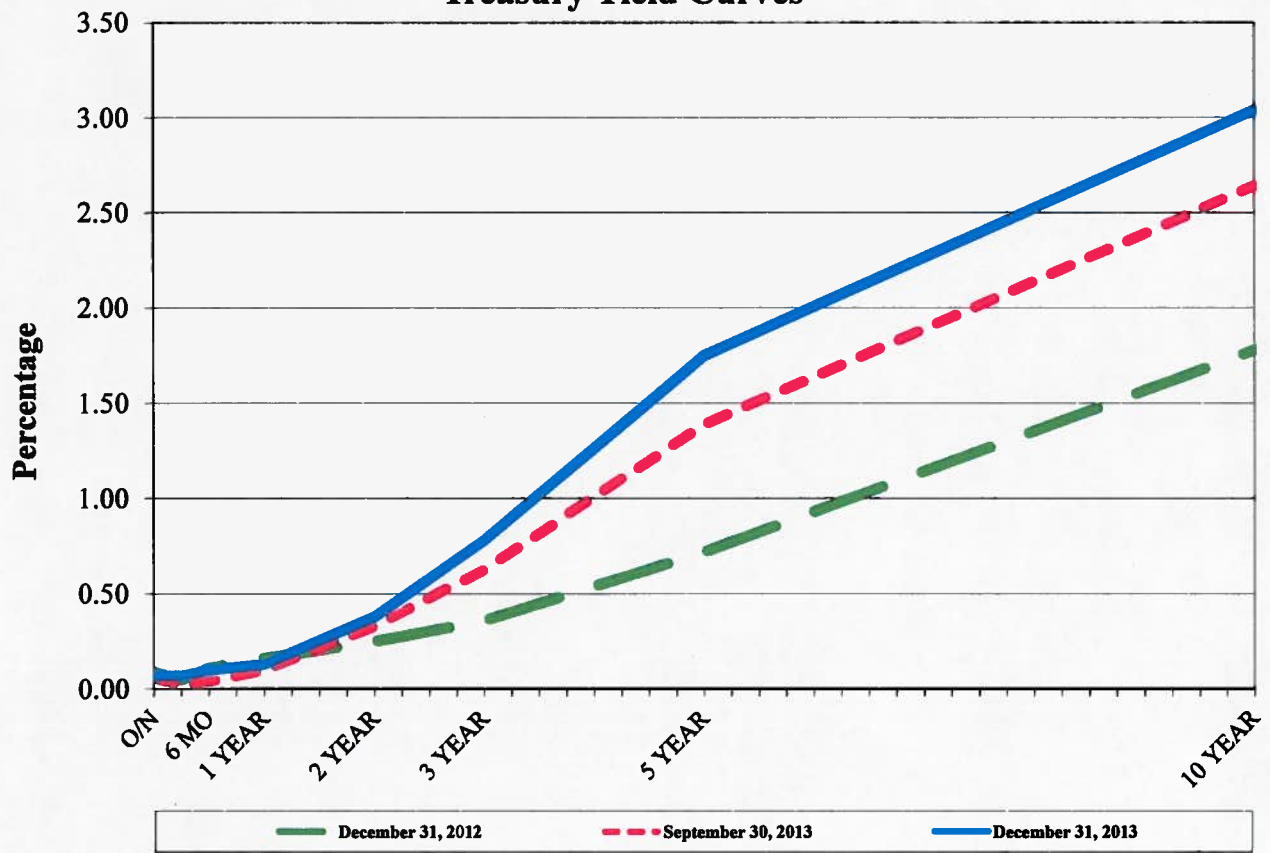
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>December 31, 2013</u>		<u>September 30, 2013</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank	0.23%	\$ 36,886,026	\$ 36,886,026	\$ 36,563,064	\$ 36,563,064
Securities/CDs	0.40%	40,686,912	40,686,912	40,648,142	40,648,142
Totals		\$ 77,572,938	\$ 77,572,938	\$ 77,211,206	\$ 77,211,206

<u>Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.32%	Total Portfolio	0.32%
Rolling Three Mo. Treas. Yield	0.06%	Rolling Three Mo. Treas. Yield	0.06%
Rolling Six Mo. Treas. Yield	0.08%	Rolling Six Mo. Treas. Yield	0.08%
		Quarterly TexPool Yield	0.04%
Quarterly Interest Income	\$ 57,932 Approximate		
Year-to-date Interest Income	\$ 57,932 Approximate		

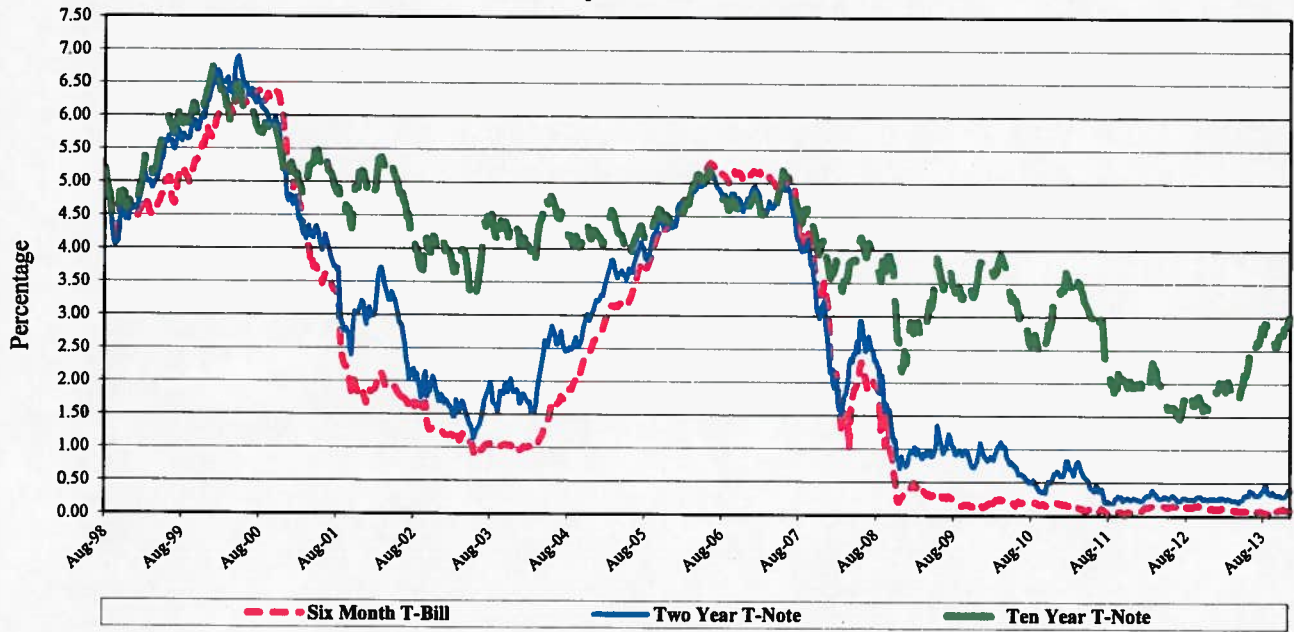
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

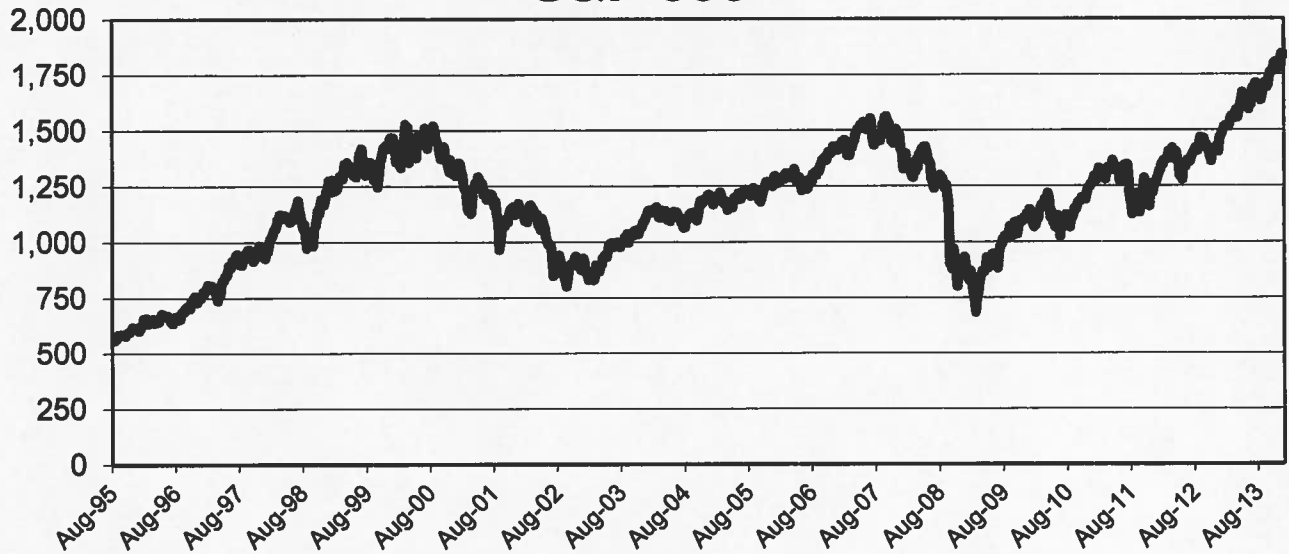
Treasury Yield Curves



US Treasury Historical Yields



S&P 500



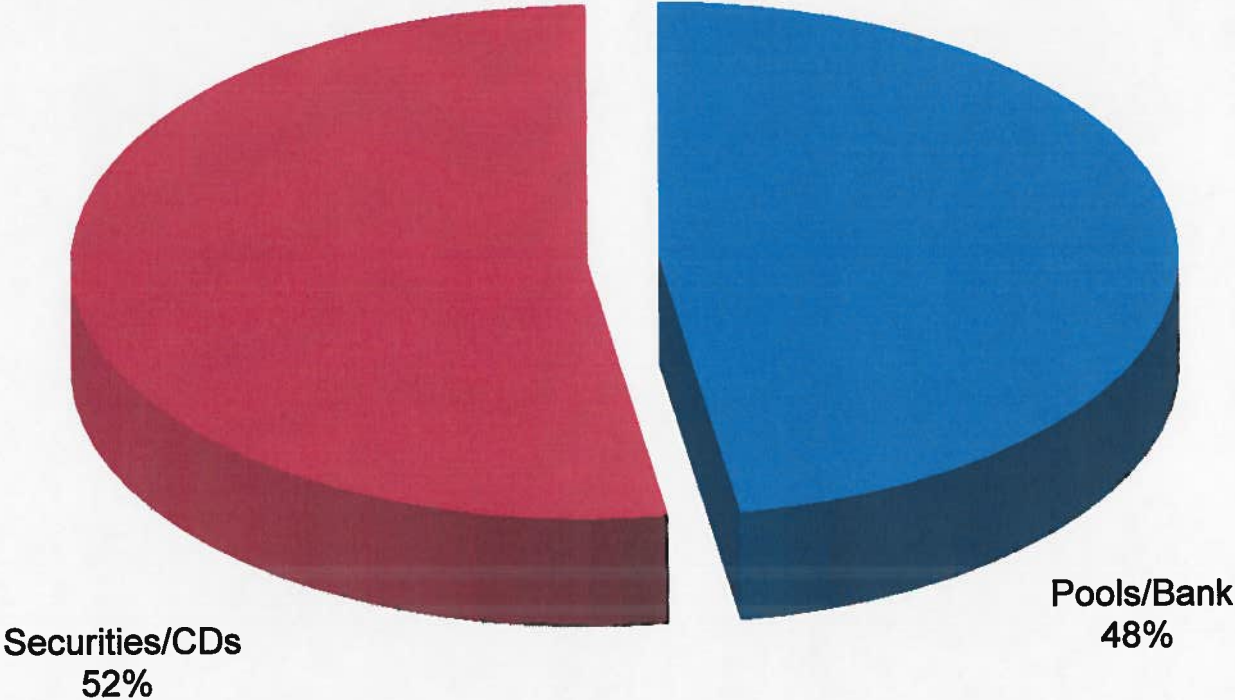
**Detail of Investment Holdings
December 31, 2013**

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%	01/01/14	12/31/13	\$ 13,844,411	\$ 13,844,411	\$ 13,844,411	1.00	\$ 13,844,411	1	0.00%
MMA		0.50%	01/01/14	12/31/13	16,671,475	16,671,475	16,671,475	1.00	16,671,475	1	0.50%
TexPool	AAAm	0.04%	01/01/14	12/31/13	3,146,331	3,146,331	3,146,331	1.00	3,146,331	1	0.04%
TexSTAR - Bond	AAAm	0.04%	01/01/14	12/31/13	2,214,551	2,214,551	2,214,551	1.00	2,214,551	1	0.04%
TexSTAR	AAAm	0.04%	01/01/14	12/31/13	1,007,257	1,007,257	1,007,257	1.00	1,007,257	1	0.04%
SSB CD		0.36%	01/20/14	11/20/12	3,011,416	3,011,416	3,011,416	100.00	3,011,416	20	0.36%
SSB CD		0.37%	02/11/14	03/01/12	3,020,946	3,020,946	3,020,946	100.00	3,020,946	42	0.37%
SSB CD		0.54%	03/25/14	09/25/12	1,861,094	1,861,094	1,861,094	100.00	1,861,094	84	0.54%
SSB CD		0.27%	05/21/14	05/21/13	3,004,085	3,004,085	3,004,085	100.00	3,004,085	141	0.27%
SSB CD		0.24%	06/18/14	06/18/13	3,016,547	3,016,547	3,016,547	100.00	3,016,547	169	0.24%
SSB CD		0.25%	07/31/14	07/31/13	3,014,516	3,014,516	3,014,516	100.00	3,014,516	212	0.25%
SSB CD		0.26%	06/08/14	06/08/13	3,016,267	3,016,267	3,016,267	100.00	3,016,267	220	0.26%
SSB CD		0.49%	06/14/14	12/21/12	3,014,727	3,014,727	3,014,727	100.00	3,014,727	226	0.49%
SSB CD		0.63%	09/19/14	09/19/12	3,023,667	3,023,667	3,023,667	100.00	3,023,667	262	0.63%
SSB CD		0.25%	09/20/14	07/20/13	3,015,594	3,015,594	3,015,594	100.00	3,015,594	263	0.25%
SSB CD		0.60%	10/17/14	10/17/13	3,016,041	3,016,041	3,016,041	100.00	3,016,041	290	0.60%
SSB CD		0.37%	11/21/14	05/21/13	3,005,596	3,005,596	3,005,596	100.00	3,005,596	325	0.37%
SSB CD		0.48%	08/04/15	07/30/09	2,644,671	2,644,671	2,644,671	100.00	2,644,671	561	0.48%
SSB CD		0.52%	12/28/15	03/25/13	3,019,702	3,019,702	3,019,702	100.00	3,019,702	727	0.52%
					\$ 77,572,938	\$ 77,572,938	\$ 77,572,938		\$ 77,572,938	135	0.32%
										(1)	(2)

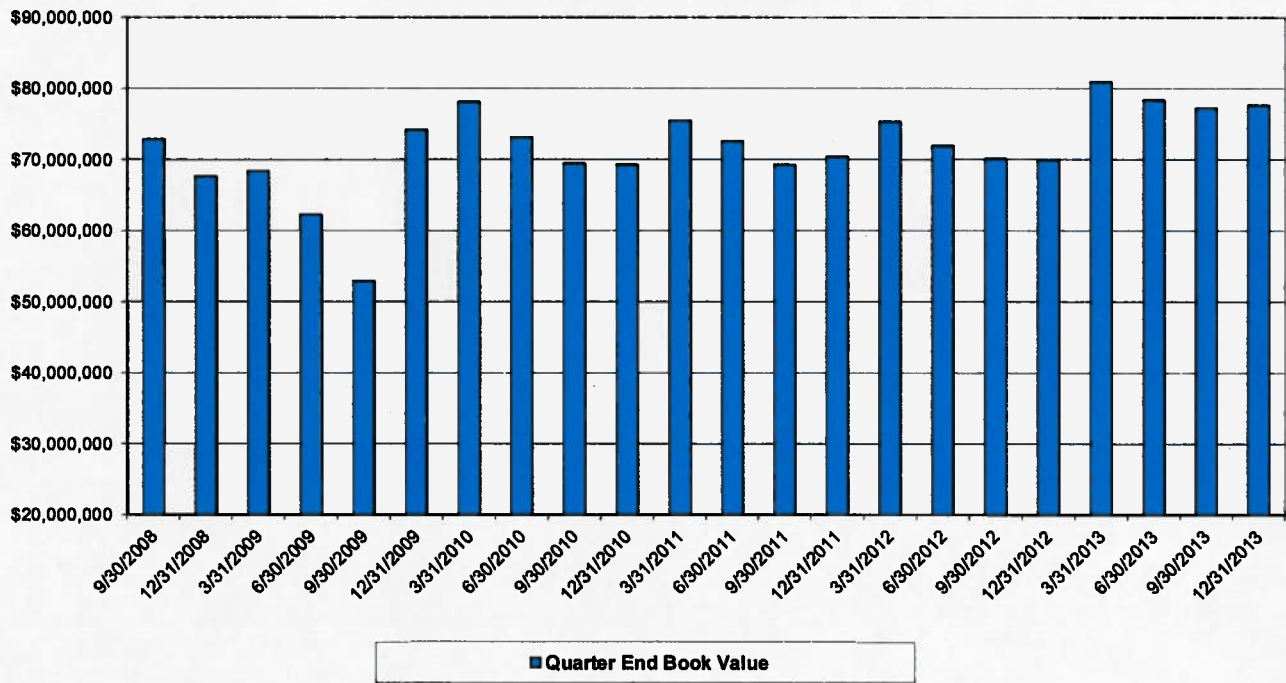
(1) Weighted average life - For purposes of calculating weighted average life, TexPool, TexSTAR, and bank account investments are assumed to have a one day maturity.

(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	September 30, 2013		Purchases/ Adjustments	Sales/Adjust/ Maturities	December 31, 2013	
			Par Value	Book Value			Par Value	Book Value
Cash - Pooled	0.00%	01/01/14	\$13,543,114	\$13,543,114	\$ 301,297	\$ -	\$ 13,844,411	\$ 13,844,411
MMA	0.50%	01/01/14	16,650,482	16,650,482	20,993		16,671,475	16,671,475
TexPool	0.04%	01/01/14	3,147,983	3,147,983	348		3,148,331	3,148,331
TexSTAR - Bond	0.04%	01/01/14	3,101,683	3,101,683		(887,132)	2,214,551	2,214,551
TexSTAR	0.04%	01/01/14	119,802	119,802	887,456		1,007,257	1,007,257
SSB CD	0.26%	12/25/13	3,017,724	3,017,724		(3,017,724)		
SSB CD	0.38%	01/20/14	3,008,535	3,008,535	2,882		3,011,416	3,011,416
SSB CD	0.43%	02/11/14	3,018,132	3,018,132	2,815		3,020,946	3,020,946
SSB CD - Bond	0.54%	03/25/14	1,858,591	1,858,591	2,503		1,861,094	1,861,094
SSB CD	0.27%	05/21/14	3,002,042	3,002,042	2,043		3,004,085	3,004,085
SSB CD	0.24%	06/18/14	3,014,743	3,014,743	1,804		3,016,547	3,016,547
SSB CD	0.25%	07/31/14	3,012,620	3,012,620	1,898		3,014,518	3,014,518
SSB CD	0.26%	08/08/14	3,014,312	3,014,312	1,975		3,016,287	3,016,287
SSB CD	0.49%	08/14/14	3,011,049	3,011,049	3,678		3,014,727	3,014,727
SSB CD	0.63%	09/19/14	3,018,945	3,018,945	4,742		3,023,687	3,023,687
SSB CD	0.25%	09/20/14	3,013,695	3,013,695	1,899		3,015,594	3,015,594
SSB CD	0.60%	10/17/14	3,013,483	3,013,483	4,557		3,018,041	3,018,041
SSB CD	0.37%	11/21/14	3,002,798	3,002,798	2,800		3,005,598	3,005,598
SSB CD	0.48%	08/04/15	2,641,475	2,641,475	3,196		2,644,671	2,644,671
SSB CD	0.52%	12/28/15			3,019,702		3,019,702	3,019,702
TOTAL			\$77,211,206	\$77,211,206	\$ 4,266,588	\$ (3,904,866)	\$ 77,572,938	\$ 77,572,938

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2013		Qtr to Qtr Change	December 31, 2013	
			Par Value	Market Value		Par Value	Market Value
Cash - Pooled	0.00%	01/01/14	\$ 13,543,114	\$ 13,543,114	\$ 301,297	\$ 13,844,411	\$ 13,844,411
MMA	0.50%	01/01/14	16,650,482	16,650,482	20,993	16,671,475	16,671,475
TexPool	0.04%	01/01/14	3,147,983	3,147,983	348	3,148,331	3,148,331
TexSTAR - Bond	0.04%	01/01/14	3,101,683	3,101,683	(887,132)	2,214,551	2,214,551
TexSTAR	0.04%	01/01/14	119,802	119,802	887,456	1,007,257	1,007,257
SSB CD	0.26%	12/25/13	3,017,724	3,017,724	(3,017,724)		
SSB CD	0.38%	01/20/14	3,008,535	3,008,535	2,882	3,011,416	3,011,416
SSB CD	0.43%	02/11/14	3,018,132	3,018,132	2,815	3,020,946	3,020,946
SSB CD - Bond	0.54%	03/25/14	1,858,591	1,858,591	2,503	1,861,094	1,861,094
SSB CD	0.27%	05/21/14	3,002,042	3,002,042	2,043	3,004,085	3,004,085
SSB CD	0.24%	06/18/14	3,014,743	3,014,743	1,804	3,016,547	3,016,547
SSB CD	0.25%	07/31/14	3,012,620	3,012,620	1,898	3,014,518	3,014,518
SSB CD	0.26%	08/08/14	3,014,312	3,014,312	1,975	3,016,287	3,016,287
SSB CD	0.49%	08/14/14	3,011,049	3,011,049	3,678	3,014,727	3,014,727
SSB CD	0.63%	09/19/14	3,018,945	3,018,945	4,742	3,023,687	3,023,687
SSB CD	0.25%	09/20/14	3,013,695	3,013,695	1,899	3,015,594	3,015,594
SSB CD	0.60%	10/17/14	3,013,483	3,013,483	4,557	3,018,041	3,018,041
SSB CD	0.37%	11/21/14	3,002,798	3,002,798	2,800	3,005,598	3,005,598
SSB CD	0.48%	08/04/15	2,641,475	2,641,475	3,196	2,644,671	2,644,671
SSB CD	0.52%	12/28/15			3,019,702	3,019,702	3,019,702
TOTAL			\$ 77,211,206	\$ 77,211,206	\$ 361,732	\$ 77,572,938	\$ 77,572,938

CITY OF TYLER
Equity in Pooled Cash and Investments

		12/31/2013	9/30/2013
General Fund	101	3,367,194.21	5,468,842.48
General Capital Projects Fund	102	959,133.80	1,022,334.13
Development Services Fund	202	1,194,529.27	1,285,614.29
Cemeteries Operating Fund	204	178,453.78	86,332.93
Forfeitures Fund	205	269,357.40	274,245.07
Court Technology Fund	207	332,585.15	344,912.52
TIF/TIRZ # 2	209	-	0.08
Hotel-Motel Tax Fund	211	2,213,662.73	2,122,072.80
Donations Fund	216	958,794.25	1,015,466.34
TIF/TIRZ # 3	218	29,405.76	32,715.08
Tyler Tourism & Convention Facilities Fund	219	135,234.87	221,639.24
Half Cent Sales Tax Fund	231	16,688,068.38	15,817,793.43
Passenger Facility Fund	234	367,980.86	351,162.20
Oil & Natural Gas Fund	235	2,983,675.37	2,901,041.97
PEG Fee Fund	236	196,843.19	132,424.58
Fair Plaza Fund	240	151,178.12	149,986.88
Retained HUD Admin Fee Fund	274	55,805.30	55,760.62
Housing Assistance Fund	276	726,953.51	257,223.77
State/Federal Grants Fund	285	(43,844.06)	(110,183.74)
Transit System Fund	288	(465,473.49)	(137,130.39)
CDBG Grant Fund	294	(248,581.82)	4,982.58
HOME Grant Fund	295	(53,509.49)	145,959.65
Utilities Fund	502	2,922,045.54	5,826,123.51
Utilities Construction Fund	503	10,499,636.43	8,971,620.45
Utilities Debt Service Fund	504	2,600,356.47	1,263,578.64
Utilities Debt Reserve Fund	505	1,493,736.81	1,493,352.79
Revenue Bond Series 2008	514	129.35	129.35
Revenue Bond Series 2009	516	4,075,645.11	4,960,274.90
Airport Fund	524	543,685.91	874,971.21
Airport Grant Fund	525	(221,285.94)	(59,648.08)
Solid Waste Fund	580	(549,163.05)	1,500,654.33
Solid Waste Capital Projects Fund	582	1,719,052.41	1,598,197.75
Productivity Improvement Fund	639	1,627,531.31	832,852.82
Fleet Replacement Fund	640	10,447,207.23	7,284,310.42
Prop. Liab. W/C Insurance Fund	650	1,007,600.02	906,548.85
Employee Benefits Fund	661	876,605.99	1,251,484.03
Prop & Facility Management Fund	663	1,333,751.03	950,140.89
Technology Fund	871	1,996,098.28	585,302.78
Payroll Fund	710	792,549.50	740,927.18
Cemetery Trust Fund	713	2,700,883.77	2,675,738.97
Landfill Trust Fund	720	2,390,118.91	2,376,210.56
Retiree Benefits Fund	781	2,063,736.37	615,044.06
Section 125 Trust Fund	772	185,872.06	165,955.83
Total		78,501,240.60	76,234,967.75

**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

**Allocation
Book & Market
Value**

September 30, 2013

	<u>Security Total</u>	<u>Pooled Funds</u>	<u>Revenue Bond</u>
Cash \$	13,543,114	\$ 13,543,114	\$ -
MMA \$	16,650,482	16,650,482	
TexPool \$	3,147,983	3,147,983	
TexSTAR \$	3,221,485	119,802	3,101,683
12/25/13	3,017,724	3,017,724	
01/20/14	3,008,535	3,008,535	
02/11/14	3,018,132	3,018,132	
03/25/14	1,858,591		1,858,591
05/21/14	3,002,042	3,002,042	
06/18/14	3,014,743	3,014,743	
07/31/14	3,012,620	3,012,620	
08/08/14	3,014,312	3,014,312	
08/14/14	3,011,049	3,011,049	
09/19/14	3,018,945	3,018,945	
09/20/14	3,013,695	3,013,695	
10/17/14	3,013,483	3,013,483	
11/21/14	3,002,798	3,002,798	
08/04/15	2,641,475	2,641,475	
Totals	\$ 77,211,206	\$ 72,250,932	\$ 4,960,274

Total Portfolio Performance

