



AGENDA ITEM SUMMARY FORM

MEETING DATE: April 13, 2021

PREPARED BY: Chris Hill

AGENDA CONTENT: Review and Approve Quarterly Investment Reports for September 30, 2020 and December 31, 2020.

AGENDA ITEM SECTION: Consent Agenda

BUDGETED AMOUNT: N/A

FUNDS REQUESTED: N/A

FUND: N/A

EXECUTIVE SUMMARY:

Attached is the Quarterly Investments Report for the 4th Quarter of 2020 fiscal year and 1st Quarter of 2021. City funds are divided between seven financial institutions (Texas Gulf Bank, Wells Fargo Bank, JP Morgan Chase Bank, First State Bank-Louise, TexPool, Lone Star and TexSTAR). The City also has a certificate of deposit through First State Bank which matured in May of 2020 and was renewed for 12 months. The overall total of the portfolio increased due to the new 2020 Bond Series of approximately \$3 Million which was placed in TexPool.

The City's current Investment Policy sets an interest rate goal equal to that of the 91-day treasury bill. The average rate during the 4th Quarter of 2020 and 1st quarter of 2021 for our investments was 1.01% and the 91-day treasury bill was 1.00%. Some of the City's accounts with fixed interest rates did not reach this benchmark. Funds remaining at Texas Gulf Bank are far from this mark, but the amounts in these accounts are low. One account earns no interest by state law, but no service charges are being incurred. Funds were transferred during the current quarter to an investment pool to earn a better return. Funds were moved from Pool Cash FSB and Pool Cash Wells Fargo into Pool Cash with Lone Star Pool Investments to improve the rate of return. Additional transfers may be needed to maximize returns. However, safety of principal, diversity of funds and financial contract with First State bank will limit some movement of funds.

RECOMMENDATION:

Staff recommends Council approve the Quarterly Investment Reports for September 30, 2020 and December 31, 2020.