



City Manager Report

The City of OKLAHOMA CITY

NO: 2010

DATE: SEPTEMBER 26, 2023

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: JUNE 30, 2023 QUARTERLY INVESTMENT REPORT

Background:

Annualized return on the portfolio was 2.61% for the quarter and 2.02% fiscal year to date. Investment income was \$13.85 million for the quarter and \$42.95 million year-to-date. As per the Federal Open Market Committee's June 14th statement on the economy, recent indicators suggest that economic activity has continued to expand at a modest past. Job gains have been robust recently and unemployment has remained low. Inflation remains elevated. On May 3, the Committee raised the federal funds rate to a target range of 5.00 to 5.25 percent and anticipates that additional firming may be appropriate to return inflation to 2 percent over time. The federal funds rate has a significant influence on the interest earnings of the portfolio.

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 June 30, 2023. 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.

A handwritten signature in cursive script, appearing to read "C. Freeman".

Craig Freeman
City Manager