Interest Income – 2nd Qtr FY 2019

2nd Qtr Interest Earnings: $2,656,331
- GF: $353,464
- UF: $596,034
- Capital Programs: $1,009,666
- Other: $697,167

FY 2018: $1,259,409
FY 2017: $825,014
FY 2014: $236,659
Investment Strategy

• Use a laddered 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
Increasing the WAM in relation to the yield curve will help us to keep our yield up
Yield Curve Inversion (US Treasury)
Weighted Average Maturity = 138 Days
Investments by Type

End of Quarter Portfolio Balance: $200M
In Summary

• $14.1M increase in portfolio since beginning of FY (property tax collections – first quarter)
  • Influx of cash reduces WAM

• Economic conditions inverted the yield curve
  • US economy – full employment, increased jobs, 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
• Quarterly investment reports are available on our web site
• Questions?