



Legislation Text

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Department of Finance

Reference:

To: Mayor Kenneth J. Kreutzer and Members of City Council

Through: Philip Rodriguez, City Manager

Prepared By: Jean Starr, Director of Finance Services

Date Prepared: February 22, 2018

PURPOSE

To update the City Council on the City's PFM Asset Management LLC Investment Performance for the Fourth Quarter 2017 for the Securities Portfolio (long-term) and the Enhanced Cash Portfolio (short-term.)

BACKGROUND

The Securities Portfolio was started with PFM Asset Management, LLC in December 2014 with an initial investment of approximately \$40.2 million. In December 2015 \$20 million was added to this managed portfolio. On December 31, 2017, the Securities Portfolio had a Total Market Value of \$64,824,762, including a CSIP money market fund which had a balance of \$7,958. Pages 21 through 26 of the attached report details this portfolio's performance, composition, and maturity distribution. Highlights are:

- This portfolio is managed with maturities from .5 to 5 years.
- For the quarter ended December 31, 2017 the City's Performance was -.31%, while the benchmark was -.38%.
- Since inception of the Portfolio, the City's Performance was 2.53%, while the benchmark was 2.59%.

The Enhanced Cash Portfolio was started with PFM Asset Management, LLC in December 2015 with an initial investment of approximately \$10 million. In July 2016 \$6 million was added to this short-term investment portfolio. On December 31, 2017, the Enhanced Cash Portfolio had a Total Market Value of \$16,208,416, including a CSIP money market fund which had a balance of \$15,479. Pages 28 through 33 of the attached report details this portfolio's performance, composition and maturity distribution. Highlights are:

- This portfolio is managed with maturities from .5 months to 3 years.
- For the quarter ended December 31, 2017 the City's Performance was .07%, while the benchmark was .01%.
- Since inception of the Portfolio, the City's Performance was .89%, while the benchmark was .90%.

The Economic & Market Update is found on pages 3 through 19 of the attached PFM Investment Performance Review Report for the

Quarter Ended December 31, 2017.