

Legislation Text

File #: 18-511, **Version:** 4

Presenter/Contact

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SUBJECT:

Approval of the City of New Braunfels FY 2017-18 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 2017-18 Third Quarter Investment Report to meet these statutory requirements. As of June 30, 2018, the City had \$89,753,213 (market value) invested in different investment instruments including cash, as shown below. The portfolio decreased by \$8,287,656 in the third fiscal quarter. This was due to debt service payments made and the covering of third quarter expenses.

Investment Type:	<u>Amount Invested</u> (Dollars in millions)
US Treasury Note	\$5
Money Market/Cash	\$8
Pools	\$77
Weighted Average Maturity of Portfolio	9 days
Weighted Average Yield for Portfolio	1.64%
Earned Income QTR	\$361,183
Earned Income YTD	\$826,874

For the third quarter, the weighted average yield on the City's investments was 1.64 percent, an increase of .33 when compared to the second quarter of FY 2017-18 earnings of 1.31 percent. This improvement was due to an increase in average interest rates on TexPool investments.

The weighted average maturity of the City's portfolio decreased in comparison to the second quarter of FY 2017-18 due to the decrease in the remaining days to maturity of a Treasury Note that matures 11/15/18. Every effort continues to be made to maintain the City's liquidity for payment of expenditures while maximizing interest earnings in this rising 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.