



**CITY OF STANWOOD
FINANCE COMMITTEE
AGENDA STAFF REPORT**

ITEM NUMBER: 4
DATE: March 28, 2019
SUBJECT: Investment report
CONTACT PERSON: David A. Hammond, Finance Director/City Clerk
ATTACHMENT: A—2018 Investment Performance Summary
B—2019 Year-to-date Performance Summary

ISSUE

Informational, the issue before the committee is to review investment performance.

SUMMARY STATEMENT

The two attachments provide detailed description of the city's cash and investment positions and performance, both 2018 and 2019 year-to-date. Key reference points regarding the portfolio:

- Approximately 43 percent is highly liquid, immediately available.
- The remainder is invested in government backed debt securities maturing approximately every three months from April 2019 to July 2020.
- All securities are authorized by city fiscal policy.
- The portfolio earnings have exceeded the benchmark established by fiscal policy in all months.
- Interest earned in 2018 was three times the amount earned in 2017.

INVESTMENT PERFORMANCE - Q4 2018				
	Oct	Nov	Dec	Quarter Average
Amount Invested	\$15,341,512	\$ 16,456,180	\$ 16,467,678	\$ 16,088,457
Return (average percentage yield)	2.17%	2.17%	2.23%	2.19%
Benchmark*	1.96%			

*Per Finance Policy, Two Year Average of Two-Year Treasury Note

Investment Category	Amount	Current Allocation	December Rate
CASH			
Cash (Treasurer's Checking)	\$ 955,280	5%	0
INVESTMENTS			
Washington Federal Public Funds	\$ 4,263,730	24%	2.11%
Opus Public Checking	\$ 764,029	4%	2.42%
WA State LGIP	\$ 910,982	5%	2.37%
Snohomish County Inv. Pool	\$ 1,041,642	6%	1.98%
U.S. Treasury Notes	\$ 1,502,295	9%	1.58%
U.S. Agency Securities	\$ 7,984,999	46%	2.43%
Total	\$17,422,958		

Detailed Investment Holdings					
Investment	Maturity Date	Return (APY)	Balance	% of total balance	Weighted rate
Washington Federal Public Funds	N/A	2.110%	\$ 4,263,730	25.89%	0.55%
Opus Checking	N/A	2.420%	\$ 764,029	4.64%	0.11%
WA State LGIP	N/A	2.374%	\$ 910,982	5.53%	0.13%
Snoh. County Inv. Pool	N/A	1.980%	\$ 1,041,642	6.33%	0.13%
ResFundCorp	10/15/2019	2.522%	\$ 964,545	5.86%	0.15%
ResFundCorp	7/15/2020	2.641%	\$ 999,195	6.07%	0.16%
US Agency TVA	3/15/2020	2.540%	\$ 994,630	6.04%	0.15%
FHLMC	4/15/2019	2.230%	\$ 990,717	6.02%	0.13%
Fannie Mae	9/12/2019	2.420%	\$ 991,670	6.02%	0.15%
FHLB (6/4/2018)	2/14/2020	2.570%	\$ 993,009	6.03%	0.15%
US Treasury Note	6/30/2019	1.560%	\$ 1,001,817	6.08%	0.09%
US Treasury Note	12/31/2019	1.590%	\$ 500,478	3.04%	0.05%
FNMA	12/27/2019	1.890%	\$ 1,065,083	6.47%	0.12%
FNMA	8/28/2019	2.621%	\$ 986,150	5.99%	0.16%
			\$ 16,467,678	100.00%	0.00%

Investment/Interest Earnings by Year		
2012	\$	85,670
2013	\$	41,017
2014	\$	74,608
2015	\$	44,914
2016	\$	67,861
2017	\$	86,567
2018	\$	250,371
(budgeted) 2019	\$	302,250
(budgeted) 2020	\$	302,250

INVESTMENT PERFORMANCE - Q1 2019					
		Jan	Feb	Mar	Quarter Average
Amount Invested		\$ 15,234,003	\$ 15,244,534		\$ 15,239,269
Return (average percentage yield)		2.31%	2.33%		2.32%
Benchmark*		2.02%	2.07%		

*Per Finance Policy, Two Year Average of Two-Year Treasury Note

Investment Category	Amount	Current Allocation	February Rate
CASH			
Cash (Treasurer's Checking)	\$ 1,228,346	7%	0
INVESTMENTS			
Washington Federal Public Funds	\$ 1,773,445	11%	2.27%
Opus Public Checking	\$ 767,154	5%	2.56%
WA State LGIP	\$ 2,168,541	13%	2.51%
Snohomish County Inv. Pool	\$ 1,048,100	6%	2.22%
U.S. Treasury Notes	\$ 1,493,487	9%	2.08%
U.S. Agency Securities	\$ 7,993,807	49%	2.30%
Total	\$ 16,472,880		

Detailed Investment Holdings					
Investment	Maturity Date	Return (APY)	Balance	% of total balance	Weighted rate
Washington Federal Public Funds	N/A	2.274%	\$ 1,773,445	0.12	0.26%
Opus Checking	N/A	2.560%	\$ 767,154	0.05	0.13%
WA LGIP	N/A	2.513%	\$ 2,168,541	0.14	0.36%
Snoh. County Inv. Pool	N/A	2.218%	\$ 1,048,100	0.07	0.15%
FHLMC	4/15/2019	2.230%	\$ 990,717	0.06	0.14%
US Treasury Note	6/30/2019	1.560%	\$ 1,001,817	0.07	0.10%
FNMA	8/28/2019	2.621%	\$ 986,150	0.06	0.17%
Fannie Mae	9/12/2019	2.420%	\$ 991,670	0.07	0.16%
ResFundCorp	10/15/2019	2.522%	\$ 964,545	0.06	0.16%
FNMA	12/27/2019	1.890%	\$ 1,065,083	0.07	0.13%
US Treasury Note	12/31/2019	1.590%	\$ 500,478	0.03	0.05%
FHLB (6/4/2018)	2/14/2020	2.570%	\$ 993,009	0.07	0.17%
US Agency TVA	3/15/2020	2.540%	\$ 994,630	0.07	0.17%
ResFundCorp	7/15/2020	2.641%	\$ 999,195	0.07	0.17%
Total			\$ 15,244,534	1.00	2.33%