

Legislation Text

File #: 24-709, **Version:** 1

PRESENTER:

Carren Ridge - Accounting and Treasury Manager

SUBJECT:

Approval of the City of New Braunfels FY 2024 Second Quarter Investment Report

DEPARTMENT: Finance

COUNCIL DISTRICTS IMPACTED: N/A

BACKGROUND INFORMATION:

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 2024 Second Quarter Investment Report to meet these statutory requirements.

As of March 31, 2024, the City had \$277,869,205 (market value) invested in different investment instruments including cash, as shown below. The portfolio increased by \$12,576,970 mainly due to property tax collections. The majority of property taxes are collected between January and March.

Investment Type	<u>Amount Invested</u> <u>(\$ in Millions)</u>
Cash	\$ 20
Pools	\$ 248
Agencies	<u>\$ 10</u>
Total Investments	<u>\$ 278</u>
Weighted Average Maturity of Portfolio	4 days
Weighted Average Yield for Portfolio	5.13%
Earned Income QTR	\$ 3,407,352
Earned Income FYTD	\$ 6,801,895

For the second quarter, the weighted average yield of the City’s investments was 5.13 percent, a decrease of .06 percent from the first quarter FY 2024. The decrease is a result of the maturities of higher yield agencies and a treasury note.

The weighted average maturity of the City's portfolio decreased in comparison to the first quarter of FY 2024 due to an increase in the percentage of investments held in the government pools and Frost Bank.

We continue to research safe investment options while being mindful of bond project cashflow needs and security of principal in an uncertain market.

ISSUE:

N/A

STRATEGIC PLAN REFERENCE:

Strategic Priority: Organizational Excellence

Objective: Considering statutory and market-based factors, continue to diversify revenue streams to support long-term fiscal sustainability of the organization.

FISCAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends approval of the attached investment report.