

Legislation Text

File #: 21-175, **Version:** 1

Presenter/Contact

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SUBJECT:

Approval of the City of New Braunfels FY 2021 First 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 2021 First Quarter Investment Report to meet these statutory requirements. As of December 31, 2020, the City had \$195,404,868 (market value) invested in different investment instruments including cash, as shown below. The portfolio decreased by \$5,886,176 in the first fiscal quarter. This was due to capital project expenditures during the quarter.

Investment Type:		Amount Invested (\$ in Millions)
Money Market/Cash	\$	4
Pools		177
CD's		12
US T-Note		2
Total Investments		\$ 195
Weighted Average Maturity of Portfolio		14 Days
Weighted Average Yield for Portfolio		0.12%
Earned Income QTR	\$	72,542
Earned Income YTD	\$	72,542

For the first quarter, the weighted average yield of the City's investments was 0.12 percent, a decrease of 0.01 percent when compared to the FY 2020 fourth quarter yield of 0.13 percent. Local Government Investment Pools (LGIP's) yields continue to decrease and averaged a yield of 0.11 percent during the quarter. Since the majority of the City's funds are in LGIP's, these lower yields resulted in a decrease in the City's portfolio yield.

The weighted average maturity of the City's portfolio decreased in comparison to the fourth quarter of FY 2020 due to the maturity of an investment during the quarter resulting in the funds transferring to a more liquid LGIP, along with the upcoming maturity of another investment (March 2021).

We continue to work on diversifying the City's portfolio in this challenging rate environment by taking steps such as moving funds into an additional LGIP and looking for other secure investment options, such as CD's. An additional CD was purchased in October to lock in a relatively competitive rate as the yields on LGIP's continue to decrease.

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.