

AGENDA
County Investment Advisory Committee
July 29, 2011–Time 9:00 a.m.
Executive Conference Room - Second Floor
M.C. Blanchard Judicial Building

1. Call to Order.
2. Roll Call: M. Blaise Adams, Chairman (8/22/2007-8/21/2013)
Robert Beargie, Vice Chairman (8/20/2006-8/21/2012)
Bob Alft (11/13/2009-11/12/2012)
Honorable Ernie Lee Magaha, or designee
Amy Lovoy, designee for the County Administrator

3. Invocation - Honorable Ernie Lee Magaha, or designee.
4. Legal Advertisement - Was the Meeting properly advertised?
5. Approval of Minutes.

Recommendation: That the County Investment Advisory Committee (CIAC) approve the Minutes of the Quarterly Meeting of the CIAC held April 29, 2011, as prepared by Doris Harris, Clerk to the Board's Office.

6. Review of Investment Reports for April, May, and June 2011 - Patty Sheldon.
7. Amendment to the Escambia County, Florida, Investment Policy.

Recommendation: That the County Investment Advisory Committee approve recommending that the Board of County Commissioners amend the Escambia County, Florida, Investment Policy, Page 15, Section XIV.B., as follows, to allow for market driven options to the benchmarks used for the long-term portfolio:

XIV. PERFORMANCE MEASUREMENTS

B. The long-term investment portfolio shall be designed with the annual objective of achieving a comparable return to the Merrill Lynch 1-3 Year Treasury Index or an appropriate index. The appropriate index will have a duration and asset mix that approximates the portfolio and will be utilized as a benchmark to be compared to the portfolio's total rate of return. ~~The Merrill Lynch 1-3 Year Treasury Index represents all U.S. Treasury securities maturing over one year, but less than three years. This maturity range is an appropriate benchmark based on the objectives of the County.~~

8. Adjournment.



ERNIE LEE MAGAHA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
ESCAMBIA COUNTY, FLORIDA

◆ AUDITOR ◆ ACCOUNTANT ◆ EX-OFFICIO CLERK TO THE BOARD ◆ CUSTODIAN OF COUNTY FUNDS ◆

AI-1132

Item #: 5.

County Investment Advisory Committee

Meeting Date: 07/29/2011
Issue: Approval of Minutes.
From: Doris Harris

Recommendation:

Recommendation: That the County Investment Advisory Committee (CIAC) approve the Minutes of the Quarterly Meeting of the CIAC held April 29, 2011, as prepared by Doris Harris, Clerk to the Board's Office.

Attachments

April 29, 2011, CIAC Minutes

Form Review

Form Started By: Doris Harris

Started On: 07/15/2011 03:37 PM

Final Approval Date: 07/15/2011

MINUTES OF THE QUARTERLY MEETING OF THE
COUNTY INVESTMENT ADVISORY COMMITTEE
HELD APRIL 29, 2011
M. C. BLANCHARD JUDICIAL BUILDING
EXECUTIVE ADMINISTRATION CONFERENCE ROOM, SECOND FLOOR
190 GOVERNMENTAL CENTER, PENSACOLA, FLORIDA
(9:24 a.m. – 10:28 a.m.)

Present: Robert A. Beargie, Vice Chairman, Board of County Commissioners' Appointee
Lisa N. Bernau, Chief Deputy Clerk, Clerk and Comptroller's Designee
Amy Lovoy, County Administrator's Designee

Others

Present: Patricia L. Sheldon, Clerk and Comptroller's Administrator of Financial Services
Steven Alexander, PFM Asset Management, LLC
Brenda Chestnutt, Tax Collector's Office
Doris Harris, Clerk to the Board's Office
David Jang, PFM Asset Management, LLC

Absent: M. Blaise Adams, Chairman, Board of County Commissioners' Appointee
Bob Alft, Clerk of the Circuit Court and Comptroller's Appointee
Gene M. Valentino, BCC Oversight Representative

AGENDA NUMBER

1-2. Call to Order/Roll Call

Mr. Beargie called the County Investment Advisory Committee (CIAC) Quarterly Meeting to order at 9:24 a.m., with a quorum present.

3. Invocation

Mrs. Bernau delivered the Invocation.

4. Legal Advertisement

The CIAC was advised by Mrs. Harris that the Meeting was advertised in the Pensacola News Journal on April 23, 2011, in the *Board of County Commissioners – Escambia County, Florida, Meeting Schedule April 25, 2011 – April 29, 2011.*

MINUTES OF THE CIAC MEETING – Continued

AGENDA NUMBER – Continued

5. Approval of Minutes

Motion made by Mrs. Bernau, seconded by Ms. Lovoy, and carried, approving the Minutes of the Quarterly Meeting of the CIAC held January 28, 2011, as prepared by Doris Harris, Clerk to the Board's Office.

6. Review of Investment Reports for January, February, and March 2011

Mrs. Sheldon reviewed the Investment Report for March 31, 2011, and advised that the total short-term portfolio equaled \$123,719,653, with a yield of .34%, as compared to Standard & Poor's (S&P) Government Investment Pool (GIP) 30-Day Index of .08%, and year-to-date earnings of \$119, 711.

7. Portfolio Review and Market Update

The CIAC:

- A. Reviewed the PFM Asset Management, LLC, *Weekly Market Update – April 25, 2011*, authored by David Jang, CTP, analyzed by Jonathan Spero, and edited by Melissa Lindman, PFM Asset Management, LLC, and was advised by Steven L. Alexander that PFM published a white paper, which is available on PFM's website (www.pfm.com), regarding the proposed privatization (*by the Department of the Treasury and the Department of Housing and Urban Development*) of the Fannie Mae (*Federal National Mortgage Association*) and Freddie Mac (*Federal Home Loan Mortgage Corporation*) mortgage finance organizations; and

(Continued on Page 3)

MINUTES OF THE CIAC MEETING – Continued

AGENDA NUMBER – Continued

7. Continued...

B. Reviewed the *Escambia County Clerk of Court, Florida, Investment Performance Review – Quarter Ended March 31, 2011*, as prepared by PFM Asset Management, LLC, which reflects:

(1) The After-Effects of the S&P Outlook Downgrade, as follows:

- Early Monday morning (*April 25, 2011*) Standard & Poor's (S&P), one of the top global ratings agencies, downgraded the outlook on U. S. debt to negative from its previous outlook of stable
- While the news originally rattled markets globally, foreign governments publically said that U. S. government debt is still an attractive and safe investment
- Washington is still in conflict about government spending and whether or not to raise the debt ceiling. Although the S&P downgrade served as a warning to politicians, negotiations in Washington have not improved
- The U. S. dollar depreciated significantly throughout the week as the Euro rose to a 16-month high against the dollar. Gold and silver again hit all-time highs during the week as investors searched for alternative investments to Treasury debt
- Equities markets seemed to forget about the downgrade after Monday as markets rebounded and ended the week higher
- The only previous downgrade of the outlook for U. S. debt by a major rating agency was in 1996 when Moody's briefly downgraded the outlook to negative before reassigning a stable outlook several weeks later
- Many analysts think that the downgrade could have an effect on next week's consumer sentiment reading; as, U. S. citizens are becoming more aware of persistent long-term unemployment, rising gas prices, rising grocery bills and underwater mortgages

(Continued on Page 4)

MINUTES OF THE CIAC MEETING – Continued

AGENDA NUMBER – Continued

7. Continued...

B. Continued...

(2) The Executive Summary Portfolio Strategy, as follows:

- The County's Long Term portfolio is of high credit quality and maintains adequate liquidity. The portfolio is invested entirely in Federal Agency, U.S. Treasury, municipal bond, corporate note and commercial paper securities. The securities are allocated among high quality issuers rated AAA, AA, A-1 and A-1+.
- The U.S. economy continued to show signs of modest improvement in the first quarter of 2011. Fourth quarter 2010 GDP (*Gross Domestic Product*) was released at \$13.38 trillion, surpassing the previous peak of \$13.36 trillion in the second quarter of 2008.
- Over the quarter, interest rates were volatile across the yield curve due to positive economic releases, such as the manufacturing and employment reports, and significant developments abroad, such as the political turmoil in the Middle East and the earthquake in Japan. Despite the volatility, intermediate-term yields finished the quarter 20 basis points higher than the previous quarter on signs of better growth prospects and higher inflation expectation in the U.S.
- Commercial paper remains an attractive investment when compared to comparable maturity U.S. Treasury and federal agency securities while limiting the overall duration contribution to the portfolio. Corporates continue to add value and given the outlook for the economy and credit we (*PFM*) are comfortable continuing to add corporates. We (*PFM*) prefer non-financials, when available, in order to increase diversification.
- Over the course of the quarter, we (*PFM*) are able to use active management strategies to take advantage of the volatility in yields. In the Long Term portfolio we (*PFM*) made several sector swaps in addition to extension trades which resulted in the portfolio realizing over \$16,000.00 in gains on sales.

(Continued on Page 5)

MINUTES OF THE CIAC MEETING – Continued

AGENDA NUMBER – Continued

7. Continued...

B. Continued...

(2) Continued...

- The County's Long Term portfolio performed well for the first quarter, especially in an environment of low yields and increased volatility. Strategically adjusting the portfolio's duration over the quarter between the range of 90% and 100% of the benchmark's duration contributed positively to returns. Further, the portfolio's allocation to the federal agency and corporate sectors added additional value as credit spreads narrowed. The portfolio's return of 0.09% outperformed the benchmark's return of 0.02% by 7 basis points (0.07%). In an interest rate environment where yields remain at or near record lows, we (*PFM*) will continue to position the portfolio's duration short of the benchmark's duration to reduce interest rate risk and the market value erosion that will occur if rates rise.
- PFM will continue to follow the prudent investment strategies that have safely provided the County with favorable long-term performance during this period of historic low interest rates.
- Although interest rates have rebounded from all time lows, we (*PFM*) believe the Federal Reserve is highly unlikely to change its policy in the short term. Economists expect the second round of quantitative easing will run its course through June. However, an internal debate over monetary policy among the Fed Governors has been at the forefront of the conversation in Washington throughout the first quarter. Such heated debate may be a sign that monetary policy change is on the horizon, although not in the near term. As long as the economy continues to stay on course, we (*PFM*) expect the first interest rate tightening to occur sometime after the first quarter of 2012.

(Continued on Page 6)

MINUTES OF THE CIAC MEETING – Continued

AGENDA NUMBER – Continued

7. Continued...

B. Continued...

(2) Continued...

- While near-time events (Japan earthquake, continued Middle East uncertainty) could slow the pace of economic growth, the economy appears to be on track for continued modest growth over the next several quarters. Many positive economic forces, such as strength in manufacturing, improving job market, strong corporate earnings supporting continued rising stock prices, and solid retail sales indicate the economy is in the growth phase. In anticipation of better opportunities in the near term, we (*PFM*) plan to maintain a diversified portfolio with a duration slightly shorter than the benchmark in order to position the portfolio to take advantage of yield increases in the future.

For Information: The CIAC heard Mrs. Sheldon disclose, for the record, that Bob Beargie and Bob Alft are now employed by the same firm (*Raymond James Financial Services*) and work in the same office.

8. Adjourn

Mr. Beargie adjourned the CIAC Meeting at 10:28 a.m.



ERNIE LEE MAGAHA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
ESCAMBIA COUNTY, FLORIDA

◆ AUDITOR ◆ ACCOUNTANT ◆ EX-OFFICIO CLERK TO THE BOARD ◆ CUSTODIAN OF COUNTY FUNDS ◆

AI-1138

Item #: 6.

County Investment Advisory Committee

Meeting

Date:

07/29/2011

Issue:

Review of Investment Reports for April, May, and June 2011 - Patty Sheldon.

From:

Doris Harris

Recommendation:

Attachments

April 2011 Investment Report

May 2011 Investment Report

June 2011 Investment Report

Form Review

Form Started By: Doris Harris

Started On: 07/18/2011 08:26 AM

Final Approval Date: 07/18/2011



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COURT DIVISION
CIRCUIT CIVIL
CIRCUIT CRIMINAL
DOMESTIC RELATIONS
FAMILY LAW

ERNIE LEE MAGAHA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
ESCAMBIA COUNTY, FLORIDA

* AUDITOR * ACCOUNTANT * EX-OFFICIO CLERK TO THE BOARD * CUSTODIAN OF COUNTY FUNDS *

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MANAGEMENT INFORMATION SYSTEMS
OFFICIAL RECORDS
ONE STOP
OPERATIONAL SERVICES
PROBATE DIVISION
TRAFFIC DIVISION
TREASURY

MEMORANDUM

TO: Honorable Board of County Commissioners

FROM: Ernie Lee Magaha
Clerk of the Circuit Court & Comptroller

By: *Patricia L. Sheldon*
Patricia L. Sheldon, CPA, CGFO, CPFO, CPFIM
Administrator for Financial Services
Clerk of the Circuit Court & Comptroller

DATE: May 13, 2011

SUBJECT: April 2011 Investment Report

RECOMMENDATION:

That the Board accepts, for filing with the Board's Minutes, the Investment Report for the month ended April 30, 2011, as required by Ordinance 95-13.

The total portfolio earnings for the month of April equaled \$140,996. The short term portfolio achieved an average yield of .33% benchmarked against the Standard & Poor's Government Investment Pool 30 Day index yield of .06%. The core long-term portfolio achieved an average Yield to Maturity at Cost of 1.19% benchmarked against the Merrill Lynch 1 – 3 Yr. Treasury Index of .44%.

All investments included in the County's portfolio are in compliance with the County's Investment Policy.

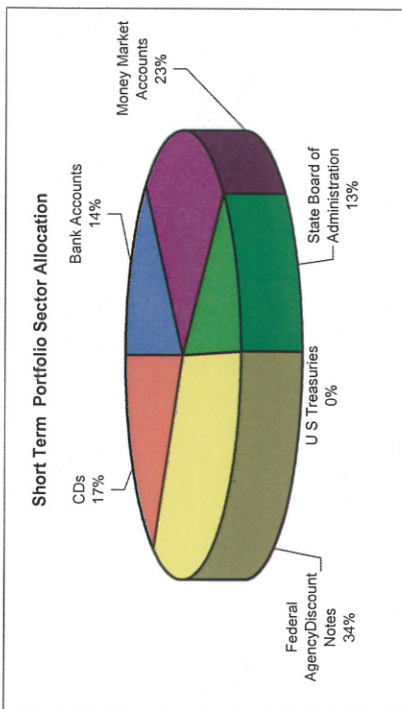
Please do not hesitate to call me at 595-4825 if you have any questions.

PLS/nac

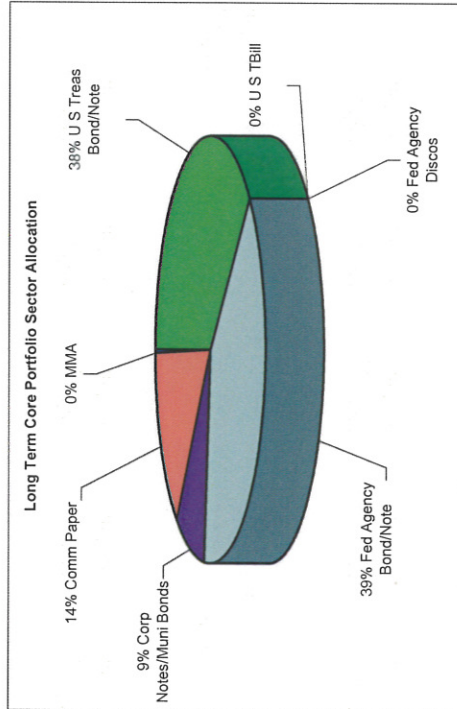


**ESCAMBIA COUNTY BOARD OF COUNTY COMMISSIONERS
INVESTMENT PORTFOLIO SUMMARY REPORT
FISCAL YEAR 2010-2011
As of April 30, 2011**

PORTFOLIO COMPOSITION



SHORT TERM PORTFOLIO (Maturities < or = to 1 Year):			
	Par Value	Market Value	Percent
Bank Accounts	\$ 16,392,148	\$ 16,392,148	14%
Money Market Accounts	27,854,953	27,854,953	23%
State Board of Administration	15,003,473	15,003,473	13%
U S Treasuries	-	-	0%
Federal Agency/Discount Notes	40,000,000	39,983,270	34%
Certificates of Deposit	20,000,000	20,000,000	17%
Total Short Term Portfolio Assets:	\$ 119,250,574	\$ 119,233,844	100%
Short Term Portfolio Yield:			0.33%
Benchmark S&P GIP Index 30 Day:			0.06%
YTD Earnings:			\$142,466



LONG TERM CORE PORTFOLIO (Maturities > 1 Year):			
	Par Value	Market Value	Percent
U S Treasury Bond/Notes	\$ 37,360,000	\$ 37,605,563	38%
U S Treasury Bill	-	-	0%
Federal Agency Discount Notes	-	-	0%
Federal Agency Bond/Note	38,880,000	39,650,776	39%
Corporate Notes/Muni Bonds	8,650,000	9,146,343	9%
Commercial Paper	14,300,000	14,289,377	14%
Federated Govt Money Market Fund	256,771	256,771	0%
Total Managed CORE Assets:	\$99,446,771	\$100,948,830	100%
CORE Portfolio Yield to Maturity at Cost:			1.19%
CORE Portfolio Yield to Maturity at Market:			1.07%
Benchmark Merrill Lynch 1-3 Yr Treasury Index:			0.44%
YTD Earnings:			\$ 785,465

Total Portfolio: \$ 218,697,345 \$ 220,182,674

Current Month Earnings: \$ 140,996

Year to Date Earnings: \$ 927,931



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ERNIE LEE MAGAHA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
ESCAMBIA COUNTY, FLORIDA

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TRAFFIC DIVISION
TREASURY

MEMORANDUM

TO: Honorable Board of County Commissioners

FROM: Ernie Lee Magaha
Clerk of the Circuit Court & Comptroller

By: *Patricia L. Sheldon*
Patricia L. Sheldon, CPA, CGFO, CPFO, CPFIM
Administrator for Financial Services
Clerk of the Circuit Court & Comptroller

DATE: June 10, 2011

SUBJECT: May 2011 Investment Report

RECOMMENDATION:

That the Board accepts, for filing with the Board's Minutes, the Investment Report for the month ended May 31, 2011, as required by Ordinance 95-13.

The total portfolio earnings for the month of April equaled \$120,043. The short term portfolio achieved an average yield of .26% benchmarked against the Standard & Poor's Government Investment Pool 30 Day index yield of .05%. The core long-term portfolio achieved an average Yield to Maturity at Cost of 1.19% benchmarked against the Merrill Lynch 1 – 3 Yr. Treasury Index of .36%.

All investments included in the County's portfolio are in compliance with the County's Investment Policy.

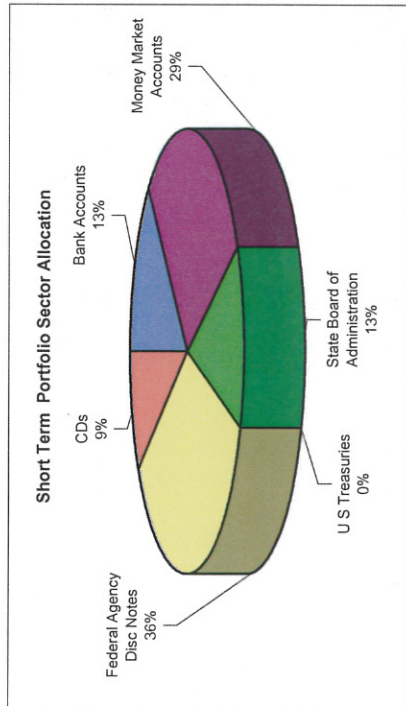
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PLS/nac



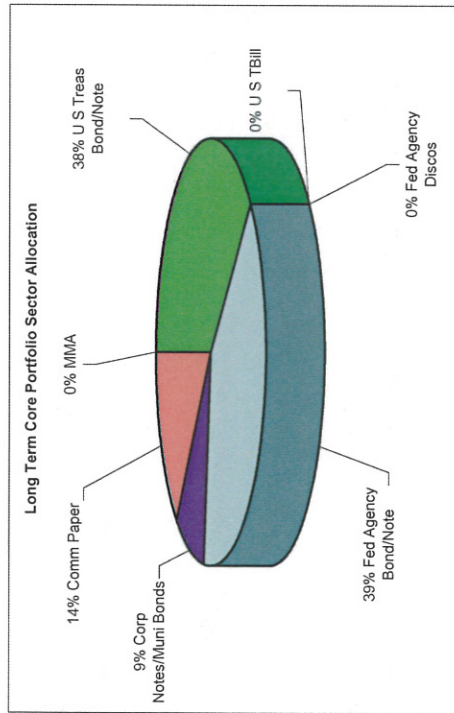
**ESCAMBIA COUNTY BOARD OF COUNTY COMMISSIONERS
INVESTMENT PORTFOLIO SUMMARY REPORT
FISCAL YEAR 2010-2011
May 31, 2011**

PORTFOLIO COMPOSITION



SHORT TERM PORTFOLIO (Maturities < or = to 1 Year):	Par Value	Market Value	Percent
Bank Accounts	\$ 14,745,860	\$ 14,745,860	13%
Money Market Accounts	32,861,030	32,861,030	29%
State Board of Administration	15,006,518	15,006,518	13%
U S Treasuries	-	-	0%
Federal Agency/Discount Notes	40,000,000	39,990,044	36%
Certificates of Deposit	10,000,000	10,000,000	9%
Total Short Term Portfolio Assets:	\$ 112,613,408	\$ 112,603,452	100%

Short Term Portfolio Yield:	0.26%	YTD Earnings:	\$163,115
Benchmark S&P GIP Index 30 Day:	0.05%		



LONG TERM CORE PORTFOLIO (Maturities > 1 Year):	Par Value	Market Value	Percent
US Treasury Bond/Notes	\$ 37,620,000	\$ 38,088,167	38%
US Treasury Bill	-	-	0%
Federal Agency Discount Notes	-	-	0%
Federal Agency Bond/Note	38,880,000	40,032,597	39%
Corporate Notes/Muni Bonds	8,650,000	9,164,719	9%
Commercial Paper	14,300,000	14,293,977	14%
Federated Govt Money Market Fund	48,344	48,344	0%
Total Managed CORE Assets:	\$99,498,344	\$101,627,803	100%

CORE Portfolio Yield to Maturity at Cost:	1.19%	YTD Earnings:	\$ 884,859
CORE Portfolio Yield to Maturity at Market:	0.86%		
Benchmark Merrill Lynch 1-3 Yr Treasury Index:	0.36%		

Total Portfolio: \$ 212,111,751 \$ 214,231,255

Current Month Earnings: \$ 120,043

Year to Date Earnings: \$ 1,047,974

INVESTMENTS PORTFOLIO COMPOSITION
ESCAMBIA COUNTY, FLORIDA
 May 31, 2011

Security Description	Purchase Date	Maturity Date	Interest or Coupon Rate	Yield to Maturity	Face Value	Market Value 5/31/2011	Book Value 5/31/2011	Actual Percentage	Portfolio Limit	Issuer Percentage	Issuer Limit	
BANK ACCOUNTS:												
BANK OF AMERICA (DEPOSITORY)			0.30%	NA	14,153,074	14,153,074	14,153,074					
BANK OF AMERICA (SHIP)			0.30%	NA	490,504	490,504	490,504					
BANK OF AMERICA (DDA)			0.30%	NA	102,282	102,282	102,282					
TOTAL BANK ACCOUNT					14,745,860	14,745,860	14,745,860	13.10%				
BRANCH BANKING AND TRUST (MONEY MKT) ACCOUNT												
SUNTRUST NOW (MONEY MKT) ACCOUNT			0.30%	NA	21,687,688	21,687,688	21,687,688			19.26%	10.00%	
TOTAL MONEY MARKET ACCOUNT			0.17%	NA	11,173,342	11,173,342	11,173,342	29.19%	20.00%	9.92%	10.00%	
STATE BOARD OF ADMINISTRATION Acct #141071												
TOTAL STATE BOARD OF ADMINISTRATION			0.24%	NA	15,006,518	15,006,518	15,006,518	13.33%	50.00%			
FEDERAL INSTRUMENTALITIES:												
CANTOR FITZGERALD-FHLMC	8/24/2010	8/10/2011	0.29%	0.30%	5,000,000	4,999,609	4,997,181					
CANTOR FITZGERALD-FHLMC	11/30/2010	9/13/2011	0.25%	0.25%	5,000,000	4,999,280	4,996,388					
TOTAL CANTOR FITZGERALD					10,000,000	9,998,889	9,993,570			8.86%	25.00%	
MSSB-FNMA	8/24/2010	7/25/2011	0.28%	0.28%	5,000,000	4,999,700	4,997,900					
MSSB-FHLMC	12/16/2010	7/13/2011	0.22%	0.22%	5,000,000	4,999,765	4,998,717					
MSSB-FNMA	12/16/2010	9/1/2011	0.21%	0.21%	5,000,000	4,999,360	4,997,317					
TOTAL SSB CITIGROUP					15,000,000	14,998,825	14,993,935			13.32%	25.00%	
RBC-FHLMC	12/16/2010	8/17/2011	0.24%	0.24%	5,000,000	4,999,570	4,997,433					
RBC-FHLMC	12/16/2010	12/12/2011	0.32%	0.33%	5,000,000	4,997,305	4,991,377					
RBC-FHLB	2/15/2011	2/8/2012	0.28%	0.28%	5,000,000	4,995,455	4,990,200					
TOTAL RBC					15,000,000	14,992,330	14,979,010			13.31%	0.00%	
TOTAL FEDERAL INSTRUMENTALITIES					40,000,000	39,990,044	39,966,515	35.50%	100.00%			
CERTIFICATES OF DEPOSITS:												
COMPASS BANK	5/13/2011	2/13/2012	0.23%	0.23%	5,000,000	5,000,000	5,000,000		See Above	4.44%	10.00%	
TOTAL COMPASS BANK					5,000,000	5,000,000	5,000,000					
BB&T	11/30/2010	8/30/2011	0.29%	0.29%	5,000,000	5,000,000	5,000,000		See Above	4.44%	10.00%	
TOTAL BB&T BANK					5,000,000	5,000,000	5,000,000					
TOTAL CERTIFICATES OF DEPOSITS					10,000,000	10,000,000	10,000,000	8.88%	20.00%			
TOTAL INVESTMENTS												
INTEREST RECEIVABLE AS OF:	5/31/2011				112,613,408	112,603,452	112,579,922	100.00%				
TOTAL EQUITY IN INVESTMENTS AS OF:	5/31/2011						7,869					
TOTAL LONG TERM CORE PORTFOLIO ASSETS AS OF:	5/31/2011						112,587,791					
TOTAL EQUITY IN INVESTMENTS AS OF:	5/31/2011						101,198,485					
TOTAL EQUITY IN INVESTMENTS AS OF:	5/31/2011						213,786,276					



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ERNIE LEE MAGAHA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
ESCAMBIA COUNTY, FLORIDA

* AUDITOR • ACCOUNTANT • EX-OFFICIO CLERK TO THE BOARD • CUSTODIAN OF COUNTY FUNDS *

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 ONE STOP
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 PROBATE DIVISION
 TRAFFIC DIVISION
 TREASURY

MEMORANDUM

TO: Honorable Board of County Commissioners

FROM: Ernie Lee Magaha
 Clerk of the Circuit Court & Comptroller

By: *Patricia L. Sheldon*
 Patricia L. Sheldon, CPA, CGFO, CPFO, CPFIM
 Administrator for Financial Services
 Clerk of the Circuit Court & Comptroller

DATE: July 15, 2011

SUBJECT: June 2011 Investment Report

2011 JUL 19 A 9:39
 CLERK OF THE BOARD OF
 COUNTY COMMISSIONERS
 ERNIE LEE MAGAHA
 CLERK OF CIRCUIT COURT
 ESCAMBIA COUNTY, FL.

RECOMMENDATION:

That the Board accepts, for filing with the Board's Minutes, the Investment Report for the month ended June 30, 2011, as required by Ordinance 95-13.

The total portfolio earnings for the month of June equaled \$142,364. The short term portfolio achieved an average yield of .27% benchmarked against the Standard & Poor's Government Investment Pool 30 Day index yield of .05%. The core long-term portfolio achieved an average Yield to Maturity at Cost of 1.18% benchmarked against the Merrill Lynch 1 – 3 Yr. Treasury Index of .37%.

All investments included in the County's portfolio are in compliance with the County's Investment Policy.

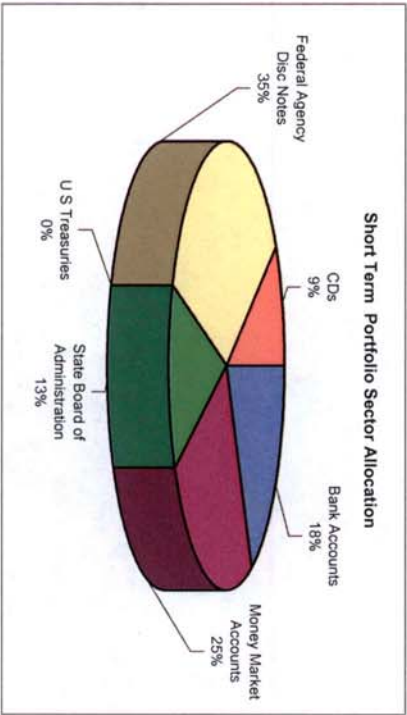
Please do not hesitate to call me at 595-4825 if you have any questions.

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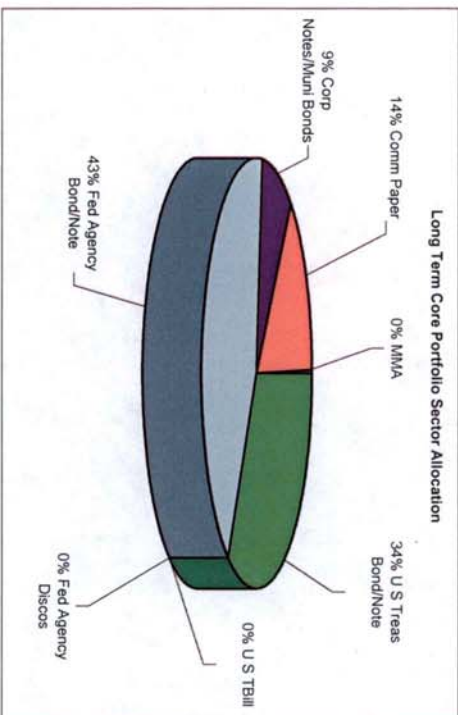


ESCAMBIA COUNTY BOARD OF COUNTY COMMISSIONERS
INVESTMENT PORTFOLIO SUMMARY REPORT
FISCAL YEAR 2010-2011
June 30, 2011

PORTFOLIO COMPOSITION



SHORT TERM PORTFOLIO (Maturities < or = to 1 Year)			
	Par Value	Market Value	Percent
Bank Accounts	\$ 20,093,941	\$ 20,093,941	18%
Money Market Accounts	27,867,591	27,867,591	25%
State Board of Administration	15,009,337	15,009,337	13%
U S Treasuries	-	-	0%
Federal Agency/Discount Notes	40,000,000	39,993,345	35%
Certificates of Deposit	10,000,000	10,000,000	9%
Total Short Term Portfolio Assets:	\$ 112,970,869	\$ 112,964,214	100%
Short Term Portfolio Yield:	0.27%	YTD Earnings: \$167,485	
Benchmark S&P GIP Index 30 Day:	0.05%		



LONG TERM CORE PORTFOLIO (Maturities > 1 Year):			
	Par Value	Market Value	Percent
US Treasury Bond/Notes	\$ 33,610,000	\$ 33,994,529	34%
US Treasury Bill	-	-	0%
Federal Agency Discount Notes	42,960,000	43,978,926	43%
Federal Agency Bond/Note	8,650,000	9,159,481	9%
Corporate Notes/Muni Bonds	14,300,000	14,297,057	14%
Commercial Paper	188,282	188,282	0%
Federated Govt Money Market Fund			
Total Managed CORE Assets:	\$99,708,282	\$101,618,274	100%
CORE Portfolio Yield to Maturity at Cost:	1.18%	YTD Earnings: \$ 1,022,853	
CORE Portfolio Yield to Maturity at Market:	0.88%		
Benchmark Merrill Lynch 1-3 Yr Treasury Index:	0.37%		

Total Portfolio: \$ 212,679,151 \$ 214,582,488
Current Month Earnings: \$ 142,364
Year to Date Earnings: \$ 1,190,338

INVESTMENTS PORTFOLIO COMPOSITION
ESCAMBIA COUNTY, FLORIDA
 June 30, 2011

Security Description	Purchase Date	Maturity Date	Interest or Coupon Rate	Yield to Maturity	Face Value	Market Value 6/30/2011	Book Value 6/30/2011	Actual Percentage	Portfolio Limit	Issuer Percentage	Issuer Limit	
BANK ACCOUNTS:												
BANK OF AMERICA (DEPOSITORY)			0.30%	NA	19,573,194	19,573,194	19,573,194					
BANK OF AMERICA (SHIP)			0.30%	NA	433,854	433,854	433,854					
BANK OF AMERICA (DDA)			0.30%	NA	86,892	86,892	86,892					
TOTAL BANK ACCOUNT					20,093,941	20,093,941	20,093,941	17.79%				
BRANCH BANKING AND TRUST (MONEY MKT) ACCOUNT												
SUNTRUST NOW (MONEY MKT) ACCOUNT			0.30%	NA	21,693,021	21,693,021	21,693,021			19.21%	10,000%	
TOTAL MONEY MARKET ACCOUNT			0.19%	NA	6,174,571	6,174,571	6,174,571	24.67%	20.00%	5.47%	10,000%	
STATE BOARD OF ADMINISTRATION Acct #141071												
TOTAL STATE BOARD OF ADMINISTRATION			0.23%	NA	15,009,337	15,009,337	15,009,337	13.29%	50.00%			
FEDERAL INSTRUMENTALITIES:												
CANTOR FITZGERALD-FHLMC												
CANTOR FITZGERALD-FHLMC	8/24/2010	8/10/2011	0.29%	0.30%	5,000,000	4,999,890	4,998,390					
TOTAL CANTOR FITZGERALD	11/30/2010	9/13/2011	0.25%	0.25%	5,000,000	4,999,690	4,997,430					
TOTAL CANTOR FITZGERALD					10,000,000	9,999,580	9,995,820			8.85%	25,000%	
MSSB-FNMA												
MSSB-FNMA	8/24/2010	7/25/2011	0.28%	0.28%	5,000,000	4,999,935	4,999,067					
MSSB-FHLMC	12/16/2010	7/13/2011	0.22%	0.22%	5,000,000	4,999,965	4,999,634					
MSSB-FNMA	12/16/2010	9/11/2011	0.21%	0.21%	5,000,000	4,999,740	4,998,192					
TOTAL MSSB CITIGROUP					15,000,000	14,999,640	14,996,894			13.28%	25,000%	
RBC-FHLMC												
RBC-FHLMC	12/16/2010	8/17/2011	0.24%	0.24%	5,000,000	4,999,870	4,998,433					
RBC-FHLMC	12/16/2010	12/12/2011	0.32%	0.33%	5,000,000	4,997,950	4,992,710					
RBC-FHLMC	2/15/2011	2/8/2012	0.28%	0.28%	5,000,000	4,996,305	4,991,367					
TOTAL RBC					15,000,000	14,994,125	14,982,510			13.27%	0.00%	
TOTAL FEDERAL INSTRUMENTALITIES												
					40,000,000	38,993,345	39,975,223	35.39%	100.00%			
CERTIFICATES OF DEPOSITS:												
COMPASS BANK												
TOTAL COMPASS BANK	5/13/2011	2/13/2012	0.23%	0.23%	5,000,000	5,000,000	5,000,000		See Above	4.43%	10,000%	
BB&T												
TOTAL BB&T BANK	11/30/2010	8/30/2011	0.29%	0.29%	5,000,000	5,000,000	5,000,000		See Above	4.43%	10,000%	
TOTAL CERTIFICATES OF DEPOSITS					10,000,000	10,000,000	10,000,000	8.85%	20.00%			
TOTAL INVESTMENTS												
INTEREST RECEIVABLE AS OF:												
TOTAL EQUITY IN INVESTMENTS AS OF:												
TOTAL LONG TERM CORE PORTFOLIO ASSETS AS OF:												
TOTAL EQUITY IN INVESTMENTS AS OF:												
					112,970,869	112,964,214	112,946,092	100.00%				
							10,006					
							112,956,098					
							101,336,479					
							214,292,577					



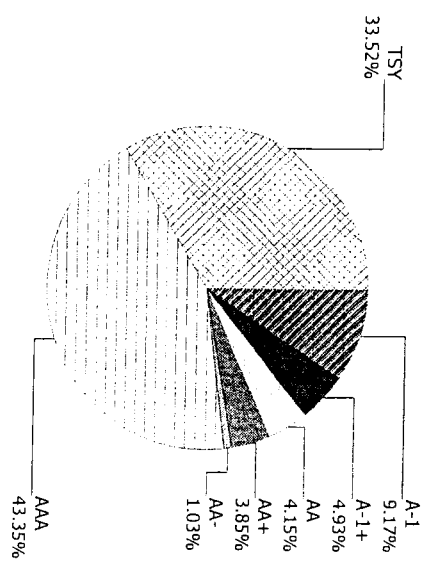
Managed Account Issuer Summary

For the Month Ending June 30, 2011

Issuer Summary

Issuer	Market Value of Holdings	Percent
BNP PARIBAS	4,999,080.00	4.93
CREDIT AGRICOLE SA	4,298,176.80	4.24
FANNIE MAE	14,538,755.08	14.33
FEDERAL FARM CREDIT BANKS	5,519,978.88	5.44
FEDERAL HOME LOAN BANKS	6,764,103.16	6.67
FREDDIE MAC	17,156,088.63	16.91
GENERAL ELECTRIC CO	3,904,061.90	3.85
MICHIGAN STATE	1,049,692.80	1.03
SOCIETE GENERALE	4,999,800.00	4.93
UNITED STATES TREASURY	33,994,529.15	33.52
WAL-MART STORES INC	4,205,726.25	4.15
Total	\$101,429,992.65	100.00%

Credit Quality (S&P Ratings)





ERNIE LEE MAGAHA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
ESCAMBIA COUNTY, FLORIDA

◆ AUDITOR ◆ ACCOUNTANT ◆ EX-OFFICIO CLERK TO THE BOARD ◆ CUSTODIAN OF COUNTY FUNDS ◆

AI-1135

Item #: 7.

County Investment Advisory Committee

Meeting Date: 07/29/2011

Issue: Amendment to the Escambia County, Florida, Investment Policy.

From: Doris Harris

Recommendation:

Recommendation: That the County Investment Advisory Committee approve recommending that the Board of County Commissioners amend the Escambia County, Florida, Investment Policy, Page 15, Section XIV.B., as follows, to allow for market driven options to the benchmarks used for the long-term portfolio:

XIV. PERFORMANCE MEASUREMENTS

B. The long-term investment portfolio shall be designed with the annual objective of achieving a comparable return to the Merrill Lynch 1-3 Year Treasury Index or an appropriate index. The appropriate index will have a duration and asset mix that approximates the portfolio and will be utilized as a benchmark to be compared to the portfolio's total rate of return. ~~The Merrill Lynch 4-3 Year Treasury Index represents all U.S. Treasury securities maturing over one year, but less than three years. This maturity range is an appropriate benchmark based on the objectives of the County.~~

Form Review

Form Started By: Doris Harris

Started On: 07/15/2011 03:41 PM

Final Approval Date: 07/15/2011