

## Legislation Text

**File #:** 19-296, **Version:** 1

Presenter/Contact

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**SUBJECT:**

Approval of the City of New Braunfels FY 2018-19 Second Quarter Investment Report.

**BACKGROUND / RATIONALE:**

State of Texas statutes require quarterly investment reports be presented to the governing body of a municipality. In addition, the Investment Policy adopted annually by the City Council requires quarterly reporting to the City Council. Attached for Council consideration is the FY 2018-19 Second Quarter Investment Report to meet these statutory requirements. As of March 31, 2019, the City had \$130,196,085 (market value) invested in different investment instruments including cash, as shown below. The portfolio increased by \$17,291,356 in the second fiscal quarter. This was due primarily to the receipt of property taxes during the quarter.

<b>Investment Type:</b>	<b>Amount Invested (\$ in Millions)</b>
Money Market/Cash	\$ 7
Pools	123
<b>Total Investments</b>	<b>\$ 130</b>

<b>Weighted Average Maturity of Portfolio</b>	<b>1 Day</b>
<b>Weighted Average Yield of Portfolio</b>	<b>2.36%</b>
<b>Earned Income - Qtr</b>	<b>\$ 708,910</b>
<b>Earned Income - YTD</b>	<b>\$ 1,266,336</b>

For the second quarter, the weighted average yield on the City's investments was 2.36 percent, an increase of .19 percent when compared to the first quarter of FY 2018-19 earnings of 2.17 percent. This improvement was due to an increase in average interest rates on TexPool investments.

The weighted average maturity of the City's portfolio remained the same in comparison to the first quarter of FY 2018-19 due to all funds being held in fully liquid depository or money market accounts and local government investment pools. Due to the inversion of the treasury yield curve on the short end (meaning daily yields are higher than 2 year yields), and the goal of maintaining the City's liquidity for the payment of expenditures, it makes the most financial sense currently, to keep the

City's funds in local government investment pools and money market accounts. More specifically, liquidity will remain a high priority with the approval of the 2019 bond proposition(s) to maximize the opportunity to utilize reimbursement resolutions to progress projects in advance of bond issuances.

**ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:**

<input checked="" type="checkbox"/>	Yes	<b>City Plan/ Council Priority:</b>	Strategic Priorities: 8 - Maintain fiscal stability of City operations
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**FISCAL IMPACT:**

N/A

**COMMITTEE RECOMMENDATION:**

N/A

**STAFF RECOMMENDATION:**

Staff recommends approval of the attached investment report.