

TAB 1



City of Palmetto Agenda Item

Meeting Date

7/19/10

Presenter: Jim Freeman

Department: City Clerk

Title:

Investments

Problem: The Investment Committee has asked a representative of Morgan Stanley Smith Barney to present options and strategies for the maximization of the City's investment funds.

Background: Morgan Stanley Smith Barney is a nationally recognized investment agency. Mike Fink will present options and strategies to maximize investment revenues for the City. The proposal follows the City's Investment Policy and is projected to yield approximately \$240,000 annually in investment revenue. Currently, the FY2010 investment earnings are projected to be \$184,000 city wide or about 30% increase.

Attached is a summary of the proposed investment structure.

**Budgeted
Amount:**

**Budget Page
No(s):**

**Available
Amount:**

**Expenditure
Amount:**

**Additional Budgetary
Information:**

**Funding
Source(s):**

**Sufficient
Funds
Available:** ☒ Yes
☐ No

**Budget
Amendment
Required:** ☐ Yes
☒ No

Source:

**City Attorney
Reviewed:**

☐ Yes
☐ No
☒ N/A

**Advisory Board
Recommendation:**

☐ For
☐ Against
☒ N/A

**Consistent
With:**

☐ Yes
☐ No
☐ N/A

**Potential
Motion/
Direction
Requested:**

Staff Contact:

Karen Simpson

Finance

x109

Attachments:

Investment Summary; Investment Detail; Assorted Graphs

CITY OF PALMETTO INVESTMENT SUMMARY

Report date as of 13-Jul-10

	YIELD To Mat.						Average Weighted Maturity					PORTFOLIO WEIGHT
	COST		YIELD	PAR VALUE	MARKET VALUE		Years		Days			
TOTAL CORE FUNDS ACCOUNT	\$ 12,345,867		1.645	1.801	\$ 12,345,867	\$ 12,345,867		3.187		1147.333	66.73%	
PRIOR QUARTER												

	COST					YIELD		PAR VALUE		MARKET VALUE		Average Weighted Maturity				PORTFOLIO WEIGHT	
TOTAL CAPITAL FUNDS OPERATING ACCOUNT	\$	2,700,000			0.749		\$	2,700,000	\$	2,700,000		Years	1.146		Days	412.422	14.69%
PRIOR QUARTER																	

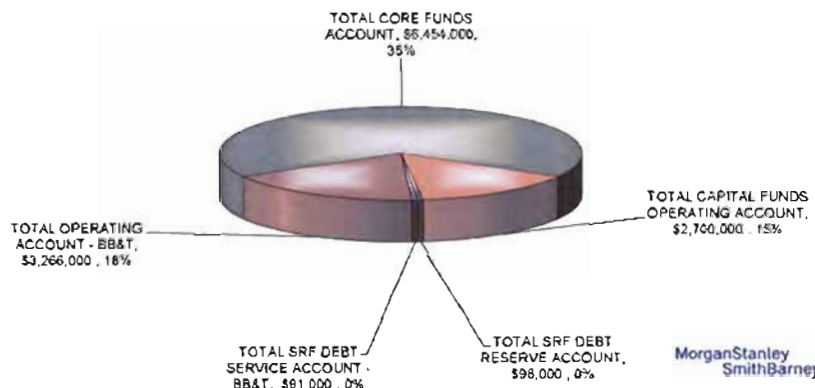
	COST	YIELD	PAR VALUE	MARKET VALUE	Average Weighted Maturity				PORTFOLIO WEIGHT
TOTAL SRF DEBT RESERVE ACCOUNT	\$ 98,000	1.416	\$ 98,000	\$ 98,000	Years	2.535	Days	912.776	0.53%
PRIOR QUARTER									

	COST						YIELD				PAR VALUE		MARKET VALUE		Average Weighted Maturity					PORTFOLIO WEIGHT
TOTAL SRF DEBT SERVICE ACCOUNT - BB&T	\$	91,000					0.500			\$	91,000	\$	91,000	Years	0.003		Days	1.000	0.49%	
PRIOR QUARTER																				

	COST					YIELD					PAR VALUE					MARKET VALUE					Average Weighted Maturity					PORTFOLIO WEIGHT																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
TOTAL OPERATING ACCOUNT - BB&T	\$	3,266,000																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						

	COST		YIELD	YTM	PAR VALUE	MARKET VALUE	Average Weighted Maturity				PORTFOLIO WEIGHT
TOTAL MSSB ACCOUNTS	\$ 15,143,867		1.484	1.611	\$ 15,143,867	\$ 15,143,867	Years	2.819	Days	1014.788	81.9%
TOTAL BB&T ACCOUNTS	\$ 3,357,000		0.500	0.500	\$ 3,357,000	\$ 3,357,000	Years	0.000	Days	1.000	18.1%
TOTAL ACCOUNTS	\$ 18,500,867		1.308	1.410	\$ 18,500,867	\$ 18,500,867	Years	2.308	Days	830.835	100.0%

TOTAL ASSET SUMMARY



RESPECTFULLY SUBMITTED:

Karen Simpson, CGFO
Deputy Clerk - Finance
City of Palmetto

The above summary/prices/quotes/statistics have been obtained from sources we believe to be reliable, but we cannot guarantee its accuracy or completeness. Past performance is no guarantee of future results. The information contained herein was prepared by the undersigned for informational purposes only and does not represent an official statement of your account at the Firm. Please refer to your monthly statements for a complete record of your transactions, holdings and balances.

CORE FUNDS ACCOUNT

ID	Description	COST	Coupon	Yield	YIELD To Mat.	PAR VALUE	MARKET VALUE	Maturity Date	Days to Mat	Core Port Wt	Core WDTM	Total Port Wt	
1 N/A	5/3 CD	\$ 1,005,867	2.0000	2.000	2.000	\$ 1,005,867	\$ 1,005,867.30	9/30/2010	2010	79	0.081474	6.4364467	0.0543687
2 N/A	5/3 CD	\$ 1,500,000	0.9300	0.930	0.930	\$ 1,500,000	\$ 1,500,000.00	7/20/2011	2011	372	0.1214981	45.197311	0.0910773
3 61747MUY5	4 Month Morgan Stanley CD	\$ 240,000	1.0000	1.000	1.000	\$ 240,000	\$ 240,000.00	11/2/2010	2010	112	0.0194397	2.1772468	0.0129724
4 Sample	3 1.5 Yr FDIC Insured CD	\$ 720,000	0.8000	0.800	0.800	\$ 720,000	\$ 720,000.00	1/17/2012	2012	553	0.0583191	32.250468	0.0389171
5 Sample	3 2 Yr FDIC Insured CD	\$ 720,000	1.1000	1.100	1.100	\$ 720,000	\$ 720,000.00	7/16/2012	2012	734	0.0583191	42.806227	0.0389171
6 Sample	3 2.5 Yr FDIC Insured CD	\$ 720,000	1.4000	1.400	1.400	\$ 720,000	\$ 720,000.00	1/22/2013	2013	924	0.0583191	53.886858	0.0389171
7 Sample	6 3 Yr FDIC Insured CD	\$ 1,440,000	1.7500	1.750	1.750	\$ 1,440,000	\$ 1,440,000.00	7/16/2013	2013	1099	0.1166382	128.18541	0.0778342
8 313370BV9	4 Yr FNMA	\$ 2,000,000	1.8750	1.875	1.875	\$ 2,000,000	\$ 2,000,000.00	7/28/2014	2014	1477	0.1619975	239.27035	0.108103
9 3134G1MV3	5 Yr FNMA	\$ 1,500,000	2.4300	2.430	2.430	\$ 1,500,000	\$ 1,500,000.00	8/4/2015	2015	1848	0.1214981	224.52858	0.0810773
10 3136FMX9	5 Yr FNMA Step	\$ 2,500,000	1.75	1.75	2.521	\$ 2,500,000	\$ 2,500,000.00	7/27/2015	2015	1840	0.2024969	372.59432	0.1351288
11													
12													
13													
14													
15													
16													
				AVG WTD YTW	AVG WTD YTM			Average Weighted Maturity					
TOTAL CORE FUNDS ACCOUNT		\$ 12,345,867		1.645	1.801	\$ 12,345,867	\$ 12,345,867	Years	3.187	Days	1147.33	67%	

CAPITAL FUNDS OPERATING ACCOUNT

ID	Description	COST	Coupon	Yield	PAR VALUE	MARKET VALUE	Maturity Date	Days to Mat	CFO Port Wt	CFO WDTM		
1 N/A	BB&T Money Market	\$ 750,000	0.5000	0.5000	\$ 750,000	\$ 750,000.00	7/14/2010	2010	1	0.2777778	0.2777778	0.0405386
2 Sample	3 1 Yr. FDIC Insured CD	\$ 510,000	0.5500	0.5500	\$ 510,000	\$ 510,000.00	7/13/2011	2011	365	0.1888889	68.944444	0.0275663
3 Sample	3 1.5 Yr. FDIC Insured CD	\$ 720,000	0.8000	0.8000	\$ 720,000	\$ 720,000.00	1/17/2012	2012	553	0.2666667	147.46667	0.0389171
4 Sample	3 2 Yr. FDIC Insured CD	\$ 720,000	1.1000	1.1000	\$ 720,000	\$ 720,000.00	7/16/2012	2012	734	0.2666667	195.73333	0.0389171
AVERAGE WTD YLD												
TOTAL CAPITAL FUNDS OPERATING ACCOUNT		\$ 2,700,000		0.7494	\$ 2,700,000	\$ 2,700,000	Average Weighted Maturity					
							Years	1.146	Days	412.42	15%	

SRF DEBT RESERVE ACCOUNT

ID	Description	COST	Coupon	Yield	PAR VALUE	MARKET VALUE	Maturity Date	Days to Mat	SRF DR Port Wt	SRF DR WDTM
1 31398AS78	1 2 Yr FDIC Insured CD	\$ 50,000	1.1000	1.1000	\$ 50,000	\$ 50,000	7/16/2012	2012 734	0.5102041	374.4896 0.0027026
2 31398AS45	1 3 Yr FDIC Insured CD	\$ 48,000	1.7500	1.750	\$ 48,000	\$ 48,000	7/16/2013	2013 1099	0.4897959	538.28571 0.0025945
AVERAGE WTD YLD										
TOTAL SRF DEBT RESERVE ACCOUNT		\$ 98,000		1.4184	\$ 98,000	\$ 98,000	Average Weighted Maturity			
							Years	2.535	Days	912.78 1%

SRF DEBT SERVICE ACCOUNT - BB&T

ID	Description	COST	Coupon	Yield	PAR VALUE	MARKET VALUE	Maturity Date	Days to Mat	SRF DS Port Wt	SRF DS WDTM
1 N/A	BB&T - Money Market	\$ 91,000	0.5000	0.5000	\$ 91,000	\$ 91,000	7/14/2010	2010	1	1 0.0049187
AVERAGE WTD YLD										
TOTAL SRF DEBT SERVICE ACCOUNT - BB&T		\$ 91,000		0.5	\$ 91,000	\$ 91,000	Average Weighted Maturity			
							Years	0.003	Days	1.00 0.49%

OPERATING ACCOUNT - BB&T

ID	Description	COST	Coupon	Yield	PAR VALUE	MARKET VALUE	Maturity Date	Days to Mat	Operating Port Wt	OperatingW DTM
1 N/A	BB&T OPERATING FUNDS	\$ 3,266,000	0.5000	0.5000	\$ 3,266,000	\$ 3,266,000	7/14/2010	2010	1	1 0.1765323
							Average Weighted Maturity			
TOTAL OPERATING ACCOUNT - BB&T		\$ 3,266,000		0.5	\$ 3,266,000	\$ 3,266,000	Years	0.003	Days	1.00 18%

TOTAL VALUE:

Total Portfolio

Yrs

2.30788

\$ 18,500,867

Days

830.835

AVERAGE WTD YIELD

1.30555

DATA SUMMARY

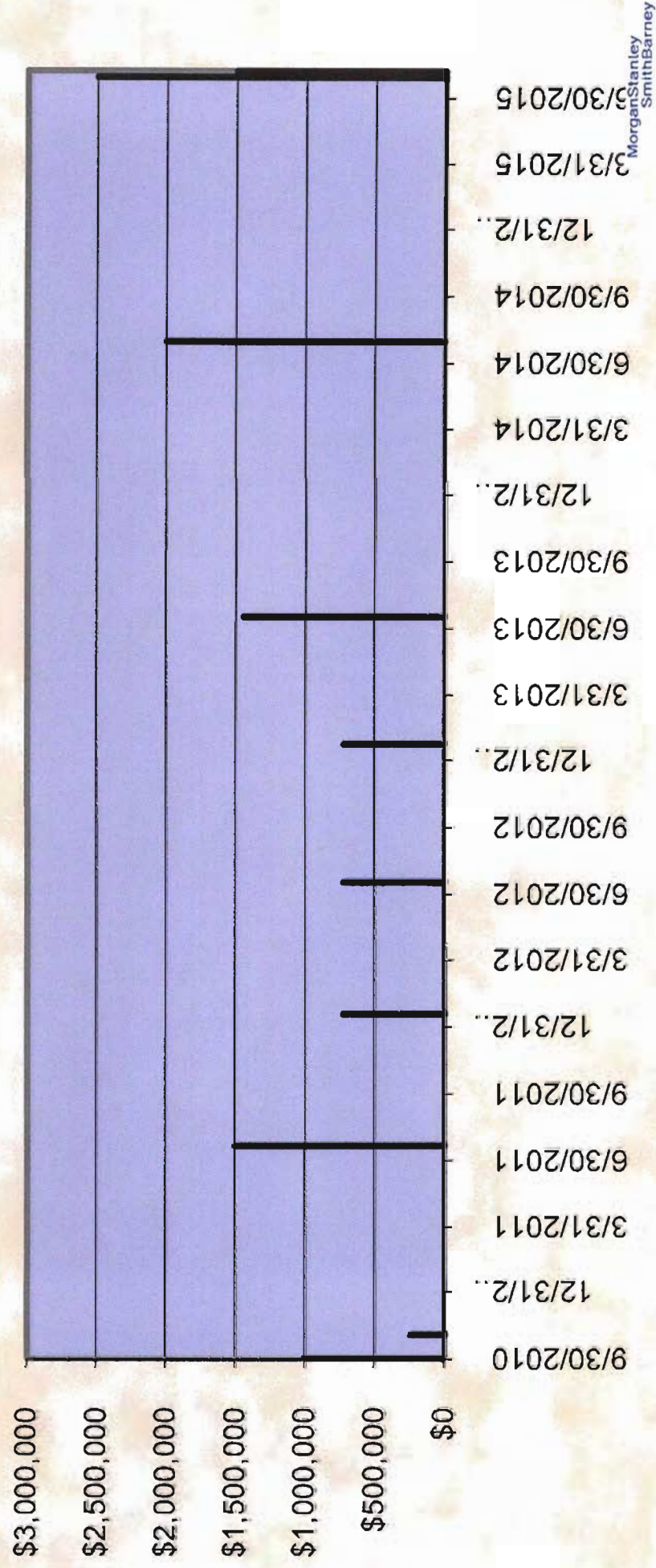
Individual Portfolio

Total Portfolio

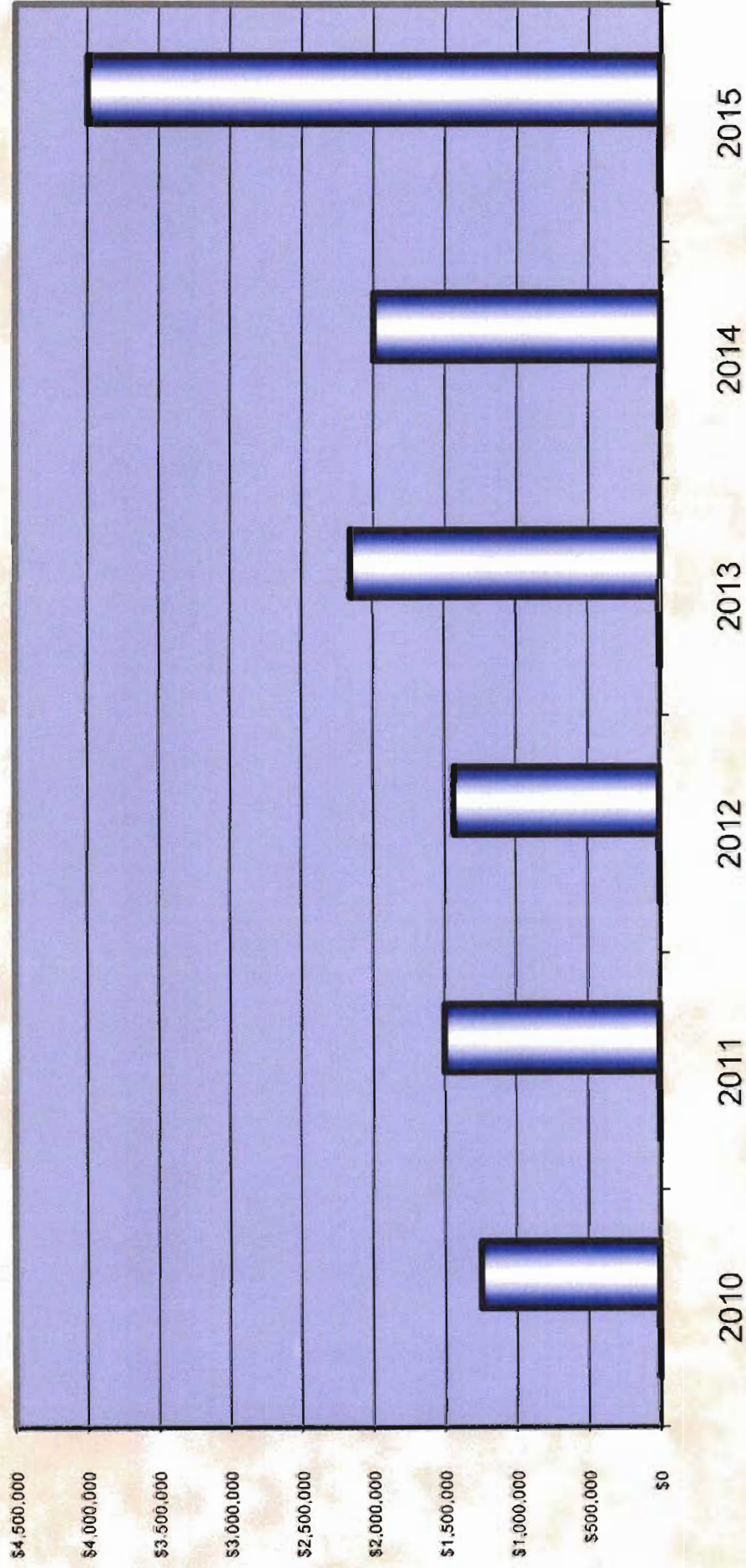
	Total	AWMY	AWMD	AWY	Portfolio Weight	AWMY	AWMD	AWY
TOTAL CORE FUNDS ACCOUNT	\$ 12,345,867	3.19	1147.33	1.65	67%	2.1268	765.63	1.086
TOTAL CAPITAL FUNDS OPERATING ACCOUNT	\$ 2,700,000	1.15	412.42	0.75	15%	0.1672	68.189	0.109
TOTAL SRF DEBT RESERVE ACCOUNT	\$ 98,000	2.5355	912.78	1.4184	1%	0.0134	4.835	0.008
TOTAL SRF DEBT SERVICE ACCOUNT - BB&T	\$ 91,000	0.0028	1.00	0.5000	0.4925%	0.0000	0.0000	0.0000
TOTAL OPERATING ACCOUNT - BB&T	\$ 3,266,000	0.0028	1.0000	0.5000	18%	0.0005	0.1765	0.088
	\$ 18,500,867				100%	2.3079	830.84	1.306

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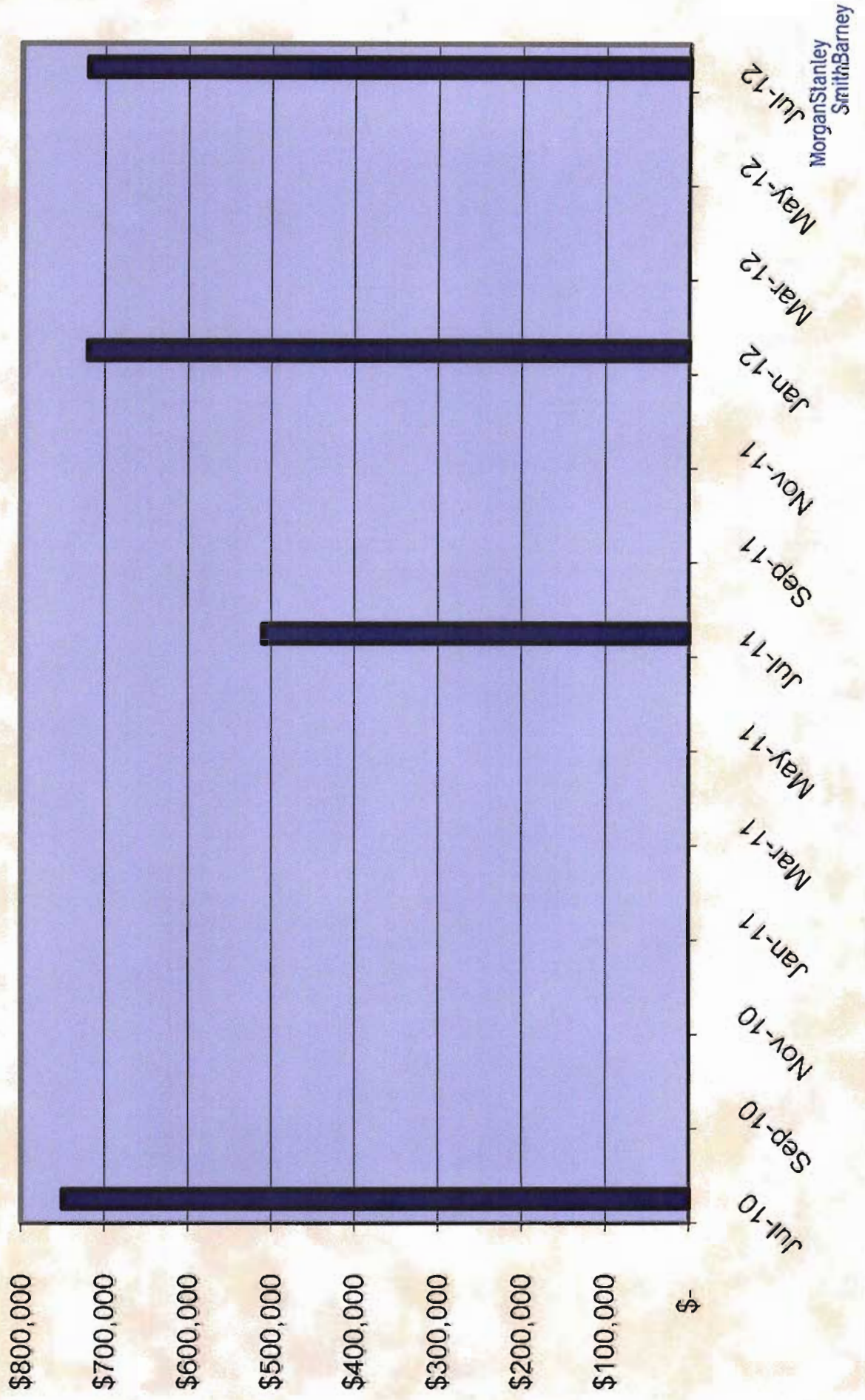
Core Funds Maturity Distribution Detail



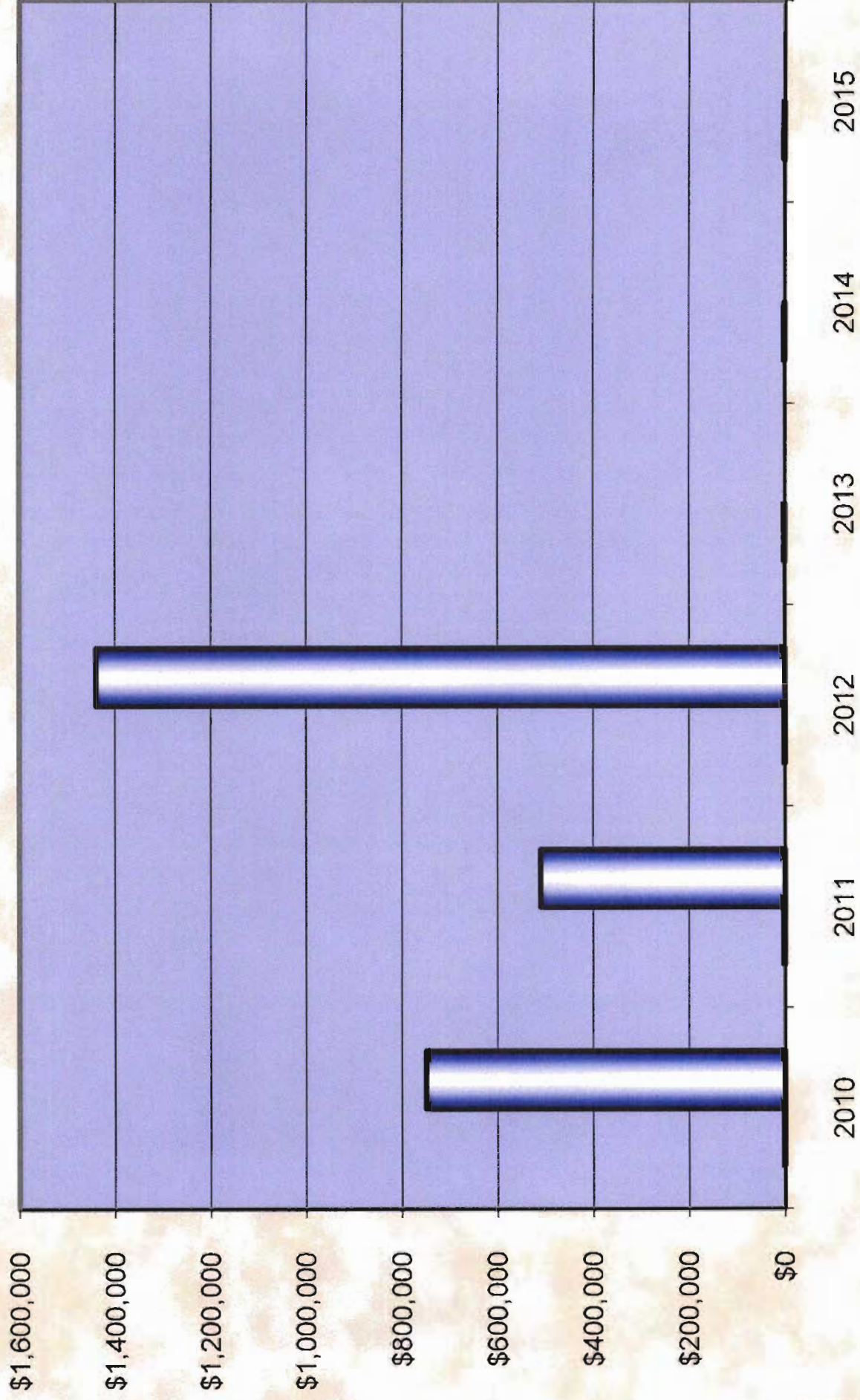
Core Funds Maturity Distribution Summary



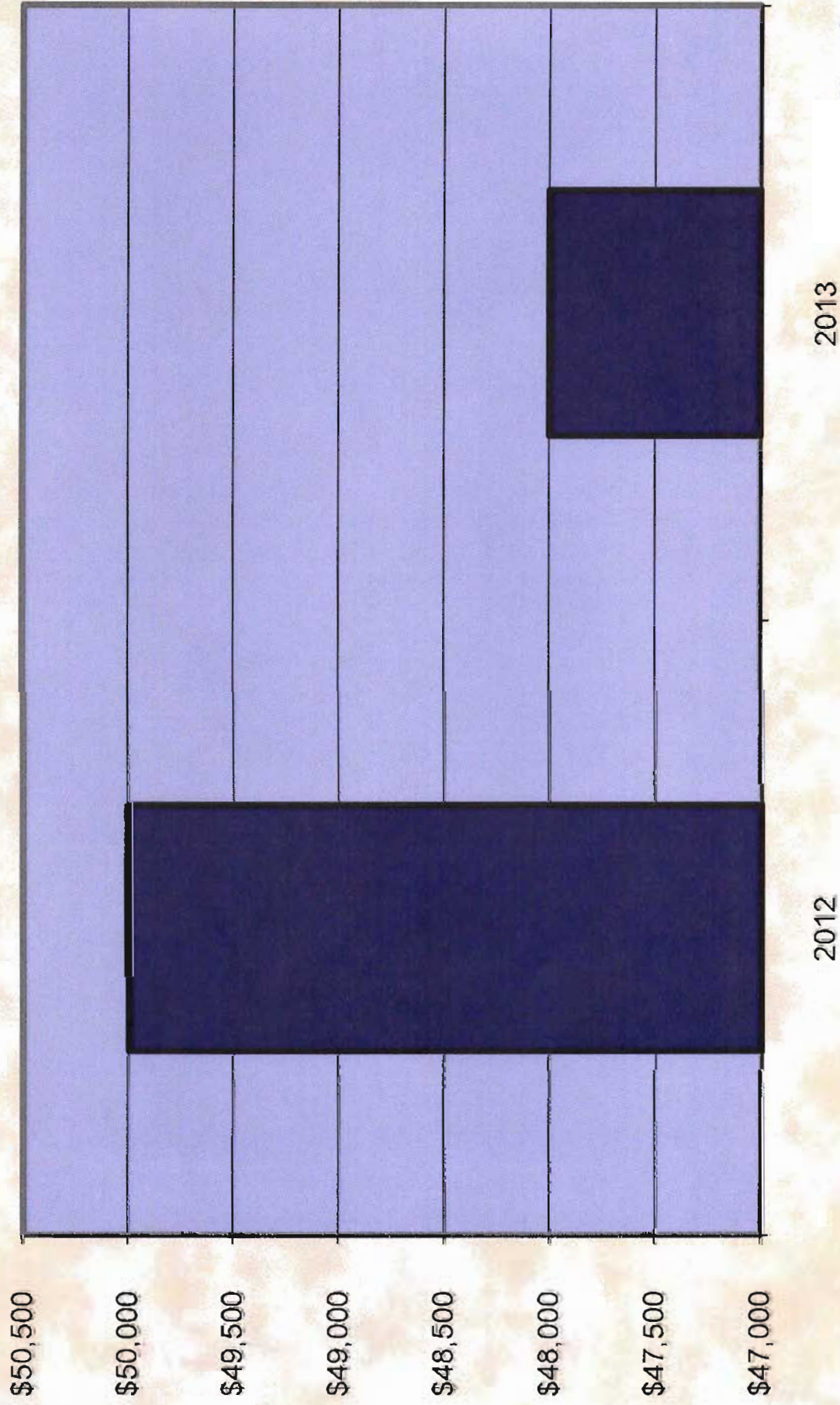
Capital Funds Operating Maturity Detail



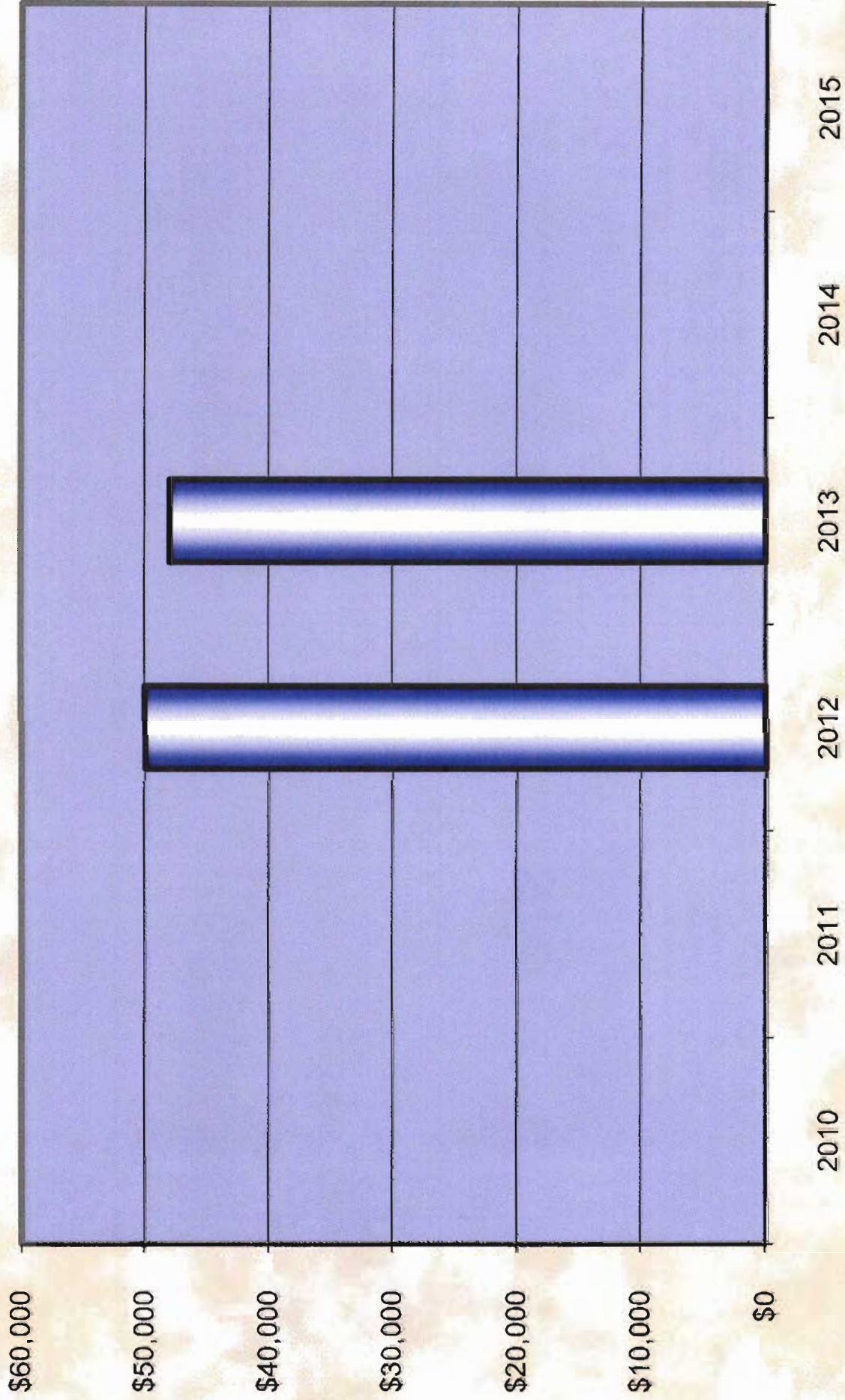
Capital Funds Operating Maturity Summary



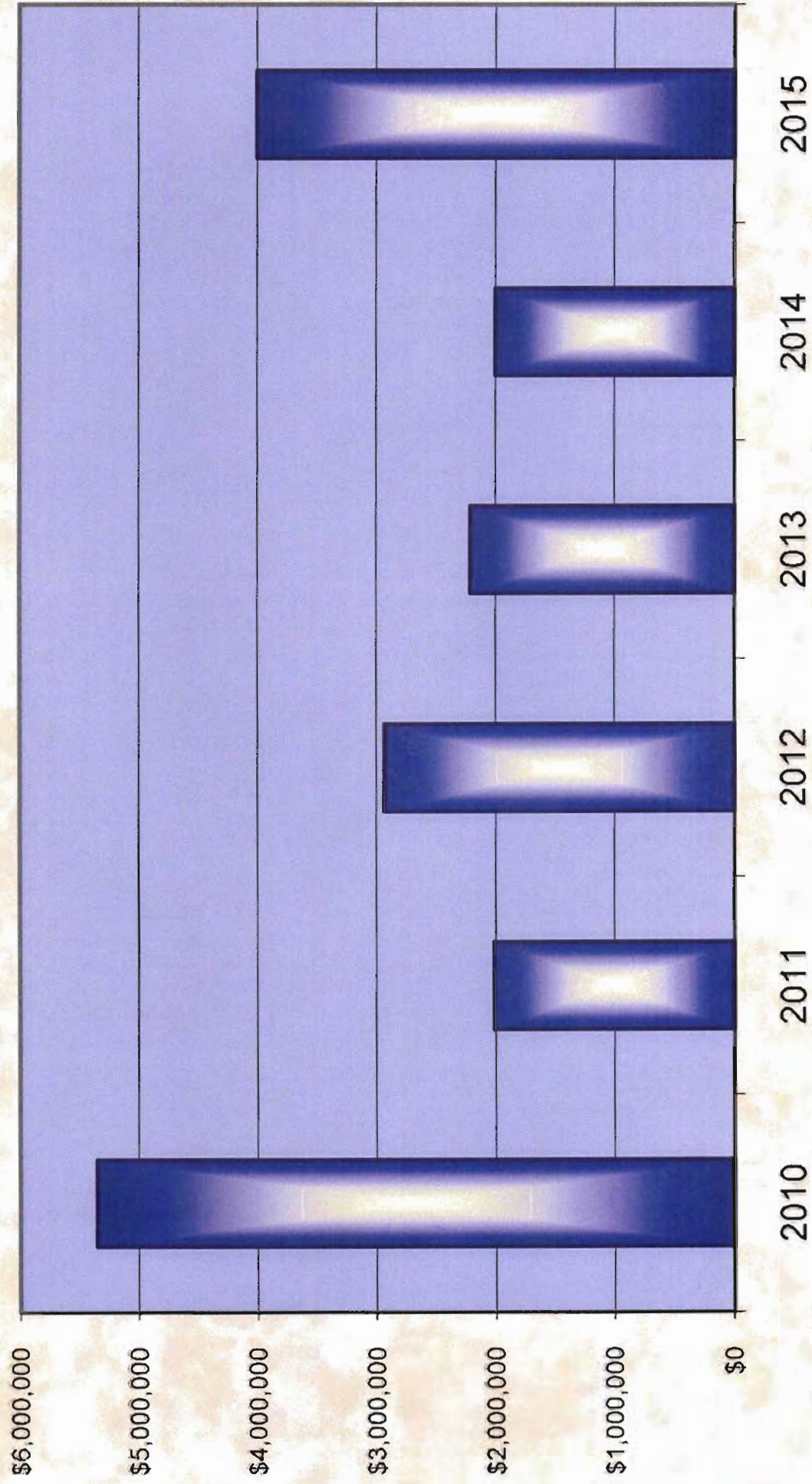
SRF Debt Reserve Maturity Detail



SRF Debt Reserve Maturity Summary

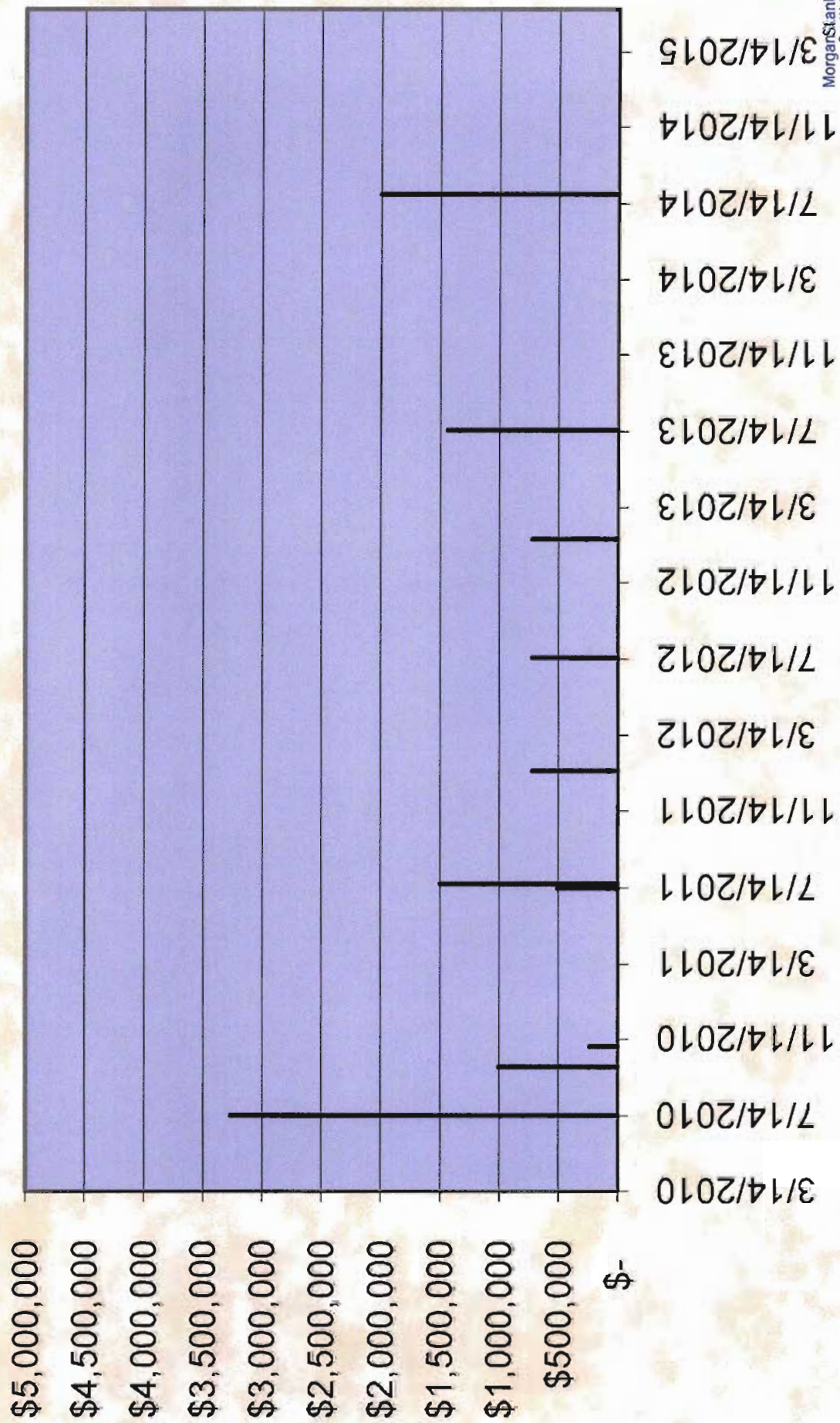


City of Palmetto Total Maturity Summary



MorganStanley
SmithBarney

City of Palmetto Total Maturity Detail



City of Palmetto Holdings Summary by Allocation

