



# City Manager Report

## The City of **OKLAHOMA CITY**

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**NO: 636**

**DATE: MAY 5, 2015**

**TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**SUBJECT: MARCH 31, 2015 QUARTERLY INVESTMENT REPORT**

Annualized return on the portfolio was 0.58% for the quarter and 0.52% for the year. Amortized earnings for the quarter were \$1.49 million and \$4.03 million for the year. Short term interest rates have been anchored near zero since 2008 due to the Federal Reserve's interest rate policy and interest earnings have suffered as a result. The Federal Reserve's Open Market Committee (FOMC) reaffirmed at the March meeting the view that a highly accommodative stance of monetary policy is appropriate. The Committee anticipates that it will be appropriate to raise the target range for the federal funds rate when it has seen further improvement in the labor market and is reasonably confident that inflation will move back to its 2 percent objective over the medium term. Clouding the economic outlook are recent reports showing a slowdown in U.S. hiring in March, lackluster growth in consumer retail spending, softer than expected home starts and a sizable drop in industrial input.

The City's investment policy incorporates City Charter, Municipal Code and state statute requirements and establishes objectives for the investment of City funds. These objectives, in order of priority are safety, liquidity and return on investment. The investment policy also requires an investment report be submitted to the Mayor and Council on a quarterly basis.

Following is an executive summary of the investment activity for City, trust and authority funds administered by the City Treasurer for the quarter ended March 31, 2015. This information meets reporting requirements outlined in the investment policy. The following has been summarized for your review:

- Exhibit 1 Portfolio Summary
- Exhibit 2 Portfolio Holdings Distribution by Security Type
- Exhibit 3 Portfolio Holdings Distribution by Maturity Range
- Exhibit 4 Comparison of Yield to Benchmark (0 – 3 Year U.S. Treasury Index)
- Exhibit 5 General Fund Interest Earnings, Budget vs Actual
- Exhibit 6 Economic Review

Staff is available should you have questions or require additional information.

  
James D. Couch  
City Manager