

From: [Phil Koen](#)
To: [Gitta Ungvari](#)
Subject: General Items
Date: Monday, February 13, 2023 2:17:42 PM

[EXTERNAL SENDER]

Hi Gitta,

I hope you had a good weekend and got some rest. Thank you again for meeting with me on Friday.

In preparing for the FC meeting this evening, I had two items for you.

1. Could you please walk the FC through the investment report – We have several new members, including me, who might be looking at this report for the first time. It might be helpful to walk everyone through the report to make sure there is a common understanding. I would appreciate you taking a few minutes to do so. Please touch on the following:
 - a. Weighted Avg YTM Portfolio Yield – please make sure everyone understands that this is not for the entire \$64.4m portfolio but only the BNY managed portion of the portfolio (\$44.8m). The heading is confusing.
 - b. Weighted avg maturity – explain how this is changing over time and if this is only for the BNY assets. Currently there is \$27.7m of the of the \$53.8 invested portfolio (BNY assets, BNY MM and LAIF) that has a maturity less than 365 days. In October it was \$23.4m. We will have an opportunity to re-invest a portion of the portfolio at much higher rates over the coming year. This plants the seed for the 5 year forecast for interest income.
 - c. Please point out the amount we are carrying in demand deposit accounts – you are thinking about whether that is the right number.
 - d. Please clarify the “fund balances” are not fund balances but the total amount of the BNY asset portfolio. We should also be clear on the terms used such as Total Treasurer’s Fund.
 - e. On the investment schedule touch on “original Cost”. I assume this is the original acquisition cost. You might discuss how the mark to market works relative to original acquisition cost since we took a \$2.6m hit last year. How is this reflected in the report?
 - f. On interest earned in current year you could talk about how you can compute the current yield (interest income/current market value) of the BNY asset portfolio.
 - g. On the maturity profile you can discuss how this is changing each month as the portfolio ages.

I think this will take about 10 minutes max, but I know a number of the members would greatly appreciate it you taking the time. Sharing with the FC how you look at this report would be very helpful.

2. I checked on the how the ARPA revenue was reported in the ACFR, and the revenue was recorded in the Special Revenue ARPA Fund. In the Annual City Financial Report, the ARPA revenue was recorded as Other State Grants functional revenue and applied against Public Safety – Disaster Preparedness expense. But for ACFR purposes, the revenue was reported as

revenue in the ARPA Fund with no expenses recorded in that fund. The \$3.4m fund balance was then transferred to the GF. After that, all visibility is lost.

Thanks for your help.

Phil

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