

Legislation Text

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Investment Portfolio Report for the quarter ended September 30, 2022

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, 2022, the portfolio was approximately sixty-four percent US Treasuries, twenty-eight percent Government Agencies and seven percent CD's, MOSIP Debt Service Funds, and Cash.

Cash balances 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.

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 yield spread between shorter term and longer term is minimal, staff does not extend to the longer-term maturities. Due to the currently low interest rates, new purchases have been kept to under 3 years.

To protect City funds, the City's depository banking agreement requires the bank to pledge collateral equal to the City's funds in excess of FDIC coverage. The City holds a letter of credit from US Bank.

Susan Brockhaus, Cash Management Officer