



**CITY OF TYLER
CITY COUNCIL COMMUNICATION**

Agenda Number: C-A-2

Date: May 25, 2022

Subject: Request that the City Council consider reviewing and accepting the Investment Report for the quarter ending March 31, 2022.

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Item Reference:

The City of Tyler Investment Portfolio Summary includes all of the core information required under the Public Funds Investment Act plus some additional supporting information that has been prepared to assist the City Council in the quarterly review process. Please reference the attachment labeled as Investments held on March 31.

RECOMMENDATION:

Request that the City Council consider reviewing and accepting the Investment Report for the quarter ending March 31, 2022.

ATTACHMENTS:

[Investment Portfolio March 31 2022 Signed](#)
[Investments_held_on_March_31](#)
[Southwest Economy, First Quarter 2022 - Dallas Fed_](#)

Drafted/Recommended By:
Department Leader

Keidric Trimble, CFO

Edited/Submitted By:
City Manager



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

March 31, 2022

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.

Chief Financial Officer

Accounting Manager

Treasury Manager

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.

Summary
Quarter End Results by Investment Category

City Funds

<u>Asset Type</u>	<u>December 31, 2021</u>			<u>March 31, 2022</u>		
	<u>Ave. Yield</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Ave. Yield</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank	0.48%	\$ 46,299,859	\$ 46,299,859	0.47%	\$ 56,603,464	\$ 56,603,464
Securities/CDs	0.47%	79,572,236	79,572,236	0.48%	79,308,168	79,308,168
Totals	0.48%	\$ 125,872,095	\$ 125,872,095	0.48%	\$ 135,911,632	\$ 135,911,632

Current Quarter Average Yield (1)

Total Portfolio 0.48%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 0.48%

Interest Earnings

Quarterly Interest Income \$ 129,211 Approximate
Year-to-date Interest Income \$ 284,913 Approximate

Bank Fees Offset

Quarterly Bank Fees Offset \$ 9,871
Year-to-date Bank Fees Offset \$ 22,245

Hotel Bond

<u>Asset Type</u>	<u>December 31, 2021</u>			<u>March 31, 2022</u>		
	<u>Ave. Yield</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Ave. Yield</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank	0.07%	\$ 7,098,347	\$ 7,098,347	0.25%	\$ 1,787,455	\$ 1,787,455
Totals	0.07%	\$ 7,098,347	\$ 7,098,347	0.25%	\$ 1,787,455	\$ 1,787,455

Current Quarter Average Yield (1)

Total Portfolio 0.25%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 0.16%

Interest Earnings

Quarterly Interest Income \$ 1,552 Approximate
Year-to-date Interest Income \$ 2,525 Approximate

Summary
Quarter End Results by Investment Category

(Continued)

Water Utilities Revenue Bond

Asset Type	December 31, 2021			March 31, 2022		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Pools/Bank	0.02%	\$ 25,288,917	\$ 25,288,917	0.25%	\$ 58,976,464	\$ 58,976,464
Securities/CDs	0.00%	-	-	0.00%	-	-
Totals	0.02%	\$ 25,288,917	\$ 25,288,917	0.25%	\$ 58,976,464	\$ 58,976,464

Current Quarter Average Yield (1)
 Total Portfolio 0.25%

Fiscal Year-to-Date Average Yield (2)
 Total Portfolio 0.13%

Interest Earnings

Quarterly Interest Income \$ 16,157 Approximate
 Year-to-date Interest Income \$ 18,034 Approximate

Total Portfolio

Current Quarter Average Yield (1)
 Total Portfolio 0.40%

Fiscal Year-to-Date Average Yield (2)
 Total Portfolio 0.39%

Rolling Three Month Treasury 0.31%
 Rolling Six Month Treasury 0.36%
 TexPool 0.15%

Rolling Three Month Treasury 0.18%
 Rolling Six Month Treasury 0.22%
 TexPool 0.10%

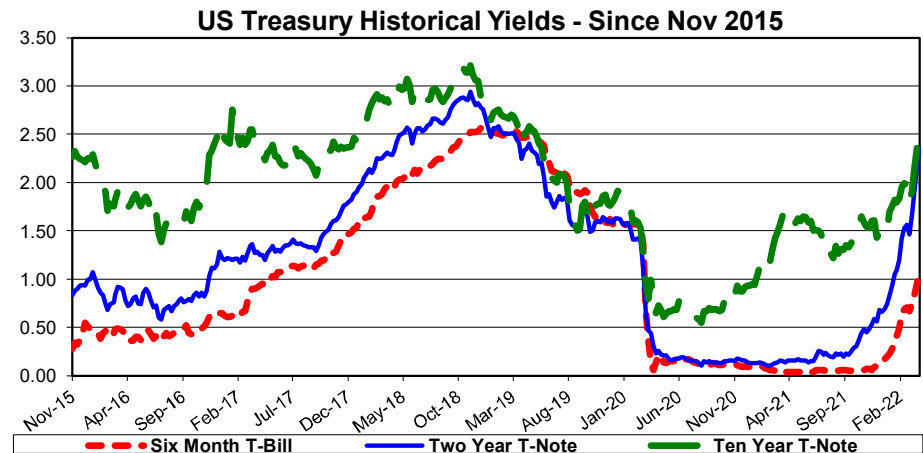
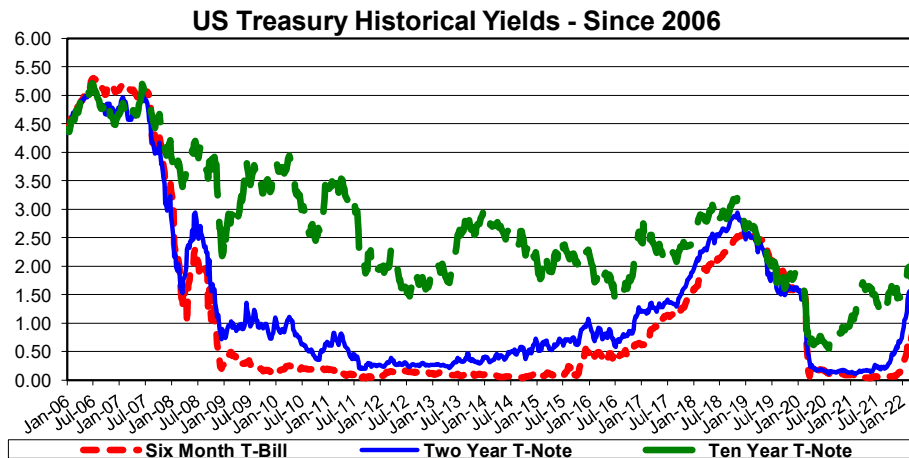
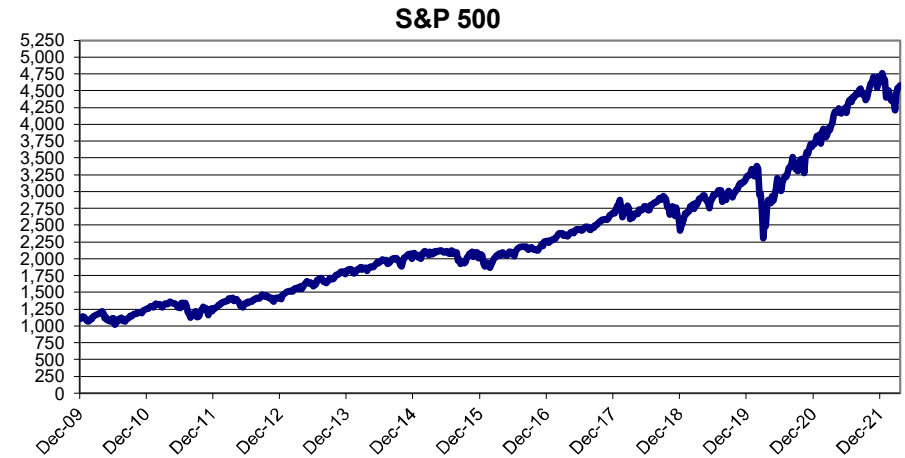
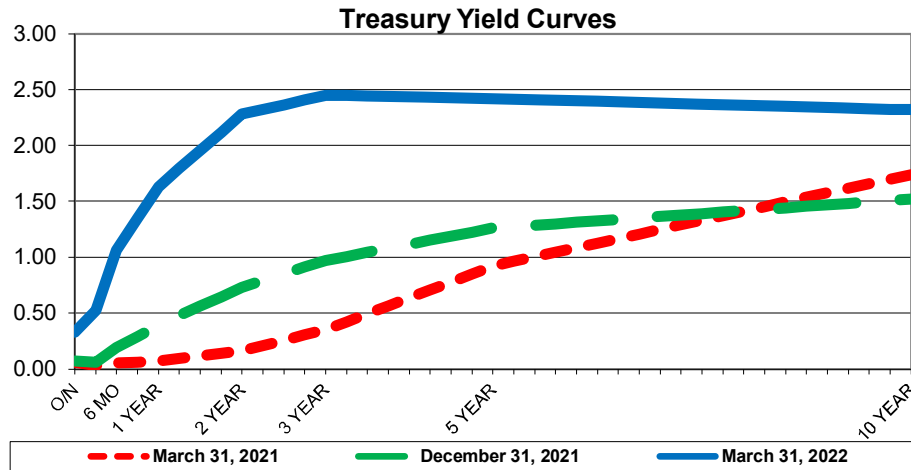
(1) **Current Quarter Weighted Average Yield** - calculated using quarter end report yields and adjusted book values; does not reflect a total return analysis, realized or unrealized gains/losses, or account for investment advisory fees. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date Weighted 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.

Economic Overview

3/31/2022

The Federal Open Market Committee (FOMC) **raised** the Fed Funds target range to 0.25% to 0.50% (Effective Fed Funds are trading +/-0.30%). The FOMC ended monthly security purchases and may begin reducing their balance sheet. The market projection 4 to 6 more increases this calendar year. Final Fourth Quarter GDP recorded +6.9%. March Non-Farm Payroll missed estimates adding 431k net new jobs. Decreasing the Three Month Average NFP to 562k. Crude oil declined to +-\$100 per barrel. The Stock Markets have recovered from the "correction" and slowly regained some lost ground. Some domestic economic indicators, including housing, softened. Inflation remained well over the FOMC 2% target (Core PCE +/-5.4%). The FOMC Fed Funds target projections pushed the yield curve to a Three Year Maturity peak.



Investment Holdings

March 31, 2022

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
City Funds										
Cash - Pooled (3)		0.57%	04/01/22	03/31/22	\$ 14,507,950	\$ 14,507,950	1.00	\$ 14,507,950	1	0.57%
NOW		0.33%	04/01/22	03/31/22	17,054,206	17,054,206	1.00	17,054,206	1	0.33%
InterBank MMA		0.50%	04/01/22	03/31/22	25,041,308	25,041,308	1.00	25,041,308	1	0.50%
Allegiance Bank CD		0.75%	05/18/22	05/18/20	4,255,632	4,255,632	100.00	4,255,632	48	0.76%
Bank OZK CD		0.65%	06/03/22	06/03/20	3,034,323	3,034,323	100.00	3,034,323	64	0.65%
Prosperity Bank CD		0.75%	06/30/22	06/26/20	3,221,959	3,221,959	100.00	3,221,959	91	0.75%
Prosperity Bank CD		0.75%	07/11/22	07/09/20	3,033,972	3,033,972	100.00	3,033,972	102	0.75%
Bank OZK CD		0.40%	08/24/22	08/25/20	4,025,433	4,025,433	100.00	4,025,433	146	0.40%
Prosperity Bank CD		0.50%	09/22/22	09/22/20	6,045,013	6,045,013	100.00	6,045,013	175	0.50%
Prosperity Bank CD		0.40%	10/20/22	10/20/20	3,206,468	3,206,468	100.00	3,206,468	203	0.40%
East West Bank CD		0.23%	11/18/22	11/18/21	3,105,274	3,105,274	100.00	3,105,274	232	0.23%
Prosperity Bank CD		0.40%	11/28/22	11/27/20	3,205,461	3,205,461	100.00	3,205,461	242	0.40%
Bank OZK CD		0.24%	12/15/22	03/15/21	3,007,238	3,007,238	100.00	3,007,238	259	0.24%
Prosperity Bank CD		0.30%	01/25/23	01/25/21	6,020,943	6,020,943	100.00	6,020,943	300	0.30%
Prosperity Bank CD		0.25%	02/24/23	02/24/21	6,341,227	6,341,227	100.00	6,341,227	330	0.25%
East West Bank CD		1.05%	02/24/23	02/24/22	3,003,108	3,003,108	100.00	3,003,108	330	1.05%
Bank OZK CD		0.26%	03/15/23	03/15/21	6,128,686	6,128,686	100.00	6,128,686	349	0.26%
East West Bank CD		1.28%	03/18/23	03/18/22	6,002,946	6,002,946	100.00	6,002,946	352	1.28%
Prosperity Bank CD		0.21%	04/12/23	04/12/21	3,406,539	3,406,539	100.00	3,406,539	377	0.21%
Citizen's 1st Bank CD		0.25%	05/07/23	05/07/21	3,005,698	3,005,698	100.00	3,005,698	402	0.25%
Citizen's 1st Bank CD		0.25%	06/03/23	06/03/21	3,005,636	3,005,636	100.00	3,005,636	429	0.25%
Veritex Community Bank CD		0.25%	07/26/23	07/26/21	3,130,911	3,130,911	100.00	3,130,911	482	0.25%
Veritex Community Bank CD		0.25%	08/09/23	08/09/21	3,121,700	3,121,700	100.00	3,121,700	496	0.25%
City Funds - Sub Total					\$ 135,911,632	\$ 135,911,632		\$ 135,911,632	159	0.48%
									(1)	(2)

Investment Holdings

March 31, 2022

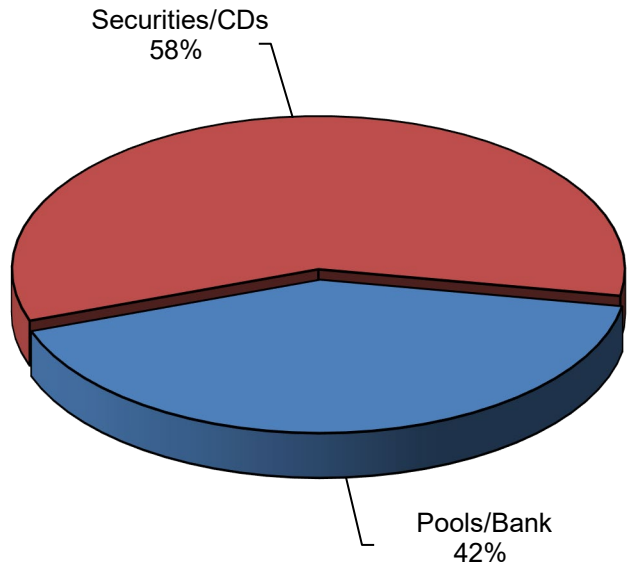
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Hotel Bond										
LOGIC - Hotel Bond	AAAm	0.25%	04/01/22	03/31/22	1,787,455	1,787,455	1.00	1,787,455	1	0.25%
Hotel Bond - Sub Total					\$ 1,787,455	\$ 1,787,455		\$ 1,787,455	1	0.25%
									(1)	(2)
Water Utilities Revenue Bond										
NOW #2		0.33%	04/01/22	03/31/22	\$ 828,159	\$ 828,159	1.00	\$ 828,159	1	0.33%
NOW #3 - Bond		0.33%	04/01/22	03/31/22	42,534,920	42,534,920	1.00	42,534,920	1	0.33%
TexSTAR - Bond	AAAm	0.01%	04/01/22	03/31/22	15,613,386	15,613,386	1.00	15,613,386	1	0.01%
Water Utilities Revenue Bond - Sub Total					\$ 58,976,464	\$ 58,976,464		\$ 58,976,464	1	0.25%
									(1)	(2)
Total Portfolio					\$ 196,675,552	\$ 196,675,552		\$ 196,675,552	110	0.40%
									(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.

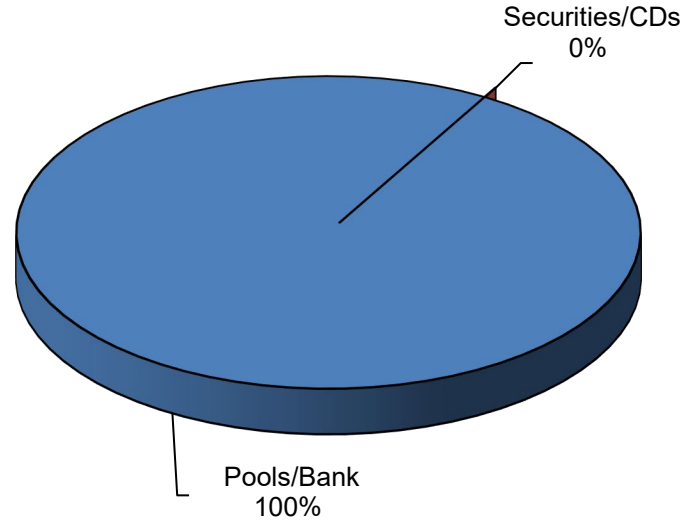
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and bank account investments.

(3) **Cash - Pooled** funds are used as compensating balances to offset bank service charges and do not generate hard interest.

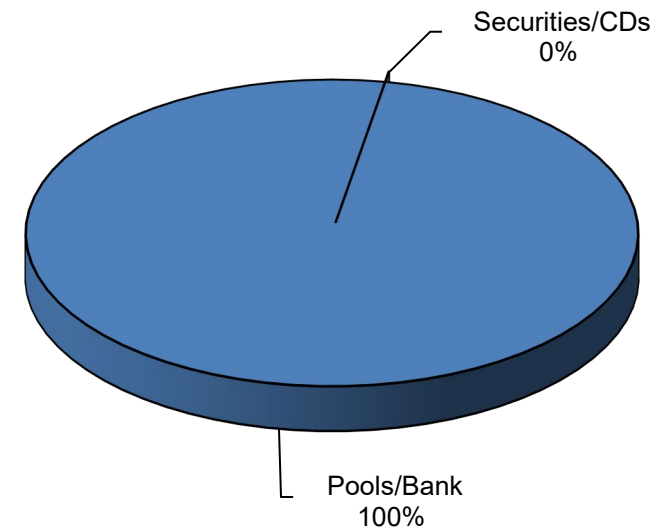
Portfolio Composition - City Funds



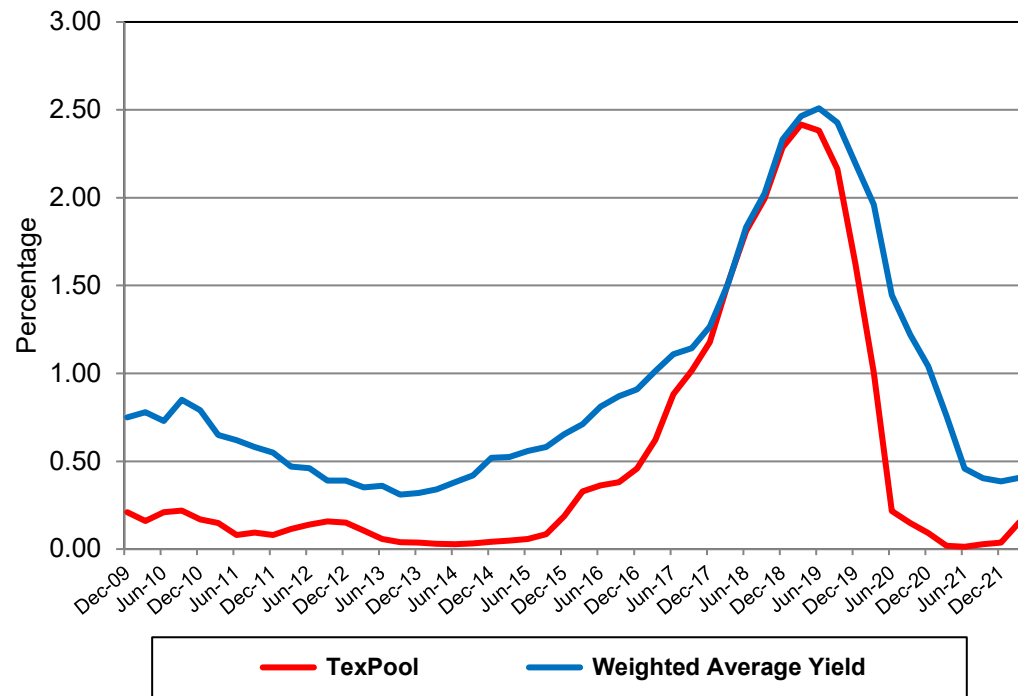
Portfolio Composition - Water Utility Revenue Bond Funds



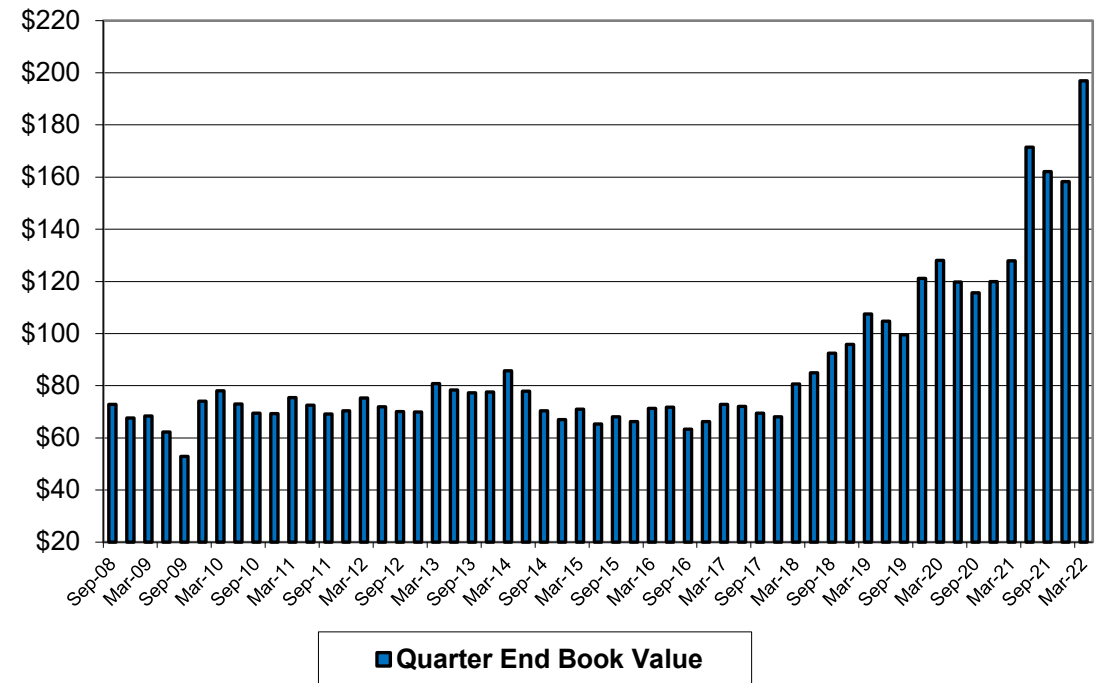
Portfolio Composition - Hotel Bond Funds



Total Portfolio Performance



Total Portfolio (Millions)



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 12/31/21	Increases	Decreases	Book Value 03/31/22	Market Value 12/31/21	Change in Market Value	Market Value 03/31/22
Cash - Pooled	0.57%	04/01/22	\$ 6,199,492	\$ 8,308,458	\$ -	\$ 14,507,950	\$ 6,199,492	\$ 8,308,458	\$ 14,507,950
NOW	0.33%	04/01/22	22,037,544	-	(4,983,338)	17,054,206	22,037,544	(4,983,338)	17,054,206
NOW #2	0.33%	04/01/22	1,142,719	-	(314,561)	828,159	1,142,719	(314,561)	828,159
NOW #3 - Bond	0.33%	04/01/22	-	42,534,920	-	42,534,920	-	42,534,920	42,534,920
InterBank MMA	0.50%	04/01/22	15,016,585	10,024,724	-	25,041,308	15,016,585	10,024,724	25,041,308
TexPool	0.00%	04/01/22	216,082	-	(216,082)	-	216,082	(216,082)	-
TexSTAR - Bond	0.01%	04/01/22	24,259,656	-	(8,646,270)	15,613,386	24,259,656	(8,646,270)	15,613,386
LOGIC - Hotel Bond	0.25%	04/01/22	7,098,347	-	(5,310,891)	1,787,455	7,098,347	(5,310,891)	1,787,455
Third Coast Bank CD	1.65%	01/10/22	3,098,910	-	(3,098,910)	-	3,098,910	(3,098,910)	-
Prosperity Bank CD	0.20%	02/24/22	3,004,985	-	(3,004,985)	-	3,004,985	(3,004,985)	-
Prosperity Bank CD	1.45%	03/18/22	3,233,849	-	(3,233,849)	-	3,233,849	(3,233,849)	-
Allegiance Bank CD	0.75%	05/18/22	4,247,603	8,030	-	4,255,632	4,247,603	8,030	4,255,632
Bank OZK CD	0.65%	06/03/22	3,029,457	4,866	-	3,034,323	3,029,457	4,866	3,034,323
Prosperity Bank CD	0.75%	06/30/22	3,216,012	5,947	-	3,221,959	3,216,012	5,947	3,221,959
Prosperity Bank CD	0.75%	07/11/22	3,028,248	5,725	-	3,033,972	3,028,248	5,725	3,033,972
Bank OZK CD	0.40%	08/24/22	4,021,455	3,978	-	4,025,433	4,021,455	3,978	4,025,433
Prosperity Bank CD	0.50%	09/22/22	6,037,566	7,447	-	6,045,013	6,037,566	7,447	6,045,013
Prosperity Bank CD	0.40%	10/20/22	3,203,307	3,160	-	3,206,468	3,203,307	3,160	3,206,468
East West Bank CD	0.23%	11/18/22	3,103,513	1,761	-	3,105,274	3,103,513	1,761	3,105,274
Prosperity Bank CD	0.40%	11/28/22	3,202,302	3,159	-	3,205,461	3,202,302	3,159	3,205,461
Bank OZK CD	0.24%	12/15/22	3,005,452	1,786	-	3,007,238	3,005,452	1,786	3,007,238
Prosperity Bank CD	0.30%	01/25/23	6,016,492	4,452	-	6,020,943	6,016,492	4,452	6,020,943
Prosperity Bank CD	0.25%	02/24/23	6,337,319	3,907	-	6,341,227	6,337,319	3,907	6,341,227
East West Bank CD	1.05%	02/24/23	-	3,003,108	-	3,003,108	-	3,003,108	3,003,108
Bank OZK CD	0.26%	03/15/23	6,124,743	3,942	-	6,128,686	6,124,743	3,942	6,128,686
East West Bank CD	1.28%	03/18/23	-	6,002,946	-	6,002,946	-	6,002,946	6,002,946
Prosperity Bank CD	0.21%	04/12/23	3,404,776	1,763	-	3,406,539	3,404,776	1,763	3,406,539
Citizen's 1st Bank CD	0.25%	05/07/23	3,003,797	1,900	-	3,005,698	3,003,797	1,900	3,005,698
Citizen's 1st Bank CD	0.25%	06/03/23	3,003,777	1,859	-	3,005,636	3,003,777	1,859	3,005,636
Veritex Community Bank CD	0.25%	07/26/23	3,128,939	1,972	-	3,130,911	3,128,939	1,972	3,130,911
Veritex Community Bank CD	0.25%	08/09/23	3,119,735	1,966	-	3,121,700	3,119,735	1,966	3,121,700
TOTAL / AVERAGE	0.40%		\$ 158,259,359	\$ 69,941,776	\$ (31,525,583)	\$ 196,675,552	\$ 158,259,359	\$ 38,416,193	\$ 196,675,552

Cash and Investments by Fund

		03/31/2022	12/31/2021
General Fund	101	\$ 35,318,992	\$ 24,022,353
General Capital Projects Fund	102	1,338,889	2,076,054
Street Improvement Fund	103	1,334,203	461,510
Development Services Fund	202	2,169,055	2,019,333
Cemeteries Operating Fund	204	(42,303)	(22,219)
Forfeitures Fund	205	522,655	486,008
Court Technology Fund	207	36,210	99,505
Hotel-Motel Tax Fund	211	7,528,338	6,019,820
Donations Fund	216	724,140	659,281
TIF/TIRZ # 3	218	732,942	623,857
Tyler Tourism & Convention Facilities Fund	219	343,946	277,712
Half Cent Sales Tax Fund	231	23,510,565	22,565,033
Passenger Facility Fund	234	202,141	165,334
Oil & Natural Gas Fund	235	9,732,018	11,202,941
PEG Fee Fund	236	1,063,127	1,027,857
Fair Plaza Fund	240	-	(46,608)
Retained HUD Admin Fee Fund	274	428	428
Housing Assistance Fund	276	480,816	618,369
State/Federal Grants Fund	285	(124,961)	(28,313)
Transit System Fund	286	(560,898)	(526,823)
CDBG Grant Fund	294	73,836	80,944
HOME Grant Fund	295	(584,647)	(273,762)
HOT Debt Service Fund	302	(274,925.01)	2,437.05
Revenue Bond HOT 2021	402	1,787,455.28	7,095,909.63
Utilities Fund	502	11,942,096	10,954,280
Utilities Construction Fund	503	7,229,158	8,540,254
Utilities Debt Service Fund	504	3,791,611	3,505,160
Utilities Debt Reserve Fund	505	816,458	815,746
Revenue Bond Series 2021	512	15,613,386	24,259,656
Revenue Bond Series 2022	513	42,534,920	-
Revenue Bond Series 2019	519	828,159	1,029,261
Airport Fund	524	706,629	663,675
Airport Grant Fund	525	(326,530)	(108,731)
Solid Waste Fund	560	657,732	978,201
Solid Waste Capital Projects Fund	562	81,719	183,176
Storm Water Management	575	1,931,148	1,960,417
Productivity Improvement Fund	639	2,839,454	2,945,890
Fleet Replacement Fund	640	6,621,132	6,495,679
Prop, Liab, W/C Insurance Fund	650	1,385,103	1,717,569
Employee Benefits Fund	661	2,240,509	2,826,074
Prop & Facility Management Fund	663	1,471,836	1,603,093
Technology Fund	671	2,082,468	1,703,177
Payroll Fund	710	53,183	1,659,440
Cemetery Trust Fund	713	3,207,447	3,173,197
Landfill Trust Fund	720	2,920,592	2,912,051
Retiree Benefits Fund	761	39,965	(708,728)
Section 125 Trust Fund	772	230,568	244,732
TOTAL		\$ 194,210,768	\$ 155,960,228

Investments held on December 31, 2021 by type and by major fund are shown below:

Investment Category	Book Value	Market Value	Quarterly Average Yield	Average Maturity
City Funds				
Pools/Bank	56,878,389	56,878,389	0.47	1 day
Securities/CD's	79,308,168	79,308,168	0.48	159 days
Hotel Bond				
Pools/Bank	1,512,530	1,512,530	0.25	1 day
Revenue Bond				
Pools/Bank	58,976,464	58,976,464	0.25	1 day
Securities/CD's	0	0	0	0 days
	196,675,551	196,675,551	0.40	110 days

*Totals listed about reflect rounded figures

Benchmarks: Rolling 3 month Treasury average yield was 0.31 percent
 Rolling 6 month Treasury average yield was 0.36 percent
 The Tex Pool average yield for this quarter was 0.15 percent
 The Fiscal Year-to-Date Average Yield was 0.39 percent