

City of Arlington
Quarterly Investment Report
Ending September 30, 2018



November 20, 2018

To The Honorable Mayor Jeff Williams,
Members of the City Council,
and City Manager,
City of Arlington

The attached information comprises the quarterly investment report for the City of Arlington, Texas for the quarter ended September 30, 2018. The undersigned acknowledge that the City's investment portfolio has been and is in compliance with the policies and strategies as contained in the City's Investment Policy as adopted by Resolution 18-019 for the City of Arlington, and also in compliance with the Public Funds Investment Act of the State of Texas.

Mike Finley, Director of Finance

Ethan Klos, Treasurer

Mark Davies, Cash and Debt Administrator

Trina Freeman, Senior Budget Analyst

Lisa Williams, Treasury Analyst



MEMORANDUM

TO: Mayor and City Council

FROM: Mike Finley, Director of Finance

SUBJECT: Quarterly Investment Report

DATE: November 20, 2018

The quarterly investment report has been prepared for the Mayor and City Council as required by Section 2256.023 Internal Management Reports of the Public Funds Investment Act.

The quarterly report includes an investment portfolio summary, and several pages presenting individual investment securities as required by the Act. The report covers all investments of the City and the Venue Debt Reserve. Below are the September 30, 2018 ending values.

	<i>Par Value</i>	<i>Book Value</i>	<i>Market Value</i>	<i>QTY Interest</i>
<i>City Total</i>	\$523,625,614	\$523,595,017	\$519,483,670	\$2,468,378
<i>Venue Total</i>	<u>\$30,067,619</u>	<u>\$30,067,619</u>	<u>\$30,067,619</u>	<u>\$154,362</u>
<i>Grand Total</i>	\$553,693,233	\$553,662,636	\$549,551,289	\$2,622,740

The ending book value for the City Total does not include \$2.6mil in collateralized cash balances at the depository bank (JPMorgan).

The yield for the quarter and fiscal year to date on the main portfolio is as follows:

	<u>Qtr. Yield</u>	<u>FY to Date Yield</u>
City Portfolio	1.81%	1.44%

Investment Performance

	YTD Yield FY 18	YTD Yield FY 17
<i>City Portfolio</i>	1.44%	0.99%
<i>Venue Debt Reserve</i>	0.82%	0.55%
<i>Rolling 12-month Treasury</i>	2.56%	1.28%

The one-year treasury is considered to be the safest and most liquid investment and provides a good measure of market yields.



All supplementary/detail reports are available at the City Secretary's office. Please contact me with any questions you have at 817-459-6345 (Mike.Finley@arlingtontx.gov).

cc: Trey Yelverton, City Manager
Gilbert Perales, Deputy City Manager

City of Arlington Investment Portfolio Summary as of 9/30/2018

Fund Type		Par Value	Book Value	Market Value	Qtr Interest Earnings
General Operating	Value at 06/30/2018	583,755,573	583,750,459	579,986,780	1,980,178
	Net Change	(81,879,960)	(81,911,219)	(82,038,416)	386,333
	Value at 9/30/2018	501,875,614	501,839,241	497,948,364	2,366,511
Self Insurance	Value at 06/30/2018	12,750,000	12,735,941	12,604,298	34,771
	Net Change	0	901	(21,981)	26,105
	Value at 9/30/2018	12,750,000	12,736,842	12,582,316	60,875
Water Debt Service	Value at 06/30/2018	9,000,000	9,024,684	8,957,305	23,576
	Net Change	0	(5,749)	(4,314)	17,415
	Value at 9/30/2018	9,000,000	9,018,934	8,952,990	40,991
City Total	Value at 06/30/2018	605,505,573	605,511,084	601,548,382	2,038,525
	Net Change	(81,879,960)	(81,916,067)	(82,064,712)	429,853
	Value at 9/30/2018	523,625,614	523,595,017	519,483,670	2,468,378

		Par Value	Book Value	Market Value	Qtr Interest Earnings
Venue Total	Value at 06/30/2018	35,066,545	35,066,545	35,066,545	128,819
	Net Change	(4,998,926)	(4,998,926)	(4,998,926)	25,543
	Value at 9/30/2018	30,067,619	30,067,619	30,067,619	154,362

Financial Terms

Par Value – Face Value of the Bonds, Principal which will pay at maturity

Book Value – The Value at which a debt security is shown on the holder's balance sheet. Book Value is often acquisition cost +/- amortization/accretion, which may differ markedly from market value. (Book Value is updated monthly by accounting)

Market Value - The price at which a security is trading and could presumably be purchased or sold. (Market value is updated at the end of each month through Interactive Data Corporation)

The General Operating Portfolio includes all City funds except the following:

- Arlington Tomorrow Foundation (ATF) Corpus
- Venue Debt Reserve



**Main City Portfolio FY18
Investments by All Types
Active Investments
September 30, 2018**

City of Arlington
Financial Services Department
101 S. Mesquite St. Ste. 800
Arlington, TX 76010
(817)459-6264

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Fund: General Fund										
Texpool										
SYS95	95	1000	TexPool	594,825.46	100.0000000	594,825.46	1.995			
			Subtotal	594,825.46		594,825.46				
			General Fund Subtotal	594,825.46		594,825.46				
Fund: Pooled Portfolio										
Federal Agency Coupon Securities										
3132X0HD6	1623	1002	Farmer Mac	10,000,000.00	100.0000000	10,000,000.00	1.030	05/10/2019		
3132X0GA3	1630	1002	Farmer Mac	2,000,000.00	100.8520000	2,003,502.29	1.080	04/29/2019		
3132X0HW4	1642	1002	Farmer Mac	10,000,000.00	99.0510000	9,971,079.03	0.970	07/26/2019		
3132X0PK1	1661	1002	Farmer Mac	10,000,000.00	100.0000000	10,000,000.00	1.430	08/21/2019		
3132X0TN1	1671	1002	Farmer Mac	5,000,000.00	100.0130000	5,000,209.97	1.430	04/30/2019		
3132X0XW6	1686	1002	Farmer Mac	10,000,000.00	100.0000000	10,000,000.00	1.540	10/02/2019		
3132X0F71	1691	1002	Farmer Mac	10,000,000.00	100.0000000	10,000,000.00	1.880	01/25/2019		
3132X0M99	1695	1002	Farmer Mac	10,000,000.00	100.0000000	10,000,000.00	2.130	04/15/2019		
3132X02W0	1703	1002	Farmer Mac	10,000,000.00	100.0000000	10,000,000.00	2.750	06/29/2021		
3132X04G3	1713	1002	Farmer Mac	10,000,000.00	100.0000000	10,000,000.00	2.770	08/13/2020		
3133EFQ67	1619	1002	Federal Farm Credit Bank	10,000,000.00	99.8970000	9,998,378.70	1.160	03/21/2019		
3133EFT80	1620	1002	Federal Farm Credit Bank	5,000,000.00	100.0000000	5,000,000.00	1.000	10/30/2018		
3133EGJC0	1626	1002	Federal Farm Credit Bank	10,000,000.00	99.8520000	9,996,300.00	0.950	07/01/2019		
3133EG2D6	1651	1002	Federal Farm Credit Bank	7,000,000.00	100.3000000	7,007,620.80	1.550	09/27/2019		
3133EGT88	1655	1002	Federal Farm Credit Bank	5,000,000.00	99.6788880	4,993,281.59	1.450	12/12/2019		
3133EG3J2	1656	1002	Federal Farm Credit Bank	10,000,000.00	99.9500000	9,997,830.81	1.550	01/10/2020		
3133EHB00	1664	1002	Federal Farm Credit Bank	5,000,000.00	99.9500000	4,998,817.13	1.520	03/02/2020		
3133EHB51	1685	1002	Federal Farm Credit Bank	5,000,000.00	100.0000000	5,000,000.00	1.340	11/02/2018		
3133EJAD1	1689	1002	Federal Farm Credit Bank	10,000,000.00	99.9300000	9,994,653.33	2.150	12/23/2020		
3133EJCA5	1692	1002	Federal Farm Credit Bank	10,000,000.00	99.8550000	9,989,670.99	2.150	05/08/2020		
3133EJCE7	1693	1002	Federal Farm Credit Bank	10,000,000.00	99.8960000	9,991,805.19	2.350	02/12/2021		
3133EJGH6	1694	1002	Federal Farm Credit Bank	10,000,000.00	100.0600000	10,004,735.48	2.440	10/15/2020		
3133EJUL1	1711	1002	Federal Farm Credit Bank	10,000,000.00	99.9519770	9,995,581.88	2.700	01/19/2021		
3133EJXU8	1714	1002	Federal Farm Credit Bank	10,000,000.00	100.0570000	10,005,407.08	2.680	08/24/2020		

**Main City Portfolio FY18
Investments by All Types
September 30, 2018**

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CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Fund: Pooled Portfolio										
Federal Agency Coupon Securities										
3133EJYY9	1715	1002	Federal Farm Credit Bank	10,000,000.00	99.7900000	9,979,386.69	2.690	09/04/2020		
313379EE5	1634	1002	Federal Home Loan Bank	10,000,000.00	101.7928406	10,043,740.47	1.625	06/14/2019		
3130A8ZW6	1635	1002	Federal Home Loan Bank	5,000,000.00	100.0100000	5,000,008.97	0.875	10/15/2018		
3130A92Z3	1637	1002	Federal Home Loan Bank	3,250,000.00	99.9250000	3,249,255.08	1.070	08/28/2019		
313380FB8	1639	1002	Federal Home Loan Bank	10,000,000.00	101.0072349	10,032,193.86	1.375	09/13/2019		
3130A9EK3	1640	1002	Federal Home Loan Bank	4,500,000.00	100.0000000	4,500,000.00	1.125	06/28/2019		
3130A9ZY0	1644	1002	Federal Home Loan Bank	2,000,000.00	100.0000000	2,000,000.00	1.000	05/30/2019		
3130ABGP5	1665	1002	Federal Home Loan Bank	10,000,000.00	100.0000000	10,000,000.00	1.500	05/19/2020		
3130ABNT9	1666	1002	Federal Home Loan Bank	10,000,000.00	99.8632872	9,992,058.97	1.550	06/26/2020		
3130ABR65	1669	1002	Federal Home Loan Bank	10,000,000.00	99.9972000	9,999,835.54	1.650	07/03/2020		
3130ABRP3	1670	1002	Federal Home Loan Bank	10,000,000.00	100.0392270	10,001,533.07	1.450	07/12/2019		
3130ABSP2	1673	1002	Federal Home Loan Bank	5,000,000.00	100.0300000	5,000,614.58	1.500	07/26/2019		
3130ACN83	1687	1002	Federal Home Loan Bank	10,000,000.00	99.8750000	9,992,021.86	1.700	05/15/2020	05/15/2019	100.0000000
3130ACTC8	1688	1002	Federal Home Loan Bank	5,000,000.00	100.0000000	5,000,000.00	1.500	11/13/2018		
3130ADFP2	1690	1002	Federal Home Loan Bank	10,000,000.00	99.8660660	9,991,108.27	2.020	01/29/2020		
3130ADSY9	1696	1002	Federal Home Loan Bank	10,000,000.00	100.0000000	10,000,000.00	2.320	04/13/2020		
3130ADT93	1697	1002	Federal Home Loan Bank	10,000,000.00	99.9470000	9,995,860.11	2.400	09/14/2020		
3130ADYY2	1698	1002	Federal Home Loan Bank	10,000,000.00	99.9836000	9,998,699.31	2.400	07/15/2020		
3130ADVF9	1699	1002	Federal Home Loan Bank	10,000,000.00	98.9250000	9,903,342.27	2.250	01/29/2021	01/29/2020	100.0000000
3137EADZ9	1629	1002	Federal Home Loan Mortgage Corp	10,000,000.00	101.0265324	10,019,954.64	1.125	04/15/2019		
3134G3A83	1636	1002	Federal Home Loan Mortgage Corp	10,000,000.00	101.2000000	10,036,281.69	1.400	08/23/2019		
3134GBXK3	1668	1002	Federal Home Loan Mortgage Corp	10,000,000.00	100.0000000	10,000,000.00	1.380	07/01/2019		
3135G0H63	1618	1002	Federal National Mortgage Assoc	10,000,000.00	101.0095218	10,011,142.83	1.375	01/28/2019		
3135G0R39	1654	1002	Federal National Mortgage Assoc	5,000,000.00	98.5888454	4,972,481.05	1.000	10/24/2019		
3136G4TA1	1702	1002	Federal National Mortgage Assoc	10,000,000.00	100.0000000	10,000,000.00	2.800	06/28/2021	06/28/2019	100.0000000
Subtotal				413,750,000.00		413,668,393.53				
Texpool										
SYS93	93	1002	TexPool	7,341,585.82	100.0000000	7,341,585.82	1.995			
TEXPRI	PRI18	1002	TexPool Prime	30,291,914.41	100.0000000	30,291,914.41	2.209			
Subtotal				37,633,500.23		37,633,500.23				
Tex Daily MMA										
SYS1101	1101	1002	TexasDaily	6,552,240.21	100.0000000	6,552,240.21	2.030			
Subtotal				6,552,240.21		6,552,240.21				

Portfolio MN18
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**Main City Portfolio FY18
Investments by All Types
September 30, 2018**

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CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Fund: Pooled Portfolio										
Certificates of Deposit - Bank										
77-528907	1683	1002	J.P. Morgan Chase	10,000,000.00	100.0000000	10,000,000.00	1.540	07/17/2019		
77-528908	1684	1002	J.P. Morgan Chase	10,000,000.00	100.0000000	10,000,000.00	1.810	07/17/2020		
			Subtotal	20,000,000.00		20,000,000.00				
Texas Municipal Bonds										
969887G93	1658	1002	Williamson County	5,215,000.00	100.4950000	5,226,807.63	1.820	02/15/2020		
			Subtotal	5,215,000.00		5,226,807.63				
Municipal Bonds-Not Texas										
34074GDH4	1712	1002	State of Florida	6,500,000.00	100.4030000	6,523,541.87	2.995	07/01/2020		
899607HG3	1638	1002	Tulsa County Oklahoma ISD	1,600,000.00	103.1540000	1,609,884.13	2.000	04/01/2019		
914805EQ5	1653	1002	University of Pittsburgh PA	6,000,000.00	100.0000000	6,000,000.00	1.829	09/15/2019		
			Subtotal	14,100,000.00		14,133,426.00				
TexStar MMA										
SYS1100	1100	1002	TexStar	4,030,047.63	100.0000000	4,030,047.63	2.000			
			Subtotal	4,030,047.63		4,030,047.63				
			Pooled Portfolio Subtotal	501,280,788.07		501,244,415.23				
Fund: Water and Sewer										
Federal Agency Coupon Securities										
3132X0LU3	1652	5000	Farmer Mac	1,600,000.00	99.8510313	1,599,027.19	1.460	12/12/2019		
3132X0T84	1707	5000	Farmer Mac	1,600,000.00	99.7962519	1,597,042.83	2.650	04/19/2021		
3133EEZ60	1585	5000	Federal Farm Credit Bank	1,000,000.00	100.0000000	1,000,000.00	1.520	06/24/2019		
313376BR5	1633	5000	Federal Home Loan Bank	1,600,000.00	101.9448288	1,602,650.60	1.750	12/14/2018		
313370E38	1705	5000	Federal Home Loan Bank	1,600,000.00	101.4619288	1,620,272.08	3.375	06/12/2020		
3134G3L73	1667	5000	Federal Home Loan Mortgage Corp	1,600,000.00	99.9926738	1,599,941.78	1.500	12/26/2019		
			Subtotal	9,000,000.00		9,018,934.48				
			Water and Sewer Subtotal	9,000,000.00		9,018,934.48				

Fund: Self-Insurance

**Main City Portfolio FY18
Investments by All Types
September 30, 2018**

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CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Fund: Self-Insurance										
Federal Agency Coupon Securities										
3132X0LG4	1650	5130	Farmer Mac	1,400,000.00	99.2183100	1,395,802.71	1.210	11/21/2019		
3133EGM51	1648	5130	Federal Farm Credit Bank	1,400,000.00	99.8421550	1,398,802.18	1.650	12/01/2020		
3133EGM69	1649	5130	Federal Farm Credit Bank	3,100,000.00	99.8029645	3,099,457.06	1.100	12/05/2018		
3130AABG2	1646	5130	Federal Home Loan Bank	1,400,000.00	99.5330000	1,395,859.63	1.875	11/29/2021		
313370E38	1704	5130	Federal Home Loan Bank	2,025,000.00	101.4619289	2,050,656.85	3.375	06/12/2020		
3130AEEQ9	1706	5130	Federal Home Loan Bank	2,025,000.00	99.5420756	2,016,350.09	2.650	05/16/2022		
3135G0K69	1645	5130	Federal National Mortgage Assoc	1,400,000.00	97.5540000	1,379,913.34	1.250	05/06/2021		
Subtotal				12,750,000.00		12,736,841.86				
Self-Insurance Subtotal				12,750,000.00		12,736,841.86				
Total				523,625,613.53		523,595,017.03				



**Venue Complex FY18
Investments by All Types
Active Investments
September 30, 2018**

City of Arlington
Financial Services Department
101 S. Mesquite St. Ste. 800
Arlington, TX 76010
(817)459-6264

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Book Value	Current Rate	Maturity Date	Call Date	Call Price
Fund: Stadium Debt Service and Reser										
BNY Mellon										
BNY103182	10099	2002	BNY Mellon Trust MMA	17,194.88	100.0000000	17,194.88	1.860			
BNY103170	10103	2002	BNY Mellon Trust MMA	30,049,652.07	100.0000000	30,049,652.07	1.860			
BNY103175	10104	2002	BNY Mellon Trust MMA	771.87	100.0000000	771.87				
Subtotal				30,067,618.82		30,067,618.82				
Stadium Debt Service and Reser Subtotal				30,067,618.82		30,067,618.82				
Total				30,067,618.82		30,067,618.82				