

MEMORANDUM

To: Mayor Gregory P. Kurtz
Members of Council

From: Finance Director Vernon Blaze

Date: July 10, 2020

Re: Finance Department Updates

Investment Portfolio Balances

The City's Investment Portfolio continues to plod forward. Interest rates on savings and fixed-interest rate investments such as CD's are low, so interest income is fairly nominal right now.

The City's Investment Portfolio as of June 30, 2020 was as follows:

	<u>May</u>	<u>June</u>	<u>June Dividends/Interest</u>
Star Ohio – Overnight Account	\$ 7,619,828	\$ 7,623,614	\$ 3,786
Fifth Third – Money Markets	5,035,168	5,786,791	7,113
Fifth Third – CD's	1,629,000	885,000	510
Independence Bank – CD's	<u>18,000,000</u>	<u>18,000,000</u>	<u>22,983</u>
Total Balance	\$32,283,996	\$32,295,405	\$34,392

Total Cash/Fund Balances – Encumbrances (Purchase Orders) – Unencumbered Cash/Fund Balances

Following is a 2020 Month-by-Month Summary of the City's Total Cash/Fund Balances, Encumbrances (Purchase Orders – Commitments against Cash/Fund Balances) and Unencumbered Cash/Fund Balances:

<u>Month</u> <u>Ending</u> <u>2020</u>	<u>Total</u> <u>Cash/Fund</u> <u>Balance</u>	<u>Less</u> <u>Encumbrances</u> <u>(Purchase Orders)</u>	<u>Equals</u> <u>Unencumbered</u> <u>Cash/Fund Balance</u>
January	\$38,856,072	\$26,542,752	\$12,313,320
February	\$39,556,332	\$26,475,708	\$13,080,624
March	\$39,764,855	\$24,918,176	\$14,846,679
April	\$39,655,689	\$24,218,612	\$15,437,077
May	\$39,367,666	\$22,852,911	\$16,514,755
June	\$38,226,773	\$20,630,031	\$17,596,742

Solid, healthy Cash/Fund balances will be highly beneficial if the City ends up bonding out its short-term notes later this year. The City will have to be rated by one of the credit rating agencies in order to sell bonds, and the more solid the City's finances are, obviously the higher the City will be rated from a credit standpoint. The goal of that high credit rating would be to obtain the lowest interest rates possible on the bonds that are sold.