

Legislation Text

File #: 19-584, Version: 1

Presenter/Contact

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SUBJECT:

Approval of the City of New Braunfels FY 2018-19 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 2018-19 Third Quarter Investment Report to meet these statutory requirements. As of June 30, 2019, the City had \$123,180,338 (market value) invested in different investment instruments including cash, as shown below. The portfolio decreased by \$7,015,747 in the third fiscal quarter. This was due, in part to debt service payments made in the month of June, along with capital project expenditures and vehicle purchases.

Investment Type:	Amount Invested	
	(\$ in Millions)	
Money Market/Cash	\$	6
Pools		112
12 Month CD		5
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Total Investments	\$	123
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Weighted Average Maturity of Portfolio		15 Days
Weighted Average Yield for Portfolio		2.37%
Earned Income QTR	\$	752,354
Earned Income YTD	\$	2,018,690

For the third quarter, the weighted average yield on the City's investments was 2.37 percent, an increase of .01 percent when compared to the second quarter of FY 2018-19 earnings of 2.36 percent. While the average interest rate on TexPool investments actually decreased during the quarter, the purchase of a 12-month CD at a favorable rate helped keep the overall portfolio yield flat.

The weighted average maturity of the City's portfolio increased in comparison to the second quarter of FY 2018-19 due to the purchase of a 12-month CD. The 2.46% yield on this CD is very favorable compared to short-term and long-term yields on the Treasury Curve (with the exception of the 30-

year yields). With yields on the short end of the Treasury Curve continuing to stay higher than the 1 and 2 year yields, it is beneficial for the City to keep its remaining funds in local government investment pools and money market accounts. Liquidity will continue to remain a high priority with the start of the 2019 bond projects.

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.