# Legislation Text

**File #:** 17-751, **Version:** 1

Presenter/Contact
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**SUBJECT:**

Discuss and consider approval of the City of New Braunfels FY 2016-17 fourth 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 fourth quarter investment report to meet these statutory requirements. As of September 30, 2017, the City had $91,822,460 (market value) invested in different investment instruments including cash, as shown below. The portfolio decreased by $8,547,971 in the fourth fiscal quarter. This was due to the maturity of a Federal Agency Security, debt service payments, as well as covering fourth quarter expenses.

| | **Amount Invested (Dollars in millions)** |
|---|---|
| **Investment Type:** | |
| Federal Agency Coupon Securities | $9 |
| Money Market/Cash | $13 |
| Pools | $70 |
| **Weighted Average Maturity of Portfolio** | **12 days** |
| **Weighted Average Yield for Portfolio** | **.88%** |
| **Earned Income QTR** | **$202,348** |
| **Earned Income YTD** | **$576,706** |

For the fourth quarter, the weighted average yield on the City's investments was .88 percent, an increase of .13 when compared to the third quarter of FY 2016-17 earnings of .75 percent. This improvement was due to a slight increase in average interest rates on TexPool investments. The City had earnings of $576,706 in FY 2016-17.

The weighted average maturity of the City's portfolio decreased in comparison to the third quarter of FY 2016-17 due to the maturity of one of the Federal Agency Securities in July, 2017. 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 |

**FISCAL IMPACT:**
N/A

**COMMITTEE RECOMMENDATION:**
N/A

**STAFF RECOMMENDATION:**
Staff recommends approval of the attached investment report.