

## Legislation Text

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Investment Portfolio Report for the quarter ended June 30, 2020

Issue/Request:  
Report

Key Issues:

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

As of June 30, 2020 the largest portion of the portfolio was invested in US Treasuries (45%), followed by US Government Agencies (42%). There were 2 securities purchased during this period.

Cash balances earn interest and are collateralized to protect these 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 spread between shorter term and longer term maturities are 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 a 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:

Committee Recommendation: