

## Legislation Text

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Investment Portfolio Report for the quarter ended September 30, 2020

Issue/Request:

Report

Key Issues:

This report serves as a status report of the Investment Portfolio and notes all purchases and maturities over the previous quarter.

As of September 30, 2020 the largest portion of the portfolio was invested in US Government Agencies (43%), followed by US Treasuries (41%). There were 2 securities purchased during this period.

Cash balances earn interest and are collateralized to protect City funds.

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

Proposed City Council Motion:

N/A

Background:

Our primary investment objectives in order of priority are 1) safety, 2) liquidity and 3) yield.

Securities are laddered over a period not to exceed 5 years. When the spread between shorter term and longer term maturities is minimal, staff does not extend to the longer term maturities. Due to the currently low interest rates, new purchases have been kept to shorter maturities.

To protect City funds, the City's depository banking agreement requires each bank to pledge collateral equal to the City's funds on account in excess of FDIC coverage. We hold a letter of credit from US Bank as collateral and UMB Bank pledges securities which are held at the Federal Reserve Bank.

Sherri Staub, Cash Management Officer

Recommendation: N/A

Committee Recommendation: N/A