

13. CITY MANAGER

a. Informational Items

ii City Investment and Performance Reporting

2. Integrity Fixed Income Management, LLC report of December 31, 2010 regarding the City's Operating, Reserve, Surplus and Restricted Funds

*Integrity
Fixed Income Management, LLC*

Presents:

*The City of Sanibel
Operating, Reserve, Surplus & Restricted Funds*

Projected Annual Income as of 12/31/10

Portfolio	Cost Value	Yield to Maturity on Amortized Cost (Gross of Fees)	Projected Annual Income
Operating (0-1 Yr)	\$6,309,881.79	0.80%	\$50,479
Reserves (0-2 Yr)	\$7,558,774.48	1.00%	\$75,588
Surplus (3-5 Yr)	\$5,060,444.60	1.70%	\$86,028
Restricted (10-15 Yr)	\$1,831,192.00	4.40%	\$80,573
Total	\$20,760,292.67	1.41%	\$292,668
Less Projected Custody and Mgmt Fees @ 0.175% of Market Value			(\$36,194)
Projected Net Relationship Annual Income			\$256,474

Operating Portfolio Performance – Gross of Fees

	3 Months	6 Months	1 Year	3 Years	Inception to Date
City of Sanibel Operating Fund	0.05%	0.34%	NA	NA	0.39%
Merrill Lynch 0-3 Month Treasury Bills Index	0.04%	0.08%	NA	NA	0.08%
Relative Performance	0.01%	0.26%	NA	NA	0.31%

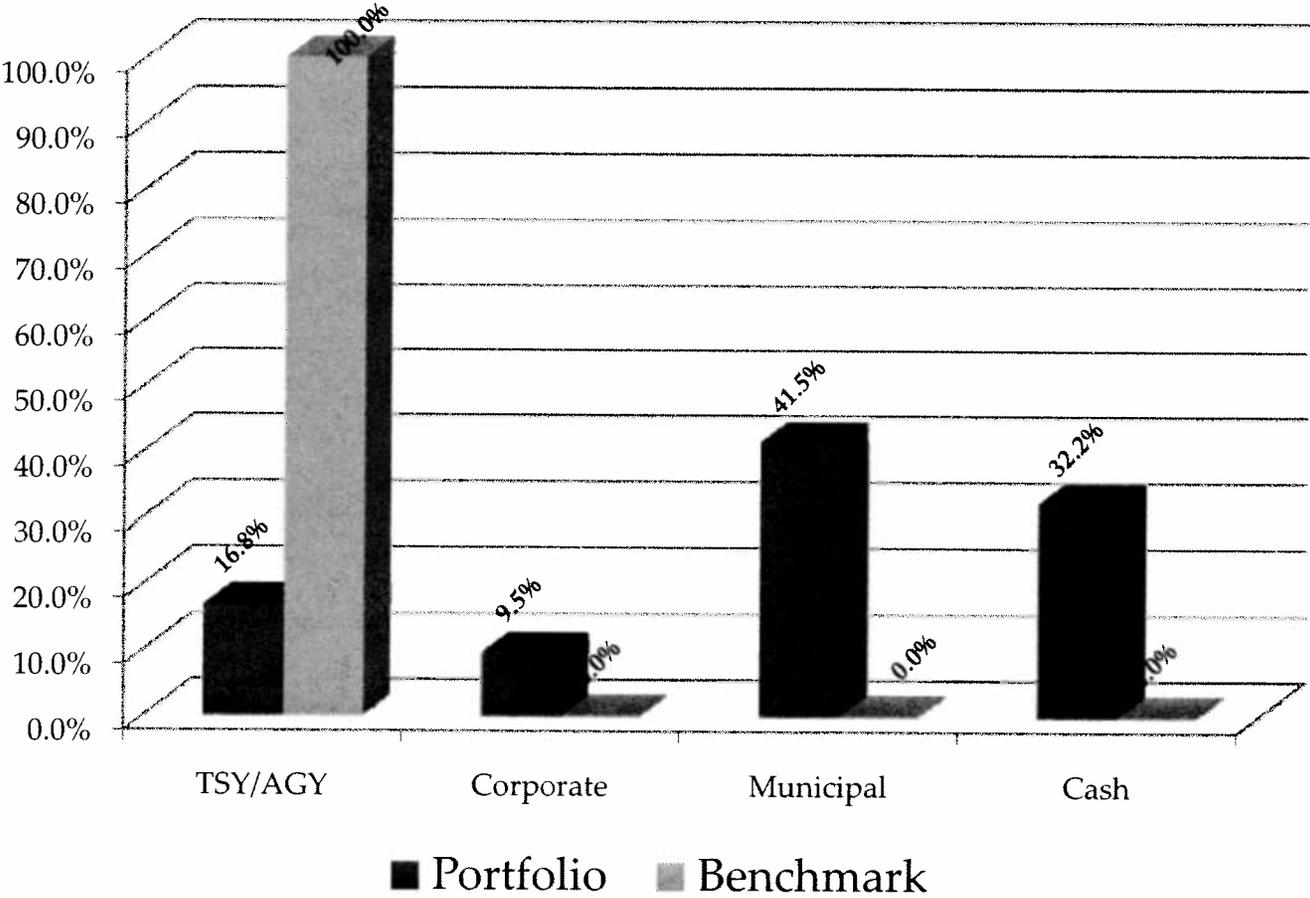
Operating Portfolio Cash Flows

Portfolio Value on 9-30-10	\$6,234,892.67
Accrued Interest	31,315.95
Beginning Market Value	6,266,208.62
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains	(3,234.55)
Unrealized Gains	(26,460.86)
Interest	23,784.55
Change in Accrued Interest	14,450.53
Portfolio Value on 12-31-10	6,228,981.81
Accrued Interest	45,766.48
Ending Market Value	\$6,274,748.29

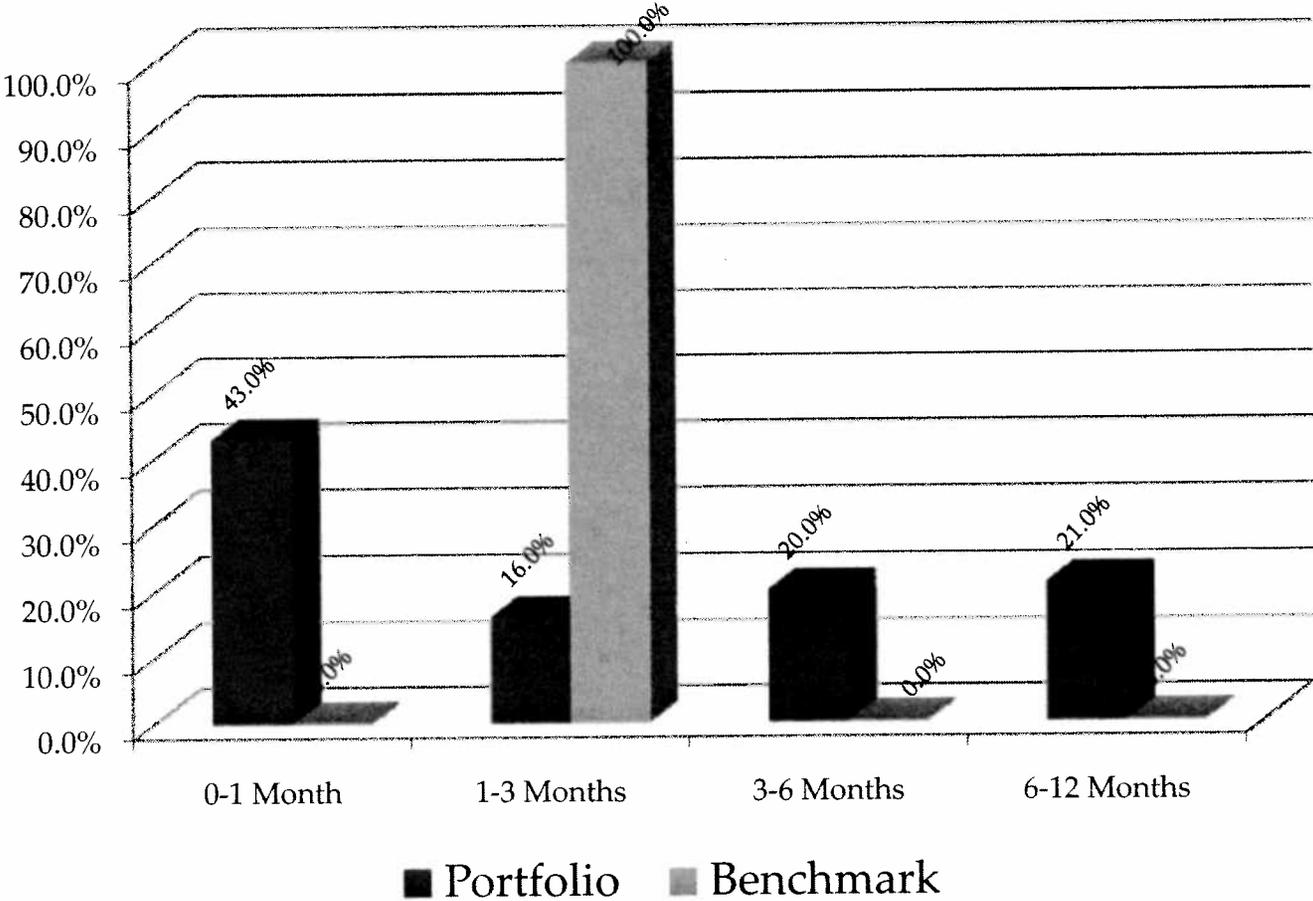
Operating Portfolio Characteristics

	Portfolio	Index
Avg. Quality	AA	AAA
Yield to Amortized Cost	0.8%	0.1%
Avg. Maturity	0.2	0.2
Effective Duration	0.2	0.1

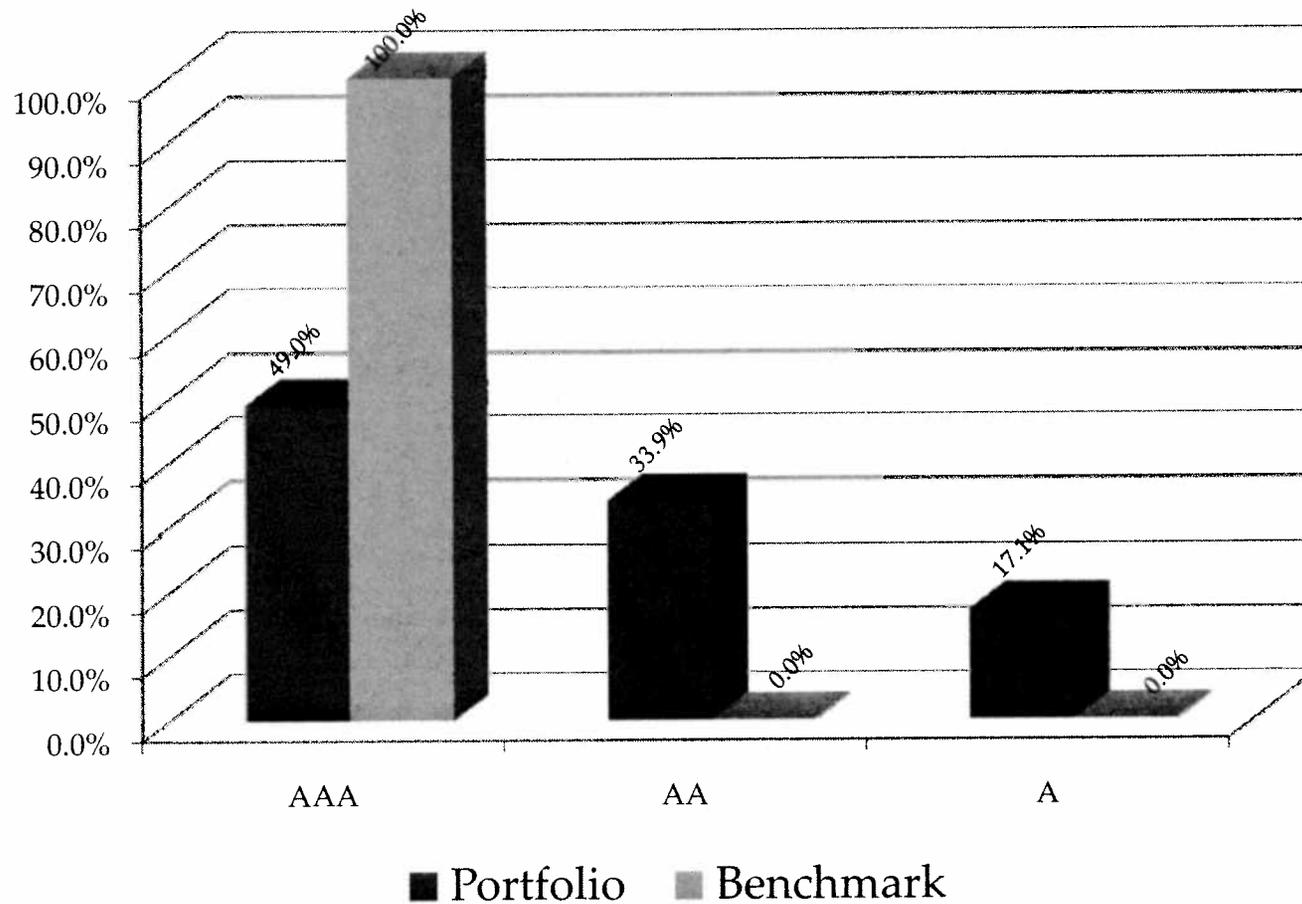
Operating Portfolio Sector Distribution



Operating Portfolio Maturity Distribution



Operating Portfolio Quality Distribution



Operating Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>CORPORATE BONDS</u>								
NATL CITY BK OF KENTUCKY	6.30	2/15/2011	A	A2	120,000	\$123,546.60	1.1%	2.0%
JPMORGAN CHASE & CO	6.75	2/1/2011	A	A1	120,000	\$123,881.70	1.2%	2.0%
COUNTRYWIDE HOME LOAN	4.00	3/22/2011	A	A2	100,000	\$101,817.89	1.7%	1.6%
MORGAN STANLEY	6.75	4/15/2011	A	A2	115,000	\$118,535.39	2.1%	1.9%
BB&T CORPORATION	6.50	8/1/2011	A-	A3	120,000	\$127,085.13	1.1%	2.0%
<i>Subtotal</i>								9.5%
<u>TAXABLE MUNICIPAL BONDS</u>								
MUNICIPAL ELEC AUTH GA	4.13	1/1/2011	A	A2	150,000	\$153,093.75	1.0%	2.4%
ANOKA CNTY MINN	1.25	2/1/2011	AAA	Aa1	135,000	\$135,734.89	0.7%	2.2%
NEW JERSEY SPORTS & EXPOSITK	6.75	3/1/2011	AA+	Aa3	335,000	\$345,389.19	0.9%	5.5%
KENTUCKY ASSET / LIABILITY COI	0.84	4/1/2011	A+	Aa2	100,000	\$100,234.68	0.8%	1.6%
MIAMI-DADE CNTY FLA EDL FACI	5.32	4/1/2011	A-	A3	175,000	\$178,684.14	2.1%	2.8%
WILMINGTON N C LTD OBLIG RE'	1.53	6/1/2011	AA	Aa2	50,000	\$50,113.63	0.8%	0.8%
OREGON SCH BRDS ASSN	4.26	6/30/2011	A+	Aa2	215,000	\$218,523.85	0.7%	3.5%
MISSISSIPPI DEV BANK SPL OBLG	5.14	7/1/2011	AA+	NA	250,000	\$261,709.31	1.0%	4.2%
ALABAMA INCENTIVES FING AUT	1.93	9/1/2011	AA+	NA	60,000	\$60,817.18	0.7%	1.0%
KISKI VY WTR POLLUTN CTL AUTI	0.82	9/1/2011	AA+	NA	420,000	\$421,247.86	0.8%	6.7%
INDIANA BD BK REV	3.46	8/1/2011	AA+	NA	250,000	\$257,122.64	1.3%	4.1%
MAINE ST	1.50	6/1/2011	AA	Aa2	125,000	\$125,534.79	0.7%	2.0%
RICHLAND-BEANBLOSSOM IND SC	1.05	7/15/2011	AA+	NA	165,000	\$165,157.46	1.0%	2.6%
UNIVERSITY N C CHARLOTTE RE'	5.10	4/1/2011	AA+	Aa3	50,000	\$51,101.68	0.7%	0.8%
UNIVERSITY OKLA REVS	4.57	11/1/2011	NA	Aa3	80,000	\$82,517.58	0.9%	1.3%
<i>Subtotal</i>						\$2,606,983		41.5%

Operating Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>GOVERNMENT SECURITIES</u>								
CITGROUP FDIC INSURED	1.38	5/5/2011	AAA	Aaa	300,000	\$301,788	0.5%	4.8%
FEDERAL FARM CREDIT BANK	1.60	1/12/2011	AAA	Aaa	400,000	\$403,111	0.6%	6.4%
FEDERAL HOME LOAN BANK	4.85	2/4/2011	AAA	Aaa	100,000	\$100,416	0.6%	1.6%
FEDERAL HOME LOAN BANK	1.38	5/16/2011	AAA	Aaa	145,000	\$148,409	0.6%	2.4%
FEDERAL HOME LOAN BANK	0.88	1/20/2011	AAA	Aaa	100,000	\$100,606	0.6%	1.6%
<i>Subtotal</i>						\$1,054,330		16.8%
<u>CASH & CASH EQUIVALENTS</u>								
FDIC INSURED MONEY MARKET ACCOUNT WITH THE TRUST COMPANY					249,000	\$249,000	0.7%	4.0%
FDIC INSURED MONEY MARKET ACCOUNT WITH FIRST CITIZENS BANK & TRUST CO.					249,000	\$249,000	0.5%	4.0%
FDIC INSURED MONEY MARKET ACCOUNT WITH AMERICAN MOMENTUM					249,000	\$249,000	1.1%	4.0%
FDIC INSURED MONEY MARKET ACCOUNT WITH THE BANK OF THE INTERNET					249,000	\$249,000	0.5%	4.0%
FDIC INSURED MONEY MARKET ACCOUNT WITH SYNOVUS, BANK OF NORTH GEORGIA					249,000	\$249,000	0.9%	4.0%
FDIC INSURED MONEY MARKET ACCOUNT WITH UNITED COMMUNITY BANK					249,000	\$249,000	0.3%	4.0%
FEDERATED PRIME OBLIGATIONS FUND					485,807	\$485,807	0.2%	7.7%
CASH					39,658	\$39,658	0.1%	0.6%
<i>Subtotal</i>						\$2,019,465		32.2%
TOTAL PORTFOLIO						\$6,274,748		

Reserves Portfolio Performance – Gross of Fees

	3 Months	6 Months	1 Year	3 Years	Inception to Date
City of Sanibel Reserves Fund	0.13%	0.36%	NA	NA	0.47%
Merrill Lynch 0-1 Year Treasury Bills Index	0.05%	0.15%	NA	NA	0.21%
Relative Performance	0.08%	0.21%	NA	NA	0.26%

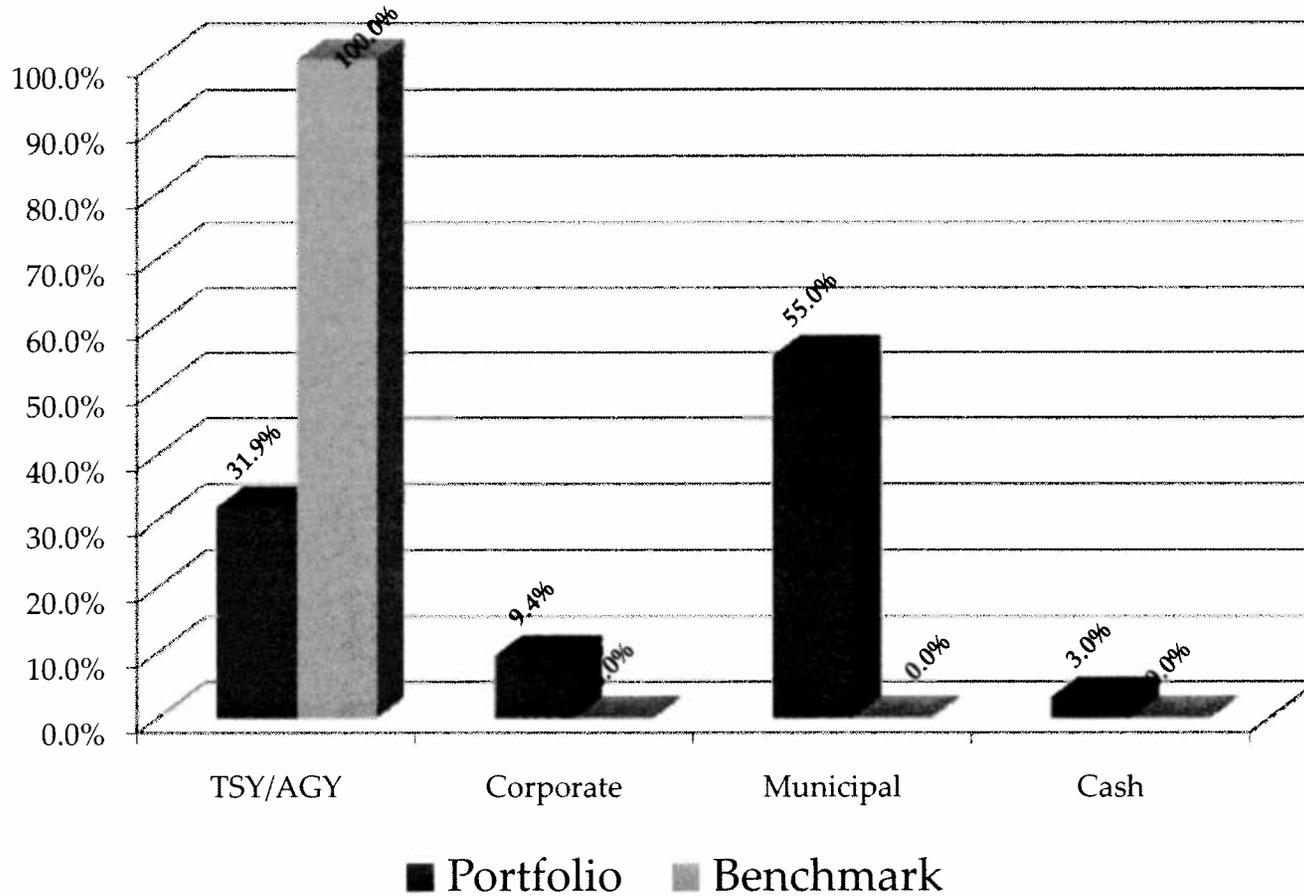
Reserves Portfolio Cash Flows

Portfolio Value on 9-30-10	\$7,445,266.34
Accrued Interest	55,286.41
Beginning Market Value	7,500,552.75
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains	(2,294.40)
Unrealized Gains	(37,257.57)
Interest	55,794.11
Change in Accrued Interest	(6,263.01)
Portfolio Value on 12-31-10	7,461,508.48
Accrued Interest	49,023.40
Ending Market Value	\$7,510,531.88

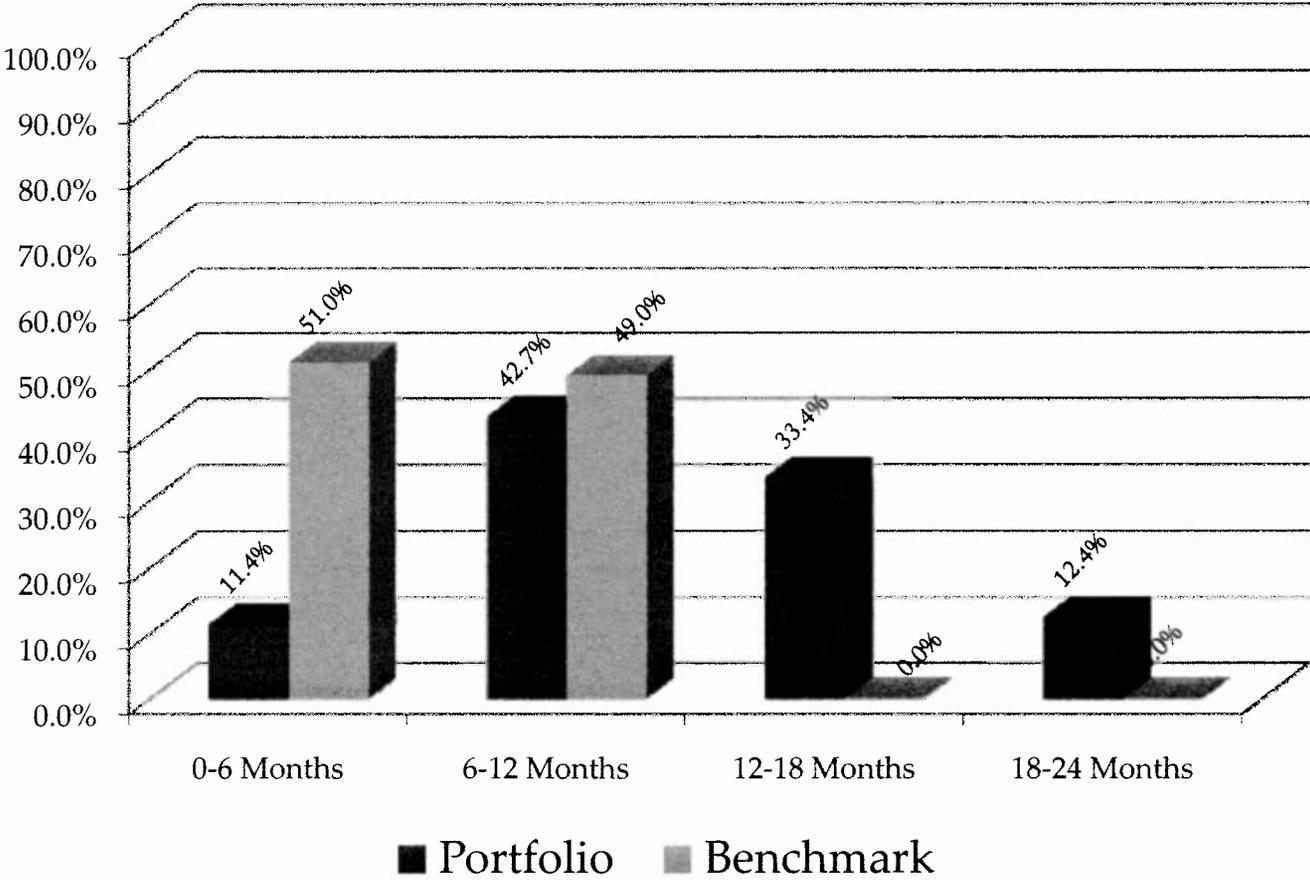
Reserves Portfolio Characteristics

	Portfolio	Index
Avg. Quality	AA	AAA
Yield to Amortized Cost	1.0%	0.2%
Avg. Maturity	0.9	0.5
Effective Duration	0.9	0.5

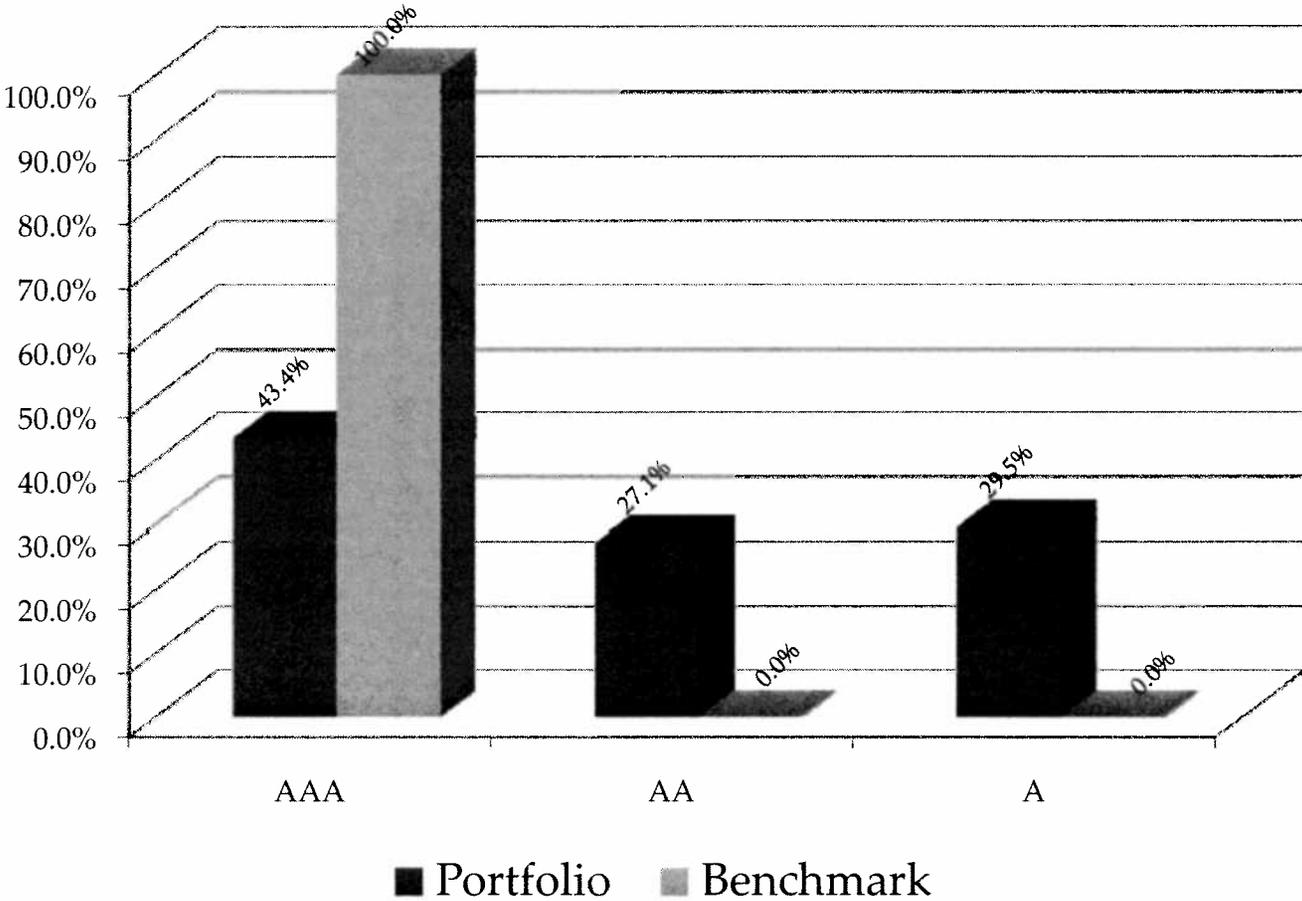
Reserves Portfolio Sector Distribution



Reserves Portfolio Maturity Distribution



Reserves Portfolio Quality Distribution



Reserves Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>CORPORATE BONDS</u>								
COUNTRYWIDE FINL CORP	5.80	6/7/2012	A	A2	140,000	\$147,813	3.1%	2.0%
GENERAL ELEC CAP CORP	5.88	2/15/2012	AA+	Aa2	135,000	\$144,985	2.0%	1.9%
JPMORGAN CHASE & CO	6.75	2/1/2011	A	A1	140,000	\$144,529	1.2%	1.9%
VERIZON NEW JERSEY INC	5.88	1/17/2012	A-	Baa1	140,000	\$144,955	1.7%	1.9%
MORGAN STANLEY	6.75	4/15/2011	A	A2	135,000	\$144,304	2.1%	1.9%
<i>Subtotal</i>						\$726,585		9.7%
<u>TAXABLE MUNICIPAL BONDS</u>								
NEW JERSEY ENVIRONMENTAL II	2.00	9/1/2011	AAA	Aaa	475,000	\$480,751	0.9%	6.4%
LUCAS CNTY OHIO ECONOMIC DE	1.25	10/1/2011	A+	Aa3	200,000	\$200,808	1.2%	2.7%
BALTIMORE MD	4.88	10/15/2011	AA-	Aa2	55,000	\$57,174	0.7%	0.8%
BALTIMORE MD	5.27	10/15/2011	AA-	Aa2	85,000	\$88,784	3.2%	1.2%
MISSISSIPPI ST	4.67	11/1/2011	AA	Aa2	200,000	\$206,839	0.8%	2.8%
UNIVERSITY OKLA REVS	1.50	11/1/2011	AA-	NA	75,000	\$75,251	1.0%	1.0%
OHIO ST HIGHER EDL FAC COMM	4.75	11/15/2011	NA	A2	50,000	\$51,803	1.3%	0.7%
CLARK CNTY OHIO	1.15	12/1/2011	NA	Aa2	100,000	\$100,363	1.2%	1.3%
MONTANA ST COAL SEVERANCE	0.93	12/1/2011	AA	Aa3	100,000	\$99,904	0.9%	1.3%
INDIANA BD BK REV	5.59	1/15/2012	AA+	WR	260,000	\$279,300	0.9%	3.7%
DULUTH MINN INDPT SCH DIST N	2.25	2/1/2012	AAA	Aa2	60,000	\$61,048	0.8%	0.8%
SALT LAKE CNTY UTAH SALES TA	1.00	2/1/2012	AAA	NA	115,000	\$114,814	1.0%	1.5%
KENTUCKY ASSET / LIABILITY COI	1.50	4/1/2012	A+	Aa2	100,000	\$100,595	1.5%	1.3%
OREGON ST DEPT ADMINISTRAT	4.49	4/1/2012	AAA	Aa2	100,000	\$104,915	1.0%	1.4%
CLEVELAND CNTY N C PUB FACS	1.35	3/1/2011	A	Aa3	75,000	\$75,367	1.2%	1.0%
DURHAM N C CTFS PARTN	5.21	6/1/2012	AA+	Aa2	100,000	\$105,373	1.0%	1.4%
OKLAHOMA DEV FIN AUTH LEASI	0.99	6/1/2012	AA	NA	450,000	\$447,582	1.0%	6.0%
UNIVERSITY ALA GEN REV	2.25	7/1/2012	AA-	Aa2	100,000	\$102,545	1.0%	1.4%
ALABAMA INCENTIVES FING AUT	1.93	9/1/2011	AA+	NA	150,000	\$152,043	0.7%	2.0%

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The City of Sanibel

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Reserves Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
COLUMBUS OHIO	1.18	6/1/2012	AAA	Aaa	260,000	\$259,782	1.2%	3.5%
FARMERS BRANCH TEX	2.27	2/15/2012	AA+	NA	185,000	\$188,608	0.8%	2.5%
GAINESVILLE FLA UTILS SYS REV	3.94	10/1/2012	AA+	Aa2	5,000	\$5,228	1.2%	0.1%
HAMDEN CONN	3.50	8/15/2011	A+	NA	50,000	\$51,465	0.7%	0.7%
HIGGINSVILLE MO ELEC LT' SYS R	1.27	6/1/2011	A-	NA	100,000	\$99,965	1.3%	1.3%
MINNEAPOLIS MINN DEV REV	1.25	12/1/2011	A+	NA	150,000	149,629	1.3%	2.0%
UNIVERSITY N C WILMINGTON RE	1.38	1/1/2012	NA	A1	370,000	370,523	1.4%	4.9%
WASHINGTON ST	4.25	7/1/2012	AA+	Aa1	50,000	\$53,467	1.0%	0.7%
<i>Subtotal</i>						\$4,159,494		55.4%
<u>GOVERNMENT SECURITIES</u>								
US CENTRAL FEDERAL CRED	1.25	10/19/2011	AAA	Aaa	500,000	\$507,083	0.6%	6.8%
CITIGROUP FUNDING FDIC INSUR	1.38	5/5/2011	AAA	Aaa	300,000	\$303,839	0.5%	4.0%
FEDERAL FARM CREDIT BANK	0.85	7/2/2012	AAA	Aaa	750,000	\$756,707	0.8%	10.1%
FED HM LN BK BD	5.75	8/15/2011	AAA	Aaa	250,000	\$263,463	0.7%	3.5%
FEDERAL HOME LOAN BANK	4.75	12/9/2011	AAA	Aaa	550,000	\$573,221	0.8%	7.6%
<i>Subtotal</i>						\$2,404,313		32.0%
<u>CASH & CASH EQUIVALENTS</u>								
FEDERATED PRIME OBLIGATIONS FUND					224,470	\$224,470	0.2%	3.0%
<i>Subtotal</i>						\$224,470		3.0%
TOTAL PORTFOLIO						\$7,510,532		

Surplus Portfolio Performance – Gross of Fees

	3 Months	6 Months	1 Year	3 Years	Inception to Date
City of Sanibel Surplus Fund	(0.67%)	0.70%	NA	NA	1.09%
Merrill Lynch 3-5 Year Treasury Index	(1.55%)	0.88%	NA	NA	2.24%
Relative Performance	0.88%	-0.18%	NA	NA	-1.15%

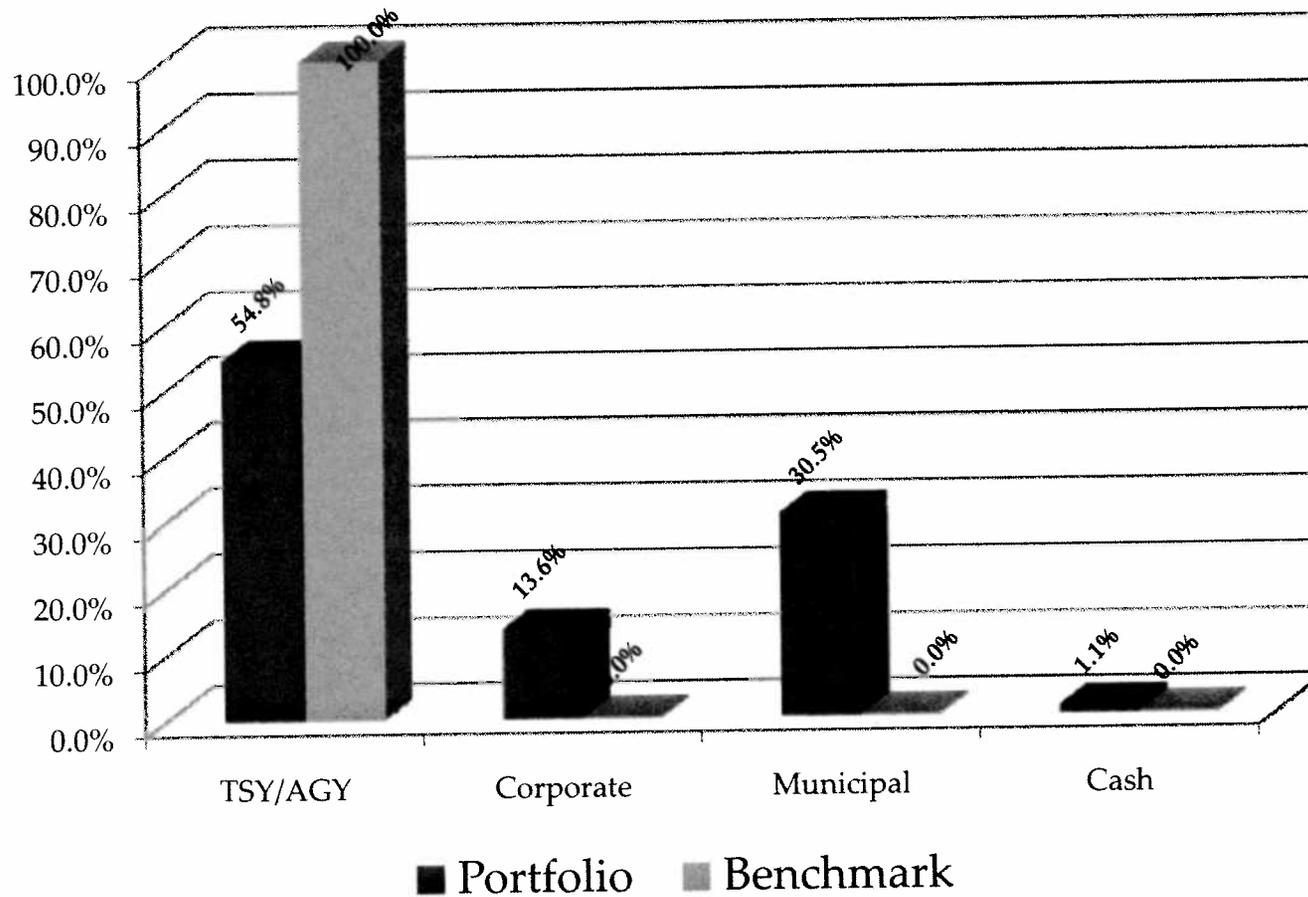
Surplus Portfolio Cash Flows

Portfolio Value on 9-30-10	\$5,058,081.89
Accrued Interest	30,251.95
Beginning Market Value	5,088,333.84
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains	0.00
Unrealized Gains	(65,192.67)
Interest	29,419.48
Change in Accrued Interest	1,922.57
Portfolio Value on 12-31-10	5,022,308.70
Accrued Interest	32,174.52
Ending Market Value	\$5,054,483.22

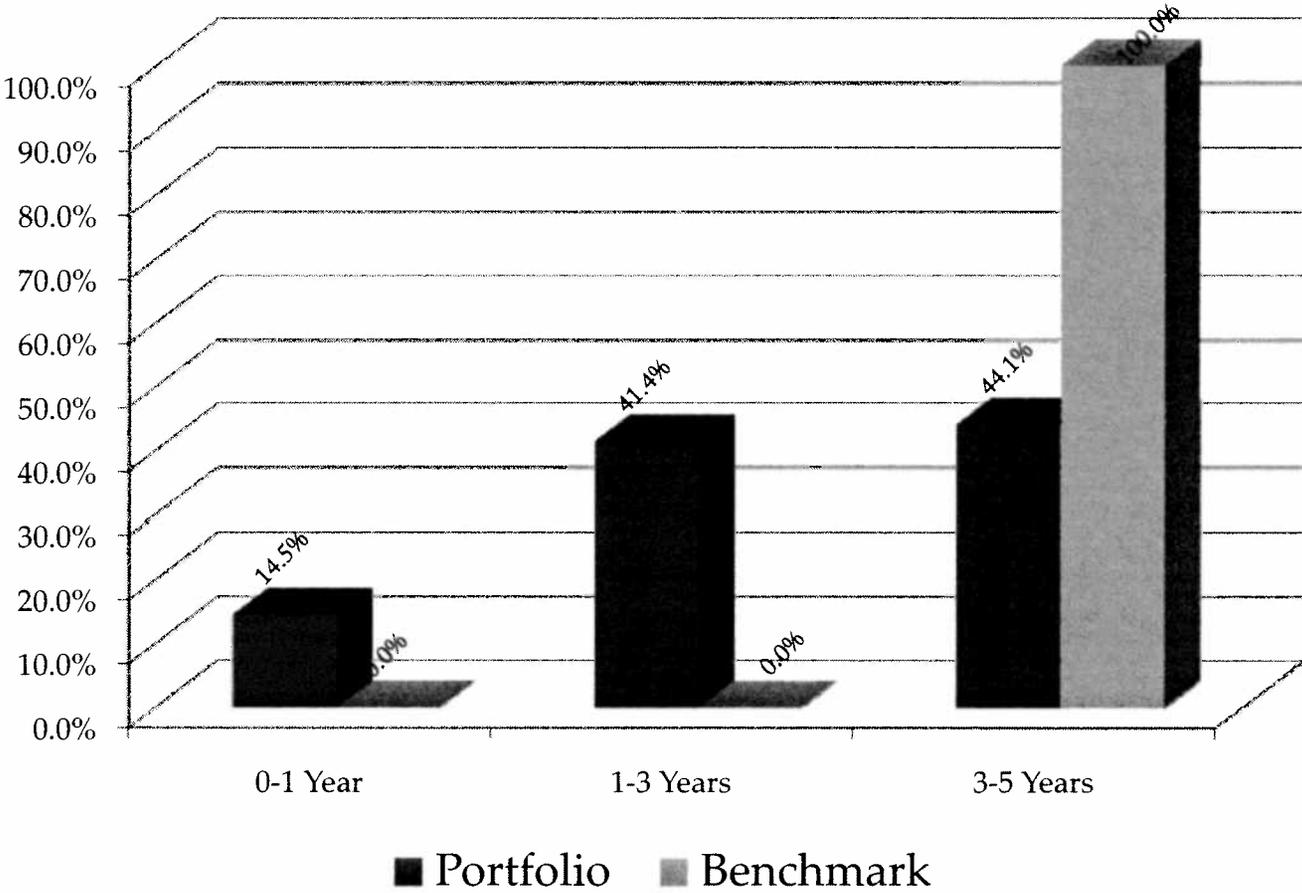
Surplus Portfolio Characteristics

	Portfolio	Index
Avg. Quality	AA	AAA
Yield to Amortized Cost	1.7%	1.0%
Avg. Maturity	2.5	4.0
Effective Duration	2.4	3.8

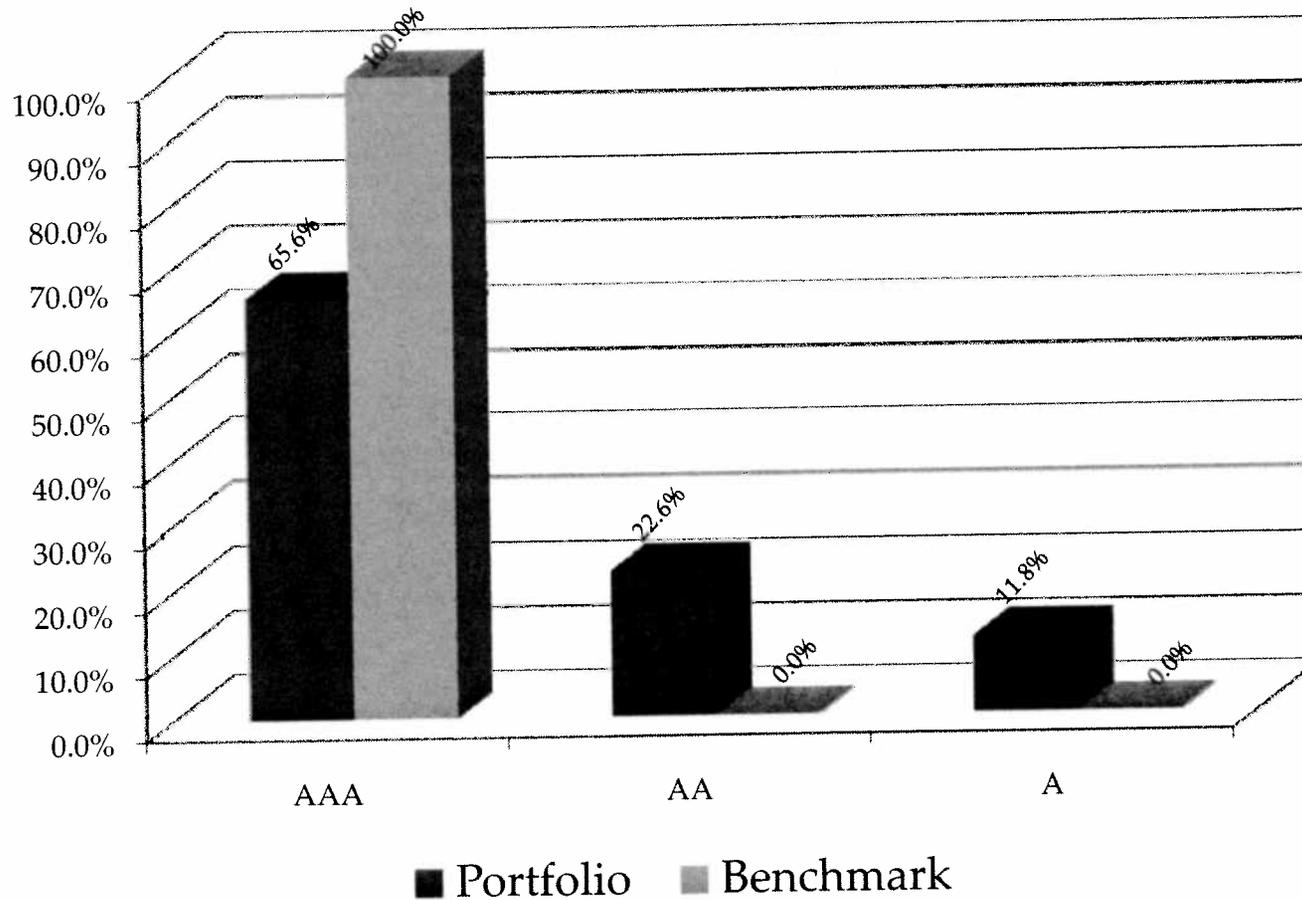
Surplus Portfolio Sector Distribution



Surplus Portfolio Maturity Distribution



Surplus Portfolio Quality Distribution



Surplus Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>CORPORATE BONDS</u>								
BB&T CORPORATION	6.50	8/1/2011	A-	A3	95,000	\$100,610	3.1%	2.0%
COUNTRYWIDE FINL CORP	5.80	6/7/2012	A	A2	95,000	\$100,302	3.1%	2.0%
GENERAL ELEC CAP CORP	3.75	11/14/2014	AA+	Aa2	95,000	\$98,659	3.1%	2.0%
JPMORGAN CHASE & CO	6.75	2/1/2011	A	A1	90,000	\$92,911	3.1%	1.8%
MORGAN STANLEY	6.75	4/15/2011	A	A2	95,000	\$97,921	3.1%	1.9%
VERIZON NEW JERSEY INC	5.88	1/17/2012	A-	Baa1	90,000	\$96,637	3.1%	1.9%
WELLS FARGO FINANCIAL	5.50	8/1/2012	AA-	A1	94,000	\$102,426	3.1%	2.0%
<i>Subtotal</i>						\$689,465		13.6%
<u>TAXABLE MUNICIPAL BONDS</u>								
IRVINE RANCH CALIF WTR DIST J	2.61	3/15/2014	AAA	Aaa	500,000	\$511,399	1.7%	10.1%
MICHIGAN ST	2.00	4/15/2012	AA-	Aa2	500,000	\$507,138	1.2%	10.0%
WATERBURY CONN	4.17	12/1/2014	AA+	NA	500,000	\$523,018	3.1%	10.3%
<i>Subtotal</i>						\$1,541,556		30.5%
<u>GOVERNMENT SECURITIES</u>								
FEDERAL FARM CREDIT BANK	0.85	7/2/2012	AAA	Aaa	750,000	\$756,707	0.8%	15.0%
FREDDIE MAC	2.88	2/9/2015	AAA	Aaa	500,000	\$526,195	2.3%	10.4%
FREDDIE MAC	1.75	9/10/2015	AAA	Aaa	550,000	\$543,552	1.8%	10.8%
FANNIE MAE	1.50	6/26/2013	AAA	Aaa	500,000	\$507,253	1.5%	10.0%
US CENTRAL FEDERAL CRED	1.25	10/19/2011	AAA	Aaa	430,000	\$434,130	0.9%	8.6%
<i>Subtotal</i>						\$2,767,838		54.8%
<u>CASH & CASH EQUIVALENTS</u>								
FEDERATED PRIME OBLIGATIONS FUND						\$55,625		1.1%
TOTAL PORTFOLIO						\$5,054,484		

Restricted Portfolio Performance – Gross of Fees

	3 Months	6 Months	1 Year	3 Years	Inception to Date
City of Sanibel Restricted Fund	(4.54%)	(0.12%)	NA	NA	3.34%
Merrill Lynch 10-15 Year Treasury Index	(5.46%)	(0.67%)	NA	NA	2.67%
Relative Performance	0.92%	0.55%	NA	NA	0.67%

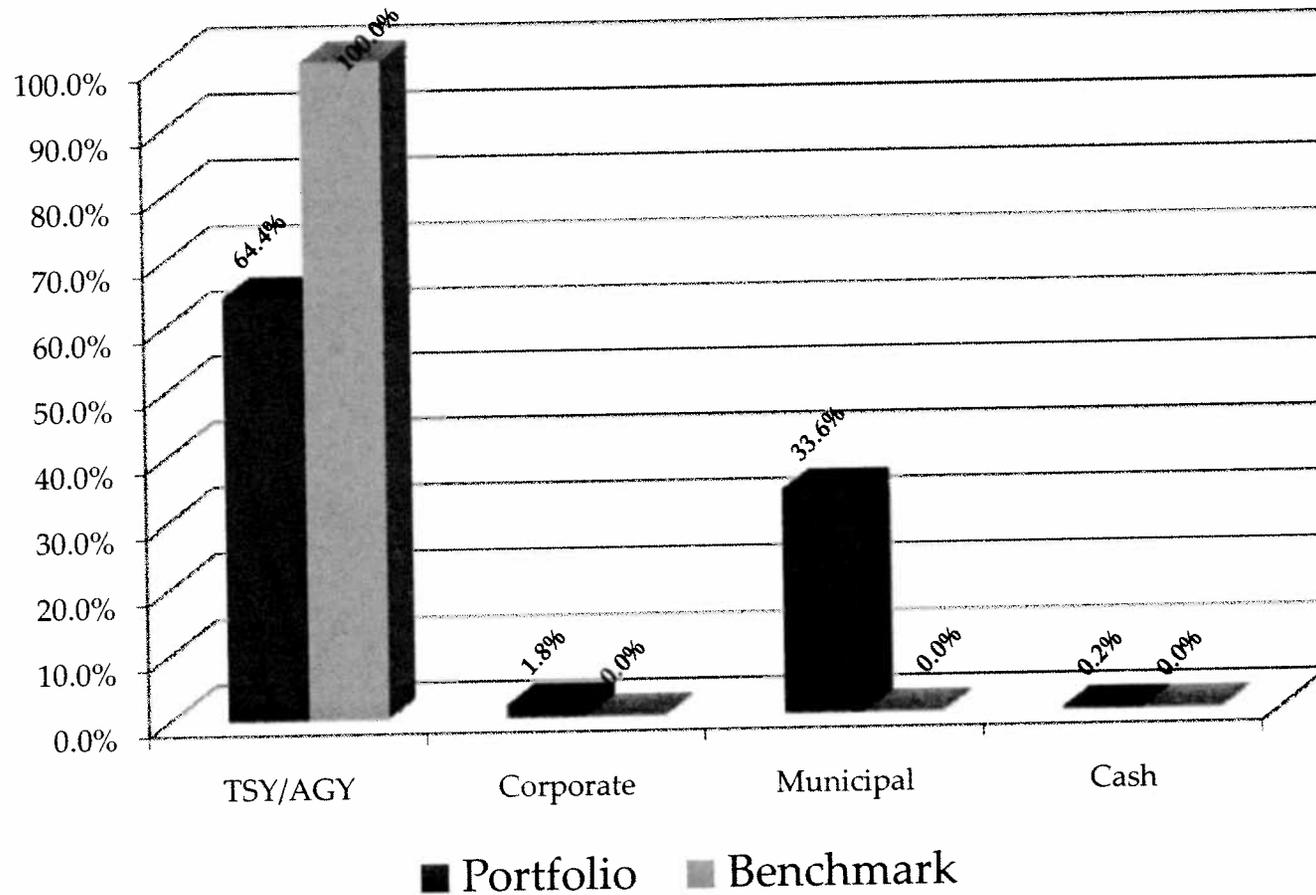
Restricted Portfolio Cash Flows

Portfolio Value on 9-30-10	\$1,918,207.01
Accrued Interest	13,778.10
Beginning Market Value	1,931,985.11
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains	1,613.75
Unrealized Gains	(110,060.26)
Interest	5,542.77
Change in Accrued Interest	15,476.47
Portfolio Value on 12-31-10	1,815,303.27
Accrued Interest	29,254.57
Ending Market Value	\$1,844,557.84

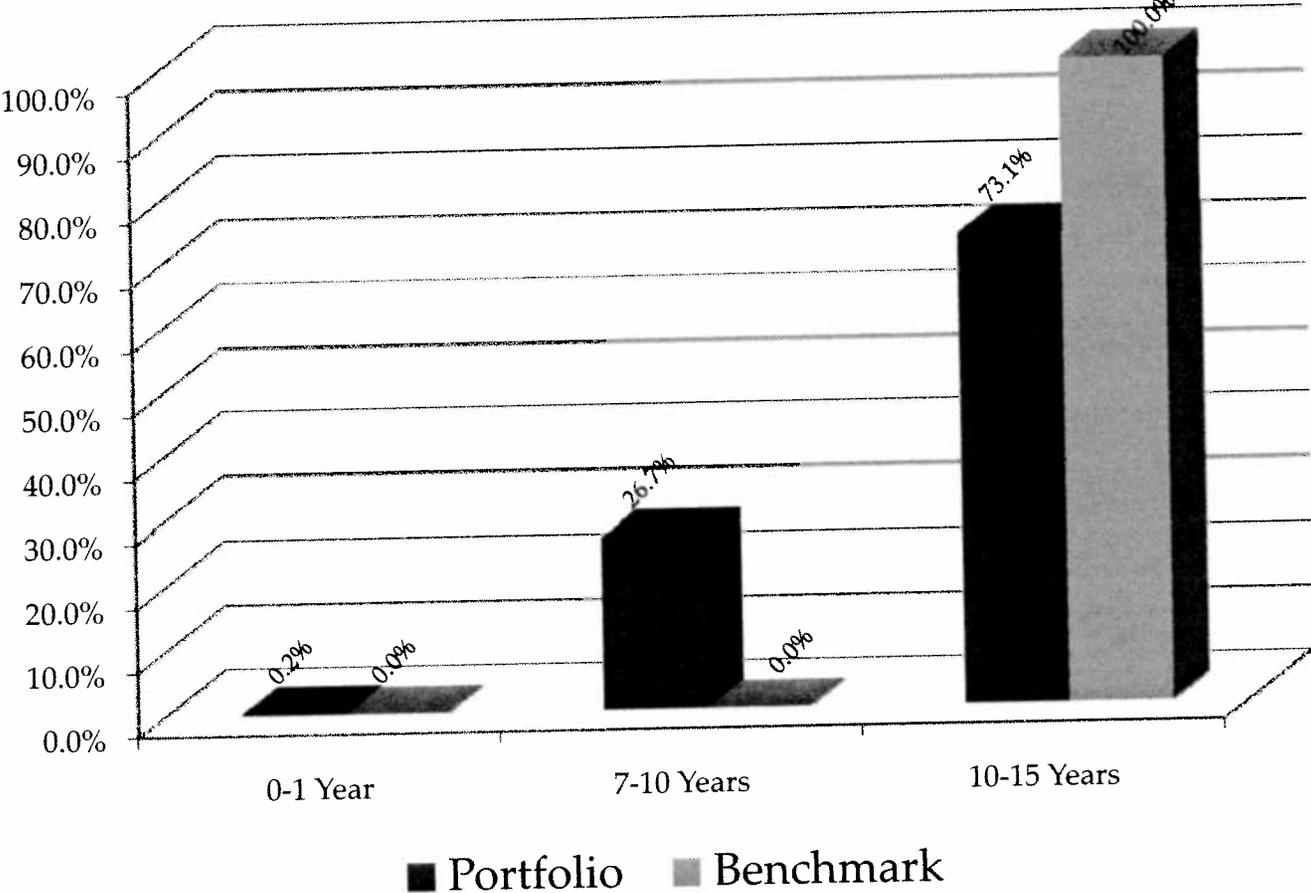
Restricted Portfolio Characteristics

	Portfolio	Index
Avg. Quality	AA+	AAA
Yield to Amortized Cost	4.4%	3.5%
Avg. Maturity	11.7	12.0
Effective Duration	8.4	8.7

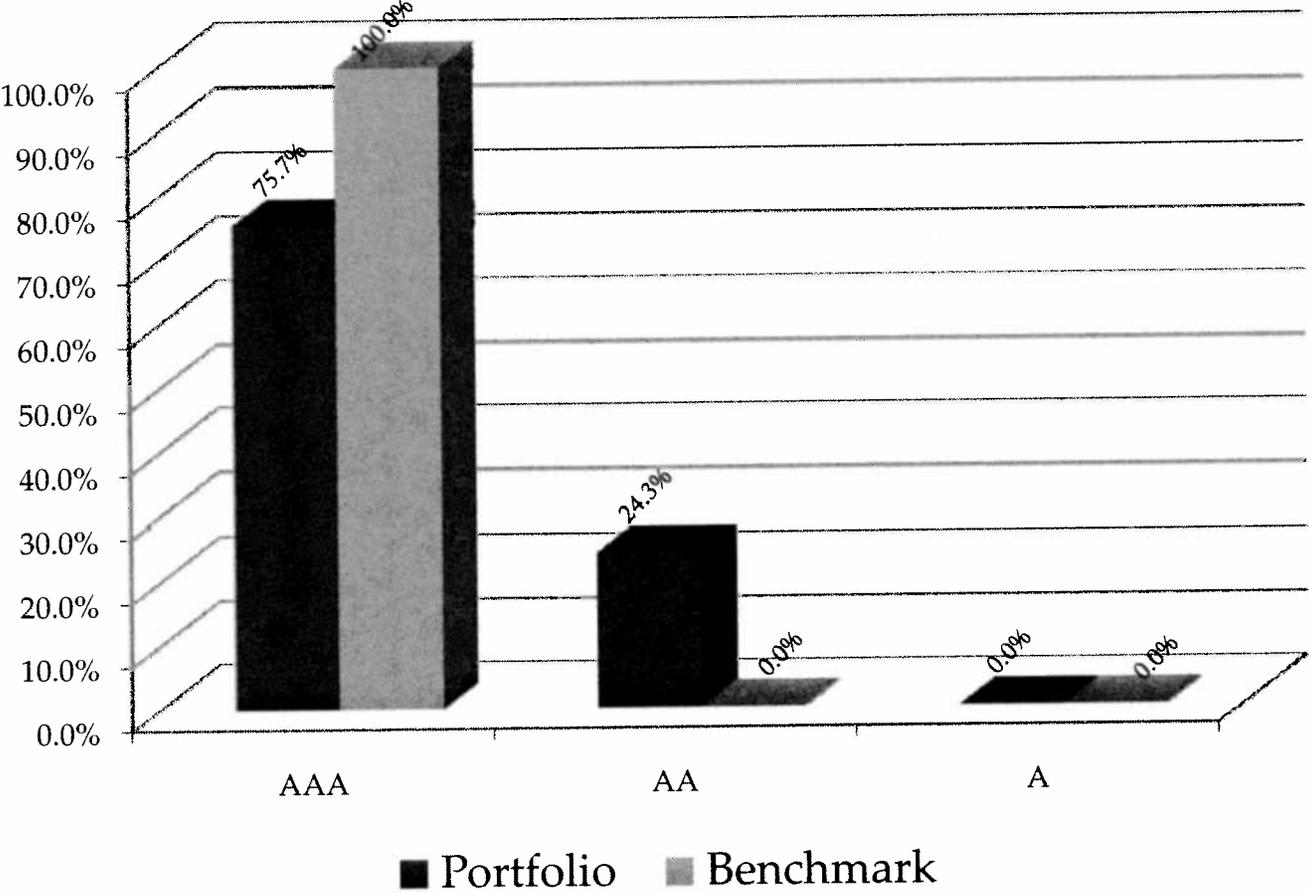
Restricted Portfolio Sector Distribution



Restricted Portfolio Maturity Distribution



Restricted Portfolio Quality Distribution



Restricted Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>CORPORATE BONDS</u>								
GENERAL ELEC CAP CORP	3.50	6/29/2015	AA+	Aa2	30,000	\$32,868	5.1%	1.8%
<i>Subtotal</i>						\$32,873		1.8%
<u>TAXABLE MUNICIPAL BONDS</u>								
ARIZONA BRD REGENTS UNIV AR	5.21	8/1/2019	AA-	Aa3	400,000	\$414,205	5.2%	22.5%
FRANKLIN CNTY OHIO	4.59	12/1/2021	AAA	Aaa	200,000	\$205,448	3.7%	11.1%
<i>Subtotal</i>						\$619,653		33.6%
<u>GOVERNMENT SECURITIES</u>								
FEDERAL FARM CREDIT BANK	5.24	9/5/2023	AAA	Aaa	1,000,000	\$1,140,309	4.2%	61.8%
US TREASURY N/B	2.63	11/15/2020	AAA	Aaa	50,000	\$47,331	3.3%	2.6%
<i>Subtotal</i>						\$1,187,639		64.3%
<u>CASH & CASH EQUIVALENTS</u>								
FEDERATED PRIME OBLIGATIONS FUND						\$4,393		0.2%
TOTAL PORTFOLIO						\$1,844,558		