

## Legislation Text

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**File #:** 2019-2559, **Version:** 1

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Investment Portfolio Report for the quarter ended Decemeber 31, 2018. (F&BC 2-11-19)

Issue/Request:

[Enter text here]

Key Issues:

This report is prepared to provide a summary of the status of the Investment Portfolio by noting transactions over the previous quarter. This report lists maturities as well as new purchases when applicable.

As of December 31, 2018, the largest portion of the portfolio was invested in US Treasuries (51%); followed by US Government Agencies (19%). The cash balance at December 31, 2018 is quite high to due tax collection activity and an incoming wire from Jackson County on the last day of the year. Cash balances are invested in an overnight repurchase agreement and are collateralized. The repo rate is based on the previous week's auction of the 91 day Treasury Bill adjusted every Wednesday. The repo rate for December was 2.518%.

Proposed City Council Motion:

[Enter text here]

Background:

A "Mark to Market" adjustment is required at each quarter end to recognize any change in the value of the portfolio in the event that securities would need to be liquidated. Fair values are determined by our custodial bank.

At December 31, 2018, the market adjustment was an unrealized loss of \$915,588.97. This is a paper loss only, resulting from shifts in interest rates. Since the City typically holds securities until maturity, loss of principal does not normally occur.

Impact/Analysis:

As of December 31, 2018, the average yield on the portfolio was 1.6348%.

Timeline:

Start: \_\_\_\_

Finish: \_\_\_\_

Other Information/Unique Characteristics:

[Enter text here]

Sherri Staub, Cash Management Officer

Recommendation: Presentation for information only. No action required.

Committee Recommendation: This was a presentation only. No action required.

Councilmember Carlyle joined the meeting at this time.