

TO: Board of Commissioners  
FROM: M. Green - Treasurer  
SUBJ: Quarterly Update  
DATE: April 24, 2017

### **Performance Summary**

Total investments through March 31, 2017 equaled \$19.974M. This represents an increase from the prior quarter of \$1.1M. Earnings (LGIP and Investments) for the quarter totaled \$168,709 versus \$102,890 for the same period last year. YTD investments totaled \$446,917 versus \$268,263 for the same period last year.

Key performance criteria for the period are:

- YTM – 1.88
- YTW – 1.83
- Investment Rating (OST scale) – 1.22
- Per Cent Invested versus Targeted Ceiling – 99%
- Average maturity in years – 3.80
- Adjusted WAM – 3.05
- LGIP increased to 121 bps in March

### **Discussion**

The bond market has stabilized. No bonds were called in the quarter. The bond market has seen a steady increase in return during this quarter. The overall YTM and YTW are up 4 bps. Bonds are continue to trade slightly higher but have rebounded slightly since the Fed announced a rate increase.

### **Investment Committee Discussion/Recommendations**

The Committee primarily focused on cash balances and any possible exposure. Discussion centered on the US Bank balance and the cash balance maintained by HH&S. Concern was expressed that the County could be losing earnings given the differential (59 bps) credited by the Bank towards service charges and the actual LGIP earnings (121 bps). M. Green agreed to work with Becky over the next quarter to get a better

B.D. 17-138

understanding and report back to the Committee in July. Much discussion ensued on HH&S cash balance. After input from M. Green and L. Tschabold it was felt that there was no immediate cause for concern regarding the Portfolio. The Committee recommended that given the size of the HH&S fund balance that it continue to be monitored.

Motions made by the Committee were:

- Add the specific agency AA ratings to the investment policy as recommended by the OSTF
- Increase the Portfolio ceiling from \$20M to \$22.5M
- Define the Investment Portfolio cap (non LGIP investments) to be the sum of the Portfolio (LGIP and investments) – 18 month maturity constraint (35% of the total portfolio)

### **Actions Required by the BOC**

1. Re-appointment of Stuart Jacobson to a second term on the Investment Committee
2. Approval of the Investment Policy changes :
  - Adding the more detailed ratings for the three agencies (S&P, Moody, and Fitch)
  - Adding the Portfolio Ceiling Cap

B.O. 17-138. Increase in the investment ceiling from \$20M to \$22.5M

Accepted by Yamhill County  
Board of Commissioners on  
4-27-17 by Board Order  
# 17-138