



# **FY 2019 Quarterly Investment Report**

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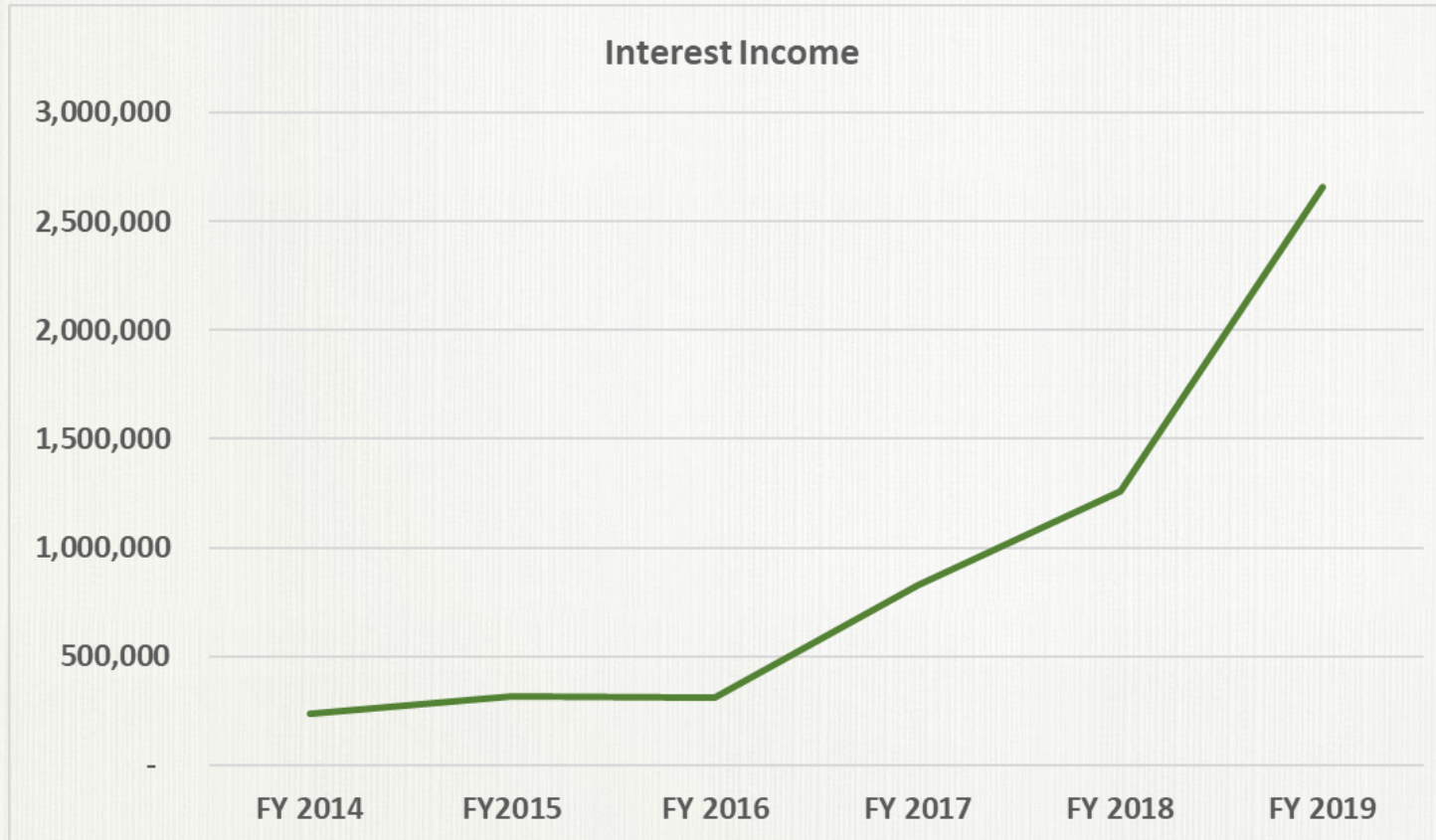
**Second Quarter – Through March 2018**

**Kent Meredith**

Finance Director

June 13, 2019

# 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**

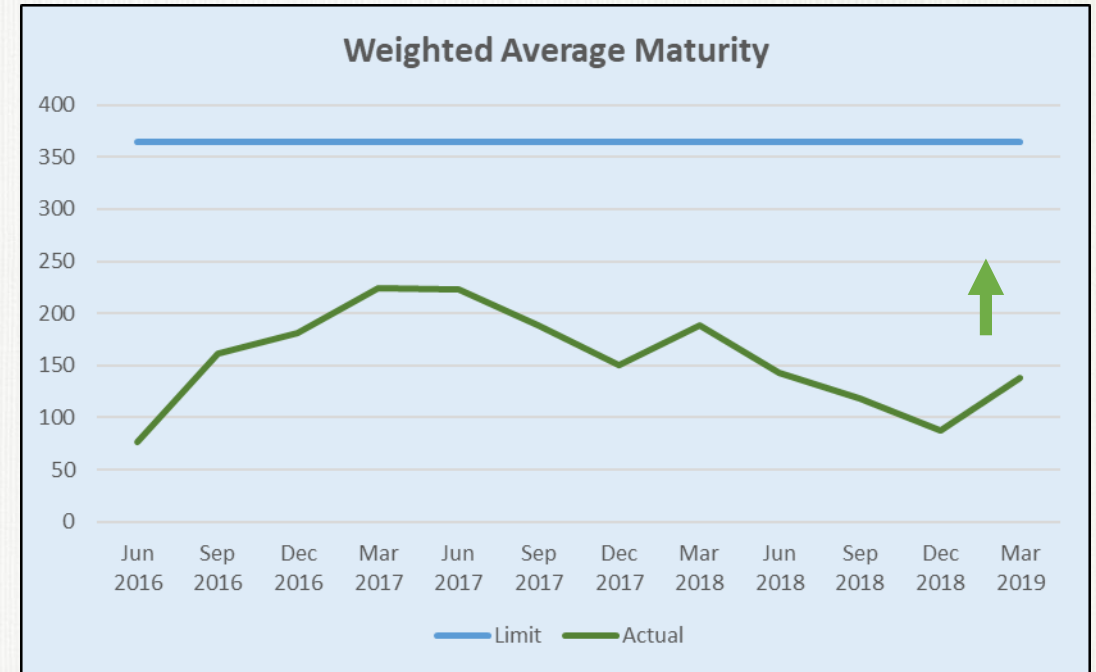
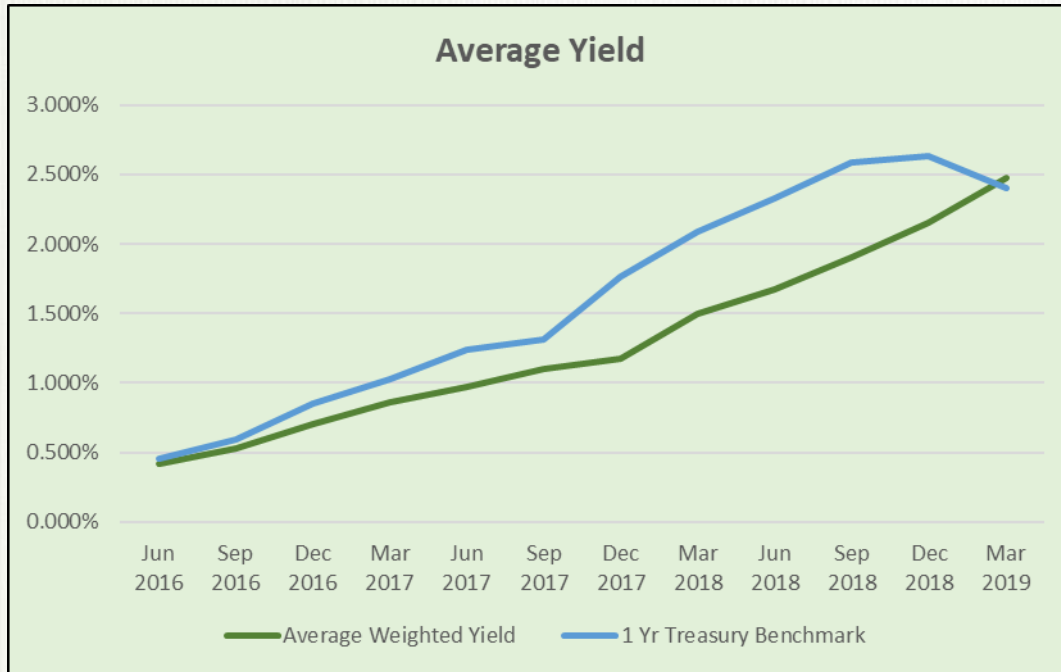
**FY 2014: \$236,659**

# Investment Strategy

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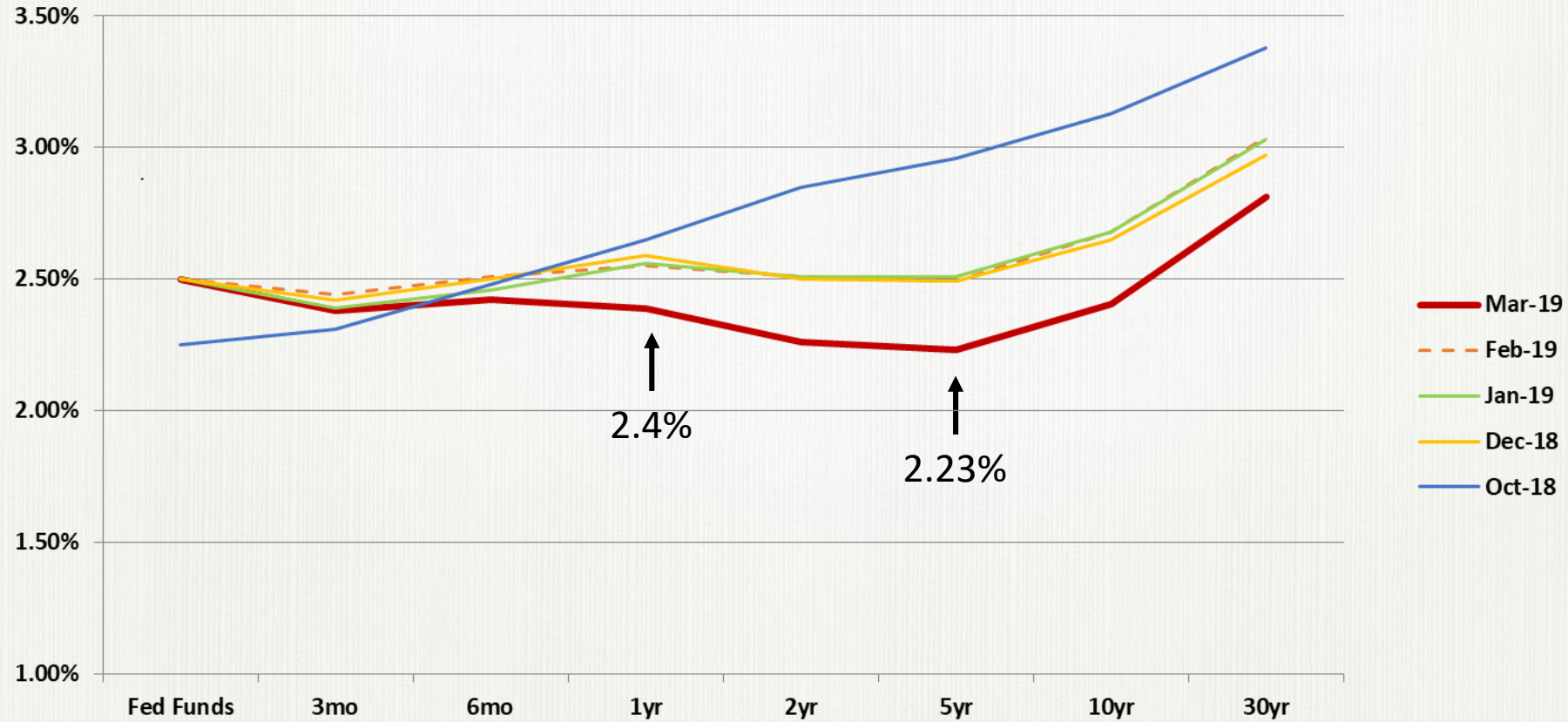
- Use a ladder approach that matches liabilities and maturities
- Regularly review:
  - Cash flow model (maturities, tax revenues vs payments)
  - Types of investments
- Monitor changing market conditions
  - Currently short-term rates are higher than long term rates (inverted yield curve)
  - Evaluate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

# Portfolio Benchmarks

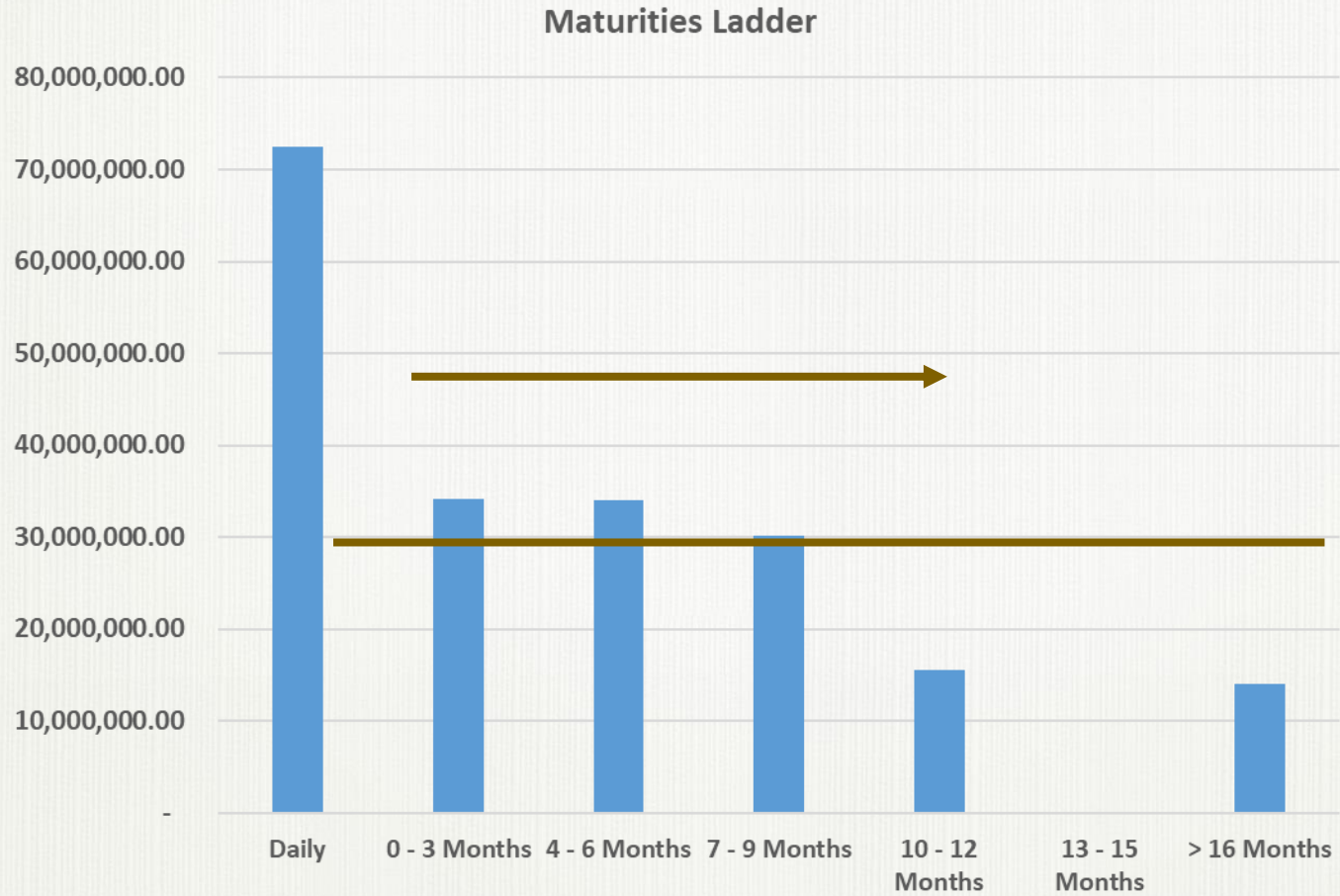


**Increasing the WAM in relation to the yield curve will help us to keep our yield up**

# Yield Curve Inversion (US Treasury)



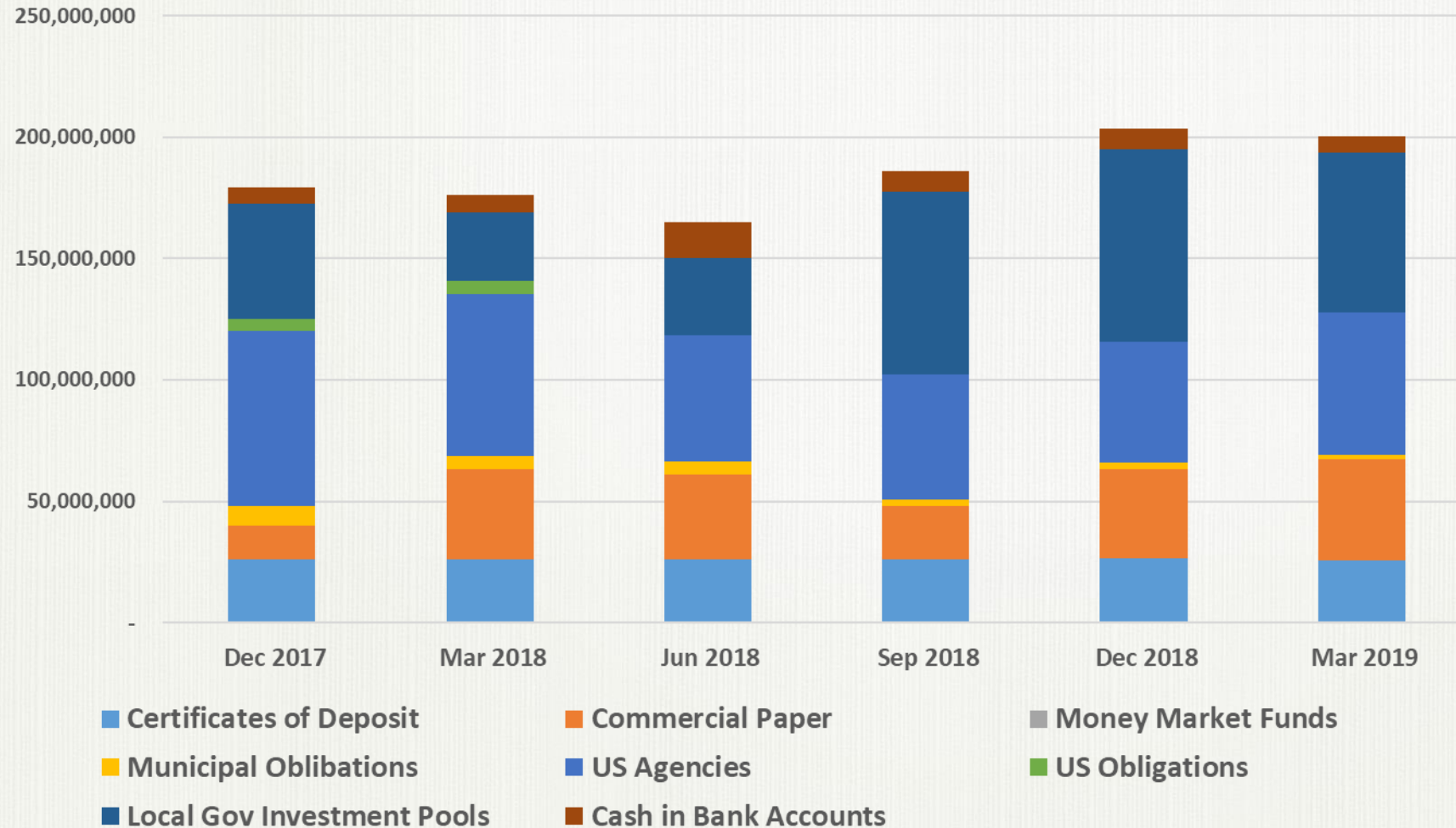
# Maturities Ladder



Weighted Average  
Maturity = 138 Days

# Investments by Type

Investment Balances by Type  
(Last Six Quarters)



End of Quarter  
Portfolio Balance:  
\$200M

# In Summary

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- \$14.1 M 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



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