



REQUEST FOR PROPOSAL

CITY OF NAPLES
PURCHASING DIVISION
CITY HALL, 735 8TH STREET SOUTH
NAPLES, FL 34102

PH: 239-213-7100 FX: 239-213-7105

NOTIFICATION DATE:	TITLE	NUMBER:	OPENING DATE & TIME:
08/31/12	Investment Advisory Services	063-12	09/24/12 2:00 PM
PRE-PROPOSAL DATE, TIME AND LOCATION:			

NAME OF PARTNERSHIP, CORPORATION OR INDIVIDUAL:	
MAILING ADDRESS:	
CITY-STATE-ZIP:	
PH:	EMAIL:
FX:	WEB ADDRESS:

I certify that this proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same materials, supplies, or equipment and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this bid and certify that I am authorized to sign this proposal for the proposer. In submitting a proposal to the City of Naples the proposer offers and agrees that if the proposal is accepted, the proposer will convey, sell, assign or transfer to the City of Naples all rights, title, and interest in and to all causes of action it may now or hereafter acquire under the Anti-trust laws of the United States and the State of FL for price fixing relating to the particular commodities or services purchased or acquired by the City of Naples. At the City's discretion, such assignment shall be made and become effective at the time the City tenders final payment to the proposer.

AUTHORIZED SIGNATURE	DATE	PRINTED NAME/TITLE
Please initial by all that apply I acknowledge receipt of the following addendum		
____ Addendum #1	____ Addendum #2	____ Addendum #3
____ Addendum #4		

PLEASE NOTE THE FOLLOWING:

- > This page must be completed and returned with your proposal.
- > Proposals must be submitted in a sealed envelope, marked with proposal number & closing date.
- > Proposals received after the above closing date and time will not be accepted.
- > Proposal tabulations will be available on the City of Naples web site www.naplesgov.com

GENERAL CONDITIONS

TO INSURE ACCEPTANCE OF THE PROPOSAL, PLEASE FOLLOW THESE INSTRUCTIONS. ANY AND ALL SPECIAL CONDITIONS, ATTACHED HERETO, HAVE PRECEDENCE.

- 1. SEALED PROPOSAL:** All proposals must be submitted in a sealed envelope. The face of the envelope shall contain the proposal name and proposal number. Proposals not submitted on attached proposal form shall be rejected. All proposals are subject to the conditions specified herein. Those which do not comply with these conditions are subject to rejection.
- 2. EXECUTION OF PROPOSAL:** Proposal must contain a manual signature of authorized representative in the proposal section. Proposal must be typed or printed in ink. Use of erasable ink is not permitted. All corrections made by proposer to his proposal must be initialed.
- 3. NO PROPOSAL:** If not submitting a proposal, respond by returning the Statement of No Proposal and explain the reason in the spaces provided. Failure to respond 3 times in succession without justification shall be cause for removal of the supplier's name from the proposal mailing list. NOTE: To qualify as a respondent, proposer must submit a "NO PROPOSAL," and it must be received no later than the stated proposal opening date and hour.
- 4. PROPOSAL OPENING:** Shall be public, on the date and at the time specified on the proposal form. It is the proposer's responsibility to assure that his proposal is delivered at the proper time and place of the proposal opening. Proposals which for any reason are not so delivered will not be considered. Offers by telegram; telephone; or fax are not acceptable. Proposal files may be examined during normal working hours.
- 5. WITHDRAWAL OF PROPOSALS:** Withdrawal of a proposal within sixty (60) days after the opening of proposals is subject to suspension or debarment in accordance with Policy 7-4 for up to three years.
- 6. PRICES, TERMS and PAYMENT:** Firm Prices shall be proposal and include all packing, handling, shipping charges and delivery to the destination shown herein. Proposer is encouraged to offer cash discount for prompt invoice payment. Terms of less than 20 days will not be considered.

 - A. TAXES:** The City of Naples does not pay Federal Excise and Sales taxes on direct purchases of tangible personal property. See exemption number on face of purchase order. This exemption does not apply to purchases of tangible personal property made by contractors who use the tangible personal property in the performance of contracts for the improvement of City-owned real property.
 - B. MISTAKES:** Proposers are expected to examine the specifications, delivery schedule, proposal prices, extensions, and all instructions pertaining to supplies and services. Failure to do so will be at proposer's risk. In case of mistake in extension, the unit price will govern.
 - C. CONDITION AND PACKAGING:** It is understood and agreed that any item offered or shipped as a result of this proposal shall be a new, current standard production model available at the time of this proposal. All containers shall be suitable for storage or shipment, and all prices shall include standard commercial packaging.
 - D. SAFETY STANDARDS:** Unless otherwise stipulated in the proposal, all manufactured items and fabricated assemblies shall comply with applicable requirements of Occupational Safety and Health Act and any standards there under.
 - E. UNDERWRITERS' LABORATORIES:** Unless otherwise stipulated in the proposal, all manufactured items and fabricated assemblies shall carry U.L. approval and re-examination listing where such has been established.
 - F. PAYMENT:** Payment will be made by the buyer after the items awarded to a vendor have been received, inspected, and found to comply with award specifications, free of damage or defect and properly invoiced. All invoices shall bear the purchase order number. Payment for partial shipments shall not be made unless specified in the proposal. Failure to follow these instructions may result in delay in processing invoices for payment. In addition, the purchase order number must appear on bills of lading, packages, cases, delivery lists and correspondence.
- 7. DELIVERY:** Unless actual date of delivery is specified (or if specified delivery cannot be met), show number of days required to make delivery after receipt of purchase order in space provided. Delivery time may become a basis for making an award (see Special Conditions). Delivery shall be within the normal working hours of the user, Monday through Friday, unless otherwise specified.

8. MANUFACTURERS' NAMES AND APPROVED EQUIVALENTS: Any manufacturers' names, trade names, brand names, information and/or catalog numbers listed in a specification are for information and not intended to limit competition. The proposer may offer any brand for which he is an authorized representative, which meets or exceeds the specification for any item(s). If proposals are based on equivalent products, indicate on the proposal form the manufacturer's name and number. Proposer shall submit with his proposal, cuts, sketches, and descriptive literature, and/or complete specifications. Reference to literature submitted with a previous proposal will not satisfy this provision. The proposer shall also explain in detail the reason(s) why the proposed equivalent will meet the specifications and not be considered an exception thereto. Proposals which do not comply with these requirements are subject to rejection. Proposals lacking any written indication of intent to quote an alternate brand will be received and considered in complete compliance with the specifications as listed on the proposal form.

9. INTERPRETATIONS: Any questions concerning conditions and specifications shall be directed in writing to this office for receipt no later than ten (10) days prior to the proposal opening. Inquiries must reference the date of proposal opening and proposal number. Failure to comply with this condition will result in proposer waiving his right to dispute the proposal.

10. CONFLICT OF INTEREST: All proposal awards are subject to Section 2-973 Conflict of Interest, City of Naples Code of Ordinances, which states: *"No public officer or employee shall have or hold any employment or contractual relationship with any business entity or any agency which is subject to the regulation of or is doing business with the city; nor shall an officer or employee have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between his private interests and the performance of his public duties or that would impede the full and faithful discharge of his public duties. Any member of the city council or any city officer or employee who willfully violates this section shall be guilty of malfeasance in office or position and shall forfeit his office or position. Violation of this section with the knowledge, express or implied, of the person or corporation contracting with or making a sale to the city shall render the contract or sale voidable by the city manager or the city council."*

11. AWARDS: As the best interest of the City may require, the right is reserved to make award(s) by individual item, group of items, all or none, or a combination thereof; to reject any and all proposals or waive any minor irregularity or technicality in proposals received.

12. ADDITIONAL QUANTITIES: For a period not exceeding ninety (90) days from the date of acceptance of this offer by the buyer, the right is reserved to acquire additional quantities up to but not exceeding those shown on proposal at the prices proposal in this invitation. If additional quantities are not acceptable, the proposal sheets must be noted "PROPOSAL IS FOR SPECIFIED QUANTITY ONLY." (THIS PARAGRAPH DOES NOT APPLY FOR A TERM CONTRACT.)

13. SERVICE AND WARRANTY: Unless otherwise specified, the proposer shall define any warranty service and replacements that will be provided during and subsequent to this contract. Proposers must explain on an attached sheet to what extent warranty and service facilities are provided.

14. SAMPLES: Samples of items, when called for, must be furnished free of expense, on or before proposal opening time and date, and if not destroyed may, upon request, be returned at the proposer's expense. Each individual sample must be labeled with proposer's name, manufacturer's brand name and number, proposal number and item reference. Request for return of samples shall be accompanied by instructions which include shipping authorization and name of carrier and must be received with your proposal. If instructions are not received within this time, the commodities shall be disposed of by the City of Naples.

15. PROPOSAL PROTEST: The city has formal proposal protest procedures that are available on request.

16. INSPECTION, ACCEPTANCE AND TITLE: Inspection and acceptance will be at destination unless otherwise provided. Title and risk of loss or damage to all items shall be the responsibility of the contract supplier until accepted by the ordering agency, unless loss or damage results from negligence by the ordering

- 17. DISPUTES:** In case of any doubt or difference of opinion as to the items to be furnished hereunder, the decision of the buyer shall be final and binding on both parties.
- 18. GOVERNMENTAL RESTRICTIONS:** In the event any governmental restrictions may be imposed which would necessitate alteration of the material, quality, workmanship or performance of the items offered on this proposal prior to their delivery, it shall be the responsibility of the successful proposer to notify the buyer at once, indicating in his letter the specific regulation which required an alteration. The City reserves the right to accept any such alteration, including any price adjustments occasioned thereby, or to cancel the contract at no expense to the City.
- 19. LEGAL REQUIREMENTS:** Applicable provision of all Federal, State, county and local laws, and of all ordinances, rules, and regulations shall govern development submittal and evaluation of all proposals received in response hereto and shall govern any and all claims and disputes which may arise between person(s) submitting a proposal response hereto and the City of Naples by and through its officers, employees and authorized representatives, or any other person, natural or otherwise; and lack of knowledge by any proposer shall not constitute a cognizable defense against the legal effect thereof.
- 20. PATENTS AND ROYALTIES:** The proposer, without exception, shall indemnify and save harmless the City of Naples and its employees from liability of any nature or kind, including cost and expenses for or on account of any copyrighted, patented, or unpatented invention, process, or article manufactured or used in the performance of the contract, including its use by the City of Naples. If the proposer uses any design, device, or materials covered by letters, patent or copyright, it is mutually agreed and understood without exception that the proposal prices shall include all royalties or cost arising from the use of such design, device, or materials in any way involved in the work.
- 21. ADVERTISING:** In submitting a proposal, proposer agrees not to use the results there from as a part of any commercial advertising.
- 22. ASSIGNMENT:** Any Purchase Order issued pursuant to this proposal invitation and the monies which may become due hereunder are not assignable except with the prior written approval of the buyer.
- 23. LIABILITY:** The supplier shall hold and save the City of Naples, its officers, agents, and employees harmless from liability of any kind in the performance of this contract.
- 24. PUBLIC ENTITY CRIMES:** A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a proposal on a contract to provide any goods or services to a public entity, may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.
- 25. DISCRIMINATION:** An entity or affiliate who has been placed on the discriminatory vendor list may not submit a proposal on a contract to provide goods or services to a public entity, may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases of real property to a public entity, may not award or perform work as a contractor, supplier, subcontractor, or consultant under contract with any public entity, and may not transact business with any public entity.
- 26. COUNTY TAXES:** No proposal shall be accepted from and no contract will be awarded to any person, firm or corporation that is in arrears to the government of Collier County, Florida.
- 27. OFFER EXTENDED TO OTHER GOVERNMENTAL ENTITIES:** The City of Naples encourages and agrees to the successful proposer extending the pricing, terms and conditions of this solicitation or resultant contract to other governmental entities at the discretion of the successful proposer.

IF THIS PROPOSAL IS FOR A TERM CONTRACT, THE FOLLOWING CONDITIONS SHALL ALSO APPLY

- 28. ELIGIBLE USERS:** All departments of the City of Naples are eligible to use this term contract. Such purchases shall be exempt from the competitive proposal requirements otherwise applying to their purchases.
- 29. PRICE ADJUSTMENTS:** Any price decrease effectuated during the contract period by reason of market change shall be passed on to City of Naples. Price increases are not acceptable.
- 30. CANCELLATION:** All contract obligations shall prevail for at least one hundred eighty (180) days after effective date of contract. After that period, for the protection of both parties, this contract may be cancelled in whole or in part by either party by giving thirty (30) days prior written notice to the other party.
- 31. RENEWAL:** The City of Naples reserves the option to renew the period of this contract, or any portion thereof for up to two (2) additional periods. Renewal of the contract period shall be by mutual agreement in writing.
- 32. ABNORMAL QUANTITIES:** While it is not anticipated, should any unusual or abnormal requirements arise, the City reserves the right to solicit separate proposals thereon.
- 33. FISCAL NON-FUNDING CLAUSE:** In the event sufficient funds are not budgeted for a new fiscal period, the City shall notify the contractor of such occurrence and the contract shall terminate on the last day of the current fiscal year without penalty or expense to the City.

IF THIS PROPOSAL IS FOR PERFORMING A SERVICE, THE FOLLOWING CONDITIONS SHALL ALSO APPLY

- 34. ALTERNATIVE PROPOSALS:** Proposers offering service delivery methods other than those permitted by the scope of work may submit a separate envelope clearly marked "ALTERNATIVE PROPOSAL". Alternative proposals will be deemed non-responsive and will not be considered for award. All such responses will, however, be examined prior to award. Such examination may result in cancellation of all proposals received to permit rewriting the scope of work to include the alternative method, or the alternative method may be considered for future requirements of the City of Naples.
- 35. ANTITRUST:** By entering into a contract, the contractor conveys, sells, assigns and transfers to the City of Naples all rights, titles and interest it may now have or hereafter acquire under the antitrust laws of the United States and the State of Florida that relate to the particular goods or services purchased or acquired by the City of Naples under said contract.
- 36. PROPOSER INVESTIGATIONS:** Before submitting a proposal, each proposer shall make all investigations and examinations necessary to ascertain all site conditions and requirements affecting the full performance of the contract and to verify any representations made by the City of Naples upon which the proposer will rely. If the proposer receives an award as a result of its proposal submission, failure to have made such investigations and examinations will in no way relieve the proposer from its obligation to comply in every detail with all provisions and requirements of the contract documents, nor will a plea of ignorance of such conditions and requirements be accepted as a basis for any claim whatsoever by the contractor for additional compensation.
- 37. CERTIFICATES AND LICENSES:** The Contractor, at time of proposal, shall possess the correct occupational licenses, all professional licenses or other authorizations necessary to carry out and perform the work required by the City of Naples and Collier County for this project pursuant to all applicable Federal, State and Local Laws, Statutes, Ordinances, and rules and regulations of any kind.
- 38. CHANGE IN SCOPE OF WORK:** The City of Naples may order changes in the work consisting of additions, deletions or other revisions within the general scope of the contract. No claims may be made by the contractor that the scope of the project or of the contractor's services has been changed, requiring changes to the amount of compensation to the contractor or other adjustments to the contract unless such changes or adjustments have been made by written amendment to the contract signed by the City of Naples and the contractor. If the contractor

believes that any particular work is not within the scope of the project, is a material change, or will otherwise require more compensation to the contractor, the contractor must immediately notify the City in writing of this belief. If the City believes that the particular work is within the scope of the contract as written, the contractor will be ordered to and shall continue with the work as changed and at the cost stated for the work within the scope.

39. CONTRACTOR PERSONNEL: The City of Naples shall, throughout the life of the contract, have the right of reasonable rejection and approval of staff or subcontractors assigned to the work by the contractor. If the City reasonably rejects staff or subcontractors, the contractor must provide replacement staff or subcontractors satisfactory to the City in a timely manner and at no additional cost to the City. The day-to-day supervision and control of the contractor's employees and sub-contractors is the responsibility solely of the contractor.

40. COST REIMBURSEMENT: The contractor agrees that all incidental costs, including allowances for profit and tools of the trade, must be included in the proposal proposal rates. If an arrangement is made between the contractor and the City to reimburse the contractor for the cost of materials provided in the performance of the work, the contractor shall be reimbursed in the following manner: The City shall reimburse the contractor on completion and acceptance of each assigned job, only for those materials actually used in the performance of the work that is supported by invoices issued by the suppliers of the contractor describing the quantity and cost of the materials purchased. No surcharge shall be added to the supplier's invoices or included in the contractor's invoice submitted to the City that would increase the dollar amount indicated on the supplier's invoice for the materials purchased for the assigned job.

41. EXCEPTIONS: Proposers taking exception to any part or section of the solicitation shall indicate such exceptions on the proposal form. Failure to indicate any exception will be interpreted as the proposer's intent to comply fully with the requirements as written. Conditional or qualified proposals, unless specifically allowed, shall be subject to rejection in whole or in part.

42. FAILURE TO DELIVER: In the event of the contractor to fail to deliver services in accordance with the contract terms and conditions, the City, after due oral or written notice, may procure the services from other sources and hold the contractor responsible for any resulting purchase and administrative costs. This remedy shall be in addition to any other remedies that the City may have.

43. FAILURE TO ENFORCE: Failure by the City at any time to enforce the provisions of the contract shall not be construed as a waiver of any such provisions. Such failure to enforce shall not affect the validity of the contract or any part thereof or the right of the City to enforce any provision at any time in accordance with its terms.

44. FORCE MAJEURE: The contractor shall not be held responsible for failure to perform the duties and responsibilities imposed by the contract due to legal strikes, fires, riots, rebellions and acts of God beyond the control of the contractor, unless otherwise specified in the contract.

45. INDEPENDENT CONTRACTOR: The contractor shall be legally considered an independent contractor and neither the contractor nor its employees shall, under any circumstances, be considered servants or agents of the City of Naples and the City of Naples shall be at no time legally responsible for any negligence or any wrongdoing by the contractor, its servants or agents. The City of Naples shall not withhold from the contract payments to the contractor any federal income taxes, Social Security tax, or any other amounts for benefits to the contractor. Further, the City shall not provide to the contractor any insurance coverage or other benefits, including Workers' Compensation normally provided by the City for its employees.

46. ORAL STATEMENTS: No oral statement of any person shall modify or otherwise affect the terms, conditions or specifications stated in this contract. All modifications to the contract must be made in writing by the City of Naples.

47. QUALIFICATIONS OF PROPOSERS: The proposer may be required, before the award of any contract, to show to the complete satisfaction of the City of Naples that it has the necessary facilities, ability, and financial resources to provide the service specified therein in a satisfactory manner. The proposer may also be required to give a past history and references in order to satisfy the City in regard to the proposer's qualifications. The City may make reasonable investigations deemed necessary and proper to determine the ability of the proposer to perform the work, and the proposer shall furnish to the City all information for this purpose that may be requested. The City reserves the

right to reject any proposal if the evidence submitted by, or investigation of, the proposer fails to satisfy the City that the proposer is properly qualified to carry out the obligations of the contract and to complete the work described therein. Evaluation of the proposer's qualifications shall include:

- > The ability, capacity, skill and financial resources to perform the work or service.
- > The ability to perform the work service promptly or within the time specified, without delay.
- > The character, integrity, reputation, judgment, experience, and efficiency of the proposer.
- > The quality of performance of previous contracts or services.

48. QUALITY CONTROL: The contractor shall institute and maintain throughout the contract period a properly documented quality control program designed to ensure that the services are provided at all times and in all respects in accordance with the contract. The program shall include providing daily supervision and conducting frequent inspections of the contractor's staff and ensuring that accurate records are maintained describing the disposition of all complaints. The records so created shall be open to inspection by the City.

49. RECOVERY OF MONEY: Whenever, under the contract, any sum of money shall be recoverable from or payable by the contractor to the City, the same amount may be deducted from any sum due to the contractor under the contract or under any other contract between the contractor and the City. The rights of the City are in addition and without prejudice to any other right the City may have to claim the amount of any loss or damage suffered by the City on account of the acts or omissions of the contractor.

50. REQUIREMENTS CONTRACT: During the period of the contract, the contractor shall provide all the services described in the contract. The contractor understands and agrees that this is a requirements contract and that the City shall have no obligation to the contractor if no services are required. Any quantities that are included in the scope of work reflect the current expectations of the City for the period of the contract. The amount is only an estimate and the contractor understands and agrees that the City is under no obligation to the contractor to buy any amount of services as a result of having provided this estimate or of having any typical or measurable requirement in the past. The contractor further understands and agrees that the City may require services in excess of the estimated annual contract amount and that the quantity actually used whether in excess of, or less than, the estimated annual contract amount and that the quantity actually used shall not give rise to any claim for compensation other than the total of the unit prices in the contract for the quantity actually used.

51. TERMINATION FOR CONVENIENCE: The performance of work under the contract may be terminated by the City in whole or in part whenever the City determines that termination is in the City's best interest. Any such termination shall be effected by the delivery to the contractor of a written notice of termination of at least seven (7) days before the date of termination, specifying the extent to which performance of the work under the contract is terminated and the date upon which such termination becomes effective. After receipt of a notice of termination, except as otherwise directed, the contractor shall stop work on the date of the receipt of the notice or other date specified in the notice; place no further orders or subcontracts for materials, services or facilities except as necessary for completion of such portion of the work not terminated; terminate all vendors and subcontracts; and settle all outstanding liabilities and claims.

52. TERMINATION FOR DEFAULT: The City of Naples reserves the right to terminate the contract if the City determines that the contractor has failed to perform satisfactorily the work required, as determined by the City. In the event the City decides to terminate the contract for failure to perform satisfactorily, the City shall give to the contractor at least seven (7) days written notice before the termination takes effect. The seven-day period will begin upon the mailing of notice by the City. If the contractor fails to cure the default within the seven (7) days specified in the notice and the contract is terminated for failure to perform satisfactorily, the contractor shall be entitled to receive compensation for all reasonable, allocable and allowable contract services satisfactorily performed by the contractor up to the date of termination that were accepted by the City prior to the termination. In the event the City terminates the contract because of the default of the contractor, the contractor shall be liable for all excess costs that the City is required to expend to complete the work under contract.

53. STATE AND FEDERAL EMPLOYMENT LAWS: Contractors providing service to the City are required to comply with all state and federal employment laws. This includes, but is not limited to, laws resulting from the Immigration and Reform and Control Act of 1986, wherein all employers are required to verify the identity and

employment eligibility of all employees. The Department of Homeland Security, U.S. Citizenship and Immigration Services require employees and employers to complete Form I-9 and the employer must examine evidence of identity and employment eligibility within three business days of the date employment begins. Non compliant contractors will be subject to contract sanctions, up to and including contract termination.

54. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION: The contractor agrees to comply with Executive Order 12549 “Debarment and Suspension” and 2 CFR 180 “OMB Guidelines to Agencies on Government wide Debarment and Suspension.” These rules require all contractors using federal funds not be debarred or suspended from doing business with the Federal Government. This includes sub-recipients and lower tier participant for covered transactions. Signing and submitting this document certified the organization and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency, and further have not within the preceding three-year period been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction.

55. PROHIBITION OF CONTACT: Under no circumstances should any prospective organization or individual, or anyone acting for or on behalf of a prospective organization or individual, seek to influence or gain the support of any member of the City Council, public official or City staff favorable to the interest of any prospective organization or individual. Likewise, contact with City Council, any public official or city staff against the interests of other prospective organization (s) and or individual(s) is prohibited. Any such activities will result in the exclusion of the prospective organization or individual from consideration by the City.

THE CITY OF NAPLES IS AN EQUAL OPPORTUNITY EMPLOYER

GENERAL INSURANCE REQUIREMENTS

The Contractor shall not commence work until he has obtained all the insurance required under this heading, and until such insurance has been approved by the Owner, nor shall the Contractor allow any subcontractor to commence work until all similar insurance required of the subcontractor has also been obtained and approved by the Owner.

Certificates of insurance must be issued by an authorized representative of the insurance company at the request and direction of the policyholder and must include sufficient information so as to identify the coverage and the contract for Owner's improvements for which they are issued. Certificates of insurance must be issued by a nationally recognized insurance company with a Best's Rating of no less than B+VII, satisfactory to the Owner, and duly licensed to do business in the state of said Contract.

The Contractor shall procure and maintain, during the life of this Contract, Workmen's Compensation Insurance for all of his employees to be engaged in work under this Contract, and he shall require any subcontractor similarly to provide Workmen's Compensation Insurance for all of the latter's employees to be engaged in such work, unless such employees are covered by the protection afforded by the Contractor's insurance. In case any employees are to be engaged in hazardous work under this Contract, and are not protected under this Workmen's Compensation statute, the Contractor shall provide, and shall cause each subcontractor to provide, adequate coverage for the protection of such employees. It is acceptable to use a State-approved Workmen's Compensation Self-Insurance fund.

The Contractor shall take out and maintain during the life of this Contract, Public Liability and Property Damage and shall include Contractual Liability, Personal Injury, Libel, Slander, False Arrest, Malicious Prosecution, Wrongful Entry or Eviction, Broad Form Property Damage, Products, Completed Operations and XCU Coverage to be included on an occurrence basis, and to the full extent of the Contract to protect him, the Owner, and any subcontractor performing work covered by this Contract from damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from operations under this contract, whether such operations be by himself or by a subcontractor, or by anyone directly or indirectly employed by either of them. The Contractor shall also maintain automobile liability insurance including "non-owned and hired" coverage. The entire cost of this insurance shall be borne by the Contractor.

The amount of such insurance shall be no less than \$1,000,000 annual aggregate for bodily injury and property damage combined per occurrence.

The City of Naples must be named as Additional Insured on the insurance certificate and the following must also be stated on the certificate. "These coverage's are primary to all other coverage's the City possesses for this contract only." The City of Naples shall be named as the Certificate Holder. The Certificate Holder shall read as follows:

The City of Naples
735 Eighth Street South
Naples, Florida 34102

No City Division, Department, or individual name should appear on the Certificate.

No other format will be acceptable.

The Certificate must state the bid number and title.

When using the ACORD 25 – Certificate of Insurance only the most current version will be accepted.

The City of Naples requires a copy of a cancellation notice in the event the policy is cancelled. The City of Naples shall be expressly endorsed onto the policy as a cancellation notice recipient.

STATEMENT OF NO PROPOSAL

If you will not be bidding on this product/service, please help us by completing and returning only this page to:

**City of Naples, Purchasing Division
City Hall, 735 8th Street South
Naples, FL 34102
Fax 239-213-7105**

Proposal # _____ and Description: _____

We, the undersigned, decline to proposal on the above project for the following reason(s):

- ___ We are not able to respond to the Request for Proposal by the specified deadline.
- ___ Our Company does not offer this product or service.
- ___ Our current work schedule will not permit us to perform the required services.
- ___ Specifications are incomplete or information is unclear
(Please explain below).

___ Other (Please specify below)

Company Name _____ PH# _____

Name and Title of individual completing this form:

(Printed Name) (Title)

(Signature) (Date)

REFERENCES

THIS SHEET MUST BE COMPLETED AND RETURNED WITH PROPOSAL

PROVIDE AT LEAST THREE REFERENCES FOR WHOM YOUR COMPANY HAS PROVIDED SAME OR SIMILAR SERVICES WITHIN THE LAST 2 YEARS.

COMPANY NAME: _____

ADDRESS: _____

TELEPHONE: _____

CONTACT PERSON: _____

CONTACT E-MAIL ADDRESS: _____

COMPANY NAME: _____

ADDRESS: _____

TELEPHONE: _____

CONTACT PERSON: _____

CONTACT E-MAIL ADDRESS: _____

COMPANY NAME: _____

ADDRESS: _____

TELEPHONE: _____

CONTACT PERSON: _____

CONTACT E-MAIL ADDRESS: _____

City of Naples, Florida
REQUEST FOR PROPOSALS
INVESTMENT ADVISORY SERVICES
Specifications

I. GENERAL INFORMATION

The City of Naples, Florida (the “City”) is requesting proposals from qualified firms interested in providing non-discretionary investment advisory services (“Advisor”) for the City’s short-term and medium–term investment portfolio. The City desires to contract for services from a firm registered with the Securities and Exchange Commission (SEC) under the Investment Advisor’s Act of 1940 who will act in a fiduciary capacity for the City and present performance numbers in accordance with the Association for Investment Management Research “AIMR” (CFA Institute). The Advisor will be required to recommend investment management, procedural changes, investment selection and disposition in accordance with the laws of the State of Florida and the investment policies and procedures established by the City.

The City encourages all prospective Advisors to examine this Request for Proposals (RFP) carefully. Qualified Advisors, as defined below, are requested to submit proposals to provide the services described in this RFP. The City expects its Advisor to be highly experienced, a leader and innovator in the management of investments, and able to provide comprehensive cash management and investment advisory services.

The proposals submitted will be evaluated by a selection committee. At the discretion of the committee, selected proposers may be requested to make oral presentations. Those proposers will be notified to arrange specific times. The City will not be responsible for any cost associated with the preparation of the proposer’s presentation.

The firm selected as the Advisor and its affiliates will be restricted from selling to the City, or buying from the City any securities to or from that firm’s own inventory account. The Advisor will follow the rules of the City’s investment policy. The Advisor will also be restricted from placing into the City portfolio any securities for which it, or an affiliate, is the issuer (i.e., CD’s, commercial paper, etc.). The Advisor shall act solely in a fiduciary capacity and shall not receive any fee or compensation based upon the purchase or sale of securities but, rather, the Advisor will be compensated pursuant to the provision of its contract with City.

This service was last put out to bid in October, 2007 and awarded to MBIA (now Cutwater). The final renewal was made this year, with an expiration of this contract on January 22, 2013.

II. PROPOSAL PROCEDURES

A. Tentative Schedule

Issue RFP	08/31/2012
Final Date for Receipt of Inquiries	09/14/2012
Proposals due	09/24/2012
Selection Committee Review	10/06/2012
Interviews if needed and final selection	10/14/2012
Deadline for Agenda	10/30/2012
City Council Award	12/05/2012
Expected start of Contract	01/22/2013

B. Questions regarding this Request for Proposal

Inquiries regarding this RFP shall be in written form only. Inquiries may be sent by mail or by e-mail no later than September 24, 2012. Inquiries must include contact person, address and facsimile number. Responses to questions will be provided via written addendum (by the Purchasing Division) to all prospective proposers who are registered with the Purchasing Manager as having been sent a Request for Proposal and will be placed on the City's website.

Questions should be submitted to:

John Dunnuck, Purchasing Manager
City of Naples
735 8th Street South
Naples, Florida 34102
PH: (239) 213-7100 FX: (239) 213-7105
jdunnuck@naplesgov.com

C. Preparation of Proposal

Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content. All costs associated with the preparation of a proposal will be born by each proposer.

D. Submission of this proposal

One (1) original and four (4) copies of the proposal should be submitted.

The proposals should be delivered to:

City of Naples
Purchasing Division
735 8th Street South
Naples, FL 34102

Proposals must be delivered to the above office on or before September 24, 2012 at 2:00 p.m. Eastern Time. Proposals received after the above date and time will not be considered. The City is under no obligation to return proposals. The sealed envelope containing the proposal should clearly be marked on the outside with "Request for Proposal for Investment Advisory Services."

E. Right of Rejection by the City

Notwithstanding any other provisions of this RFP, the City reserves the right to award this contract to the Advisor that best meets the requirements of the RFP, and not necessarily to the lowest bidder. Further, the City reserves the right to reject any or all proposals prior to execution of the contract.

F. Award of Contract

A proposer to whom a contract is awarded shall be required to enter into a written contract with City in a form approved by legal counsel for City. This RFP and the proposal, or any part thereof, may be incorporated into and made a part of the final contract. City reserves the right to negotiate the terms and conditions of the contract with the selected proposer.

It is the intent of the City to award a contract for an initial three (3) year period with the option to renew it for two, one-year periods for a possible total of five years. The decision to renew the contract will be at the sole discretion of the City.

G. No lobbying permitted

Contact with personnel or City Council of the City (other than the Purchasing Manager) regarding this Request for Proposal may be grounds for elimination from the selection process.

III. MINIMUM QUALIFICATIONS

To be considered by the City, proposing Advisor must:

- a) Have a minimum of five (5) years of experience in managing fixed income assets for at least five (5) governmental agencies or units in Florida.
- b) Currently manage at least \$1 billion of domestic fixed income assets for public organizations. The firm's own funds will not count as public funds.
- c) Have at least one office in the State of Florida
- d) Assign an account manager to the City account with a minimum of five (5) years experience in public funds investment management in Florida, who is familiar with all applicable Florida statutes with regard to qualified investments for public entities.
- e) Be registered with the Securities and Exchange Commission under the Investment Advisor's Act of 1940.
- f) The Advisor shall be required to provide a SSAE 16, SOC 1, Type II Report at the time of selection, or within six (6) months from the effective date of the contract and will be required for the entire duration of the contract. This includes third party entities. No other documentation shall be accepted.
- g) Be financially solvent and appropriately capitalized to be able to service the City for the duration of the contract.
- h) Have Errors & Omissions and Fiduciary Liability Insurance coverage of at least \$10 million.
- i) Adhere to the Code of Professional and Ethical Standards as described by Association for Investment Management Research "AIMR" (CFA Institute)
- j) Advisor, its parent corporation and any affiliates shall be completely independent of any financial institution or securities brokerage firm.

IV. SCOPE OF SERVICES

Specific responsibilities of the selected investment manager will include, but not be limited to the following:

- A. Manage on a daily basis, the City's separate investment portfolios pursuant to the specific, stated investment objectives. Evaluate orders and recommend purchase and sale of securities, subject to the approval of the City, communicate settlement information to the City staff and assist in coordinating security settlement.
- B. Serve as a general resource to the City staff for information, advice and training regarding fixed income securities, investments, and treasury operations.
- C. Work with the City staff to develop cash flow projections to ensure that the investment strategy is consistent with the City's cash requirements, and provide recommendations for change.
- D. Provide monthly statements on investment activity, earnings and the value of the investment portfolio. These reports must include a mark-to-market valuation as required by GASB 31 and 40. The selected investment manager must maintain accurate reports of investments and ensure compliance with the investment policy of the City.
- E. Provide credit analysis of investment instruments in portfolio.

- F. Provide quarterly investment reports to the City's designated representative, including a description of market conditions, investment strategies employed performance and suggested changes to investment strategy.
- G. Make presentations to the City's Investment Committee or City Council, as needed, to support recommendations relating to investment strategy.
- H. Perform due diligence reviews of current and proposed broker/dealers.
- I. Assist in risk control to ensure the ongoing safety of the city's assets not related to market risk.
- J. Assist in the process of evaluating custodial services and servicing the portfolio's ongoing security safekeeping needs.
- K. The Advisors WILL NOT provide custodial services or security safekeeping.

V. CONTENTS OF THE PROPOSAL

In order to control the cost of preparation, submittals shall not exceed 70 pages single sided, excluding divider pages. The proposal should include the following items, preferably in this order, but there will not be penalties for variations from the sequence.

Basic Elements

1. Title Page showing the request for proposal's subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal.
2. Table of Contents
3. Transmittal letter stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the engagement period. Include the signature of an authorized official of the firm who has been designated to submit the proposal on behalf of their firm.
4. Confirm that your firm adheres to the Code of Professional and Ethical Standards as described by the CFA Institute.
5. Confirm that your firm is completely independent of any financial institution or securities brokerage firm; or fully and continuously disclose any relationships with such financial institution(s) and/or securities brokerage firm(s), and further disclose any commissions, bonuses, or soft-dollar payments resulting from the firm's relationship with the City.
6. Confirm that your firm will not take possession of City monies or investment securities, nor have access to or control over such monies and/or securities.
7. Exceptions – please clearly note in the transmittal letter any exceptions to the requirements or specifications and justifications for these exceptions.
8. Provide a list of five (5) public funds investment client references. Include client name, contact personnel, address, phone number, length of time you have managed their assets, and a list of any other related services provided (e.g. cash flow analysis, arbitrage rebate calculations, etc.).

A. Experience and Expertise

a) Firm Background

1. Describe the organization, ownership of your firm and history. Identify and explain if the firm experienced a significant change in organizational structure, ownership or management during the past five (5) years.
2. Describe any potential conflicts of interest your firm may have in the management of this account. Include any activities of affiliated or parent organization, brokerage activities, financial advisory or investment banking activities provided to the City or other Florida local governments. Include any other pertinent activities, actions, or relationships not specifically outlined in this question, such as soft dollar arrangements with brokers.
3. Identify the types of accounts primarily managed by your firm.
4. Identify locations of the firm's office(s) in the State of Florida, including the staff, and which office will service the City.

5. Include Part II of your most recent Form ADV. If you are exempt from registering with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940, please document your reasons.
6. Include your firm's SSAE 16, SOC 1, Type II Report. If your firm does not have this report, confirm that you will be able to comply within six months of the beginning of the contract term.
7. Describe any current or previous SEC, NASD or any other regulatory censure or litigation involving your firm, the parent corporation or any affiliates that will be providing investment service to the City during the past five (5) years. Please provide information beginning with closed cases and their resolution, followed by pending cases.
8. Describe any current or previous SEC, NASD or any other regulatory censure or litigation involving any individuals that will be providing investment service to the City during the past five (5) years. Please provide information beginning with closed cases and their resolution, followed by pending cases.
9. Summarize fidelity bond coverage, errors and omissions, employee dishonesty, fiduciary liability insurance, or other fiduciary coverage your firm carries. Provide a Certificate of Insurance.

b) Experience

1. Describe your portfolio management team's experience in managing investment portfolios for non-pension public funds and governmental entities specifically any relevant experience managing non-pension public funds in Florida.
2. Summarize your firm's assets under management (public funds only) over the past five (5) years by the following categories: short-term operating funds, medium-term operating funds, long-term operating funds and bond proceeds funds. Do not include non-public funds and any firm affiliated assets.
3. Describe your experience in developing investment policies and portfolio management guidelines for government funds.
4. Clarify whether your firm, its parent corporation or any affiliates, acts as a broker or as a primary dealer in securities or receive any other form of additional compensation (including soft dollars) for client transactions aside from the direct fee paid by clients.
5. Bond Proceeds – describe your firm's experience in investment management of bond funds.
6. Describe the firm personnel experience in developing or working within the investment policies of Florida governmental agencies.
7. Describe your firm personnel experience regarding to banking technology, which may included assisting governments in analyzing current and future banking contract.

c) Personnel

1. Provide a summary organizational chart showing your proposed project team including analytical investment and research staff, other decision support and back office support. Identify the primary contact and describe the roles of each key person.
2. Provide detailed resumes for all key investment professionals who will be directly responsible for the investment of the City's funds. Include the following information; title, number of years at your firm, total number of years of experience, professional designations or licenses.
3. Describe your firm's efforts to keep portfolio managers informed of developments relevant to the management of local government funds.
4. Has there been any turnover of professional staff in the firm, or in the offices that would serve the City, in the last three years assigned to public sector clients?

B. Investment Management Approach and Discipline

1. Briefly describe your firm's investment management philosophy.
2. Describe the investment program you are proposing for the City

3. What are the primary strategies employed by your firm for adding value to portfolios (e.g. market timing, credit research, etc.).
4. In the past has your firm purchased and held any security that was subsequently downgraded below the minimum credit ratings required for purchase under the portfolio's investment policy statement? Please describe in detail your course of action for this situation.
5. What performance benchmarks would you suggest for the portfolio?
6. Describe the daily procedures for portfolio review, credit research and client contact.
7. Briefly describe any additional feature, attributes or conditions, which City should consider in selecting your firm.
8. Describe your firm's process for ensuring investment policy compliance, preventing and correcting investment policy exceptions and reporting of such compliance issues to the City.
9. Firm wide how many accounts have you gained in the last 12 months? Firm wide how many accounts have been lost in the last 12 months? Please state the reason or circumstance for the lost accounts?

C. Accounting and Reporting

1. Describe the investment accounting and reporting system used by your firm, and confirm that it complies with the CFA Institute guidelines.
2. Describe your firm's knowledge of and ability to assist in the compliance with GASB 31 and GASB 40.
3. Describe the frequency and format of reports that you would provide to City (including the methods and formulas used to calculate yield and performance). Sample reports should be included.
4. Describe your firm's online reporting capabilities and website access information. Include relevant samples or screen shots.

D. Price

1. Provide the fee schedule that would apply to this account for three years, broken down by year.
2. What expenses, not covered by the fees, are expected to be paid by the City?

VI. EVALUATION PROCEDURES

A. Selection Committee

A selection committee appointed by the City Manager and comprised of City staff will review and evaluate all proposals received using the criteria listed below. The Committee may short list or select several firms deemed to be the most highly qualified to perform the required services.

Those firms who make the short list may be asked to make a formal presentation to the selection committee; details of such presentation shall be provided upon decision. After conclusion of the formal presentations, the selection committee will make a contract recommendation for council approval

B. Proposal Evaluation Criteria

Proposals will be evaluated using the criteria listed below. Firms meeting the mandatory criteria will have their proposals evaluated and scored for technical qualification. The following represent the principal selection criteria, which will be considered:

1. Mandatory Elements (no points assigned, all items must be met)
 - a) The firm is independent and licensed to practice in Florida and has at least one office in the State of Florida.
 - b) The firm has no conflict of interest with regard to any other work for the City.
 - c) The firm adheres to the instructions in this request for proposals

- d) The firm or its professionals has a minimum of five years of experience in managing fixed income assets for state and local governments.
- e) The firm manages at least \$1 billion of domestic fixed income assets for public organizations.

2. Technical Qualification (Max. 100 points possible)

- A. Expertise and Experience (Max. 40 point) The firm's relevant experience and performance in managing similar local government funds, and the experience, resources and qualification of the investment advisor and individuals assigned to this account, including references.
- B. Accounting and Reporting (Max. 20 point) The firm's accounting and reporting system, frequency and format of reports, and online reporting capabilities.
- C. Approach and Discipline (Max. 15 points) Investment philosophy and strategy and demonstrated investment performance. Ability to provide necessary portfolio accounting services. Understanding of the scope of services required by the City and ability to provide these services.
- D. Price (Max. 25 points) Proposed fees and compensation.

C. Oral Presentation (Max. 25 points)

During the evaluation process the Selection Committee may, at its discretion, request firms to make oral presentations.

VII. SUPPLEMENTAL INFORMATION

Exhibit A represents the City's Investment Policy

Exhibit B represents the City's most recent investment report

EXHIBIT A

Agenda Item 13
Meeting of 3/5/08

ORDINANCE 08-11973

AN ORDINANCE AMENDING THE INVESTMENT POLICY OF THE CITY OF NAPLES TO REFLECT RESTRICTIVE PORTFOLIO ALLOCATIONS; REPEALING ORDINANCE 05-10940; PROVIDING A SEVERABILITY CLAUSE, A REPEALER PROVISION AND AN EFFECTIVE DATE.

WHEREAS, Florida State Law F.S. 218.415 requires that “local governments shall have an investment policy for any public funds in excess of the amounts needed to meet current expenses, or shall meet the alternative investment guidelines contained in the statute”; and

WHEREAS, the City adopted the current investment policy by Ordinance 05-10940, on September 7, 2005; and

WHEREAS, changes in the market, specifically the State Board of Administrations Local Government Investment Pool, have caused the City to re-evaluate certain portfolio allocations; and

WHEREAS, recommendations were discussed at the January 22, 2008, City Council Workshop; and

WHEREAS, it is the desire of the City Council to amend this policy;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NAPLES, FLORIDA:

Section 1. That the Investment Policy of the City of Naples is hereby amended which further restricts Federal Instrumentalities and the State Board of Administrations Local Government Investment Pool, a copy of which is on file in the City Clerk’s office.

Section 2. This Ordinance amends, supersedes and repeals Ordinance 05-10940.

Section 3. If any word, phrase, clause, subsection or section of this ordinance is for any reason held unconstitutional or invalid, the invalidity thereof shall not affect the validity of any remaining portions of this ordinance.

Section 4. That all sections or parts of sections of the Code of Municipal Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith, be and the same, are hereby repealed to the extent of such conflict.

Section 5. This ordinance shall take effect immediately upon adoption at second reading.

APPROVED AT FIRST READING THIS 20TH DAY OF FEBRUARY, 2008.

PASSED AND ADOPTED AT SECOND READING AND PUBLIC HEARING IN OPEN AND REGULAR SESSION OF THE CITY COUNCIL OF THE CITY OF NAPLES, FLORIDA, THIS 5TH DAY OF MARCH, 2008.

Bill Barnett, Mayor

Attest:

Approved as to form and legality:

Tara A. Norman, City Clerk

Robert D. Pritt, City Attorney

M:\REF\COUNCIL\ORD\2008\08-11973

Date filed with City Clerk: _____

Investment Policy
City of Naples,
Florida



Approved on September 7, 2005

Amended on March 5, 2008

Table of Contents

	Page
I. PURPOSE	3
II. SCOPE	3
III. INVESTMENT OBJECTIVES	3
IV. DELEGATION OF AUTHORITY	4
V. STANDARDS OF PRUDENCE	4
VI. ETHICS AND CONFLICTS OF INTEREST	4
VII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES	5
VIII. CONTINUING EDUCATION	5
IX. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS	5
X. MATURITY AND LIQUIDITY REQUIREMENTS	6
XI. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS	6
XII. AUTHORIZED INVESTMENTS INSTRUMENTS AND PORTFOLIO COMPOSITION	7
XIII. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS	13
XIV. PERFORMANCE MEASUREMENTS	13
XV. REPORTING	13
XVI. THIRD-PARTY CUSTODIAL AGREEMENTS	14
XVII. RESERVATION OF AUTHORITY	14

ATTACHMENT: Glossary of Cash and Investment Management Terms

Investment Policy – City of Naples, Florida

I. PURPOSE

The purpose of this Investment Policy (hereinafter “Policy”) is to set forth the investment objectives and parameters for the management of public funds of City of Naples, Florida (hereinafter “City”). This Policy is designed to safeguard the City’s funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

II. SCOPE

In accordance with Section 218.415, Florida Statutes, this Policy applies to all cash and investments held or controlled by the City with the exception of the City’s funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Additionally, this policy does not apply to funds not under investment control of the City, such as, the Police, Firefighters and the Employees Pension Funds. Cash and investment balances as defined in this Section are entirely known as “Available Fund”.

III. INVESTMENT OBJECTIVES

Safety of Principal

The foremost objective of this investment program is the safety of the principal of those funds within the portfolios. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

From time to time, securities may be traded for other similar securities to improve yield, maturity or credit risk. For these transactions, a loss may be incurred for accounting purposes, provided any of the following occurs with respect to the replacement security:

- A. Yield has been increased, or
- B. Maturity has been adjusted in anticipation of interest rate changes
- C. Quality of the investment has been improved.

Maintenance of Liquidity

The portfolios shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Periodical cash flow analyses will be completed in order to ensure that the portfolios are positioned to provide sufficient liquidity.

Return on Investment

Investment portfolios shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

IV. DELEGATION OF AUTHORITY

As designated by the City Council, the responsibility for providing oversight in regards to the management of the investment program resides with the City Council. The management responsibility for all City funds in the long-term core investment program and investment transactions is delegated to the City's Investment Advisor. The City's Finance Director or designee will be responsible for the transferring of appropriate funds to affect investment transactions as recommended by the City's Investment Advisor for the long-term core investment program. The City Finance Department will be responsible for the investment of operating funds, operating reserves funds, and bond proceeds. In employing an Investment Advisor to manage the City Council investment portfolio, such Investment Advisor or firm must be registered under the Investment Advisor/s Act of 1940.

V. STANDARDS OF PRUDENCE

The standard of prudence to be used by investment officials shall be the "Prudent Person" standard and shall be applied in the context of managing the overall investment program. Investment officers acting in accordance with written procedures and this investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported to the City Council in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this Policy. The "Prudent Person" rule states the following:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.

While the standard of prudence to be used by investment officials who are officers or employees is the Prudent Person standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of "Prudent Expert". The standard shall be that in investing and reinvesting moneys and in acquiring, retaining, managing, and disposing of investments of these funds, the contractor shall exercise: the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable income as well as the probable safety of their capital.

VI. ETHICS AND CONFLICTS OF INTEREST

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Also, employees involved in the investment process shall disclose to the Investment Committee any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the City's investment program.

VII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES

The Finance Director or designee shall establish a system of internal controls and operational procedures that are in writing and made a part of the City's finances operational procedures. The internal controls should be designed to prevent losses of funds, which might arise from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees. The written procedures should include reference to safekeeping, repurchase agreements, separation of transaction authority from accounting and recordkeeping, wire transfer agreements, banking service contracts, collateral/depository agreements, and "delivery-vs-payment" procedures. No person may engage in an investment transaction except as authorized under the terms of this Policy.

Independent auditors as a normal part of the annual financial audit to the City shall conduct a review of the system of internal controls to ensure compliance with policies and procedures.

VIII. CONTINUING EDUCATION

The Finance Director or designee shall annually complete 8 hours of continuing education in subjects or course of study related to investment practices and products.

IX. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

The Finance Director or designee and/or the City's Investment Advisor/s shall only purchase securities from Qualified Financial Institutions and investment institutions that are designated as Primary Securities Dealers by the Federal Reserve Bank of New York. The Finance Director or designee and/or the City's Investment Advisor/s shall only enter into repurchase agreements with financial institutions that are Qualified Institutions and Primary Securities Dealers as designated by the Federal Reserve Bank of New York. The Finance Director or designee and/or the City's Investment Advisor/s shall maintain a list of financial institutions and broker/dealers that are approved for investment purposes and only firms meeting the following requirements will be eligible to serve as Qualified Institutions:

- 1) Regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
- 2) Capital of no less than \$10,000,000;
- 3) Registered as a dealer under the Securities Exchange Act of 1934;
- 4) Member of the National Association of Dealers (NASD);
- 5) Registered to sell securities in Florida;
- 6) The firm and assigned broker have been engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years.
- 7) Public Depositories qualified by the Treasurer of the State of Florida, in accordance with Chapter 280, Florida Statutes.

All brokers, dealers and other financial institutions deemed to be Qualified Institutions shall be provided with current copies of the City's Investment Policy. A current audited financial statement is required to be on file for each financial institution and broker/dealer with which the City transacts business

X. MATURITY AND LIQUIDITY REQUIREMENTS

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements.

A. Maturity Guidelines

Securities purchased by or on behalf of the City shall have a final maturity of five (5) years or less from the date of purchase. The overall weighted average duration of principal return for the entire portfolio shall be less than three (3) years. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreement.

B. Liquidity Requirements

The Finance Director or designee shall determine the approximate amount of funds required to meet the day-to-day expenditure needs of the City. All funds in the depository bank will be “swept” each night into a fully collateralized repurchase agreement or money market fund. In order to have an available source of funds to meet unexpected cash requirements, a minimum of two months operating expenses will be invested with the Florida Local Government Surplus Funds Trust Fund (“SBA”). The balance of the City’s funds will be available for investment according to the guidelines incorporated within this Policy.

XI. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

After the Finance Director or designee and/or the City’s Investment Advisor/s has determined the approximate maturity date based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) qualified banks and/or approved broker/dealers must be contacted and asked to provide bids/offers on securities in questions. Bids will be held in confidence until the bid deemed to best meet the investment objectives is determined and selected.

However, if obtaining bids/offers are not feasible and appropriate, securities may be purchased/sold utilizing the comparison to current market price method on an exception basis. Acceptable current market price providers include, but are not limited to:

- A. Telerate Information System
- B. Bloomberg Information Systems
- C. Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing
- D. Daily market pricing provided by the City’s custodian or their correspondent institutions

Examples of when this method may be used include:

- A. When time constraints due to unusual circumstances preclude the use of the competitive bidding process

- B. When no active market exists for the issue being traded due to the age or depth of the issue
- C. When a security is unique to a single dealer, for example, a private placement
- D. When the transaction involves new issues or issues in the “when issued” market

Overnight sweep investment instruments will not be bid, but may be placed with the City’s depository bank relating to the demand account for which the investment instrument was purchased.

XII. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION

Investments should be made subject to the cash flow needs and such cash flows are subject to revisions as market conditions and the City’s needs change. City Department Directors are responsible for updating cash flow projections and expenditure projections over \$100,000 and for providing this information to Finance Director on a quarterly basis or as needed. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the Finance Director or designee and/or the City’s Investment Advisor/s may sell the investment at the then-prevailing market price and place the proceeds into the proper account at the City’s custodian.

The following are the investment requirements and allocation limits on security types, issuers, and maturities as established by the City. Diversification strategies within the established guidelines shall be reviewed and revised periodically as necessary by the Finance Director. The City shall have the option to further restrict investment percentages from time to time based on market conditions, risk and diversification investment strategies. The percentage allocations requirements for investment types and issuers are calculated based on the original cost of each investment. Investments not listed in this Policy are prohibited. The following requirements do not apply to funds derived from the sale of debt.

- A. THE FLORIDA LOCAL GOVERNMENT SURPLUS FUNDS TRUST FUND (“SBA”)
 - 1. Purchase Authorization
Florida Local Government Surplus Funds Trust Fund (“SBA”)
 - 2. Portfolio Composition
A maximum of 25% of available funds may be invested in the SBA.
- B. UNITED STATES GOVERNMENT SECURITIES
 - 1. Purchase Authorization
Negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government. Such securities will include, but not be limited to the following:
 - Cash Management Bills
 - Treasury Securities – State and Local Government Series (“SLGS”)
 - Treasury Bills
 - Treasury Notes
 - Treasury Bonds
 - Treasury Strips

2. Portfolio Composition
A maximum of 100% of available funds may be invested in the United States Government Securities with the exception of Treasury Strips are limited to 10% of available funds.
3. Maturity Limitations
The maximum length to maturity of any direct investment in the United States Government Securities is five (5) years from the date of purchase.

C. UNITED STATES GOVERNMENT AGENCIES

1. Purchase Authorization
Bonds, debentures, notes or callables issued or guaranteed by the United States Governments agencies, provided such obligations are backed by the full faith and credit of the United States Government. This includes adjustable and fixed rate mortgage-backed securities. The adjustable interest rate securities are to only adjust to the US treasury indices. Such securities will include, but not be limited to the following:
 - United States Export – Import Bank
 - Direct obligations or fully guaranteed certificates of beneficial ownership
 - Farmer Home Administration
 - Certificates of beneficial ownership
 - Federal Financing Bank
 - Discount notes, notes and bonds
 - Federal Housing Administration Debentures
 - Government National Mortgage Association (GNMA)
 - GNMA guaranteed mortgage-backed bonds
 - GNMA guaranteed pass-through obligations
 - General Services Administration
 - United States Maritime Administration Guaranteed
 - Title XI Financing
 - New Communities Debentures
 - United States Government guaranteed debentures
 - United States Public Housing Notes and Bonds
 - United States Government guaranteed public housing notes and bonds
 - United States Department of Housing and Urban Development
 - Project notes and local authority bonds
2. Portfolio Composition
A maximum of 50% of available funds may be invested in United States Government agencies.
3. Limits on Individual Issuers
A maximum of 10% of available funds may be invested in individual United States Government agencies.
4. Maturity Limitations
The maximum length to maturity for an investment in any United States Government agency security is five (5) years from the date of purchase.

D. FEDERAL INSTRUMENTALITIES (UNITED STATES SPONSORED AGENCIES)

1. Purchase Authorization

Bonds, debentures, notes or callables issued or guaranteed by United States Government sponsored agencies (Federal Instrumentalities), which are non-full faith and credit agencies. This includes adjustable and fixed rate mortgage-backed securities. The adjustable interest rate securities are to only adjust to the US treasury indices. These are limited to the following:

Federal Farm Credit Bank (FFCB)
Federal Home Loan Bank or its City banks (FHLB)
Federal National Mortgage Association (FNMA)
Federal Home Loan Mortgage Corporation (Freddie-Macs) including
Federal -Home Loan Mortgage Corporation participation certificates

2. Portfolio Composition

A maximum of 50% of available funds may be invested in Federal Instrumentalities.

3. Limits on Individual Issuers

A maximum of 15% of available funds may be invested in any one issuer.

4. Maturity Limitations

The maximum length to maturity for an investment in any Federal Instrumentality security is five (5) years from the date of purchase. Mortgage backed securities will have average duration not greater than five (5) years.

E. INTEREST BEARING TIME DEPOSIT OR SAVING ACCOUNTS

1. Purchase Authorization

Non-negotiable interest bearing time certificates of deposit or savings accounts in banks organized under the laws of this state and/or in national banks organized under the laws of the United States and doing business and situated in the State of Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes. Additionally, the bank shall not be listed with any recognized credit watch information service.

2. Portfolio Composition

A maximum of 10% of available funds may be invested in non-negotiable interest bearing time certificates of deposit.

3. Limits on Individual Issuers

A maximum of 10% of available funds may be deposited with any one issuer.

4. Limits on Maturities

The maximum maturity on any certificate shall be no greater than one (1) year from the date of purchase.

F. REPURCHASE AGREEMENTS

1. Purchase Authorization

- a. Repurchase agreements composed of only those investments authorized in Section XII.B, C, and D. All firms are required to sign the City's Master Repurchase Agreement prior to the execution of a repurchase agreement transaction.
- b. A third party custodian with whom the City has a current custodial agreement shall hold the collateral for all repurchase agreements with a term longer than one (1) business day. A clearly marked receipt that shows evidence of ownership must be supplied to the Finance Director or designee and retained.
- c. Securities authorized for collateral must have maturities under five (5) years and with market value for the principal and accrued interest of 102 percent of the value and for the term of the repurchase agreement. Immaterial short-term deviations from 102 percent requirement are permissible only upon the approval of the Finance Director or designee and/or the City's Investment Advisor/s.
- d. The overnight sweep arrangement shall adhere to the agreement between the City and the City's depository bank.

2. Portfolio Composition

A maximum of 20% of available funds may be invested in repurchase agreements excluding one (1)-business day agreements and overnight sweep agreements.

3. Limits on Individual Issuers

A maximum of 10% of available funds may be invested with any one institution excluding one (1)-business day agreements and overnight sweep agreements.

4. Limits on Maturities

The maximum length to maturity of any repurchase agreement is 90 days from the date of purchase.

G. COMMERCIAL PAPER

1. Purchase Authorization

Commercial paper of any United States company that is rated, at the time or purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). If the commercial paper is backed by a letter of credit ("LOC"), the long-term debt of the LOC provider must be rated "A" or better by at least two nationally recognized rating agencies.

2. Portfolio Composition

A maximum of 25% of available funds may be directly invested in prime commercial paper.

3. Limits on Individual Issuers

A maximum of 5% of available funds may be invested with any one issuer.

4. Maturity Limitations
The maximum length to maturity for prime commercial paper shall be 270 days from the date of purchase.

H. CORPORATE NOTES

1. Purchase Authorization
Corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum “Aa” by Moody’s and a minimum long term debt rating of “AA” by Standard & Poor’s.
2. Portfolio Composition
A maximum of 15% of available funds may be directly invested in corporate notes.
3. Limits on Individual Issuers
A maximum of 5% of available funds may be invested with any one issuer.
4. Maturity Limitations
The maximum length to maturity for corporate notes shall be (3) three years from the date of purchase.

I. BANKERS’ ACCEPTANCES

1. Purchase Authorization
Bankers’ acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, “P-1” by Moody’s Investors Services and “A-1” Standard & Poor’s.
2. Portfolio Composition
A maximum of 25% of available funds may be directly invested in Bankers’ acceptances
3. Limits on Individual Issuers
A maximum of 5% of available funds may be invested with any one issuer.
4. Maturity Limitations
The maximum length to maturity for Bankers’ acceptances shall be 180 days from the date of purchase.

J. STATE AND/OR LOCAL GOVERNMENT TAXABLE AND/OR TAX-EXEMPT DEBT

1. Purchase Authorization
State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least “Aa” by Moody’s and “AA” by Standard & Poor’s for long-term debt, or rated at least “MIG-2” by Moody’s and “SP-2” by Standard & Poor’s for short-term debt.

2. Portfolio Composition
A maximum of 25% of available funds may be invested in taxable and tax-exempt General Obligation bonds.

A maximum of 10% of available funds may be invested in taxable and tax-exempt Revenue and Excise tax bonds of the various municipalities of the State of Florida, provided none of such securities have been in default within five (5) years prior to the date of purchase.

3. Maturity Limitations
A maximum length to maturity for an investment in any state or local government debt security is five (5) years from the date of purchase.

K. REGISTERED INVESTMENT COMPANIES (MONEY MARKET MUTUAL FUNDS)

1. Investment Authorization
Shares in open-end, no-load provided such funds are registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. § 270.2a-7, which stipulates that money market funds must have an average weighted maturity of 90 days or less. In addition, the share value of the money market funds must equal to \$1.00.

2. Portfolio Composition
A maximum of 20% of available funds may be invested in money market funds.

3. Limits of Individual Issuers
A maximum of 10% of available funds may be invested with any one money market fund.

4. Rating Requirements
The money market funds shall be rated “AAm” or “AAm-G” or better by Standard & Poor’s, or the equivalent by another rating agency.

5. Due Diligence Requirements
A thorough review of any money market fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the Finance Director or designee and/or the City’s Investment Advisor/s that will contain a list of questions that covers the major aspects of any investment pool/fund.

L. INTERGOVERNMENTAL INVESTMENT POOL

1. Investment Authorization
Intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes and provided that said funds contain no derivatives.

2. Portfolio Composition
A maximum of 25% of available funds may be invested in intergovernmental investment pools.

3. Due Diligence Requirements
A thorough review of any investment pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the Finance

Director or designee and/or the City's Investment Advisor/s that will contain a list of questions that covers the major aspects of any investment pool/fund.

XIII. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS

The City may not invest in investment products that include the use of derivatives. A "derivative" is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values. Reverse repurchase agreements are not permitted by this Policy.

XIV. PERFORMANCE MEASUREMENTS

In order to assist in the evaluation of the portfolios' performance, the City will use performance benchmarks for short-term and long-term portfolios. The use of benchmarks will allow the City to measure its returns against other investors in the same markets.

- A. The short-term investment portfolio shall be designed with the annual objective of exceeding the weighted average return (net book value rate of return) of the Florida Local Government Surplus Funds Trust Fund (SBA).
- B. The long-term investment portfolio shall be designed with the annual objective of exceeding the return of the Merrill Lynch 1-3 Year Treasury Index 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 City.

XV. REPORTING

- A. The City's Investment Advisor/s shall provide quarterly investment reports on the City's short-term and long-term core investments to the Investment Committee and Board of City Council. Schedules in the quarterly report should include the following:

- 1. A listing of individual securities held at the end of the reporting period
- 2. Percentage of available funds represented by each investment type
- 3. Coupon, discount or earning rate
- 4. Average life or duration and final maturity of all investments
- 5. Par value and market value

- B. Annual Investment Report

On an annual basis, the City's Investment Advisor/s shall submit to the City Council a written report on the long-term core investment funds. The annual report shall provide all, but not limited to, the following: a complete list of all invested funds, name or type of security in which the funds are invested, the amount invested, the maturity date, earned income, the book value, the market value and the yield on each investment. The annual report will show performance on both a book value and total rate of return basis and will compare the results to the above-stated performance benchmarks. All investments shall

be reported at fair value per GASB standards. Investment reports shall be available to the public.

XVI. THIRD-PARTY CUSTODIAL AGREEMENTS

Securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchase by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by the Finance Director and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, shall be made from safekeeping, shall be permitted unless by such a duly authorized person.

Monthly, the custodian shall provide the Finance Director or designee and/or the City's Investment Advisor/s with detail information on the securities held by the custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Only after receiving written authorization from the Finance Director shall authorized securities be delivered "free". Securities held as collateral shall be held free and clear of any liens.

XVII. RESERVATION OF AUTHORITY

The authority to issue and/or revise this Policy is reserved for the City Council.

Mayor
City of NAPLES

ATTACHMENT

Glossary of Cash and Investment Management Terms

Agency - A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Asked - The price at which securities are offered

Average Life - The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Bankers' Acceptance (BA) - A draft, bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Basis Point - A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., "1/4" of 1 percent is equal to 25 basis points.

Bid - The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value - The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Broker - A broker brings buyer and sellers together for a commission.

Certificate of Deposit (CD) - A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable.

Collateralization - Process by which a borrower pledges securities, property, or other deposits for securing the repayment of a loan and/or security.

Commercial Paper - An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Current Yield (Current Return) - A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Dealer - A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Delivery Versus Payment (DVP) - A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Derivatives - For hedging purposes, common derivatives are options, futures, swaps and swaptions. All Collateralized Mortgage Obligations ("CMOs") are derivatives. (1) Financial

instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Derivative Security - Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Diversification - A process of investing assets among a range of security types by sector, maturity, and quality rating.

Duration - A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Federal Home Loan Banks (FHLB) - Government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal National Mortgage Association (FNMA) - FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Government National Mortgage Association (GNMA OR GINNIE MAE) - Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. The security holder is protected by full faith and credit of the U. S. Government. Ginnie Mae securities are backed by the FHA, VA, or FMHM mortgages. The term "passthroughs" is often used to describe Ginnie Maes.

Government Securities - An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, Bonds, and SLGS."

Internal Controls - An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

1. Control of collusion - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.

2. Separation of transaction authority from accounting and record keeping - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. Custodial safekeeping - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. Avoidance of physical delivery securities - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. Clear delegation of authority to subordinate staff members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. Written confirmation of transactions for investments and wire transfers - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. Development of a wire transfer agreement with the lead bank and third-party custodian - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

Investment Company Act of 1940- Federal legislation that sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Liquidity - An asset that can be converted easily and quickly into cash.

Local Government Investment Pool (LGIP) - An investment by local governments in which their money is pooled as a method for managing local funds, (i.e., Florida State Board of Administration “SBA”).

Long-Term Core Investment Program – Funds that are not needed within a one year period.

Mark-to-market - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Value - Current market price of a security.

Master Repurchase Agreement - A written contract covering all future transactions between parties to repurchase—reverse repurchase agreement that establishes each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity - The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity".

Money Market - The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

Money Market Mutual Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

National Association of Securities Dealers (NASD) - A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value - The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.)

$$\frac{[(\text{Total assets}) - (\text{Liabilities})]}{(\text{Number of shares outstanding})}$$

Par - Face value or principal value of a bond, typically \$1,000 per bond.

Portfolio - Collection of securities held by an investor.

Principal - The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Qualified Public Depository - Per Florida Statute 280, means any bank, saving bank or savings association that:

- (a) Is organized and exists under the laws of the United States, the laws of this state or any other state or territory of the United States;
- (b) Has its principal place of business in this state or has a branch office in this state that is authorized under the laws of this state or of the United States to receive deposits in this state.
 - (c) Has deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss.1811 seq.
- (d) Meets all requirements of F.S. 280
- (e) Has been designed by the Treasurer as a qualified public depository.

Rate of Return - For fixed income securities (bonds and preferred stock), current yield that is, the coupon or contractual dividend rate divided by the purchase price. For common stock, dividend yield, which is the annual dividend divided by the purchase price.

Repurchase Agreement (repo or RP) - An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Safekeeping - Holding of assets (e.g., securities) by a financial institution.

Structured Notes - Notes issued by government sponsored enterprises (FHLB, FNMA, SLMA, etc.) and corporations which have imbedded options (e.g. call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by fluctuation of interest rates, the volatility of the imbedded options, and shifts in the shape of the yield curve.

Swap - Trading one asset for another.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. $(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$

Treasury Bills - Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Notes - Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

Treasury Bonds - Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Weighted Average Maturity (WAM) - The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

Yield - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

Yield Curve - A graph showing the relationship at a single point in time between the available maturities of a security or similar securities with essentially identical credit risk and the yields that can be earned for each of those available maturities. A graphical depiction of the term structure of interest rates at any given point in time. Yield curves may be constructed for different instruments.

Yield-to-call (YTC) - The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date. Yield Curve - A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity - The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.



Cutwater Asset Management
1900 Sixteenth Street, Suite 200
Denver, CO 80202
Tel: 303 860 1100
Fax: 303 860 0016

CITY OF NAPLES

Report for the period July 1, 2012 - July 31, 2012

Please contact Accounting by calling the number above or email camreports@cutwater.com with questions concerning this report.

(This report was prepared on August 2, 2012)

Fixed Income Market Review July 31, 2012

U.S. Personal Consumption Expenditures

07/01/06 - 06/30/12

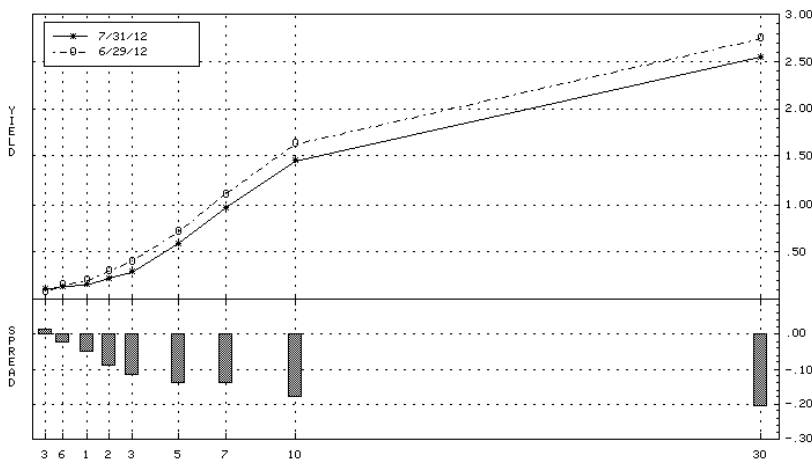
Chart 1



Treasury Yield Curves

06/29/12 - 07/31/12

Chart 2



Economic Indicators & Monetary Policy – The U.S. economy is showing signs of weakness as consumer spending stagnated in June. Consumer spending, which makes up approximately 70 percent of the economy, was unchanged last month after a 0.1 percent decrease in May. Retail sales decreased in June for the third consecutive month, the longest decline since 2008. Personal consumption expenditures grew at a 1.5 percent annualized rate during the second quarter, the slowest rate in a year, (see Chart 1) while consumption grew by 2.4 percent during the prior quarter.

Households will likely remain hesitant to spend until hiring improves. Payroll increases averaged 75,000 last quarter, down from 225,000 in the first quarter. The unemployment rate, currently at 8.2 percent, has been stuck above 8 percent for 41 consecutive months. Federal Reserve Chairman Ben S. Bernanke stated to Congress last week that progress in reducing the unemployment rate will be "frustratingly slow". Federal Reserve policy makers meet this week to discuss measures to boost growth and push down unemployment.

The U.S. economy cooled in the second quarter as households constrained spending while government spending and business investment decreased. Gross domestic product, the value of all goods and services produced, expanded at a 1.5 percent annual rate during the second quarter of 2012. This follows a revised 2 percent gain for the previous quarter. Revisions that date back to 2009 show the first year of the recovery was even weaker than previously reported. The global economy continues to weaken as the U.S. approaches the so called fiscal cliff (more than \$600 billion in higher taxes and reductions in government spending) that will occur automatically without action by Congress. The outlook, however, may hold promise. The S&P/Case-Shiller index of property values indicates that home prices are stabilizing. The Institute for Supply Management, a business barometer index, increased to the highest level since April, and inflation has been subdued in recent months.

Yield Curve & Spreads – Treasury yields moved lower in July as a result of continued weakness in U.S. economic conditions.

At the end of July, 3-month Treasury bills yielded 0.10 percent, 6-month Treasury bills yielded 0.13 percent, 2-year Treasuries yielded 0.21 percent, 5-year Treasuries yielded 0.58 percent, 10-year Treasuries yielded 1.47 percent, and 30-year bonds yielded 2.55 percent. (See Chart 2)

Additional Information
July 31, 2012

A current version of the investment adviser brochure, for Cutwater Investor Services Corp., in the form of the Firm's ADV Part 2A is available for your review. Please contact our Client Service Desk at 1-800-395-5505 or mail your request to:

Cutwater Investor Services Corp.
Attention: Client Services
113 King Street
Armonk, NY 10504

A copy of the brochure will be sent to you either by mail or electronically at your option.

In addition, a copy of the most recent version of the Firm's complete Form ADV can be downloaded from the SEC website at www.adviserinfo.sec.gov/.

City of Naples
Activity and Performance Summary
for the period July 1, 2012 - July 31, 2012

Portfolio Totals

<u>Amortized Cost Basis Activity Summary</u>	
Beginning Amortized Cost Value	76,072,533.38
Additions	
Contributions	4,574.98
Interest Received	30,555.32
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	35,130.30
Deductions	
Withdrawals	0.00
Fees Paid	4,574.98
Accrued Interest Purchased	5,500.00
Loss on Sales	0.00
Total Deductions	(10,074.98)
Accretion (Amortization) for the Period	(4,591.71)
Ending Amortized Cost Value	76,092,996.99
Ending Fair Value	76,205,763.65
Unrealized Gain (Loss)	112,766.66

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.11 %	0.14 %	0.17 %
Overnight Repo	0.10 %	0.15 %	0.17 %
3 Month T-Bill	0.04 %	0.07 %	0.08 %
6 Month T-Bill	0.07 %	0.12 %	0.13 %
1 Year T-Note	0.15 %	0.18 %	0.19 %
2 Year T-Note	0.27 %	0.29 %	0.25 %
5 Year T-Note	0.87 %	0.81 %	0.63 %

<u>Detail of Amortized Cost Basis Return</u>				
	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	44.74	0.00	0.00	44.74
Commercial Paper	0.00	4,558.89	0.00	4,558.89
U.S. Treasury	10,697.51	739.80	0.00	11,437.31
U.S. Instrumentality	17,432.72	(1,137.64)	0.00	16,295.08
Corporate	10,619.78	(8,441.74)	0.00	2,178.04
Sales and Maturities				
U.S. Treasury	1,384.62	(311.02)	0.00	1,073.60
Total	40,179.37	(4,591.71)	0.00	35,587.66

<u>Summary of Amortized Cost Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	40,179.37	40,134.63
Accretion (Amortization)	(4,591.71)	(4,591.71)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	35,587.66	35,542.92
Average Daily Historical Cost	76,068,780.98	70,636,842.60
Annualized Return	0.55%	0.59%
Annualized Return Net of Fees	0.48%	0.52%
Annualized Return Year to Date Net of Fees	0.49%	0.52%
Weighted Average Effective Maturity in Days	229	252

City of Naples
Activity and Performance Summary
for the period July 1, 2012 - July 31, 2012

General Cash & Investment

<u>Amortized Cost Basis Activity Summary</u>	
Beginning Amortized Cost Value	73,568,161.88
Additions	
Contributions	4,424.36
Interest Received	30,546.51
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	34,970.87
Deductions	
Withdrawals	0.00
Fees Paid	4,424.36
Accrued Interest Purchased	5,500.00
Loss on Sales	0.00
Total Deductions	(9,924.36)
Accretion (Amortization) for the Period	(4,591.71)
Ending Amortized Cost Value	73,588,616.68
Ending Fair Value	73,701,383.34
Unrealized Gain (Loss)	112,766.66

<u>Detail of Amortized Cost Basis Return</u>				
	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	23.47	0.00	0.00	23.47
Commercial Paper	0.00	4,558.89	0.00	4,558.89
U.S. Treasury	10,697.51	739.80	0.00	11,437.31
U.S. Instrumentality	17,432.72	(1,137.64)	0.00	16,295.08
Corporate	10,619.78	(8,441.74)	0.00	2,178.04
Sales and Maturities				
U.S. Treasury	1,384.62	(311.02)	0.00	1,073.60
Total	40,158.10	(4,591.71)	0.00	35,566.39

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.11 %	0.14 %	0.17 %
Overnight Repo	0.10 %	0.15 %	0.17 %
3 Month T-Bill	0.04 %	0.07 %	0.08 %
6 Month T-Bill	0.07 %	0.12 %	0.13 %
1 Year T-Note	0.15 %	0.18 %	0.19 %
2 Year T-Note	0.27 %	0.29 %	0.25 %
5 Year T-Note	0.87 %	0.81 %	0.63 %

<u>Summary of Amortized Cost Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	40,158.10	40,134.63
Accretion (Amortization)	(4,591.71)	(4,591.71)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	35,566.39	35,542.92
Average Daily Historical Cost	73,564,400.95	70,636,842.60
Annualized Return	0.57%	0.59%
Annualized Return Net of Fees	0.50%	0.52%
Annualized Return Year to Date Net of Fees	0.50%	0.53%
Weighted Average Effective Maturity in Days	237	252

City of Naples
Activity and Performance Summary
for the period July 1, 2012 - July 31, 2012

Utility Tax Debt Service Reserve

<u>Amortized Cost Basis Activity Summary</u>	
Beginning Amortized Cost Value	163,278.00
Additions	
Contributions	9.82
Interest Received	1.35
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	11.17
Deductions	
Withdrawals	0.00
Fees Paid	9.82
Accrued Interest Purchased	0.00
Loss on Sales	0.00
Total Deductions	(9.82)
Accretion (Amortization) for the Period	0.00
Ending Amortized Cost Value	163,279.35
Ending Fair Value	163,279.35
Unrealized Gain (Loss)	0.00

<u>Detail of Amortized Cost Basis Return</u>				
	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	1.39	0.00	0.00	1.39
Total	1.39	0.00	0.00	1.39

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.11 %	0.14 %	0.17 %
Overnight Repo	0.10 %	0.15 %	0.17 %
3 Month T-Bill	0.04 %	0.07 %	0.08 %
6 Month T-Bill	0.07 %	0.12 %	0.13 %
1 Year T-Note	0.15 %	0.18 %	0.19 %
2 Year T-Note	0.27 %	0.29 %	0.25 %
5 Year T-Note	0.87 %	0.81 %	0.63 %

<u>Summary of Amortized Cost Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	1.39	0.00
Accretion (Amortization)	0.00	0.00
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	1.39	0.00
Average Daily Historical Cost	163,279.31	0.00
Annualized Return	0.01%	0.00%
Annualized Return Net of Fees	-0.06%	0.00%
Annualized Return Year to Date Net of Fees	-0.07%	0.00%
Weighted Average Effective Maturity in Days	1	0

City of Naples
Activity and Performance Summary
for the period July 1, 2012 - July 31, 2012

Water/Sewer Equipment Reserve

<u>Amortized Cost Basis Activity Summary</u>	
Beginning Amortized Cost Value	747,348.00
Additions	
Contributions	44.95
Interest Received	6.12
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	51.07
Deductions	
Withdrawals	0.00
Fees Paid	44.95
Accrued Interest Purchased	0.00
Loss on Sales	0.00
Total Deductions	(44.95)
Accretion (Amortization) for the Period	0.00
Ending Amortized Cost Value	747,354.12
Ending Fair Value	747,354.12
Unrealized Gain (Loss)	0.00

<u>Detail of Amortized Cost Basis Return</u>				
	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	6.33	0.00	0.00	6.33
Total	6.33	0.00	0.00	6.33

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.11 %	0.14 %	0.17 %
Overnight Repo	0.10 %	0.15 %	0.17 %
3 Month T-Bill	0.04 %	0.07 %	0.08 %
6 Month T-Bill	0.07 %	0.12 %	0.13 %
1 Year T-Note	0.15 %	0.18 %	0.19 %
2 Year T-Note	0.27 %	0.29 %	0.25 %
5 Year T-Note	0.87 %	0.81 %	0.63 %

<u>Summary of Amortized Cost Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	6.33	0.00
Accretion (Amortization)	0.00	0.00
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	6.33	0.00
Average Daily Historical Cost	747,353.92	0.00
Annualized Return	0.01%	0.00%
Annualized Return Net of Fees	-0.06%	0.00%
Annualized Return Year to Date Net of Fees	0.31%	0.64%
Weighted Average Effective Maturity in Days	1	0

City of Naples
Activity and Performance Summary
for the period July 1, 2012 - July 31, 2012

Water/Sewer Debt Service Reserve

<u>Amortized Cost Basis Activity Summary</u>	
Beginning Amortized Cost Value	1,593,745.50
Additions	
Contributions	95.85
Interest Received	1.34
Accrued Interest Sold	0.00
Gain on Sales	0.00
Total Additions	97.19
Deductions	
Withdrawals	0.00
Fees Paid	95.85
Accrued Interest Purchased	0.00
Loss on Sales	0.00
Total Deductions	(95.85)
Accretion (Amortization) for the Period	0.00
Ending Amortized Cost Value	1,593,746.84
Ending Fair Value	1,593,746.84
Unrealized Gain (Loss)	0.00

<u>Detail of Amortized Cost Basis Return</u>				
	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	13.55	0.00	0.00	13.55
Total	13.55	0.00	0.00	13.55

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.11 %	0.14 %	0.17 %
Overnight Repo	0.10 %	0.15 %	0.17 %
3 Month T-Bill	0.04 %	0.07 %	0.08 %
6 Month T-Bill	0.07 %	0.12 %	0.13 %
1 Year T-Note	0.15 %	0.18 %	0.19 %
2 Year T-Note	0.27 %	0.29 %	0.25 %
5 Year T-Note	0.87 %	0.81 %	0.63 %

<u>Summary of Amortized Cost Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	13.55	0.00
Accretion (Amortization)	0.00	0.00
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	13.55	0.00
Average Daily Historical Cost	1,593,746.80	0.00
Annualized Return	0.01%	0.00%
Annualized Return Net of Fees	-0.06%	0.00%
Annualized Return Year to Date Net of Fees	0.07%	0.08%
Weighted Average Effective Maturity in Days	1	0

City of Naples
Activity and Performance Summary
for the period July 1, 2012 - July 31, 2012

Portfolio Totals

<u>Fair Value Basis Activity Summary</u>	
Beginning Fair Value	76,143,962.53
Additions	
Contributions	4,574.98
Interest Received	30,555.32
Accrued Interest Sold	0.00
Total Additions	35,130.30
Deductions	
Withdrawals	0.00
Fees Paid	4,574.98
Accrued Interest Purchased	5,500.00
Total Deductions	(10,074.98)
Change in Fair Value for the Period	36,745.80
Ending Fair Value	76,205,763.65

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	44.74	0.00	44.74
Commercial Paper	0.00	3,455.11	3,455.11
U.S. Treasury	10,697.51	(4,856.95)	5,840.56
U.S. Instrumentality	17,432.72	28,842.49	46,275.21
Corporate	10,619.78	10,393.25	21,013.03
Sales and Maturities			
U.S. Treasury	1,384.62	(1,088.10)	296.52
Total	40,179.37	36,745.80	76,925.17

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.11 %	0.14 %	0.17 %
Overnight Repo	0.10 %	0.15 %	0.17 %
3 Month T-Bill	0.08 %	0.12 %	0.12 %
6 Month T-Bill	0.21 %	0.18 %	0.24 %
1 Year T-Note	0.34 %	0.20 %	0.83 %
2 Year T-Note	0.60 %	0.32 %	2.36 %
5 Year T-Note	5.82 %	2.86 %	8.74 %

<u>Summary of Fair Value Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	40,179.37	40,134.63
Change in Fair Value	36,745.80	36,745.80
Total Income on Portfolio	76,925.17	76,880.43
Average Daily Historical Cost	76,068,780.98	70,636,842.60
Annualized Return	1.19%	1.29%
Annualized Return Net of Fees	1.12%	1.21%
Annualized Return Year to Date Net of Fees	0.44%	0.47%
Weighted Average Effective Maturity in Days	229	252

City of Naples
Activity and Performance Summary
for the period July 1, 2012 - July 31, 2012

General Cash & Investment

<u>Fair Value Basis Activity Summary</u>	
Beginning Fair Value	73,639,591.03
Additions	
Contributions	4,424.36
Interest Received	30,546.51
Accrued Interest Sold	0.00
Total Additions	34,970.87
Deductions	
Withdrawals	0.00
Fees Paid	4,424.36
Accrued Interest Purchased	5,500.00
Total Deductions	(9,924.36)
Change in Fair Value for the Period	36,745.80
Ending Fair Value	73,701,383.34

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	23.47	0.00	23.47
Commercial Paper	0.00	3,455.11	3,455.11
U.S. Treasury	10,697.51	(4,856.95)	5,840.56
U.S. Instrumentality	17,432.72	28,842.49	46,275.21
Corporate	10,619.78	10,393.25	21,013.03
Sales and Maturities			
U.S. Treasury	1,384.62	(1,088.10)	296.52
Total	40,158.10	36,745.80	76,903.90

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.11 %	0.14 %	0.17 %
Overnight Repo	0.10 %	0.15 %	0.17 %
3 Month T-Bill	0.08 %	0.12 %	0.12 %
6 Month T-Bill	0.21 %	0.18 %	0.24 %
1 Year T-Note	0.34 %	0.20 %	0.83 %
2 Year T-Note	0.60 %	0.32 %	2.36 %
5 Year T-Note	5.82 %	2.86 %	8.74 %

<u>Summary of Fair Value Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	40,158.10	40,134.63
Change in Fair Value	<u>36,745.80</u>	<u>36,745.80</u>
Total Income on Portfolio	76,903.90	76,880.43
Average Daily Historical Cost	73,564,400.95	70,636,842.60
Annualized Return	1.23%	1.29%
Annualized Return Net of Fees	1.16%	1.21%
Annualized Return Year to Date Net of Fees	0.46%	0.48%
Weighted Average Effective Maturity in Days	237	252

**City of Naples
Activity and Performance Summary
for the period July 1, 2012 - July 31, 2012**

Utility Tax Debt Service Reserve

<u>Fair Value Basis Activity Summary</u>	
Beginning Fair Value	163,278.00
Additions	
Contributions	9.82
Interest Received	1.35
Accrued Interest Sold	0.00
Total Additions	11.17
Deductions	
Withdrawals	0.00
Fees Paid	9.82
Accrued Interest Purchased	0.00
Total Deductions	(9.82)
Change in Fair Value for the Period	0.00
Ending Fair Value	163,279.35

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	1.39	0.00	1.39
Total	1.39	0.00	1.39

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.11 %	0.14 %	0.17 %
Overnight Repo	0.10 %	0.15 %	0.17 %
3 Month T-Bill	0.08 %	0.12 %	0.12 %
6 Month T-Bill	0.21 %	0.18 %	0.24 %
1 Year T-Note	0.34 %	0.20 %	0.83 %
2 Year T-Note	0.60 %	0.32 %	2.36 %
5 Year T-Note	5.82 %	2.86 %	8.74 %

<u>Summary of Fair Value Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	1.39	0.00
Change in Fair Value	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	1.39	0.00
Average Daily Historical Cost	163,279.31	0.00
Annualized Return	0.01%	0.00%
Annualized Return Net of Fees	(0.06%)	0.00%
Annualized Return Year to Date Net of Fees	(0.07%)	0.00%
Weighted Average Effective Maturity in Days	1	0

City of Naples
Activity and Performance Summary
for the period July 1, 2012 - July 31, 2012

Water/Sewer Equipment Reserve

<u>Fair Value Basis Activity Summary</u>	
Beginning Fair Value	747,348.00
Additions	
Contributions	44.95
Interest Received	6.12
Accrued Interest Sold	0.00
Total Additions	51.07
Deductions	
Withdrawals	0.00
Fees Paid	44.95
Accrued Interest Purchased	0.00
Total Deductions	(44.95)
Change in Fair Value for the Period	0.00
Ending Fair Value	747,354.12

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	6.33	0.00	6.33
Total	6.33	0.00	6.33

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.11 %	0.14 %	0.17 %
Overnight Repo	0.10 %	0.15 %	0.17 %
3 Month T-Bill	0.08 %	0.12 %	0.12 %
6 Month T-Bill	0.21 %	0.18 %	0.24 %
1 Year T-Note	0.34 %	0.20 %	0.83 %
2 Year T-Note	0.60 %	0.32 %	2.36 %
5 Year T-Note	5.82 %	2.86 %	8.74 %

<u>Summary of Fair Value Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	6.33	0.00
Change in Fair Value	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	6.33	0.00
Average Daily Historical Cost	747,353.92	0.00
Annualized Return	0.01%	0.00%
Annualized Return Net of Fees	(0.06%)	0.00%
Annualized Return Year to Date Net of Fees	(0.05%)	(0.11%)
Weighted Average Effective Maturity in Days	1	0

City of Naples
Activity and Performance Summary
for the period July 1, 2012 - July 31, 2012

Water/Sewer Debt Service Reserve

<u>Fair Value Basis Activity Summary</u>	
Beginning Fair Value	1,593,745.50
Additions	
Contributions	95.85
Interest Received	1.34
Accrued Interest Sold	0.00
Total Additions	97.19
Deductions	
Withdrawals	0.00
Fees Paid	95.85
Accrued Interest Purchased	0.00
Total Deductions	(95.85)
Change in Fair Value for the Period	0.00
Ending Fair Value	1,593,746.84

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	13.55	0.00	13.55
Total	13.55	0.00	13.55

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.11 %	0.14 %	0.17 %
Overnight Repo	0.10 %	0.15 %	0.17 %
3 Month T-Bill	0.08 %	0.12 %	0.12 %
6 Month T-Bill	0.21 %	0.18 %	0.24 %
1 Year T-Note	0.34 %	0.20 %	0.83 %
2 Year T-Note	0.60 %	0.32 %	2.36 %
5 Year T-Note	5.82 %	2.86 %	8.74 %

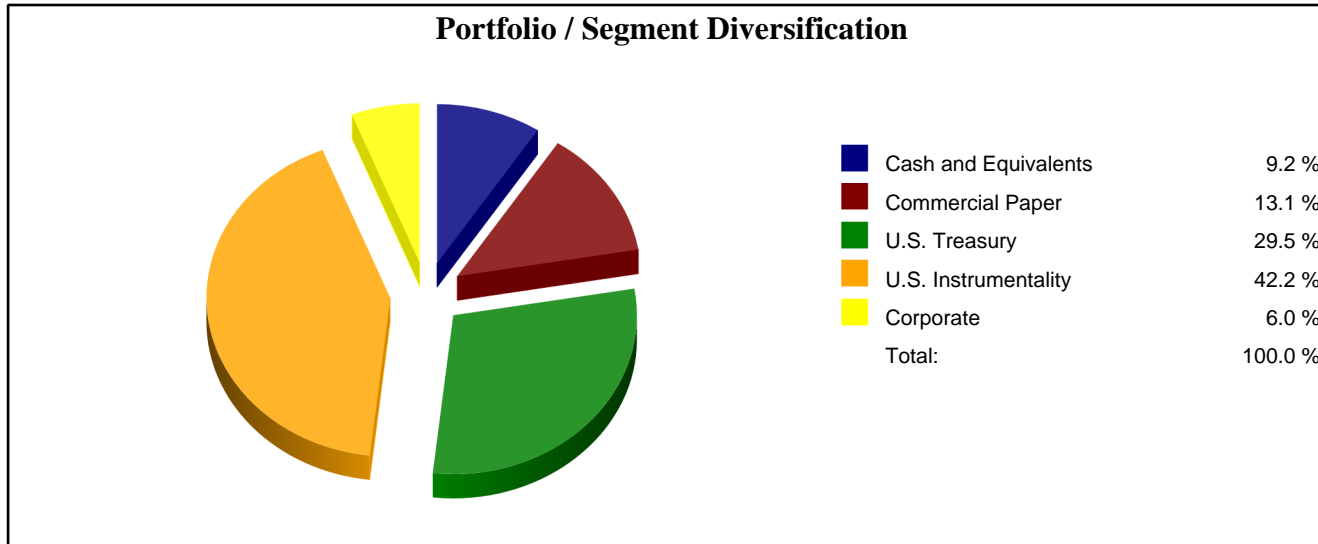
<u>Summary of Fair Value Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	13.55	0.00
Change in Fair Value	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	13.55	0.00
Average Daily Historical Cost	1,593,746.80	0.00
Annualized Return	0.01%	0.00%
Annualized Return Net of Fees	(0.06%)	0.00%
Annualized Return Year to Date Net of Fees	(0.02%)	(0.03%)
Weighted Average Effective Maturity in Days	1	0

**City of Naples
Recap of Securities Held
July 31, 2012**

Portfolio Recap

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	7,017,965.13	7,017,965.13	7,017,965.13	0.00	1	1	9.22	0.01	0.00
Commercial Paper	9,969,157.77	9,981,412.22	9,983,268.00	1,855.78	116	116	13.10	0.56	0.00
U.S. Treasury	22,430,089.87	22,445,819.84	22,482,012.70	36,192.86	134	134	29.47	0.60	0.37
U.S. Instrumentality	32,136,282.75	32,128,808.52	32,186,503.57	57,695.05	893	339	42.22	0.62	0.92
Corporate	4,567,988.75	4,518,991.28	4,536,014.25	17,022.97	518	518	6.00	0.62	1.36
Total	76,121,484.27	76,092,996.99	76,205,763.65	112,766.66	463	229	100.00	0.55	0.58

* Weighted Average Yield is calculated on a "yield to worst" basis.

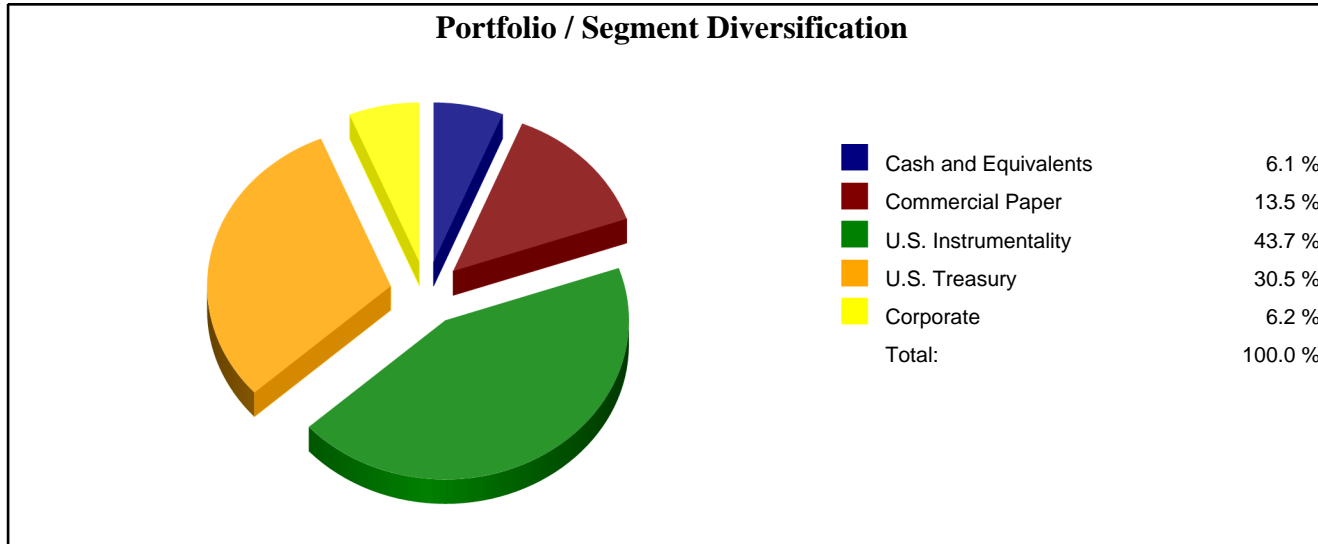


**City of Naples
Recap of Securities Held
July 31, 2012**

General Cash & Investment

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	4,513,584.82	4,513,584.82	4,513,584.82	0.00	1	1	6.13	0.01	0.00
Commercial Paper	9,969,157.77	9,981,412.22	9,983,268.00	1,855.78	116	116	13.54	0.56	0.00
U.S. Instrumentality	32,136,282.75	32,128,808.52	32,186,503.57	57,695.05	893	339	43.65	0.62	0.92
U.S. Treasury	22,430,089.87	22,445,819.84	22,482,012.70	36,192.86	134	134	30.47	0.60	0.37
Corporate	4,567,988.75	4,518,991.28	4,536,014.25	17,022.97	518	518	6.21	0.62	1.36
Total	73,617,103.96	73,588,616.68	73,701,383.34	112,766.66	478	237	100.00	0.57	0.60

* Weighted Average Yield is calculated on a "yield to worst" basis.

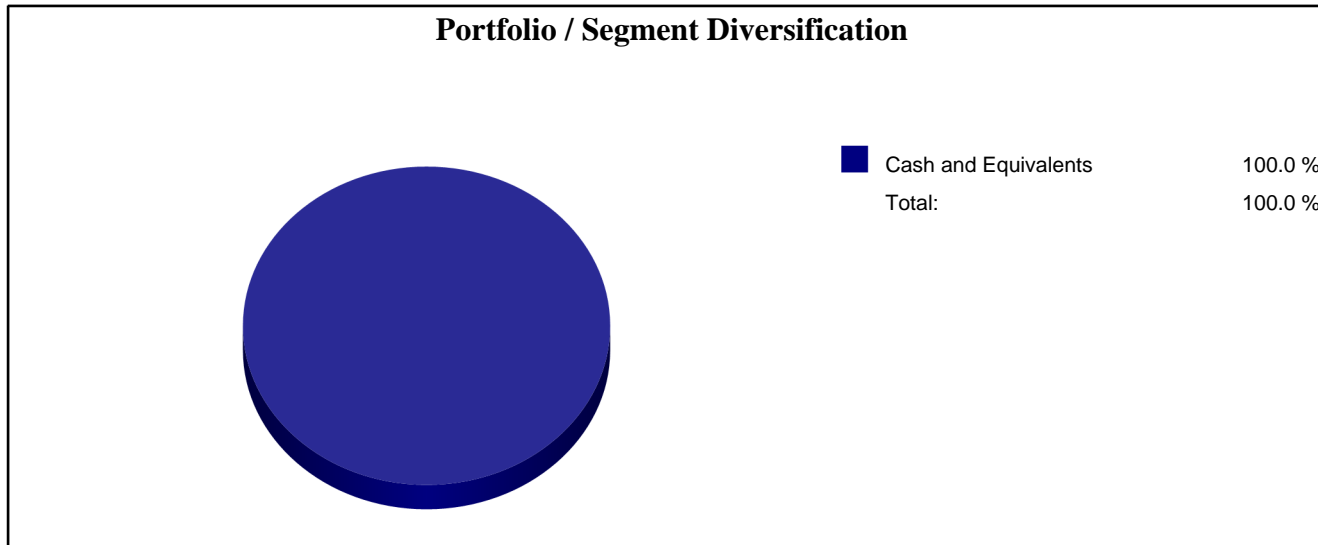


**City of Naples
Recap of Securities Held
July 31, 2012**

**Utility Tax Debt Service
Reserve**

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/ Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	163,279.35	163,279.35	163,279.35	0.00	1	1	100.00	0.01	0.00
Total	163,279.35	163,279.35	163,279.35	0.00	1	1	100.00	0.01	0.00

* Weighted Average Yield is calculated on a "yield to worst" basis.

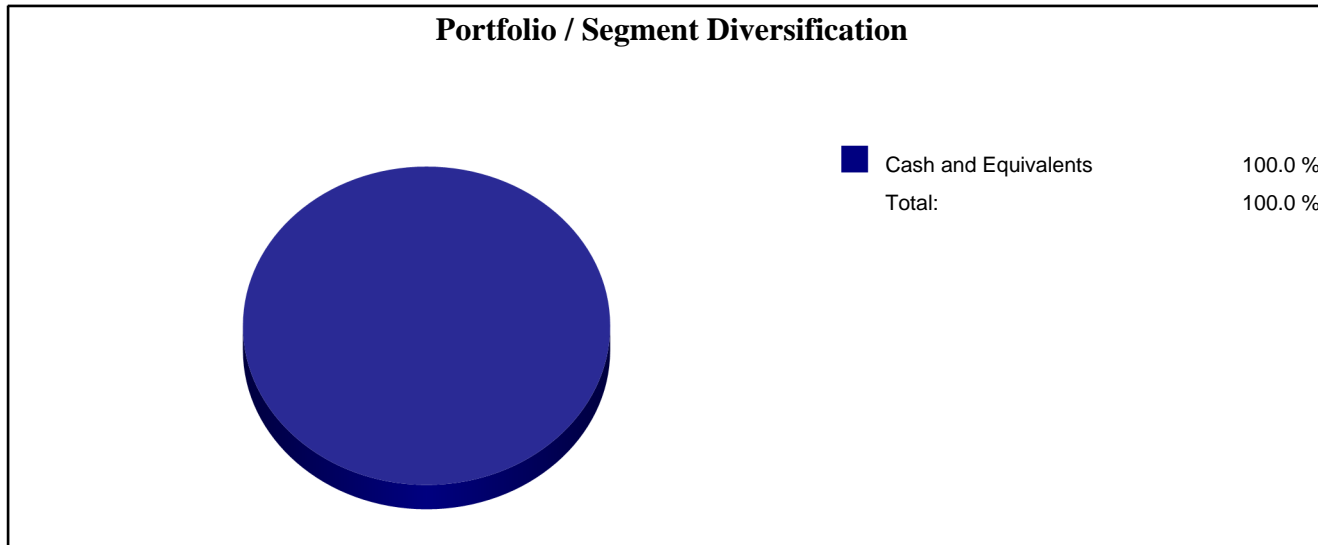


**City of Naples
Recap of Securities Held
July 31, 2012**

Water/Sewer Equipment Reserve

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	747,354.12	747,354.12	747,354.12	0.00	1	1	100.00	0.01	0.00
Total	747,354.12	747,354.12	747,354.12	0.00	1	1	100.00	0.01	0.00

* Weighted Average Yield is calculated on a "yield to worst" basis.

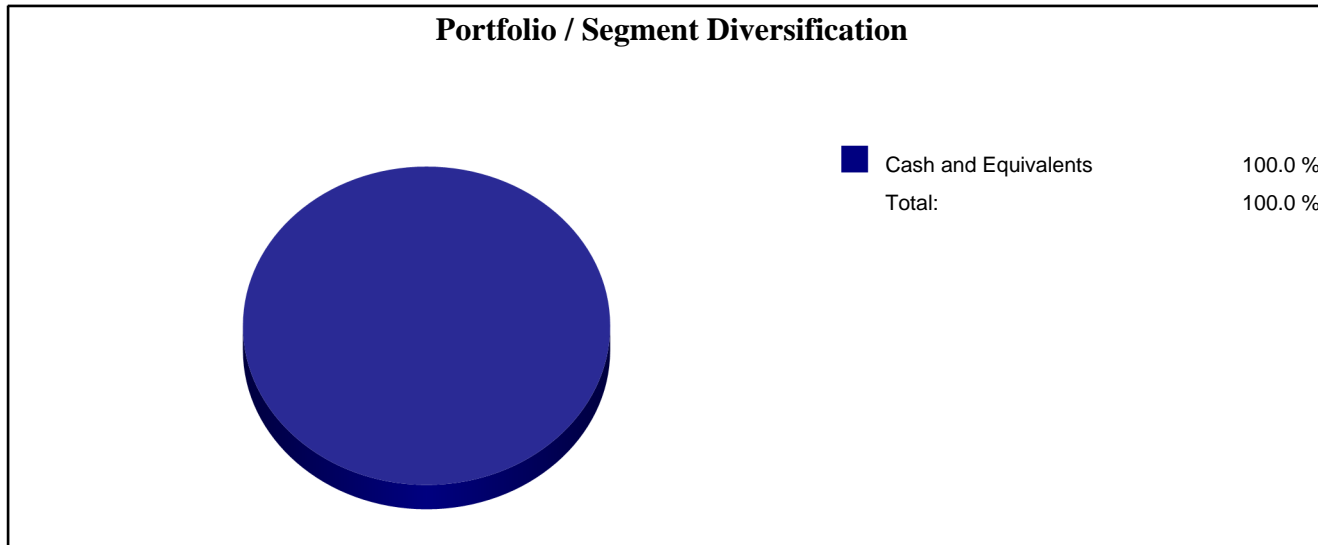


**City of Naples
Recap of Securities Held
July 31, 2012**

Water/Sewer Debt Service Reserve

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	1,593,746.84	1,593,746.84	1,593,746.84	0.00	1	1	100.00	0.01	0.00
Total	1,593,746.84	1,593,746.84	1,593,746.84	0.00	1	1	100.00	0.01	0.00

* Weighted Average Yield is calculated on a "yield to worst" basis.

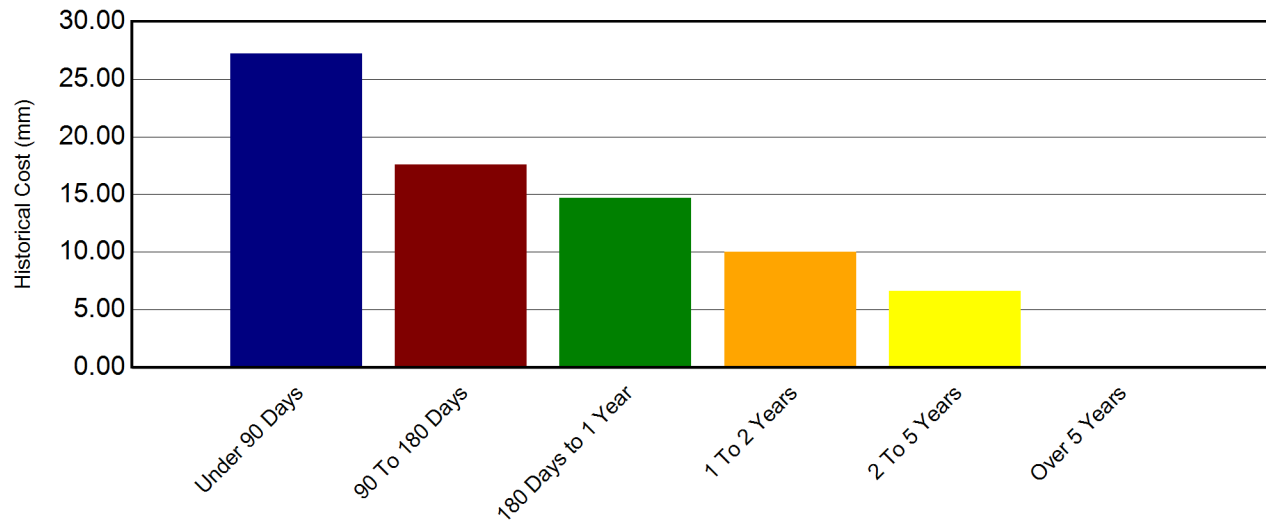


City of Naples
Maturity Distribution of Securities Held
July 31, 2012

Portfolio Summary

Maturity	Historical Cost	Percent
Under 90 Days	27,195,631.94	35.73 %
90 To 180 Days	17,594,305.22	23.11 %
180 Days to 1 Year	14,697,007.11	19.31 %
1 To 2 Years	10,003,540.00	13.14 %
2 To 5 Years	6,631,000.00	8.71 %
Over 5 Years	0.00	0.00 %
	76,121,484.27	100.00 %

Maturity Distribution

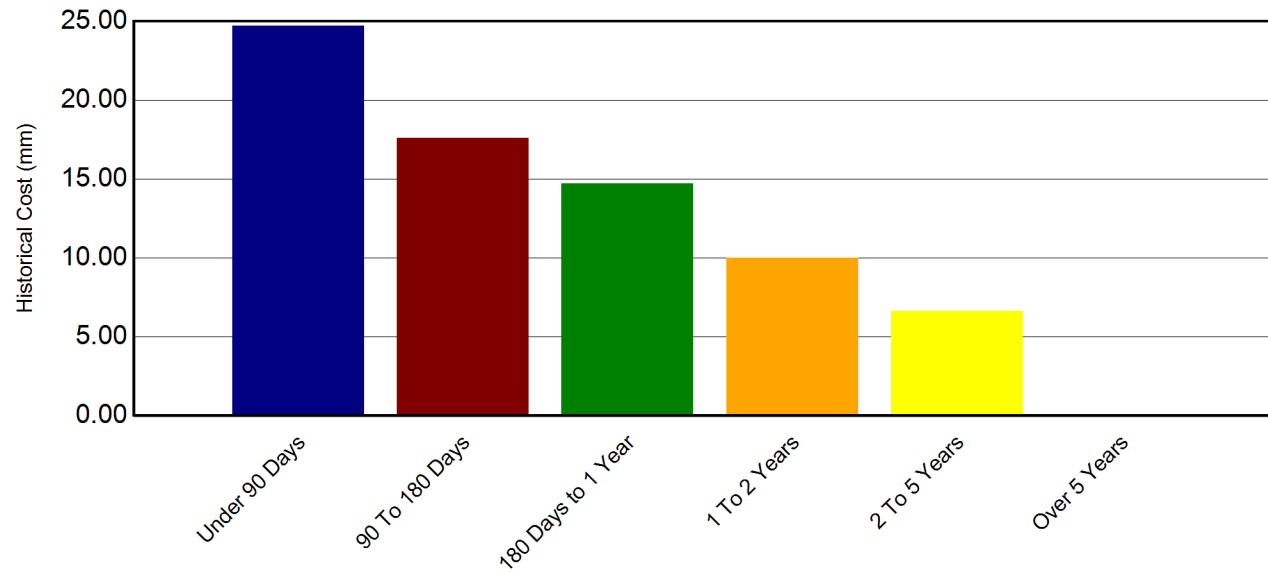


City of Naples
Maturity Distribution of Securities Held
July 31, 2012

General Cash & Investment

Maturity	Historical Cost	Percent
Under 90 Days	24,691,251.63	33.54 %
90 To 180 Days	17,594,305.22	23.90 %
180 Days to 1 Year	14,697,007.11	19.96 %
1 To 2 Years	10,003,540.00	13.59 %
2 To 5 Years	6,631,000.00	9.01 %
Over 5 Years	0.00	0.00 %
	73,617,103.96	100.00 %

Maturity Distribution

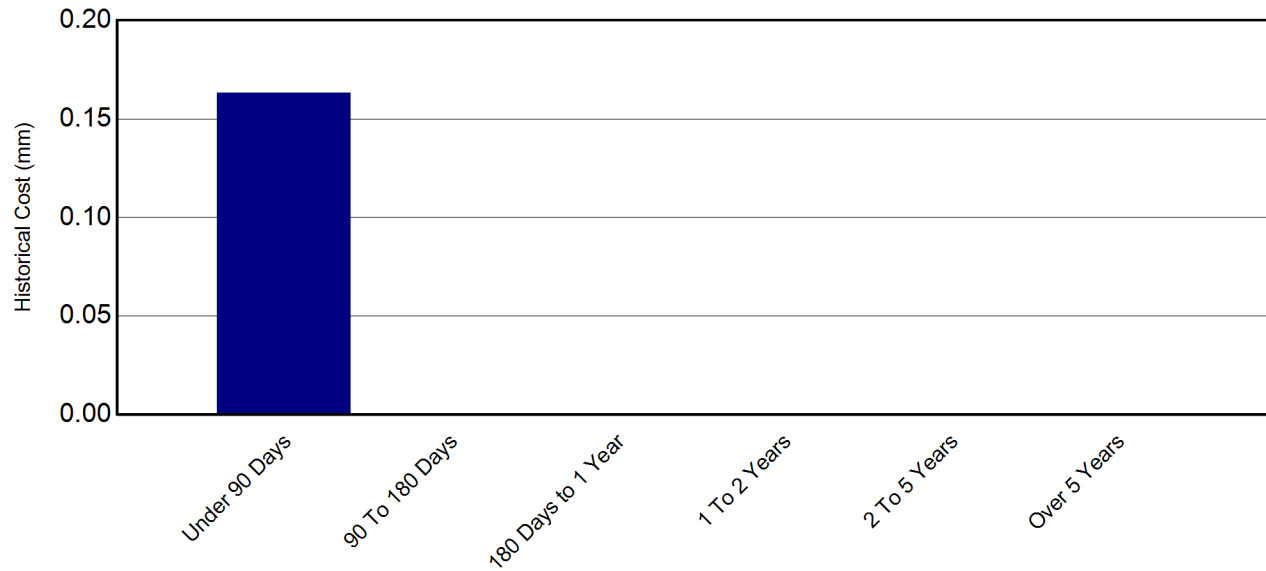


City of Naples
Maturity Distribution of Securities Held
July 31, 2012

Utility Tax Debt Service Reserve

Maturity	Historical Cost	Percent
Under 90 Days	163,279.35	100.00 %
90 To 180 Days	0.00	0.00 %
180 Days to 1 Year	0.00	0.00 %
1 To 2 Years	0.00	0.00 %
2 To 5 Years	0.00	0.00 %
Over 5 Years	0.00	0.00 %
	163,279.35	100.00 %

Maturity Distribution

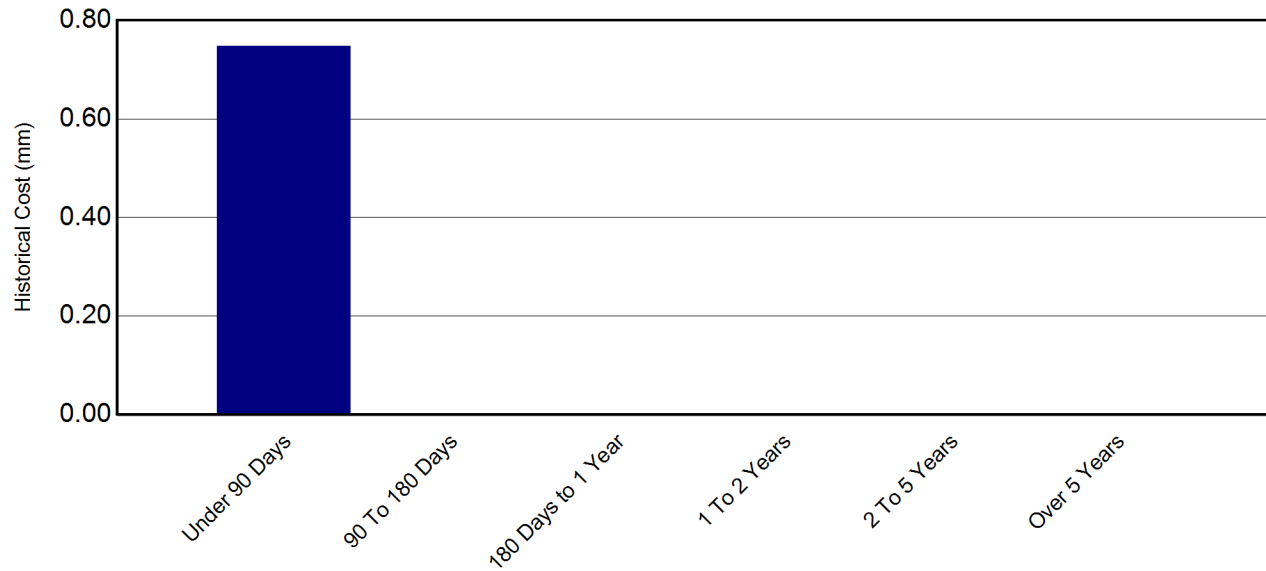


City of Naples
Maturity Distribution of Securities Held
July 31, 2012

Water/Sewer Equipment Reserve

Maturity	Historical Cost	Percent
Under 90 Days	747,354.12	100.00 %
90 To 180 Days	0.00	0.00 %
180 Days to 1 Year	0.00	0.00 %
1 To 2 Years	0.00	0.00 %
2 To 5 Years	0.00	0.00 %
Over 5 Years	0.00	0.00 %
	747,354.12	100.00 %

Maturity Distribution

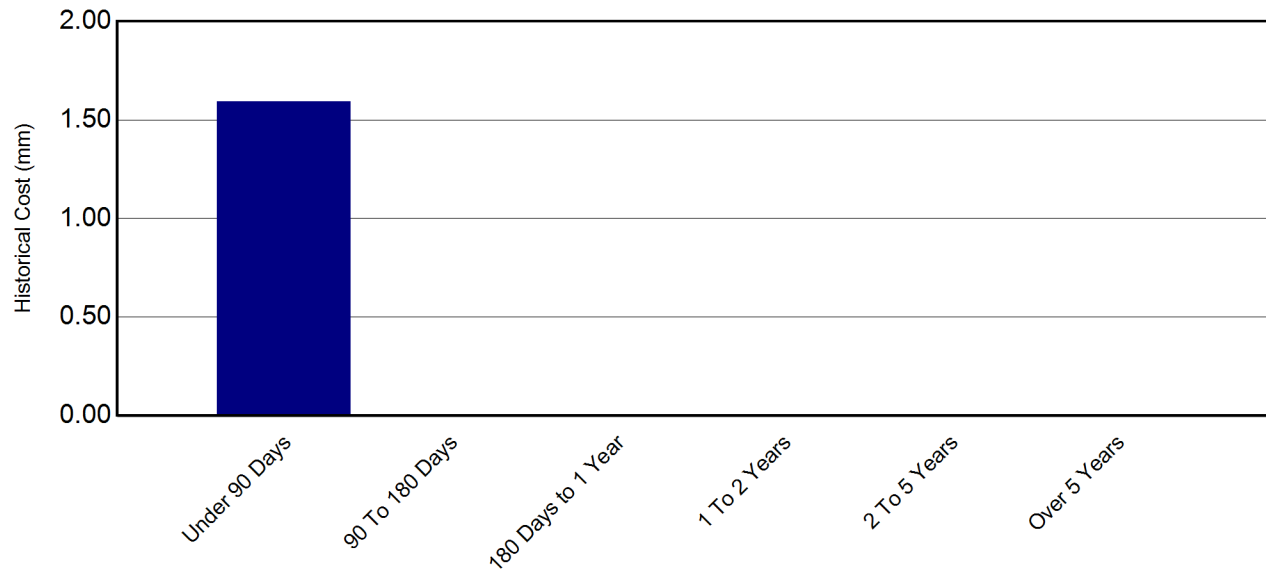


City of Naples
Maturity Distribution of Securities Held
July 31, 2012

Water/Sewer Debt Service Reserve

Maturity	Historical Cost	Percent
Under 90 Days	1,593,746.84	100.00 %
90 To 180 Days	0.00	0.00 %
180 Days to 1 Year	0.00	0.00 %
1 To 2 Years	0.00	0.00 %
2 To 5 Years	0.00	0.00 %
Over 5 Years	0.00	0.00 %
	1,593,746.84	100.00 %

Maturity Distribution



**City of Naples
Securities Held
July 31, 2012**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
General Cash & Investment													
Cash and Equivalents													
First Third Inst Gov	07/31/12	0.010V		4,513,584.82	4,513,584.82 0.00	4,513,584.82 0.00	4,513,584.82 0.00	0.00	15.26	23.47	23.47	5.93	0.01
TOTAL (Cash and Equivalents)				4,513,584.82	4,513,584.82 0.00	4,513,584.82 0.00	4,513,584.82 0.00	0.00	15.26	23.47	23.47	5.93	
Commercial Paper													
74977KJS9	03/28/12	0.000	09/26/12	2,000,000.00	1,994,944.44 0.00	1,998,444.44 861.11	1,999,094.00 520.00	649.56	0.00	0.00	0.00	2.62	0.51
Rabobank USA													
48802WNH7	05/10/12	0.000	10/15/12	2,000,000.00	1,994,996.67 0.00	1,997,625.00 981.66	1,998,788.00 852.00	1,163.00	0.00	0.00	0.00	2.62	0.58
KELLS FUNDING LLC													
4497W0KP2	04/30/12	0.000	10/23/12	2,000,000.00	1,993,644.44 0.00	1,997,002.78 1,119.45	1,998,162.00 1,732.00	1,159.22	0.00	0.00	0.00	2.62	0.66
ING Funding													
36959HLS4	04/30/12	0.000	11/26/12	2,000,000.00	1,996,033.33 0.00	1,997,790.00 585.56	1,998,380.00 1,046.00	590.00	0.00	0.00	0.00	2.62	0.35
GE Capital													
85324TR16	07/06/12	0.000	04/01/13	2,000,000.00	1,989,538.89 0.00	1,990,550.00 1,011.11	1,988,844.00 (694.89)	(1,706.00)	0.00	0.00	0.00	2.61	0.71
STANDARD CHARTER													
TOTAL (Commercial Paper)				10,000,000.00	9,969,157.77 0.00	9,981,412.22 4,558.89	9,983,268.00 3,455.11	1,855.78	0.00	0.00	0.00	13.10	
U.S. Treasury													
912828PH7	08/31/10	0.375	08/31/12	1,000,000.00	997,421.88 0.00	999,894.19 109.33	1,000,195.00 (235.00)	300.81	0.00	315.89	1,569.29	1.31	0.50
T-Note													
912828PH7	06/30/11	0.375	08/31/12	2,500,000.00	2,503,125.00 0.00	2,500,219.04 (226.35)	2,500,487.50 (587.50)	268.46	0.00	789.74	3,923.23	3.29	0.27
T-Note													
912828NX4	11/23/10	0.375	09/30/12	1,500,000.00	1,496,484.38 0.00	1,499,688.42 160.98	1,500,586.50 (292.50)	898.08	0.00	476.44	1,890.37	1.97	0.50
T-Note													
912828PD6	11/16/10	0.375	10/31/12	950,000.00	947,921.88 0.00	949,735.51 90.10	950,556.70 (148.20)	821.19	0.00	300.11	900.31	1.25	0.49
T-Note													
912828PD6	03/23/11	0.375	10/31/12	2,000,000.00	1,995,312.50 0.00	1,999,274.55 247.13	2,001,172.00 (312.00)	1,897.45	0.00	631.79	1,895.38	2.62	0.52
T-Note													
912828LX6	12/07/09	1.375	11/15/12	2,000,000.00	2,002,500.00 0.00	2,000,246.74 (72.16)	2,007,032.00 (1,874.00)	6,785.26	0.00	2,316.57	5,828.80	2.63	1.33
T-Note													
912828PV6	12/16/10	0.500	11/30/12	3,000,000.00	2,991,328.13 0.00	2,998,532.45 375.98	3,003,516.00 (468.00)	4,983.55	0.00	1,270.49	2,540.98	3.93	0.65
T-Note													

**City of Naples
Securities Held
July 31, 2012**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
912828PW4 T-Note	01/07/11	0.625	12/31/12	1,000,000.00	998,828.13 0.00	999,753.97 50.17	1,001,953.00 (235.00)	2,199.03	0.00	526.50	543.48	1.31	0.68
912828PW4 T-Note	06/30/11	0.625	12/31/12	2,250,000.00	2,258,437.50 0.00	2,252,331.82 (475.57)	2,254,394.25 (528.75)	2,062.43	0.00	1,184.62	1,222.83	2.97	0.37
912828PR5 T-Note	01/31/11	0.625	01/31/13	2,000,000.00	1,999,062.50 0.00	1,999,765.30 39.75	2,004,610.00 (468.00)	4,844.70	6,250.00	1,064.19	33.97	2.63	0.65
912828PR5 T-Note	02/14/11	0.625	01/31/13	750,000.00	747,246.09 0.00	749,297.12 119.07	751,728.75 (175.50)	2,431.63	2,343.75	399.07	12.74	0.98	0.81
912828QK9 T-Note	02/28/11	0.625	02/28/13	2,500,000.00	2,494,921.88 0.00	2,498,534.22 215.35	2,506,640.00 (587.50)	8,105.78	0.00	1,316.23	6,538.72	3.28	0.73
912828RK8 T-Note	09/30/11	0.125	09/30/13	1,000,000.00	997,500.00 0.00	998,546.51 106.02	999,141.00 1,055.00	594.49	0.00	105.87	420.08	1.31	0.25
TOTAL (U.S. Treasury)				22,450,000.00	22,430,089.87 0.00	22,445,819.84 739.80	22,482,012.70 (4,856.95)	36,192.86	8,593.75	10,697.51	27,320.18	29.47	

U.S. Instrumentality

3134G2SL7 FHLMC	Call	12/19/11	0.625	08/08/13 08/08/12	2,000,000.00	2,003,100.00 0.00	2,000,093.13 (412.45)	2,000,094.00 (404.00)	0.87	0.00	1,041.66	6,006.94	2.63	0.38
3135G0BR3 FNMA		12/19/11	0.500	08/09/13	2,000,000.00	2,006,040.00 0.00	2,003,761.14 (312.58)	2,005,472.00 706.00	1,710.86	0.00	833.34	4,777.78	2.64	0.32
3134G2U42 FHLMC		12/19/11	0.375	10/15/13	2,000,000.00	1,998,400.00 0.00	1,998,942.94 74.47	2,003,090.00 1,306.00	4,147.06	0.00	625.00	2,208.33	2.63	0.42
3134G2W73 FHLMC	Call	01/06/12	0.500	10/18/13 10/18/12	2,000,000.00	2,001,000.00 0.00	2,000,272.73 (108.39)	2,000,882.00 (204.00)	609.27	0.00	833.33	2,861.11	2.63	0.44
3135G0FP3 FNMA	Call	12/02/11	0.550	11/15/13 11/15/12	2,500,000.00	2,499,750.00 0.00	2,499,835.08 10.85	2,501,367.50 100.00	1,532.42	0.00	1,145.84	2,902.78	3.28	0.56
313376UF0 FHLB		02/29/12	0.375	01/29/14	2,000,000.00	2,001,600.00 0.00	2,001,248.00 (70.86)	2,002,838.00 2,060.00	1,590.00	3,937.50	625.00	41.67	2.63	0.33
313378H87 FHLB	Call	02/29/12	0.400	02/28/14 02/28/13	2,000,000.00	1,999,800.00 22.22	1,999,842.19 8.49	2,001,864.00 852.00	2,021.81	0.00	666.67	3,400.00	2.63	0.41
313371PC4 FHLB		12/02/11	0.875	12/12/14	2,500,000.00	2,513,500.00 0.00	2,510,533.91 (378.39)	2,530,207.50 5,170.00	19,673.59	0.00	1,822.92	2,977.43	3.30	0.69
3134G3NL0 FHLMC	Call	07/06/12	0.500	02/24/15 02/24/14	3,000,000.00	3,000,000.00 5,500.00	3,000,000.00 0.00	3,000,258.00 258.00	258.00	0.00	1,041.67	6,541.67	3.94	0.50
313376ZQ1 FHLB		02/29/12	0.375	03/13/15	2,000,000.00	1,991,800.00 541.67	1,992,939.71 229.42	1,998,384.00 5,520.00	5,444.29	0.00	625.00	3,708.33	2.62	0.51
3133EANC8 FFCB	Call	04/30/12	0.690	10/30/15 08/30/12	3,000,000.00	2,996,250.00 0.00	2,996,522.89 90.97	3,000,147.00 (897.00)	3,624.11	0.00	1,725.00	5,232.50	3.94	0.73

**City of Naples
Securities Held
July 31, 2012**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
3133EARK6 FFCB	Call 06/29/12	0.910	05/23/16 05/23/13	2,425,000.00	2,428,467.75 2,206.75	2,428,118.86 (327.75)	2,429,537.17 10,970.69	1,418.31	0.00	1,838.96	4,168.31	3.19	0.75
3133EAMV7 FFCB	Call 04/30/12	1.200	04/25/17 04/25/13	2,500,000.00	2,499,875.00 416.67	2,499,881.38 2.12	2,511,665.00 3,935.00	11,783.62	0.00	2,500.00	8,000.00	3.28	1.20
3133EAQM3 FFCB	Call 05/29/12	1.150	05/15/17 08/15/12	2,200,000.00	2,196,700.00 983.89	2,196,816.56 56.46	2,200,697.40 (530.20)	3,880.84	0.00	2,108.33	5,341.11	2.89	1.18
TOTAL (U.S. Instrumentality)				32,125,000.00	32,136,282.75 9,671.20	32,128,808.52 (1,137.64)	32,186,503.57 28,842.49	57,695.05	3,937.50	17,432.72	58,167.96	42.22	

Corporate

64952WAS2 New York Life Global	02/23/12	2.250	12/14/12	1,875,000.00	1,904,193.75 0.00	1,888,359.85 (3,067.82)	1,888,421.25 1,323.75	61.40	0.00	3,515.62	5,507.81	2.50	0.32
931142CL5 Wal-Mart	12/07/10	4.250	04/15/13	500,000.00	538,095.00 0.00	511,384.20 (1,373.20)	513,981.00 (966.50)	2,596.80	0.00	1,770.83	6,256.94	0.71	0.97
084670AV0 Berkshire Hathaway	06/12/12	3.200	02/11/15	2,000,000.00	2,125,700.00 21,511.11	2,119,247.23 (4,000.72)	2,133,612.00 10,036.00	14,364.77	0.00	5,333.33	30,222.22	2.79	0.81
TOTAL (Corporate)				4,375,000.00	4,567,988.75 21,511.11	4,518,991.28 (8,441.74)	4,536,014.25 10,393.25	17,022.97	0.00	10,619.78	41,986.97	6.00	

SEGMENT TOTAL (General Cash & Investment)	73,463,584.82	73,617,103.96	73,588,616.68	73,701,383.34	112,766.66	12,546.51	38,773.48	127,498.58	96.71
		31,182.31	(4,280.69)	37,833.90					

Utility Tax Debt Service Reserve

Cash and Equivalents

First Third Inst Gov	07/31/12	0.010V		163,279.35	163,279.35 0.00	163,279.35 0.00	163,279.35 0.00	0.00	1.35	1.39	1.39	0.21	0.01
TOTAL (Cash and Equivalents)				163,279.35	163,279.35 0.00	163,279.35 0.00	163,279.35 0.00	0.00	1.35	1.39	1.39	0.21	
SEGMENT TOTAL (Utility Tax Debt Service Reserve)				163,279.35	163,279.35 0.00	163,279.35 0.00	163,279.35 0.00	0.00	1.35	1.39	1.39	0.21	

Water/Sewer Debt Service Reserve

Cash and Equivalents

First Third Inst Gov	07/31/12	0.010V		1,593,746.84	1,593,746.84	1,593,746.84	1,593,746.84	0.00	1.34	13.55	13.55	2.09	0.01
----------------------	----------	--------	--	--------------	--------------	--------------	--------------	------	------	-------	-------	------	------

**City of Naples
Securities Held
July 31, 2012**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
					0.00	0.00	0.00						
TOTAL (Cash and Equivalents)				1,593,746.84	1,593,746.84	1,593,746.84	1,593,746.84	0.00	1.34	13.55	13.55	2.09	
					0.00	0.00	0.00						
SEGMENT TOTAL (Water/Sewer Debt Service Reserve)				1,593,746.84	1,593,746.84	1,593,746.84	1,593,746.84	0.00	1.34	13.55	13.55	2.09	
					0.00	0.00	0.00						
Water/Sewer Equipment Reserve													
Cash and Equivalents													
First Third Inst Gov	07/31/12	0.010V		747,354.12	747,354.12	747,354.12	747,354.12	0.00	6.12	6.33	6.34	0.98	0.01
					0.00	0.00	0.00						
TOTAL (Cash and Equivalents)				747,354.12	747,354.12	747,354.12	747,354.12	0.00	6.12	6.33	6.34	0.98	
					0.00	0.00	0.00						
SEGMENT TOTAL (Water/Sewer Equipment Reserve)				747,354.12	747,354.12	747,354.12	747,354.12	0.00	6.12	6.33	6.34	0.98	
					0.00	0.00	0.00						
GRAND TOTAL				75,967,965.13	76,121,484.27	76,092,996.99	76,205,763.65	112,766.66	12,555.32	38,794.75	127,519.86	100.00	
					31,182.31	(4,280.69)	37,833.90						

V = variable rate, current rate shown, average rate for Cash & Equivalents

City of Naples
GASB 40 - Deposit and Investment Risk Disclosure
July 31, 2012

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
General Cash & Investment												
<u>T-Note</u>												
912828PH7	U.S. Treasury	0.375	08/31/2012		AA+	Aaa	3,500,000.00	3,500,546.88	4.60	3,500,682.50	4.59	0.08
912828NX4	U.S. Treasury	0.375	09/30/2012		AA+	Aaa	1,500,000.00	1,496,484.38	1.97	1,500,586.50	1.97	0.17
912828PD6	U.S. Treasury	0.375	10/31/2012		AA+	Aaa	2,950,000.00	2,943,234.38	3.87	2,951,728.70	3.87	0.25
912828LX6	U.S. Treasury	1.375	11/15/2012		AA+	Aaa	2,000,000.00	2,002,500.00	2.63	2,007,032.00	2.63	0.29
912828PV6	U.S. Treasury	0.500	11/30/2012		AA+	Aaa	3,000,000.00	2,991,328.13	3.93	3,003,516.00	3.94	0.33
912828PW4	U.S. Treasury	0.625	12/31/2012		AA+	Aaa	3,250,000.00	3,257,265.63	4.28	3,256,347.25	4.27	0.42
912828PR5	U.S. Treasury	0.625	01/31/2013		AA+	Aaa	2,750,000.00	2,746,308.59	3.61	2,756,338.75	3.62	0.50
912828QK9	U.S. Treasury	0.625	02/28/2013		AA+	Aaa	2,500,000.00	2,494,921.88	3.28	2,506,640.00	3.29	0.58
912828RK8	U.S. Treasury	0.125	09/30/2013		AA+	Aaa	1,000,000.00	997,500.00	1.31	999,141.00	1.31	1.16
ISSUER TOTAL							22,450,000.00	22,430,089.87	29.47	22,482,012.70	29.50	0.37
<u>FFCB</u>												
3133EAQM3	U.S. Instrumentality	1.150	05/15/2017	08/15/2012	AA+	Aaa	2,200,000.00	2,196,700.00	2.89	2,200,697.40	2.89	0.04
3133EANC8	U.S. Instrumentality	0.690	10/30/2015	08/30/2012	AA+	Aaa	3,000,000.00	2,996,250.00	3.94	3,000,147.00	3.94	0.08
3133EAMV7	U.S. Instrumentality	1.200	04/25/2017	04/25/2013	AA+	Aaa	2,500,000.00	2,499,875.00	3.28	2,511,665.00	3.30	0.73
3133EARK6	U.S. Instrumentality	0.910	05/23/2016	05/23/2013	AA+	Aaa	2,425,000.00	2,428,467.75	3.19	2,429,537.17	3.19	0.81
ISSUER TOTAL							10,125,000.00	10,121,292.75	13.30	10,142,046.57	13.31	0.41
<u>FHLMC</u>												
3134G2SL7	U.S. Instrumentality	0.625	08/08/2013	08/08/2012	AA+	Aaa	2,000,000.00	2,003,100.00	2.63	2,000,094.00	2.62	0.02
3134G2W73	U.S. Instrumentality	0.500	10/18/2013	10/18/2012	AA+	Aaa	2,000,000.00	2,001,000.00	2.63	2,000,882.00	2.63	0.21
3134G2U42	U.S. Instrumentality	0.375	10/15/2013		AA+	Aaa	2,000,000.00	1,998,400.00	2.63	2,003,090.00	2.63	1.20
3134G3NL0	U.S. Instrumentality	0.500	02/24/2015	02/24/2014	AA+	Aaa	3,000,000.00	3,000,000.00	3.94	3,000,258.00	3.94	1.55
ISSUER TOTAL							9,000,000.00	9,002,500.00	11.83	9,004,324.00	11.82	0.84
<u>FHLB</u>												
313378H87	U.S. Instrumentality	0.400	02/28/2014	02/28/2013	AA+	Aaa	2,000,000.00	1,999,800.00	2.63	2,001,864.00	2.63	0.57
313376UF0	U.S. Instrumentality	0.375	01/29/2014		AA+	Aaa	2,000,000.00	2,001,600.00	2.63	2,002,838.00	2.63	1.49
313371PC4	U.S. Instrumentality	0.875	12/12/2014		AA+	Aaa	2,500,000.00	2,513,500.00	3.30	2,530,207.50	3.32	2.34
313376ZQ1	U.S. Instrumentality	0.375	03/13/2015		AA+	Aaa	2,000,000.00	1,991,800.00	2.62	1,998,384.00	2.62	2.60
ISSUER TOTAL							8,500,000.00	8,506,700.00	11.18	8,533,293.50	11.20	1.79

City of Naples
GASB 40 - Deposit and Investment Risk Disclosure
July 31, 2012

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<u>First Third Inst Gov</u>												
	Cash and Equivalents	0.010			AAA	Aaa	4,513,584.82	4,513,584.82	5.93	4,513,584.82	5.92	0.00
ISSUER TOTAL							4,513,584.82	4,513,584.82	5.93	4,513,584.82	5.92	0.00
<u>FNMA</u>												
3135G0FP3	U.S. Instrumentality	0.550	11/15/2013	11/15/2012	AA+	Aaa	2,500,000.00	2,499,750.00	3.28	2,501,367.50	3.28	0.29
3135G0BR3	U.S. Instrumentality	0.500	08/09/2013		AA+	Aaa	2,000,000.00	2,006,040.00	2.64	2,005,472.00	2.63	1.02
ISSUER TOTAL							4,500,000.00	4,505,790.00	5.92	4,506,839.50	5.91	0.61
<u>Berkshire Hathaway</u>												
084670AV0	Corporate	3.200	02/11/2015		AA+	Aa2	2,000,000.00	2,125,700.00	2.79	2,133,612.00	2.80	2.41
ISSUER TOTAL							2,000,000.00	2,125,700.00	2.79	2,133,612.00	2.80	2.41
<u>Rabobank USA</u>												
74977KJS9	Commercial Paper	0.000	09/26/2012		A-1+	P-1	2,000,000.00	1,994,944.44	2.62	1,999,094.00	2.62	0.00
ISSUER TOTAL							2,000,000.00	1,994,944.44	2.62	1,999,094.00	2.62	0.00
<u>KELLS FUNDING LLC</u>												
48802WNH7	Commercial Paper	0.000	10/15/2012		A-1+	P-1	2,000,000.00	1,994,996.67	2.62	1,998,788.00	2.62	0.00
ISSUER TOTAL							2,000,000.00	1,994,996.67	2.62	1,998,788.00	2.62	0.00
<u>GE Capital</u>												
36959HLS4	Commercial Paper	0.000	11/26/2012		A-1+	P-1	2,000,000.00	1,996,033.33	2.62	1,998,380.00	2.62	0.00
ISSUER TOTAL							2,000,000.00	1,996,033.33	2.62	1,998,380.00	2.62	0.00
<u>ING Funding</u>												
4497W0KP2	Commercial Paper	0.000	10/23/2012		A-1	P-1	2,000,000.00	1,993,644.44	2.62	1,998,162.00	2.62	0.00
ISSUER TOTAL							2,000,000.00	1,993,644.44	2.62	1,998,162.00	2.62	0.00
<u>STANDARD CHARTERED BANK</u>												
85324TR16	Commercial Paper	0.000	04/01/2013		A-1+	P-1	2,000,000.00	1,989,538.89	2.61	1,988,844.00	2.61	0.00
ISSUER TOTAL							2,000,000.00	1,989,538.89	2.61	1,988,844.00	2.61	0.00

City of Naples
GASB 40 - Deposit and Investment Risk Disclosure
July 31, 2012

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<u>New York Life Global Funding</u>												
64952WAS2	Corporate	2.250	12/14/2012		AA+	Aaa	1,875,000.00	1,904,193.75	2.50	1,888,421.25	2.48	0.37
ISSUER TOTAL							1,875,000.00	1,904,193.75	2.50	1,888,421.25	2.48	0.37
<u>Wal-Mart</u>												
931142CL5	Corporate	4.250	04/15/2013		AA	Aa2	500,000.00	538,095.00	0.71	513,981.00	0.67	0.69
ISSUER TOTAL							500,000.00	538,095.00	0.71	513,981.00	0.67	0.69
SEGMENT TOTAL (General Cash & Investment)							73,463,584.82	73,617,103.96	96.71	73,701,383.34	96.71	0.60
Utility Tax Debt Service Reserve												
<u>First Third Inst Gov</u>												
	Cash and Equivalents	0.010			AAA	Aaa	163,279.35	163,279.35	0.21	163,279.35	0.21	0.00
ISSUER TOTAL							163,279.35	163,279.35	0.21	163,279.35	0.21	0.00
SEGMENT TOTAL (Utility Tax Debt Service Reserve)							163,279.35	163,279.35	0.21	163,279.35	0.21	0.00
Water/Sewer Debt Service Reserve												
<u>First Third Inst Gov</u>												
	Cash and Equivalents	0.010			AAA	Aaa	1,593,746.84	1,593,746.84	2.09	1,593,746.84	2.09	0.00
ISSUER TOTAL							1,593,746.84	1,593,746.84	2.09	1,593,746.84	2.09	0.00
SEGMENT TOTAL (Water/Sewer Debt Service Reserve)							1,593,746.84	1,593,746.84	2.09	1,593,746.84	2.09	0.00
Water/Sewer Equipment Reserve												
<u>First Third Inst Gov</u>												
	Cash and Equivalents	0.010			AAA	Aaa	747,354.12	747,354.12	0.98	747,354.12	0.98	0.00
ISSUER TOTAL							747,354.12	747,354.12	0.98	747,354.12	0.98	0.00
SEGMENT TOTAL (Water/Sewer Equipment Reserve)							747,354.12	747,354.12	0.98	747,354.12	0.98	0.00

City of Naples
GASB 40 - Deposit and Investment Risk Disclosure
July 31, 2012

GRAND TOTAL	75,967,965.13	76,121,484.27	100.00	76,205,763.65	100.00	0.58
--------------------	---------------	---------------	--------	---------------	--------	------

Highlighted totals are issuers representing 5.00% or more of the portfolio's market value

**City of Naples
Securities Purchased
July 1, 2012 - July 31, 2012**

CUSIP/Description	Purchase Date	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
General Cash & Investment								
<u>Cash and Equivalents</u>								
First Third Inst Gov	07/02/2012	0.010V		5,000,000.00	100.000	5,000,000.00	0.00	0.01
First Third Inst Gov	07/02/2012	0.010V		15,625.00	100.000	15,625.00	0.00	0.01
First Third Inst Gov	07/02/2012	0.010V		10,156.25	100.000	10,156.25	0.00	0.01
First Third Inst Gov	07/02/2012	0.010V		15.26	100.000	15.26	0.00	0.01
First Third Inst Gov	07/16/2012	0.010V		2,400,000.00	100.000	2,400,000.00	0.00	0.01
First Third Inst Gov	07/16/2012	0.010V		18,000.00	100.000	18,000.00	0.00	0.01
First Third Inst Gov	07/26/2012	0.010V		1,500,000.00	100.000	1,500,000.00	0.00	0.01
First Third Inst Gov	07/30/2012	0.010V		3,937.50	100.000	3,937.50	0.00	0.01
First Third Inst Gov	07/31/2012	0.010V		8,593.75	100.000	8,593.75	0.00	0.01
TOTAL (Cash and Equivalents)				8,956,327.76		8,956,327.76	0.00	
<u>Commercial Paper</u>								
85324TR16 STANDARD CHARTE	07/06/2012	0.000	04/01/2013	2,000,000.00	99.477	1,989,538.89	0.00	0.71
TOTAL (Commercial Paper)				2,000,000.00		1,989,538.89	0.00	
<u>U.S. Instrumentality</u>								
3134G3NL0 FHLMC	Call 07/06/2012	0.500	02/24/2015 02/24/2014	3,000,000.00	100.000	3,000,000.00	5,500.00	0.50
TOTAL (U.S. Instrumentality)				3,000,000.00		3,000,000.00	5,500.00	
SEGMENT TOTAL				13,956,327.76		13,945,866.65	5,500.00	
Utility Tax Debt Service Reserve								
<u>Cash and Equivalents</u>								
First Third Inst Gov	07/02/2012	0.010V		1.35	100.000	1.35	0.00	0.01
TOTAL (Cash and Equivalents)				1.35		1.35	0.00	
SEGMENT TOTAL				1.35		1.35	0.00	

City of Naples
Securities Purchased
July 1, 2012 - July 31, 2012

CUSIP/ Description	Purchase Date	Rate/Coupon	Maturity/ Call Date	Par Value/ Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
Water/Sewer Debt Service Reserve								
<u>Cash and Equivalents</u>								
First Third Inst Gov	07/02/2012	0.010V		1.34	100.000	1.34	0.00	0.01
TOTAL (Cash and Equivalents)				1.34		1.34	0.00	
SEGMENT TOTAL				1.34		1.34	0.00	
Water/Sewer Equipment Reserve								
<u>Cash and Equivalents</u>								
First Third Inst Gov	07/02/2012	0.010V		6.12	100.000	6.12	0.00	0.01
TOTAL (Cash and Equivalents)				6.12		6.12	0.00	
SEGMENT TOTAL				6.12		6.12	0.00	
GRAND TOTAL				13,956,336.57		13,945,875.46	5,500.00	

V = variable rate, current rate shown, average rate for Cash & Equivalents

City of Naples
Securities Sold and Matured
July 1, 2012 - July 31, 2012

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Acct/ (Amort)	Sale/ Maturity Price	Fair Value at Sale or Maturity / Chg.In Fair Value	Realized Gain (Loss)	Accrued Interest Sold	Interest Received	Interest Earned	Yield
General Cash & Investment													
Cash and Equivalents													
First Third Inst Gov	07/06/2012	0.010V		4,995,038.89	4,995,038.89	4,995,038.89	100.00	4,995,038.89	0.00	0.00	0.00	0.00	0.01
						0.00		0.00					
TOTAL (Cash and Equivalents)				4,995,038.89	4,995,038.89	4,995,038.89		4,995,038.89	0.00	0.00	0.00	0.00	
						0.00		0.00					
U.S. Treasury													
912828LB4 T-Note	07/15/2012	1.500	07/15/2012	2,400,000.00	2,435,250.00	2,400,000.00	100.00	2,400,000.00	0.00	0.00	18,000.00	1,384.62	0.93
						(516.75)		(1,125.60)					
9127954B4 T-Bill	07/26/2012	0.000	07/26/2012	1,500,000.00	1,497,012.81	1,500,000.00	100.00	1,500,000.00	0.00	0.00	0.00	0.00	0.20
						205.73		37.50					
TOTAL (U.S. Treasury)				3,900,000.00	3,932,262.81	3,900,000.00		3,900,000.00	0.00	0.00	18,000.00	1,384.62	
						(311.02)		(1,088.10)					
SEGMENT TOTAL (General Cash & Investment)				8,895,038.89	8,927,301.70	8,895,038.89		8,895,038.89	0.00	0.00	18,000.00	1,384.62	
						(311.02)		(1,088.10)					
GRAND TOTAL													
				8,895,038.89	8,927,301.70	8,895,038.89		8,895,038.89	0.00	0.00	18,000.00	1,384.62	
						(311.02)		(1,088.10)					

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Naples
Transaction Report
for the period July 1, 2012 - July 31, 2012**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
<u>General Cash & Investment</u>										
07/02/2012		Maturity	CE	Prn Receivable	07/02/2012	5,000,000.00	5,000,000.00	0.00	5,000,000.00	5,000,000.00
07/02/2012		Maturity	CE	Int Receivable	07/02/2012	25,781.25	25,781.25	0.00	25,781.25	5,025,781.25
07/02/2012		Bought	CE	First Third Inst Gov		5,025,796.51	5,025,796.51	0.00	(5,025,796.51)	(15.26)
07/02/2012		Interest	CE	First Third Inst Gov		552,295.95	0.00	15.26	15.26	0.00
07/06/2012		Sold	CE	First Third Inst Gov		4,995,038.89	4,995,038.89	0.00	4,995,038.89	4,995,038.89
07/06/2012	3134G3NL0	Bought	INS	FHLMC	02/24/2015	3,000,000.00	3,000,000.00	5,500.00	(3,005,500.00)	1,989,538.89
07/06/2012	85324TR16	Bought	CP	STANDARD	04/01/2013	2,000,000.00	1,989,538.89	0.00	(1,989,538.89)	0.00
07/15/2012	912828LB4	Maturity	TSY	T-Note	07/15/2012	2,400,000.00	2,400,000.00	0.00	2,400,000.00	2,400,000.00
07/15/2012	912828LB4	Interest	TSY	T-Note	07/15/2012	2,400,000.00	0.00	18,000.00	18,000.00	2,418,000.00
07/16/2012		Bought	CE	First Third Inst Gov		2,418,000.00	2,418,000.00	0.00	(2,418,000.00)	0.00
07/26/2012		Bought	CE	First Third Inst Gov		1,500,000.00	1,500,000.00	0.00	(1,500,000.00)	(1,500,000.00)
07/26/2012	9127954B4	Maturity	TSY	T-Bill	07/26/2012	1,500,000.00	1,500,000.00	0.00	1,500,000.00	0.00
07/29/2012	313376UF0	Interest	INS	FHLB	01/29/2014	2,000,000.00	0.00	3,937.50	3,937.50	3,937.50
07/30/2012		Bought	CE	First Third Inst Gov		3,937.50	3,937.50	0.00	(3,937.50)	0.00
07/31/2012		Bought	CE	First Third Inst Gov		8,593.75	8,593.75	0.00	(8,593.75)	(8,593.75)
07/31/2012	912828PR5	Interest	TSY	T-Note	01/31/2013	2,750,000.00	0.00	8,593.75	8,593.75	0.00
Segment Activity Total										0.00
<u>Utility Tax Debt Service Reserve</u>										
07/02/2012		Interest	CE	First Third Inst Gov		163,278.00	0.00	1.35	1.35	1.35
07/02/2012		Bought	CE	First Third Inst Gov		1.35	1.35	0.00	(1.35)	0.00
<u>Water/Sewer Debt Service Reserve</u>										
07/02/2012		Interest	CE	First Third Inst Gov		1,593,745.50	0.00	1.34	1.34	1.34
07/02/2012		Bought	CE	First Third Inst Gov		1.34	1.34	0.00	(1.34)	0.00
<u>Water/Sewer Equipment Reserve</u>										
07/02/2012		Interest	CE	First Third Inst Gov		747,348.00	0.00	6.12	6.12	6.12
07/02/2012		Bought	CE	First Third Inst Gov		6.12	6.12	0.00	(6.12)	0.00
Portfolio Activity Total										0.00

Net Contributions:	4,574.98
Net Withdrawals:	0.00

Fees Charged:	4,574.98
Fees Paid:	4,574.98

**City of Naples
Transaction Report
for the period July 1, 2012 - July 31, 2012**

**City of Naples
Securities Bid and Offer
for the period 7/1/2012 - 7/31/2012**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
BUY	07/06/2012	FHLMC .5 02/24/2015	02/24/14	MIZ	3,000,000		100.000	.50/.50	CIT - FHLMC 2.875% 02/09/15 @ YTM 0.42 MIZ - TSY NOTE 2.375% 02/28/15 @ YTM 0.36
BUY	07/06/2012	SCHART 0 04/01/2013		CIT	2,000,000	0.700	99.477	0.70	UBS - FHLMC 1.625% 04/15/13 @ YTM 0.24 MER - TSY NOTE 0.75% 03/31/13 @ YTM 0.20

**City of Naples
Upcoming Cash Activity
for the next 45 days**

Date	Transaction	CUSIP	Description	Coupon	Maturity Date	Next Call Date	Par / Shares	Principal	Interest	Transaction Total
<u>General Cash & Investment</u>										
08/08/2012	Potential Call	3134G2SL7	FHLMC	0.625	08/08/2013	08/08/2012	2,000,000.00	2,000,000.00	6,250.00	2,006,250.00
08/09/2012	Interest	3135G0BR3	FNMA	0.500	08/09/2013		2,000,000.00	0.00	5,000.00	5,000.00
08/11/2012	Interest	084670AV0	Berkshire Hathaway	3.200	02/11/2015		2,000,000.00	0.00	32,000.00	32,000.00
08/24/2012	Interest	3134G3NL0	FHLMC	0.500	02/24/2015	02/24/2014	3,000,000.00	0.00	7,500.00	7,500.00
08/28/2012	Interest	313378H87	FHLB	0.400	02/28/2014	02/28/2013	2,000,000.00	0.00	4,000.00	4,000.00
08/31/2012	Interest	912828QK9	T-Note	0.625	02/28/2013		2,500,000.00	0.00	7,812.50	7,812.50
08/31/2012	Maturity	912828PH7	T-Note	0.375	08/31/2012		2,500,000.00	2,500,000.00	4,687.50	2,504,687.50
08/31/2012	Maturity	912828PH7	T-Note	0.375	08/31/2012		1,000,000.00	1,000,000.00	1,875.00	1,001,875.00
09/13/2012	Interest	313376ZQ1	FHLB	0.375	03/13/2015		2,000,000.00	0.00	4,583.33	4,583.33

END OF REPORTS



New York Office
113 King Street
Armonk, NY 10504
Tel: 866 766 3030
Fax: 914 765 3030

Colorado Office
1900 Sixteenth Street, Suite 200
Denver, CO 80202
Tel: 303 860 1100
Fax: 303 860 0016

For any questions concerning this report please contact accounting either by phone or email to camreports@cutwater.com.