



**CITY OF TYLER
CITY COUNCIL COMMUNICATION**

Agenda Number: C-A-4

Date: August 10, 2022

Subject: Request that the City Council consider reviewing and accepting the Investment Report for the quarter ending June 30, 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 June 30.

RECOMMENDATION:

Request that the City Council consider reviewing and accepting the Investment Report for the quarter ending June 30, 2022.

ATTACHMENTS:

[Investment Portfolio June 30 2022 signed](#)
[Investments_held_on_June_30](#)
[Southwest Economy, Second Quarter 2022](#)

Drafted/Recommended By:
Department Leader

Keidric Trimble, CFO

Edited/Submitted By:
City Manager



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

June 30, 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

Asset Type	March 31, 2022			June 30, 2022		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Pools/Bank	0.47%	\$ 56,603,464	\$ 56,603,464	1.34%	\$ 61,836,149	\$ 61,836,149
Securities/CDs	0.48%	79,308,168	79,308,168	0.73%	82,853,137	82,795,781
Totals	0.48%	\$ 135,911,632	\$ 135,911,632	0.99%	\$ 144,689,286	\$ 144,631,929

Current Quarter Average Yield (1)

Total Portfolio 0.99%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 0.65%

Interest Earnings

Quarterly Interest Income \$ 197,173 Approximate
 Year-to-date Interest Income \$ 482,085 Approximate

Bank Fees Offset

Quarterly Bank Fees Offset \$ 10,027
 Year-to-date Bank Fees Offset \$ 32,271

Hotel Bond

Asset Type	March 31, 2022			June 30, 2022		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Pools/Bank	0.25%	\$ 1,787,455	\$ 1,787,455	1.18%	\$ 48,210	\$ 48,210
Totals	0.25%	\$ 1,787,455	\$ 1,787,455	1.18%	\$ 48,210	\$ 48,210

Current Quarter Average Yield (1)

Total Portfolio 1.18%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 0.50%

Interest Earnings

Quarterly Interest Income \$ 700 Approximate
 Year-to-date Interest Income \$ 3,225 Approximate

Summary
Quarter End Results by Investment Category

(Continued)

Water Utilities Revenue Bond

Asset Type	March 31, 2022			June 30, 2022		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Pools/Bank	0.25%	\$ 58,976,464	\$ 58,976,464	1.06%	\$ 48,442,065	\$ 48,442,065
Securities/CDs	0.00%	-	-	0.00%	-	-
Totals	0.25%	\$ 58,976,464	\$ 58,976,464	1.06%	\$ 48,442,065	\$ 48,442,065

Current Quarter Average Yield (1)
 Total Portfolio 1.06%

Fiscal Year-to-Date Average Yield (2)
 Total Portfolio 0.44%

Interest Earnings

Quarterly Interest Income \$ 97,151 Approximate
 Year-to-date Interest Income \$ 115,185 Approximate

Total Portfolio

Current Quarter Average Yield (1)
 Total Portfolio 1.01%

Fiscal Year-to-Date Average Yield (2)
 Total Portfolio 0.60%

Rolling Three Month Treasury 1.13%
 Rolling Six Month Treasury 1.15%
 TexPool 1.00%

Rolling Three Month Treasury 0.50%
 Rolling Six Month Treasury 0.53%
 TexPool 0.40%

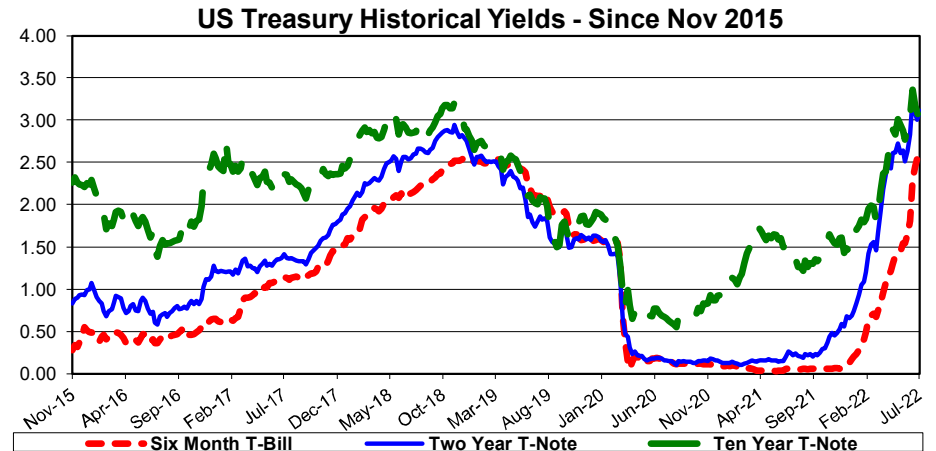
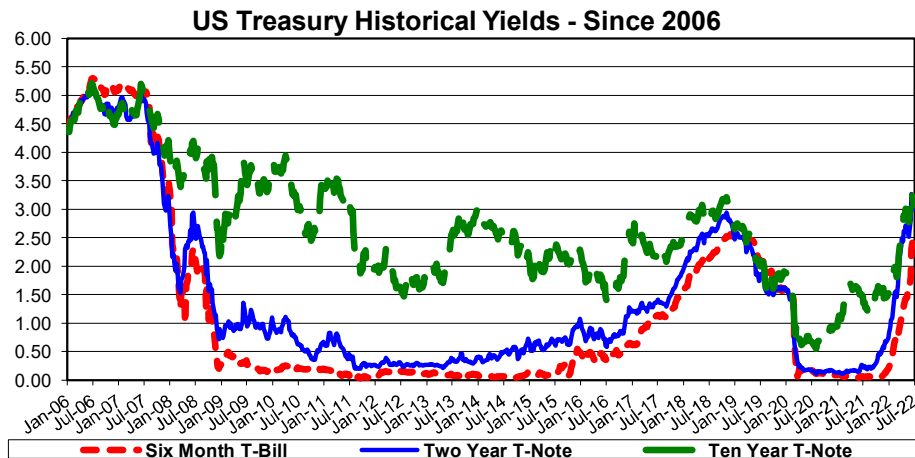
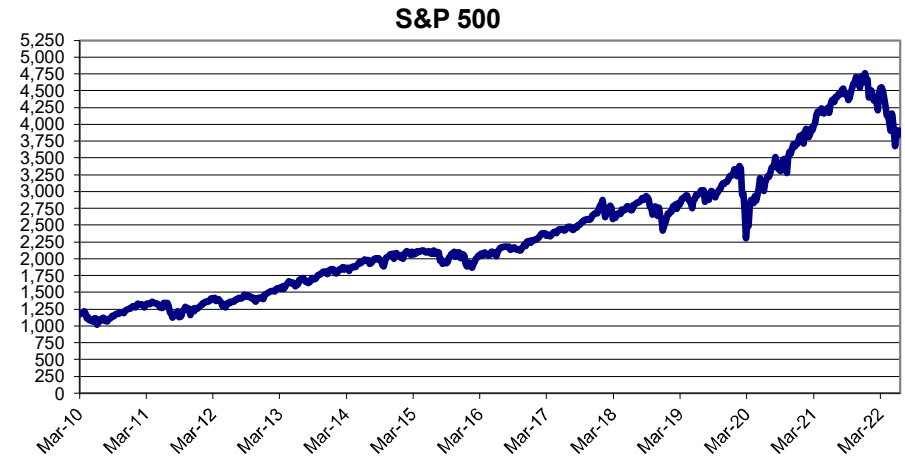
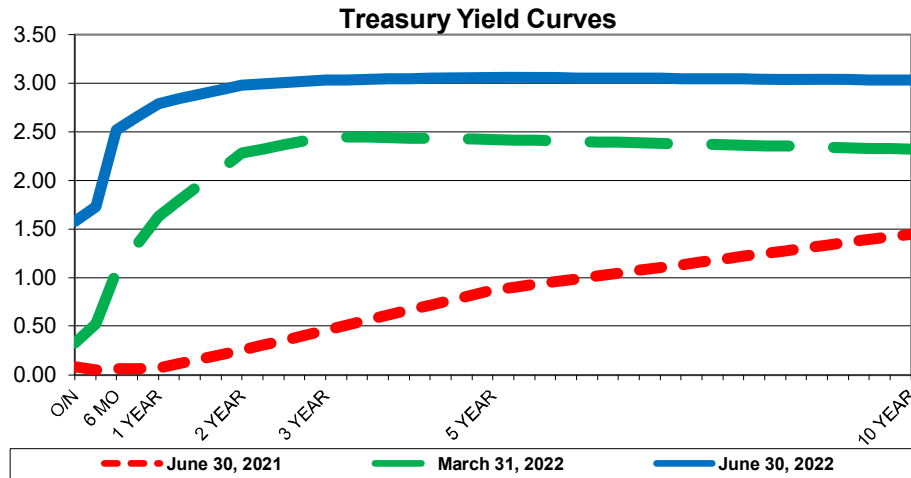
(1) **Current Quarter Weighted Average Yield** - calculated using quarter end report yields and adjusted book values; does not reflect a total return analysis, realized or unrealized gains/losses, or account for investment advisory fees. The yield for the reporting month is used for bank, pool, and money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

6/30/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.75% to 1.50% - 1.75% June 15th (Effective Fed Funds are trading +/-1.60%). The FOMC begin actively reducing their balance sheet June 1. An additional 0.75% increase is anticipated July 27. First Quarter GDP (final) was -1.6%. June Non-Farm Payroll added 372k net new jobs while the Three Month Average NFP declined to 375k. Crude oil settled in at +/- \$105 per barrel. The Stock Markets continued sliding lower, but may be stabilizing. More domestic and international economic indicators softened, including housing data. A recession in the next 12 to 18 months is being openly discussed. Inflation remained well over the FOMC 2% target (Core PCE +/-4.7% and CPI exceeding 8%).



Investment Holdings

June 30, 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%	07/01/22	06/30/22	\$ 8,631,999	\$ 8,631,999	1.00	\$ 8,631,999	1	0.57%
NOW		1.09%	07/01/22	06/30/22	23,101,182	23,101,182	1.00	23,101,182	1	1.09%
InterBank MMA		1.75%	07/01/22	06/30/22	30,102,967	30,102,967	1.00	30,102,967	1	1.75%
Prosperity Bank CD		0.75%	07/11/22	07/09/20	3,039,583	3,039,583	100.00	3,039,583	11	0.75%
Bank OZK CD		0.40%	08/24/22	08/25/20	4,029,503	4,029,503	100.00	4,029,503	55	0.40%
Prosperity Bank CD		0.50%	09/22/22	09/22/20	6,052,634	6,052,634	100.00	6,052,634	84	0.50%
Prosperity Bank CD		0.40%	10/20/22	10/20/20	3,209,702	3,209,702	100.00	3,209,702	112	0.40%
East West Bank CD		0.23%	11/18/22	11/18/21	3,107,055	3,107,055	100.00	3,107,055	141	0.23%
Prosperity Bank CD		0.40%	11/28/22	11/27/20	3,208,694	3,208,694	100.00	3,208,694	151	0.40%
Bank OZK CD		0.24%	12/15/22	03/15/21	3,009,065	3,009,065	100.00	3,009,065	168	0.24%
Prosperity Bank CD		0.30%	01/25/23	01/25/21	6,025,497	6,025,497	100.00	6,025,497	209	0.30%
Prosperity Bank CD		0.25%	02/24/23	02/24/21	6,345,223	6,345,223	100.00	6,345,223	239	0.25%
East West Bank CD		1.05%	02/24/23	02/24/22	3,010,980	3,010,980	100.00	3,010,980	239	1.05%
Bank OZK CD		0.26%	03/15/23	03/15/21	6,132,719	6,132,719	100.00	6,132,719	258	0.26%
East West Bank CD		1.28%	03/18/23	03/18/22	6,022,133	6,022,133	100.00	6,022,133	261	1.28%
Prosperity Bank CD		0.21%	04/12/23	04/12/21	3,408,343	3,408,343	100.00	3,408,343	286	0.21%
Citizen's 1st Bank CD		0.25%	05/07/23	05/07/21	3,007,537	3,007,537	100.00	3,007,537	311	0.25%
Citizen's 1st Bank CD		0.25%	06/03/23	06/03/21	3,007,537	3,007,537	100.00	3,007,537	338	0.25%
East West Bank CD		2.90%	06/30/23	06/30/22	3,000,000	3,000,000	100.00	3,000,000	365	0.29%
Veritex Community Bank CD		0.25%	07/26/23	07/26/21	3,132,841	3,132,841	100.00	3,132,841	391	0.25%
Veritex Community Bank CD		0.25%	08/09/23	08/09/21	3,123,603	3,123,603	100.00	3,123,603	405	0.25%
FFCB	Aaa/AA+	2.44%	04/18/24	04/27/22	3,000,000	2,992,372	99.11	2,973,390	658	2.59%
FFCB	Aaa/AA+	2.63%	05/16/24	05/18/22	5,000,000	4,992,200	99.42	4,970,800	686	2.71%
FFCB	Aaa/AA+	2.63%	06/10/24	06/10/22	3,000,000	2,995,915	99.30	2,978,940	711	2.70%
City Funds - Sub Total					\$ 144,708,799	\$ 144,689,286		\$ 144,631,929	161	0.99%
									(1)	(2)

Investment Holdings

June 30, 2022

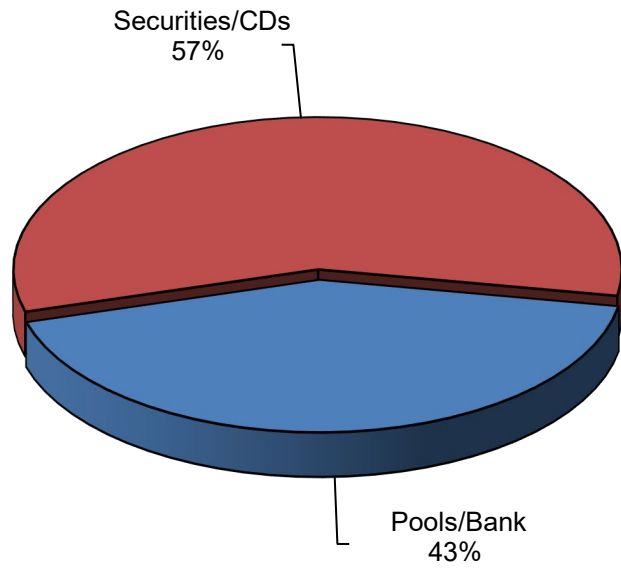
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Hotel Bond										
LOGIC - Hotel Bond	AAAm	1.18%	07/01/22	06/30/22	48,210	48,210	1.00	48,210	1	1.18%
Hotel Bond - Sub Total					\$ 48,210	\$ 48,210		\$ 48,210	1	1.18%
									(1)	(2)
Water Utilities Revenue Bond										
NOW #2		1.07%	07/01/22	06/30/22	\$ 811,988	\$ 811,988	1.00	\$ 811,988	1	1.07%
NOW #3 - Bond		1.07%	07/01/22	06/30/22	39,895,499	39,895,499	1.00	39,895,499	1	1.07%
TexSTAR - Bond	AAAm	0.99%	07/01/22	06/30/22	7,734,577	7,734,577	1.00	7,734,577	1	0.99%
Water Utilities Revenue Bond - Sub Total					\$ 48,442,065	\$ 48,442,065		\$ 48,442,065	1	1.06%
									(1)	(2)
Total Portfolio					\$ 193,199,074	\$ 193,179,561		\$ 193,122,204	121	1.01%
									(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.

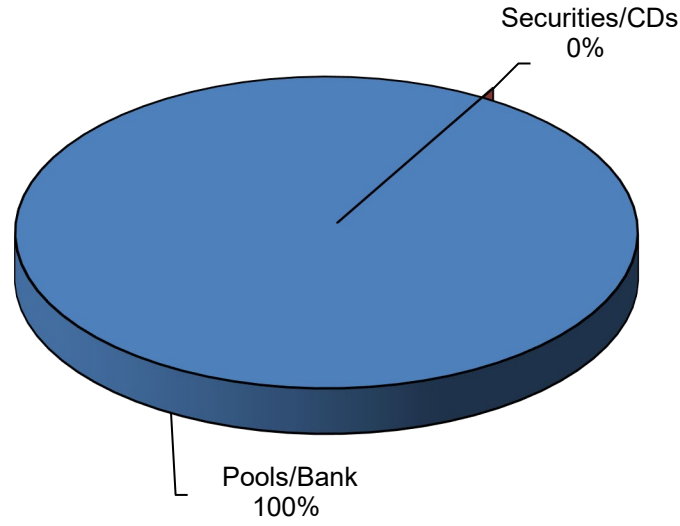
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and bank account investments.

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

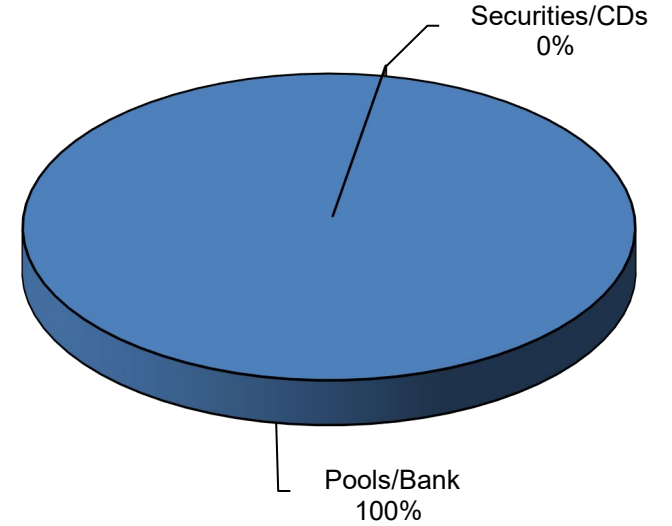
Portfolio Composition - City Funds



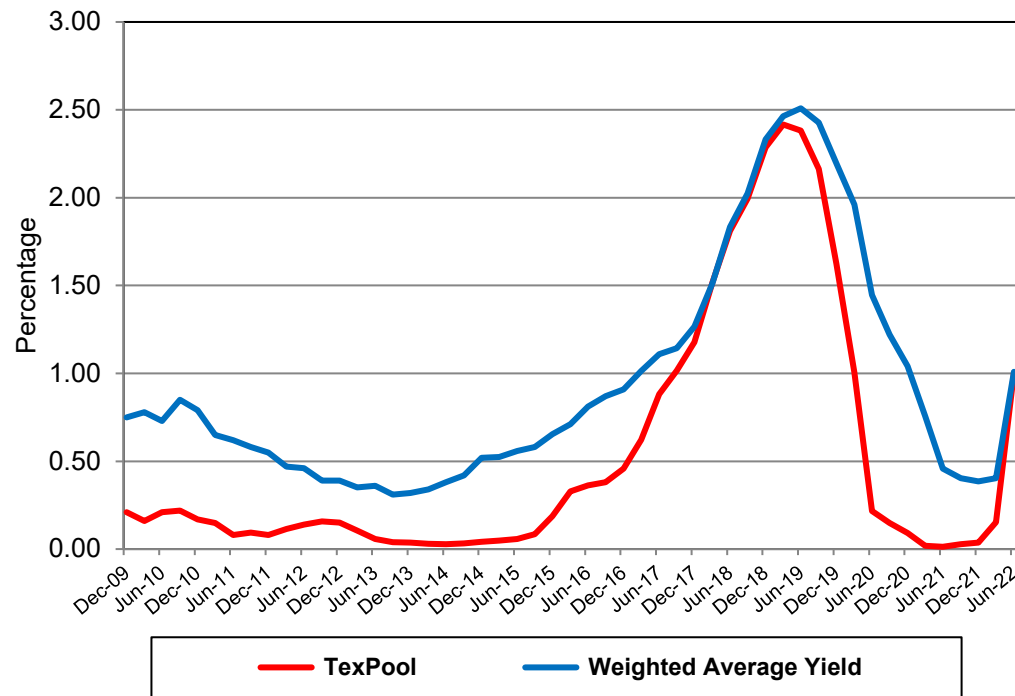
Portfolio Composition - Water Utility Revenue Bond Funds



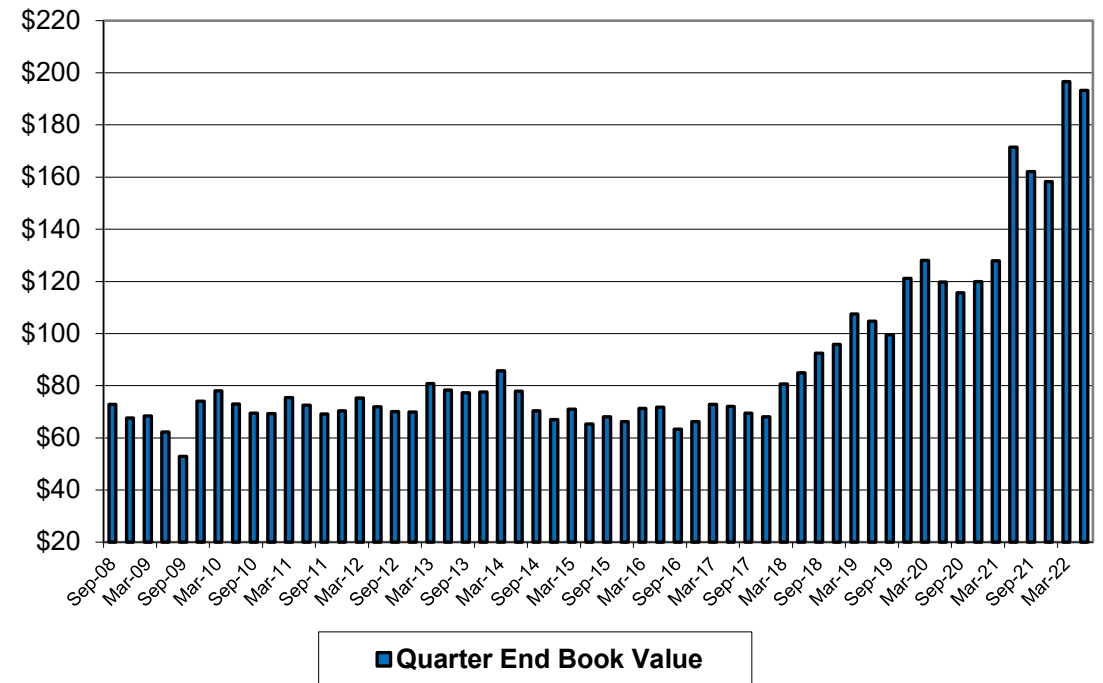
Portfolio Composition - Hotel Bond Funds



Total Portfolio Performance



Total Portfolio (Millions)



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 03/31/22	Increases	Decreases	Book Value 06/30/22	Market Value 03/31/22	Change in Market Value	Market Value 06/30/22
Cash - Pooled	0.57%	07/01/22	\$ 14,507,950	\$ -	\$ (5,875,950)	\$ 8,631,999	\$ 14,507,950	\$ (5,875,950)	\$ 8,631,999
NOW	1.09%	07/01/22	17,054,206	6,046,977	-	23,101,182	17,054,206	6,046,977	23,101,182
NOW #2	1.07%	07/01/22	828,159	-	(16,170)	811,988	828,159	(16,170)	811,988
NOW #3 - Bond	1.07%	07/01/22	42,534,920	-	(2,639,420)	39,895,499	42,534,920	(2,639,420)	39,895,499
InterBank MMA	1.75%	07/01/22	25,041,308	5,061,659	-	30,102,967	25,041,308	5,061,659	30,102,967
TexSTAR - Bond	0.99%	07/01/22	15,613,386	-	(7,878,810)	7,734,577	15,613,386	(7,878,810)	7,734,577
LOGIC - Hotel Bond	1.18%	07/01/22	1,787,455	-	(1,739,245)	48,210	1,787,455	(1,739,245)	48,210
Allegiance Bank CD	0.75%	05/18/22	4,255,632	-	(4,255,632)	-	4,255,632	(4,255,632)	-
Bank OZK CD	0.65%	06/03/22	3,034,323	-	(3,034,323)	-	3,034,323	(3,034,323)	-
Prosperity Bank CD	0.75%	06/30/22	3,221,959	-	(3,221,959)	-	3,221,959	(3,221,959)	-
Prosperity Bank CD	0.75%	07/11/22	3,033,972	5,611	-	3,039,583	3,033,972	5,611	3,039,583
Bank OZK CD	0.40%	08/24/22	4,025,433	4,070	-	4,029,503	4,025,433	4,070	4,029,503
Prosperity Bank CD	0.50%	09/22/22	6,045,013	7,622	-	6,052,634	6,045,013	7,622	6,052,634
Prosperity Bank CD	0.40%	10/20/22	3,206,468	3,234	-	3,209,702	3,206,468	3,234	3,209,702
East West Bank CD	0.23%	11/18/22	3,105,274	1,781	-	3,107,055	3,105,274	1,781	3,107,055
Prosperity Bank CD	0.40%	11/28/22	3,205,461	3,233	-	3,208,694	3,205,461	3,233	3,208,694
Bank OZK CD	0.24%	12/15/22	3,007,238	1,827	-	3,009,065	3,007,238	1,827	3,009,065
Prosperity Bank CD	0.30%	01/25/23	6,020,943	4,554	-	6,025,497	6,020,943	4,554	6,025,497
Prosperity Bank CD	0.25%	02/24/23	6,341,227	3,997	-	6,345,223	6,341,227	3,997	6,345,223
East West Bank CD	1.05%	02/24/23	3,003,108	7,872	-	3,010,980	3,003,108	7,872	3,010,980
Bank OZK CD	0.26%	03/15/23	6,128,686	4,033	-	6,132,719	6,128,686	4,033	6,132,719
East West Bank CD	1.28%	03/18/23	6,002,946	19,187	-	6,022,133	6,002,946	19,187	6,022,133
Prosperity Bank CD	0.21%	04/12/23	3,406,539	1,803	-	3,408,343	3,406,539	1,803	3,408,343
Citizen's 1st Bank CD	0.25%	05/07/23	3,005,698	1,840	-	3,007,537	3,005,698	1,840	3,007,537
Citizen's 1st Bank CD	0.25%	06/03/23	3,005,636	1,902	-	3,007,537	3,005,636	1,902	3,007,537
East West Bank CD	2.90%	06/30/23	-	3,000,000	-	3,000,000	-	3,000,000	3,000,000
Veritex Community Bank CD	0.25%	07/26/23	3,130,911	1,930	-	3,132,841	3,130,911	1,930	3,132,841
Veritex Community Bank CD	0.25%	08/09/23	3,121,700	1,903	-	3,123,603	3,121,700	1,903	3,123,603
FFCB	2.44%	04/18/24	-	2,992,372	-	2,992,372	-	2,973,390	2,973,390
FFCB	2.63%	05/16/24	-	4,992,200	-	4,992,200	-	4,970,800	4,970,800
FFCB	2.63%	06/10/24	-	2,995,915	-	2,995,915	-	2,978,940	2,978,940
TOTAL / AVERAGE	1.01%		\$ 196,675,552	\$ 25,165,519	\$(28,661,510)	\$ 193,179,561	\$ 196,675,552	\$ (3,553,347)	\$ 193,122,204

Cash and Investments by Fund

		06/30/2022	03/31/2022
General Fund	101	\$ 42,511,046	\$ 35,318,992
General Capital Projects Fund	102	(722,168)	1,338,889
Street Improvement Fund	103	1,516,884	1,334,203
Development Services Fund	202	2,561,085	2,169,055
Cemeteries Operating Fund	204	(64,040)	(42,303)
Forfeitures Fund	205	476,431	522,655
Court Technology Fund	207	36,503	36,210
Hotel-Motel Tax Fund	211	8,896,101	7,528,338
Donations Fund	216	835,946	724,140
TIF/TIRZ # 3	218	735,331	732,942
Tyler Tourism & Convention Facilities Fund	219	437,058	343,946
Half Cent Sales Tax Fund	231	22,148,986	23,510,565
Passenger Facility Fund	234	249,724	202,141
Oil & Natural Gas Fund	235	9,011,447	9,732,018
PEG Fee Fund	236	1,102,996	1,063,127
Housing Assistance Fund	276	1,127,338	480,816
State/Federal Grants Fund	285	(173,929)	(124,961)
Transit System Fund	286	(903,845)	(560,898)
CDBG Grant Fund	294	(33,009)	73,836
HOME Grant Fund	295	46,598	(584,647)
HOT Debt Service Fund	302	319,163	(274,925.01)
Revenue Bond HOT 2021	402	48,210	1,787,455.28
Utilities Fund	502	11,905,509	11,942,096
Utilities Construction Fund	503	7,339,670	7,229,158
Utilities Debt Service Fund	504	5,841,571	3,791,611
Utilities Debt Reserve Fund	505	817,546	816,458
Revenue Bond Series 2021	512	7,734,577	15,613,386
Revenue Bond Series 2022	513	39,895,499	42,534,920
Revenue Bond Series 2019	519	811,988	828,159
Airport Fund	524	884,242	706,629
Airport Grant Fund	525	(605,340)	(326,530)
Solid Waste Fund	560	1,043,122	657,732
Solid Waste Capital Projects Fund	562	66,610	81,719
Storm Water Management	575	1,987,295	1,931,148
Productivity Improvement Fund	639	2,689,277	2,839,454
Fleet Replacement Fund	640	7,885,912	6,621,132
Prop, Liab, W/C Insurance Fund	650	1,105,216	1,385,103
Employee Benefits Fund	661	838,908	2,240,509
Prop & Facility Management Fund	663	1,344,486	1,471,836
Technology Fund	671	2,648,080	2,082,468
Payroll Fund	710	(708,915)	53,183
Cemetery Trust Fund	713	3,215,247	3,207,447
Landfill Trust Fund	720	2,933,491	2,920,592
Retiree Benefits Fund	761	(2,603)	39,965
Section 125 Trust Fund	772	228,344	230,568
TOTAL		\$ 190,064,015.31	\$ 194,210,767.69

Investments held on June 30, 2022 by type and by major fund are shown below:

Investment Category	Book Value	Market Value	Quarterly Average Yield	Average Maturity
City Funds				
Pools/Bank	61,836,149	61,836,149	1.34	1 day
Securities/CD's	82,853,137	82,795,781	0.73	161 days
Hotel Bond				
Pools/Bank	48,210	48,210	1.18	1 day
Revenue Bond				
Pools/Bank	48,442,065	48,442,065	1.06	1 day
Securities/CD's	0	0	0	0 days
	193,179,561	193,122,205	0.60	121 days

*Totals listed about reflect rounded figures

Benchmarks: Rolling 3 month Treasury average yield was 1.01 percent
 Rolling 6 month Treasury average yield was 1.15 percent
 The Tex Pool average yield for this quarter was 1.00 percent
 The Fiscal Year-to-Date Average Yield was 0.60 percent