



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

File #: 20-0716 **Version:** 1
Type: Report **Status:** Filed
File created: 8/26/2020 **In control:** Finance Committee
On agenda: 9/3/2020 **Final action:** 9/3/2020
Title: Report on the investment interest income during June 2020
Sponsors:
Indexes:
Code sections:
Attachments: 1. Inv Int Inc 2020-06 att.pdf

Date	Ver.	Action By	Action	Result
9/3/2020	1	Board of Commissioners	Published and Filed	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 3, 2020

COMMITTEE ON FINANCE

Mr. Brian A. Perkovich, Executive Director

Report on the investment interest income during June 2020

Dear Sir:

Attached is a report of cash investment interest income received by the District for the month of June 2020 and a comparison of income for the same period in 2019.

The District's inventory of investments at June 30, 2020, consisted of 187 items having a total par value of \$703,191,509.51, an average annual yield of 0.827%, and total interest income to maturity of approximately \$8.2 million. Inventory figures at the same date in 2019 were of 193 items having a total par value of \$726,694,191.74, an average annual yield of 2.393%, and total interest income to maturity of approximately \$10.7 million.

Interest Forecast for 2020:

On March 23, 2020, the Federal Reserve decided to decrease the target range for the federal funds rate to 0.00% to 0.25%. This decision was based upon the increased risk to economic activity posed by the Corona Virus. The Fed stated that after their March 3, 2020 decrease to the federal funds rate to 1.00% to 1.25%, they needed to take further action. The Fed decreased the rate on March 23, 2020 to support the flow of credit to households and businesses by addressing strains in the markets for Treasury securities and mortgaged-backed securities. The Federal Reserve does not take this decrease lightly, as these rates have not been seen since the 2008 financial crisis. However, it is necessary to continue to promote and maintain a healthy economy during this time.

Respectfully Submitted, Mary Ann Boyle, Treasurer, MAB:st

Attachment

