

Legislation Text

File #: 17-567, **Version:** 1

Presenter/Contact
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SUBJECT:

Approval of the City of New Braunfels FY 2016-17 third 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 2016-17 third quarter investment report to meet these statutory requirements. As of June 30, 2017, the City had \$100,370,431 (market value) invested in different investment instruments including cash as shown below. The portfolio decreased by \$9,538,395 in the third fiscal quarter. This was due to the maturity of a Federal Agency Security and a payment required for the Veramendi project. Funds were moved from TexPool into three Federal Agency Securities in order to earn a higher return on investment.

Investment Type:	<u>Amount Invested</u> (Dollars in millions)
Federal Agency Coupon Securities	\$14
Money Market/Cash	\$16
Pools	\$70
Weighted Average Maturity of Portfolio	20 days
Weighted Average Yield for Portfolio	.75%
Earned Income QTR	\$171,552
Earned Income YTD	\$374,359

For this quarter, the weighted average yield on the City's investments is .75 percent, which is an increase of .22 when compared to the second quarter of FY 2016-17 earnings of .53 percent. The current market and economic conditions have seen positive movement that has affected slight interest rate increases. The City earned \$374,359 for the first three quarters of the year.

The weighted average maturity of the City's portfolio increased in comparison to the second quarter of FY 2016-17 due to investments made in three Federal Agency Securities. 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:

<input checked="" type="checkbox"/>	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.