



FY 2019 Quarterly Investment Report

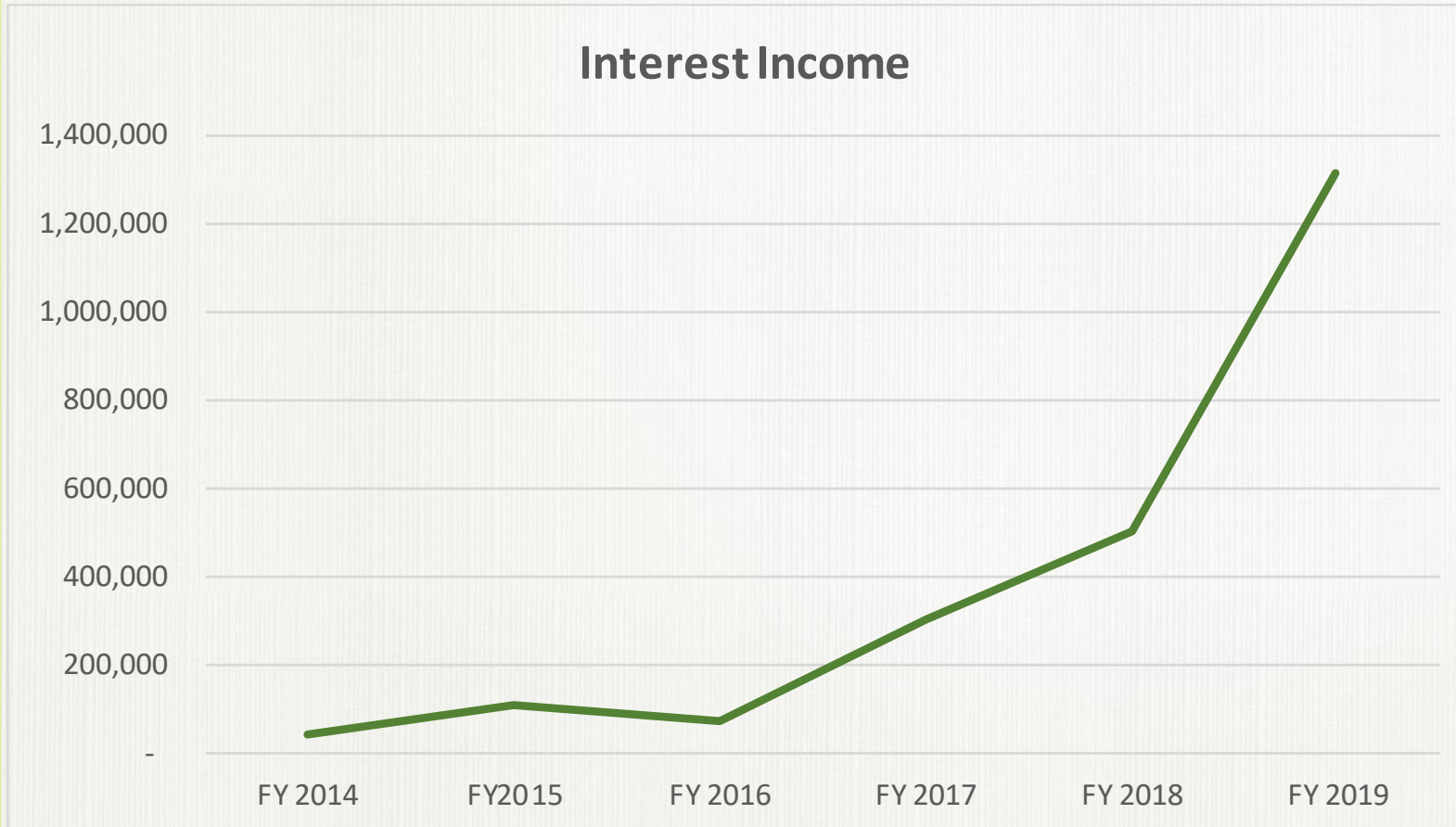
First Quarter – Through December 2018

Kent Meredith

Finance Director

March 14, 2019

Interest Income – 1st Qtr FY 2019



1st Qtr Interest Earnings: \$1,317,063

- GF: \$149,071
- UF: \$414,240
- Capital Programs: \$449,004
- Other: \$304,748

FY 2018: \$498,305

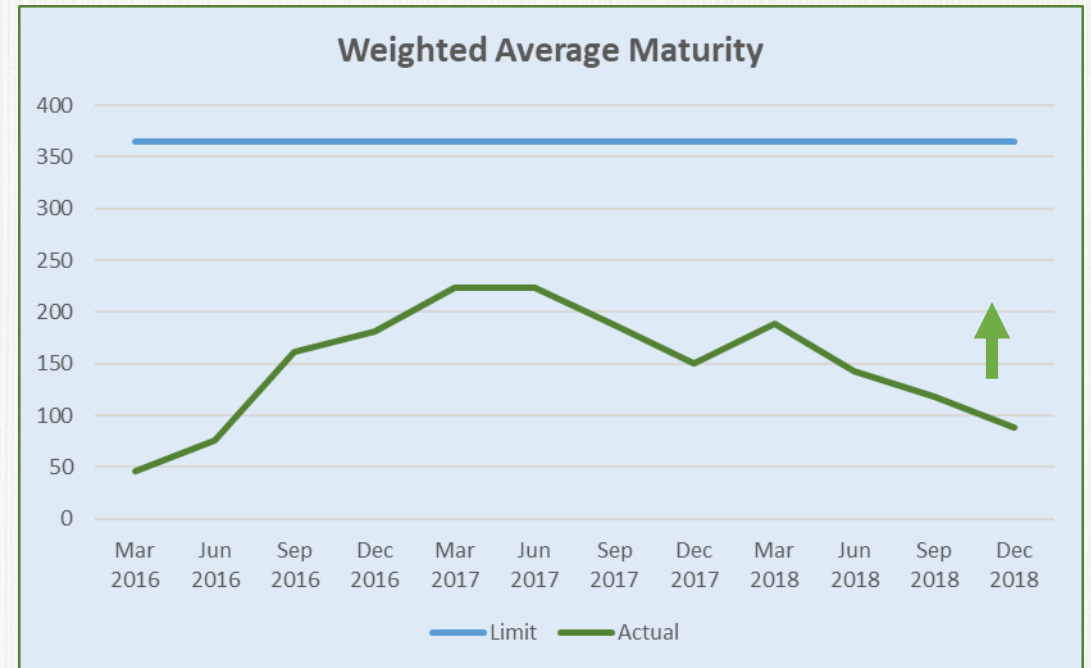
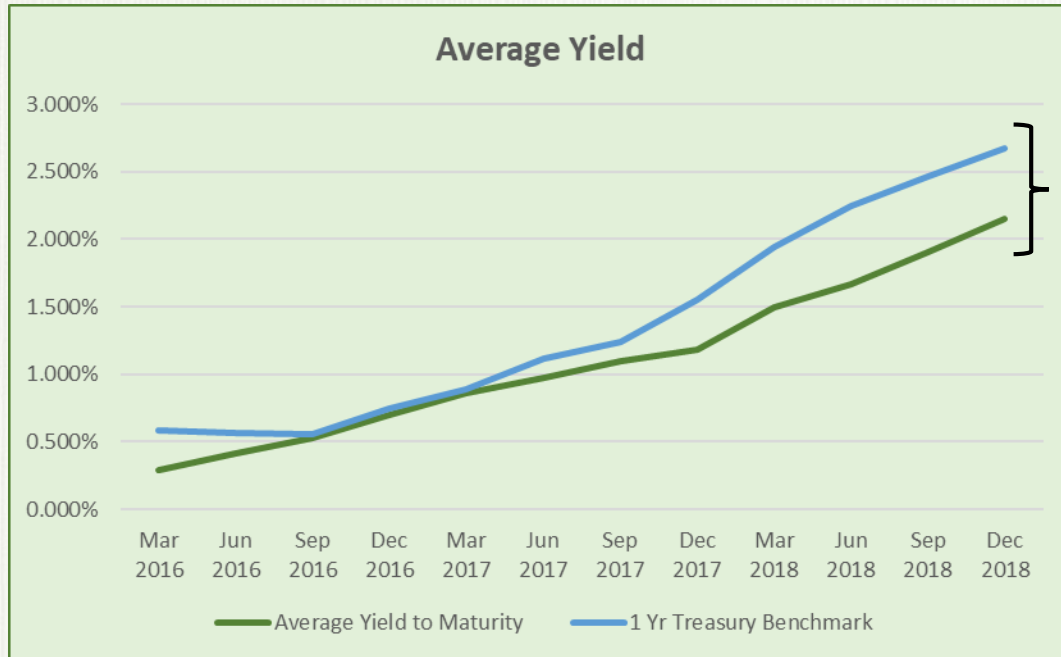
FY 2017: \$301,821

FY 2014: \$38,559

Investment Strategy

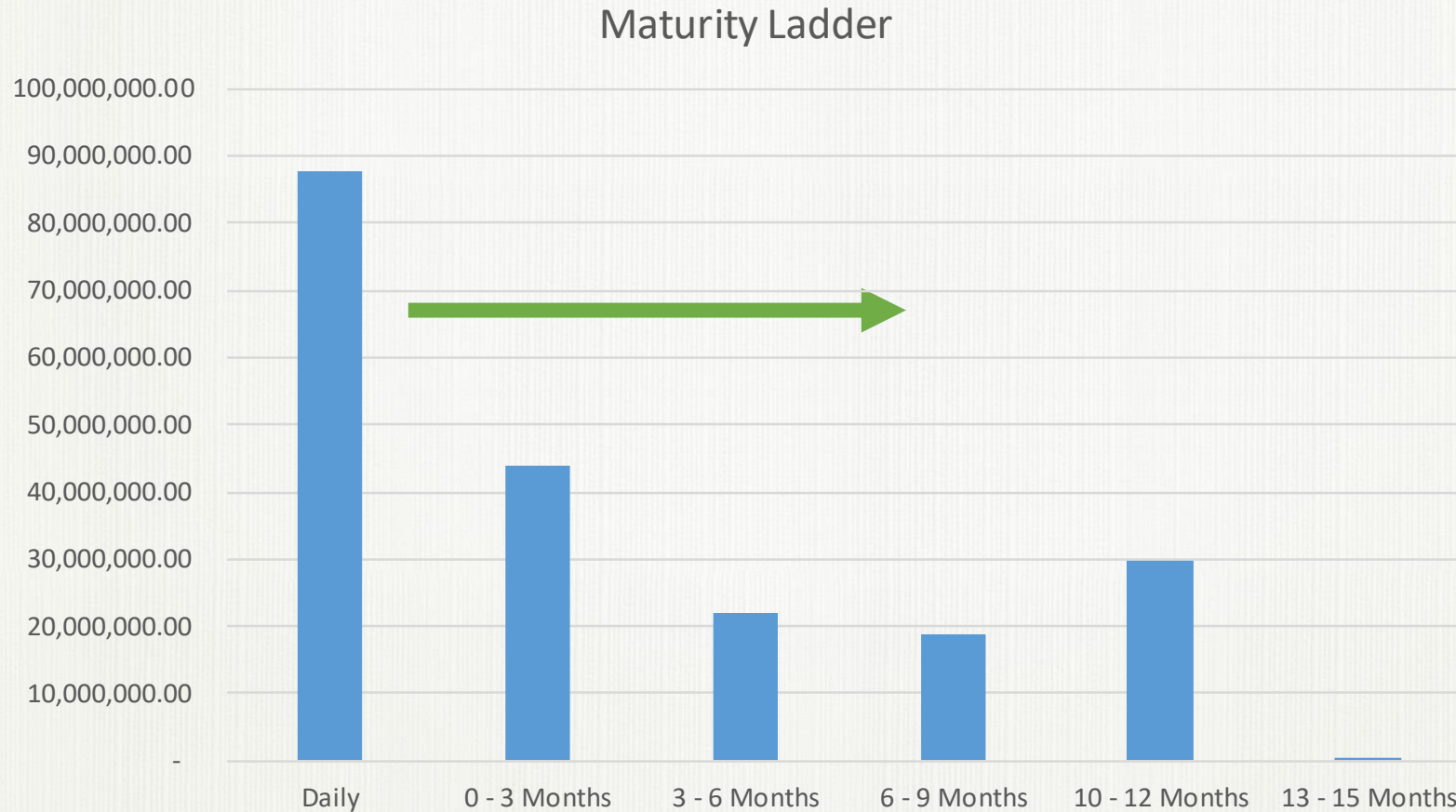
- Use a ladder approach that matches liabilities and maturities
- Regularly review:
 - Cash flow model (maturities, tax revenues vs payments)
 - Types of investments
- Monitor changing market conditions
 - Currently short-term rates are higher than long term rates (inverted yield curve)
 - Evaluate stability of the markets
- Today's portfolio is well positioned to take advantage of opportunities

Portfolio Benchmarks



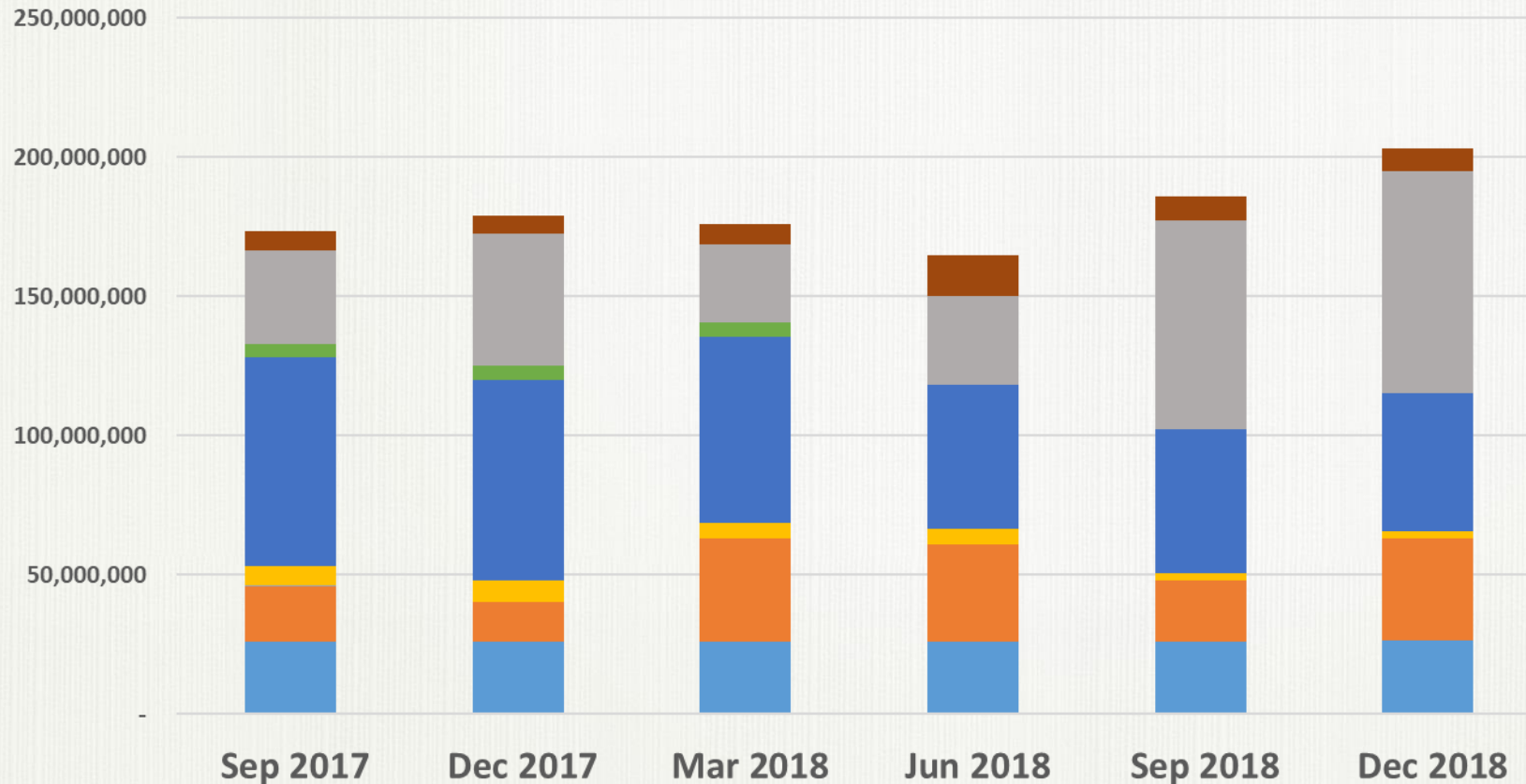
Increasing the WAM will help us to close the gap

Maturities Ladder



Investments by Type

Investment Balances by Type
(Last Six Quarters)



End of Quarter
Portfolio Balance:
\$203M

- Certificates of Deposit
- Commercial Paper
- Municipal Obligations
- US Agencies
- US Obligations
- Local Gov Investment Pools
- Cash in Bank Accounts
- Money Market Funds

In Summary

- \$17.3M increase in portfolio since beginning of FY (property tax collections – first quarter)
 - Influx of cash reduces WAM
- Economic conditions flatten the yield curve
 - US economy – full employment, increased personal income and spending, however;
 - Global economy – slow down, affected by trade concerns and politics
- We'll increase the WAM to increase yield and hedge possible reduction in rates
- Maintain portfolio in compliance with Public Funds Investment Act and City's Investment Policy

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- Quarterly investment reports are available on our web site
 - Questions?