

Legislation Text

File #: 17-212, **Version:** 2

Presenter/Contact
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SUBJECT:

Discuss and consider approval of the City of New Braunfels FY 2016-17 first quarter investment report.

BACKGROUND / RATIONALE:

State of Texas statutes require quarterly investment reports to 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 2016-17 first quarter investment report to meet these statutory requirements. As of December 31, 2016, the City had \$103,131,611 (market value) invested in different investment instruments including cash as shown below. The portfolio decreased by \$1,061,399 as a result of normal budget spending.

Investment Type:	<u>Amount Invested</u> (Dollars in millions)
Federal Agency Coupon Securities	\$15
Money Market/Cash	\$30
Pools	\$58
Weighted Average Maturity of Portfolio	17 days
Weighted Average Yield for Portfolio	.35%
Earned Income QTR	\$81,862
Earned Income YTD	\$81,862

For this quarter, the weighted average yield on the City's investments is .35 percent, which is a slight increase in comparison to the fourth quarter of FY 2015-16 earnings of .30 percent. The current market and economic conditions have seen positive movement that has affected slight interest rate increases. The City earned \$81,862 for the first quarter of the year.

The weighted average maturity of the City's portfolio decreased in comparison to the fourth quarter of FY 2015-16 as a result of long term maturities. Every effort continues to be made to maintain the City's liquidity for payment of expenditures while maximizing interest earnings in this continued very low interest rate market.

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

X	Yes	City Plan/ Council Priority:	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.