

## Legislation Text

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**File #:** 21-829, **Version:** 1

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Presenter/ContactSandy Paulos, Assistant Chief Financial Officer  
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Approval of the City of New Braunfels FY 2021 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 2021 Third Quarter Investment Report to meet these statutory requirements. As of June 30, 2021, the City had \$200,236,120 (market value) invested in different investment instruments including cash, as shown below. The portfolio decreased by \$9,835,106 in the third fiscal quarter. This was due to capital project expenditures during the quarter.

<b>Investment Type:</b>		<b>Amount Invested (\$ in Millions)</b>
Money Market/Cash	\$	19
Pools		144
CD's		32
US T-Note		5
<b>Total Investments</b>		<b>\$ 200</b>
<b>Weighted Average Maturity of Portfolio</b>		<b>38 Days</b>
<b>Weighted Average Yield for Portfolio</b>		<b>0.05%</b>
<b>Earned Income QTR</b>	<b>\$</b>	<b>28,873</b>
<b>Earned Income YTD</b>	<b>\$</b>	<b>155,928</b>

For the third quarter, the weighted average yield of the City's investments was 0.05 percent, a decrease of 0.01 percent when compared to the FY 2021 second quarter yield of 0.06 percent. The yields of the Local Government Investment Pools (LGIP's) in which the City participates continued to decrease and averaged a yield of 0.02 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 increased in comparison to the second quarter of FY 2021. This is due to the purchase of a 2-year treasury note during the quarter.

We are diversifying the City's portfolio in this challenging rate environment by taking steps such as moving funds into an additional LGIP and taking advantage of other secure investment options, such as CD's, treasuries, and other investment funds. We continue to research other investment options while being mindful of bond project cashflow needs and security of principal.

**ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:**

<input checked="" type="checkbox"/>	Yes	<b>City Plan/ Council Priority:</b>	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.