

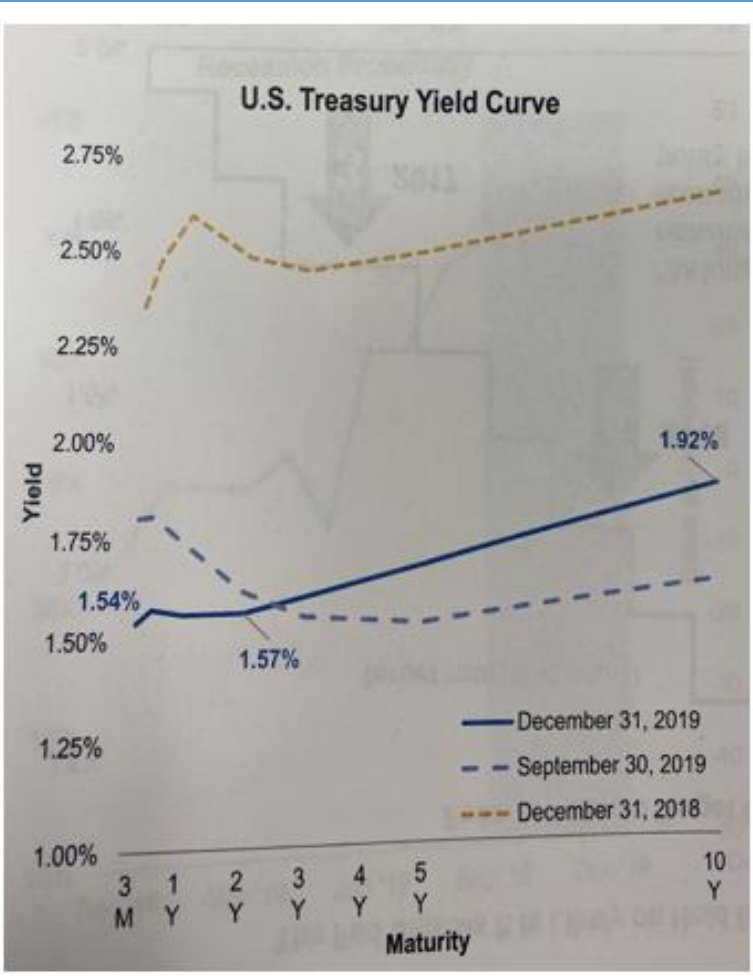


City of Salem, Oregon

February 24, 2020 Finance Committee Meeting

U.S. Yield Curve Returns to Normal Upward Sloping Curve (short-term yields below long-term yields)

	12/31/19	09/30/19	06/28/19	12/31/18	12/31/17
3-month	1.54%	1.81%	2.09%	2.35%	1.38%
1-year	1.57%	1.74%	1.93%	2.60%	1.73%
2-year	1.57%	1.62%	1.75%	2.49%	1.88%
3-year	1.61%	1.56%	1.71%	2.46%	1.97%
5-year	1.69%	1.54%	1.70%	2.51%	2.21%
10-year	1.92%	1.66%	2.01%	2.68%	2.41%
30-year	2.39%	2.11%	2.53%	3.01%	2.74%



Investment Trends (PFM page #1 Consolidated Summary Statement)

- Decreased Market Value
- Portfolio Yield not reported in monthly report
- Increasing WAM (calculated)
- Sector Distribution Within Policy Limits

SUMMARY				
	ME 1/31/20	ME 12/31/19	ME 11/30/19	ME 10/31/19
Market Value (MV)	\$ 377,971,720	\$ 381,368,045	\$ 320,140,544	\$ 341,493,363
Weighted Average Maturity (years)	1.36	1.07	0.73	0.83
Weighted Average Maturity (months)	16.32	12.83	8.76	9.96
Cash Basis Earnings for Period (PFM)	\$ 624,258	\$ 310,034	\$ 382,770	\$ 461,515

SECTOR DISTRIBUTION			
Sector	Market Value	% of Portfolio	Allowed by Policy
U.S. Treasuries	\$ 205,036,842	54.2%	100%
Federal Agencies	\$ 11,996,171	3.2%	100%
Municipal Obligations	\$ 1,499,077	0.4%	10%
Commercial Paper	\$ 20,533,421	5.4%	
Corporate Notes	\$ 24,677,725	6.5%	
	\$ 45,211,145	12.0%	35%
LGIP	\$ 91,317,942	24.2%	ORS Limit
Collateralized Deposit Accounts	\$ 22,910,543	6.1%	100%
Total	\$ 377,971,720	100.0%	

The City of Salem's Investment Program

Managed by City Staff		Managed by PFM		
U.S. Bank	LGIP	GO Bond Portfolios	Short-Term Portfolio	Long-Term Portfolio
* High degree of liquidity	* High degree of liquidity	* Bond Proceeds from: 2018 Library Project, 2017 Police Facility, and Salem Streets & Bridges	* Complement to LGIP and U.S. Bank balances	* "Core" portfolio whose assets may be invested to take advantage of longer maturity securities at potentially higher yields
* Competitive yield	* Competitive yield	* Invested to meet draw scheduled needs of CIP	* Targets cash needs up to 12 months	
* Suitable for operational cash needs	* Suitable for operational cash needs	* Reasonable level of liquidity	* Capitalizes on yields in money market sector	
No Benchmark	No Benchmark	Matched to Project Needs	Benchmark: Oregon LGIP	Benchmark: Bank of America/Merrill Lynch 1-3 Year US Treasury Index
Balances as of:	(excludes accrued interest) Total market value			
January 31, 2020 \$22,910,543 6.1%	\$377,971,720 \$91,317,942 24.2%	\$47,412,797 12.5%	\$35,842,103 9.5%	\$180,488,335 47.8%
December 31, 2019 \$27,099,787 7.1%	\$381,368,044 \$88,943,138 23.3%	\$50,208,925 13.2%	\$35,803,156 9.4%	\$179,313,038 47.0%

Market Value by Investment Category

- PFM's Monthly Consolidated Summary reports Market Value excluding accrued interest
- PFM's Quarterly Consolidated Summary reports Market Value including accrued interest

	1/31/2020 Monthly		
	<i>Security MV</i>	<i>Accrued Int</i>	<i>Total MV</i>
Long-Term	\$ 180,488,335	\$ 834,501	\$ 181,322,837
Short-Term	\$ 35,842,103	\$ 106,347	\$ 35,948,450
Streets & Bridges	\$ 5,398,888	\$ 6,502	\$ 5,405,390
Police	\$ 26,502,208	\$ 37,210	\$ 26,539,418
Library	\$ 15,511,701	\$ 44,206	\$ 15,555,906
Bonds Total	\$ 47,412,797	\$ 87,918	\$ 47,500,715
PFM MANAGED	\$ 263,743,235	\$ 1,028,766	\$ 264,772,001
LGIP-City	\$ 51,378,633	\$ -	\$ 51,378,633
LGIP-URA	\$ 39,939,309	\$ -	\$ 39,939,309
Total LGIP	\$ 91,317,942	\$ -	\$ 91,317,942
US Bank	\$ 22,910,543	\$ -	\$ 22,910,543
CITY MANAGED	\$ 114,228,485	\$ -	\$ 114,228,485
PORTFOLIO TOTAL	\$ 377,971,720	\$ 1,028,766	\$ 379,000,486

Par Value by Liquidity/Maturity (1/31/2020)

	Bank	LGIP	ST	LT	S&B	Pol	Lib	Total
0 days (LGIP)		77,051,481	-	-	3,824,701	6,074,402	4,367,358	91,317,942
0 days (BANK)	21,724,363	-	-	-	32,278	1,133,904	19,998	22,910,543
Total Cash	21,724,363	77,051,481	-	-	3,856,979	7,208,306	4,387,356	114,228,485
1 to 30 days	-	-	-	-	-	3,990,000	-	3,990,000
31 to 60 days	-	-	5,250,000	-	-	4,725,000	1,020,000	10,995,000
61-90 days	-	-	1,750,000	-	1,000,000	7,000,000	2,450,000	12,200,000
91-180 days	-	-	9,000,000	-	2,809,000	4,980,000	2,974,000	19,763,000
181 to 365 days	-	-	19,920,000	11,250,000	1,615,000	5,835,000	8,755,000	47,375,001
1 - 2 yrs	-	-	-	69,550,000	-	-	310,000	69,860,000
2 - 3 yrs	-	-	-	26,080,000	-	-	-	26,080,000
3 - 4 yrs	-	-	-	23,780,000	-	-	-	23,780,000
4 - 5 yrs	-	-	-	47,350,000	-	-	-	47,350,000
Total Investments	-	-	35,920,000	178,010,000	5,424,000	26,530,000	15,509,000	261,393,002
Total Cash/Investments	21,724,363	77,051,481	35,920,000	178,010,000	9,280,979	33,738,306	19,896,356	375,621,487

Par Value by General Ledger Fund (1/31/2020)

	Bank	LGIP	ST	LT	S&B	Pol	Lib	Total
General Fund (001 101)	20,721,926	21,923,779						42,645,705
Payroll Balance (895)	1,002,437							1,002,437
Capital Improvements (255 265 275)		35,991,789		50,431,624	9,280,979	33,738,306	19,896,356	149,339,055
General Obligation Debt (210)		14,637,819						14,637,819
Tax Allocation Debt (220)		4,006,992						4,006,992
Public Works (155)		491,102		2,109,973				2,601,075
Utility (310)			16,796,132	36,657,357				53,453,489
Small Governmental Funds (156 to 180, 190)			4,119,382					4,119,382
Self Insurance funds (365 366)			3,800,000	16,182,036				19,982,036
City Services (355)			2,968,816	4,000,000				6,968,816
T&A (400-625)			2,817,803	14,000,000				16,817,803
Small Enterprise Funds (320 330 335)			2,580,459	3,500,000				6,080,459
Equipment Replacement (388)			1,633,575	9,256,924				10,890,499
SDC (260)			1,203,833	30,000,000				31,203,833
Building and Safety (185)				10,689,424				10,689,424
	21,724,363	77,051,481	35,920,000	176,827,339	9,280,979	33,738,306	19,896,356	374,438,825
Salem Convention Center (345)			-	1,182,661				1,182,661
Total Cash/Investments	21,724,363	77,051,481	35,920,000	178,010,000	9,280,979	33,738,306	19,896,356	375,621,485