



STAFF REPORT

February 2, 2022
File Number 0490-55

SUBJECT

TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED DECEMBER 31, 2021

DEPARTMENT

City Treasurer

RECOMMENDATION

Request the City Council receive and file the Quarterly Investment Report for the quarter ended December 31, 2021.

Staff Recommendation: Receive and File (City Treasurer: Douglas Shultz)

Presenter: Douglas Schultz

FISCAL ANALYSIS

From October 1, 2021 to December 31, 2021, the City of Escondido's ("City") investment portfolio decreased from \$196.9 million to \$195.8 million. The adjusted average annual yield decreased from 0.874 percent to 0.786 percent with the portfolio duration at 2.54. An excess of cash payment outflows over cash receipt inflows for the quarter resulted in a decrease of \$1.1 million in the book value of the investment portfolio.

PREVIOUS ACTION

The Investment Report for the quarter ended September 30, 2021, was filed with the City Clerk's Office on October 25, 2021 and presented to the City Council on November 3, 2021.

BACKGROUND

The City's Investment Policy requires the City Treasurer to submit a quarterly investment report to the City Council and City Manager. The quarterly investment report should include the type of investment, issuer, date of maturity, par and dollar amount invested and market value for each security held by the City. Details of the City's investment portfolio are included in the attached reports that are listed below:

- Summary of Investment Allocation as of December 31, 2021 (Attachment "1")
- Summary of Investment Portfolio Yield for the last 12 months (Attachment "2")



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- Schedule of Funds Managed by Outside Parties as of December 31, 2021 (Attachment “3”)
- PFM’s Investment Performance Review as of December 31, 2021 (Attachment “4”)

PFM Asset Management Firm was onboarded as the City’s Investment Advisor in May 2019. In their Investment Performance Review (Attachment “4”) you will find a Market Update, the City’s Portfolio Strategy and Performance, Issuer Distributions, Portfolio Distributions and Portfolio Holdings. The Summary of Investment Allocation (Attachment 1”) and the Summary of Investment Portfolio Yield for the last 12 months (Attachment “2”) shows the total investment portfolio including funds in LAIF, CAMP, Stone Castle, and the City’s money market account with BNY.

There are adequate funds to meet the next six-month’s expected expenditures. As of December 31, 2021, the City complies with all requirements of the City’s Investment Policy.

ATTACHMENTS

1. Attachment “1” – Summary of Investment Allocation as of December 31, 2021
2. Attachment “2” – Summary of Investment Portfolio Yield for the last 12 months
3. Attachment “3” – Schedule of Funds Managed by Outside Parties as of December 31, 2021
4. Attachment “4” – Investment Performance Review for the Quarter Ended December 31, 2021