

## Memorandum

To: Honorable Mayor Shetter and members of the Burleson City Council

From: Rhett Clark, Director of Finance

Date: October 5, 2009

Subject: Minute Order MO-09-074, accepting Quarterly Investment Report – Period ended 06/30/09.

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### **Council Action Requested:**

Approve Minute Order MO-09-074, accept the Quarterly Investment Report period ending 06/30/09. This is only the formal presentation of the quarterly reports.

### **Background Information:**

The Public Funds Investment Act and the City of Burleson Investment Policy require quarterly reporting of the City's investments.

This report shows cash flow patterns typical to what we would expect for the corresponding time period.

### **Board/Citizen Input:**

N/A

### **Financial Considerations:**

N/A

### **Attachments:**

Quarterly Investment Report – Period Ending June 30, 2009

### **Staff Contact:**

Rhett Clark, Director of Finance  
817-426-9651  
[rclark@burlesontx.com](mailto:rclark@burlesontx.com)



# Memo

To: Honorable Mayor Shetter and members of the Burleson City Council

From: City of Burleson Investment Officers:  
Rhett Clark, Director of Finance  
Curtis E. Hawk, City Manager  
Paul Cain, Deputy City Manager

Date: 09/16/2009

Re: Quarterly Investment Report – Period Ending June 30, 2009

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In the opinion of the City of Burleson's investment officers, the City's portfolio of investments was in compliance with all provisions of the Public Funds Investment Act ( The Act ) and the City of Burleson Investment Policy, at all times during the quarter ended June 30, 2009. All related transactions were conducted in accordance with these two governing documents.

The attached tables fulfill the reporting requirements of The Act and the Burleson Investment Policy.

During the 3rd quarter of the 2009 fiscal year, total cash and investments decreased from approximately \$98,435,351, to \$94,007,534. This reflects a net **decrease** of approximately \$4,428,000. Deviations from predictable, and / or seasonal patterns are noted where applicable.

The overall changes in cash and investments were attributable to the following factors:

1) 3rd quarter 2009 **decrease** of \$2,182,000 in General Fund cash and investments

The 3<sup>rd</sup> quarter of the fiscal year is typically weak in terms of General Fund cash flows. With no significant ad valorem tax collections and a wide range of operations, cash flows typically fall sharply.

2) 3rd quarter 2009 **increase** of \$854,000 in Debt Service Funds cash and investments

The 3<sup>rd</sup> quarter does not span a debt service payment date, therefore, cash balances predictably increase.

3) 3rd quarter 2009 **decrease** of \$3,786,000 in Capital Project Funds cash and investments

Third quarter balances continue to decline as existing projects progressed and payments were made. In addition, cash balances in these funds typically decrease during periods that do not contain bond sales.

4) 3rd quarter 2009 **increase** of \$396,000 in Special Revenue Funds cash and investments

Special revenue funds cash and investments typically increase during the 3rd quarter, as cumulative sales tax collections are not reduced by debt service payments.

- 5) 3rd quarter 2009 decrease of \$598,000 in Internal Service Funds cash and investments

The overall decrease in this category is attributable to vehicle replacement purchases.

- 6) 3rd quarter 2009 increase of \$917,000 in Water and Wastewater Fund Reserve cash and investments

These balances equate to the amounts required under the City's bond covenants and debt service schedules.

- 7) 3rd quarter 2009 increase of \$441,000 in Water and Wastewater Fund operating cash and investments

Seasonally low average temperatures typically result in little if any cash increases during the 3<sup>rd</sup> quarter.

- 8) 3rd quarter 2009 decrease of \$450,000 in Water and Wastewater Bond Fund cash and investments

Third quarter decrease reflects the net impact of project expenditures and interest earnings. Like capital project funds, cash balances in this category typically decline during periods that do not contain bond sales.

- 9) 3rd quarter 2009 increase of \$459,000 in Golf Course cash and investments

The third quarter encompasses the golf course's tournament season. During this time, cash flows are generally on the upswing. This increase was higher than the operating increase in the 3rd quarter of 2008.

- 10) 3rd quarter 2009 decrease of \$484,000 in Solid Waste cash and investments

Third quarter inflows were offset by the outflow of capital lease escrow balances for the purchase of capital assets or the retirement of the lease.

<u>Summary*</u>	<u>2<sup>nd</sup> Quarter1</u>	<u>3<sup>rd</sup> Quarter</u>	
	\$ 4,431,000	\$ (2,182,000)	General Fund
	(981,000)	854,000	Debt Service
	(1,733,000)	(3,786,000)	Capital Project
	(2,974,000)	396,000	Special Revenue
	(113,000)	(598,000)	Internal Service
	(1,374,000)	917,000	W&WW Reserves
	70,000	441,000	W&WW Operating
	(307,000)	(450,000)	W&WW Bonds
	(67,000)	459,000	Golf
	3,800	4,300	Cemetery Fund
	219000	(484,000)	Solid Waste
	<hr/>		
<u>Total</u>	<u>\$ (2,827,000)</u>	<u>\$ (4,428,700)</u>	

\* Note: See Table 6 for fund detail

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Rhett Clark, Director of Finance

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Curtis E. Hawk, City Manager

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Paul Cain, Deputy City Manager

**CITY OF BURLESON**  
**QUARTERLY INVESTMENT REPORT**  
**PERIOD ENDING**  
**June 30, 2009**  
**SUMMARY: CASH & INVESTMENTS - BY TYPE**

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	<u>Beginning of Quarter</u>	<u>End of Quarter</u>	<u>Change</u>
<b>Investment Type</b>			
Cash	828,722	1,238,498	409,776
TexPool	63,121,332	64,439,456	1,318,124
Other Pools	22,765,798	23,336,192	570,394
Securities	11,719,499	4,993,388	(6,726,111)
Total Cash & Inv	<u>98,435,351</u>	<u>94,007,534</u>	<u>(4,427,817)</u>

Table 1

CITY OF BURLESON  
QUARTERLY INVESTMENT REPORT  
PERIOD ENDING  
June 30, 2009

PORTFOLIO COMPOSITION - BEGINNING AND ENDING BALANCES - PER POOLED FUND GROUP  
AND INVESTMENT TYPE

Pooled Fund Group

Investment Type	Short Term Operating		Long Term Non-operating		Debt Svc Resv		Debt Svc Sinking		TOTAL
	Amount	Percentage	Amount	Percentage	Amount City	Percentage	Amount City	Percentage	
	BEGINNING OF QUARTER								
Cash	(1,040,937)	-1.22%	0	0.00%	65,389	1.96%	1,804,269	77.32%	828,721
TexPool	25,342,900	29.81%	0	0.00%	924,771	27.74%	489,513	20.98%	26,757,184
TexPool Prime	36,364,149	42.78%		0.00%		0.00%		0.00%	36,364,149
Other Pools	20,382,868	23.98%	0	0.00%	2,343,348	70.30%	39,582	1.70%	22,765,798
Securities	3,957,668	4.66%	7,761,832	100.00%	0	0.00%	0	0.00%	11,719,499
<b>Total</b>	<b>85,006,648</b>	<b>100.00%</b>	<b>7,761,832</b>	<b>100.00%</b>	<b>3,333,508</b>	<b>100.00%</b>	<b>2,333,364</b>	<b>100.00%</b>	<b>98,435,351</b>
<i>Weighted Avg. Maturity (Days)</i>	55		422		19		10		
END OF QUARTER									
Cash	(1,466,900)	-1.78%	0	0.00%	64,743	1.92%	2,640,654	64.95%	1,238,497
TexPool	27,808,014	33.78%	0	0.00%	925,769	27.45%	1,384,739	34.06%	30,118,522
TexPool Prime	34,320,934	41.69%		0.00%		0.00%		0.00%	34,320,934
Other Pools	20,914,387	25.40%	0	0.00%	2,381,720	70.63%	40,085	0.99%	23,336,192
Securities	750,798	0.91%	3,255,955	100.00%	0	0.00%	0	0.00%	4,993,388
<b>Total</b>	<b>82,327,233</b>	<b>100.00%</b>	<b>3,255,955</b>	<b>100.00%</b>	<b>3,372,232</b>	<b>100.00%</b>	<b>4,065,478</b>	<b>100.00%</b>	<b>94,007,533</b>
<i>Weighted Avg. Maturity (Days)</i>	49		515		18		15		

Table 2

CITY OF BURLESON  
QUARTERLY INVESTMENT REPORT  
June 30, 2009

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QUARTERLY CHANGE IN COST AND MARKET VALUE - ALL SECURITIES  
BY FUND TYPE

	Cost	Market
<b><u>Short Term Operating Pool</u></b>		
Beginning balance	3,949,999	3,957,668
Securities added during the period	985,000	985,000
Securities matured or sold during the period	3,200,000	3,200,000
Net changes in market value of securities held during the period	N/A	(5,234)
= Ending balance	1,734,999	1,737,434
<b><u>Long Term Non-Operating Pool</u></b>		
Beginning balance	7,749,766	7,761,832
Securities added during the period	1,500,000	1,500,000
Securities matured or sold during the period	5,999,766	6,000,000
Net changes in market value of securities held during the period	N/A	(5,877)
Ending balance	3,250,000	3,255,955
<b><u>Bond Fund Reserves</u></b>		
Beginning balance	0	0
Securities added during the period	0	0
Securities matured or sold during the period	0	0
Net changes in market value of securities held throughout the period	NA	0
Ending balance	0	0

Table 3

QUARTERLY INVESTMENT REPORT  
PERIOD ENDING  
6/30/2009  
INDIVIDUAL SECURITY LISTING

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Purchase Date	Maturity Date**	Issuing Agency	Coupon	Yield To Maturity	Original Term**	Remain. Term**	Purch. Price	Par Value	Investment @ Cost		Mkt Value		Change In Mkt Value
									Beg of Qtr	End of Qtr	Beg of Qtr	End of Qtr	
<b>Short Term Operating</b>													
05/07/2008	05/07/2009	FHLB	2.750%	2.750%	365	NA	450,000	450,000	450,000	NA	450,985	NA	(985)
07/16/2008	07/16/2009	FHLMC	3.000%	3.000%	365	16	750,000	750,000	750,000	750,000	755,012	750,798	(4,214)
02/04/2009	02/26/2010	FHLMC	1.100%	1.100%	387	241	1,000,000	1,000,000	1,000,000	NA	1,000,295	NA	(295)
02/20/2009	03/19/2010	FHLMC	1.300%	1.300%	392	262	750,000	750,000	750,000	NA	750,335	NA	(335)
03/23/2009	03/23/2010	FNMA	1.350%	1.350%	365	266	1,000,000	1,000,000	1,000,000	NA	1,001,041	NA	(1,041)
Certificates of Deposit													
04/13/2009	12/31/2009	Viewpoint Bank	3.000%	3.000%	262	184	250,000	250,000	NA	250,000	NA	250,689.63	690
04/16/2009	10/13/2009	Libertad Bank	1.750%	1.750%	180	105	95,000	95,000	NA	95,000	NA	95,000.00	0
01/16/2009	10/13/2009	Libertad Bank	1.750%	1.750%	270	105	95,000	95,000	NA	95,000	NA	95,000.00	0
04/16/2009	10/13/2009	Libertad Bank	1.750%	1.750%	180	105	55,000	55,000	NA	55,000	NA	55,000.00	0
04/15/2009	12/31/2009	Libertad Bank	1.400%	1.400%	260	184	245,000	245,000	NA	245,000	NA	245,000.00	0
Money Market Accounts													
04/16/2009	NA	Texas Sec Bank	1.734%	1.734%	1	1	245,000	245,000	NA	245,000	NA	245,945.94	946

Total Securities - Operating 3,950,000 1,735,000 3,957,668 1,737,434 (5,234)

**Long Term Non-operating**

04/28/2008	04/28/2010	FHLMC	3.050%	3.050%	730	302	749,766	750,000	749,766	NA	751,149	NA	(1,149)
05/07/2008	05/07/2009	FHLB	2.750%	2.750%	365	NA	500,000	500,000	500,000	NA	501,094	NA	(1,094)
07/16/2008	07/16/2009	FHLMC	3.000%	3.000%	365	16	750,000	750,000	750,000	750,000	755,012	750,798	(4,214)
02/18/2009	08/18/2010	FHLMC	1.625%	1.625%	546	414	1,000,000	1,000,000	1,000,000	NA	1,001,044	NA	(1,044)
03/05/2009	05/05/2010	FHLMC	1.330%	1.330%	426	309	1,000,000	1,000,000	1,000,000	NA	1,000,954	NA	(954)
01/28/2009	01/28/2011	FNMA	1.250%	1.250%	730	577	1,000,000	1,000,000	1,000,000	1,000,000	1,000,313	1,004,375	4,062
02/20/2009	03/19/2010	FHLMC	1.300%	1.300%	392	262	750,000	750,000	750,000	NA	750,335	NA	(335)
02/04/2009	08/04/2010	FHLMC	1.500%	1.500%	546	400	1,000,000	1,000,000	1,000,000	NA	999,876	NA	124
03/30/2009	09/30/2010	FHLMC	1.700%	1.700%	549	457	1,000,000	1,000,000	1,000,000	NA	1,002,055	NA	(2,055)
06/30/2009	06/30/2011	FNMA	1.750%	1.750%	730	730	1,000,000	1,000,000	NA	1,000,000	NA	1,000,625	625
06/11/2009	06/10/2011	FHLB	1.000%	1.000%	729	710	500,000	500,000	NA	500,000	NA	500,157	157

7,749,766 3,250,000 7,761,832 3,255,955 (5,877)

**Securities - Water & Sewer Reserve**

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Total Securities - W & S Reserve 0 0 0 0 0

**Securities -4A Sales Tax Reserve**

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Total Securities - 4A Reserve 0 0 0 0 0

**Securities -4B Sales Tax Reserve**

					0								
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Total Securities - 4B Reserve 0 0 0 0 0

Table 4

Table 4

CITY OF BURLESON  
QUARTERLY INVESTMENT REPORT  
QUARTER ENDING  
June 30, 2009

DISTRIBUTION OF CASH & INVESTMENTS PER POOLED FUND GROUP

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Investment Type	Description	Month	Amount	WAM	Pooled Fund Group Distribution			
					Short Term Oper	Long Term Non-Oper	Debt Svc Resv	Debt Svc I & S
<b>CASH</b>								
	Pooled Investments	Beginning	759,628	1	(1,044,641)			1,804,269
		Ending	1,169,300	1	(1,471,354)			2,640,654
	Held by Paying Agent	Beginning	65,389	1			65,389	0
		Ending	64,743	1			64,743	0
	Change Funds	Beginning	3,704	1	3,704			
		Ending	4,454	1	4,454			
<b>TEXPOOL</b>								
	Pooled Investments	Beginning	22,352,886	43	22,352,886			
		Ending	24,900,509	42	24,900,509			
	Held by Paying Agent	Beginning	0		0		0	0
		Ending	0		0		0	0
	Investments	Beginning	4,404,298	43	2,990,014	0	924,771	489,513
		Ending	5,218,013	42	2,907,505	0	925,769	1,384,739
<b>TEXPOOL PRIME</b>								
	Investments	Beginning	36,364,149	43	36,364,149			
		Ending	34,320,934	54	34,320,934			
<b>LONESTAR - Enhanced Corporate Fund</b>								
	Operations	Beginning	0	NA	0			
		Ending	0	NA	0			
<b>LONESTAR - Liquidity Plus Fund</b>								
	Operations	Beginning	2,226,587	40	2,187,005			39,582
		Ending	2,738,729	43	2,698,644			40,085
<b>TEXSTAR</b>								
	Pooled Investments	Beginning	2,345,541	50	2,345,541			
		Ending	3,694,479	47	3,694,479			
	Held by Paying Agent	Beginning	2,343,348	50			2,343,348	
		Ending	2,381,720	47			2,381,720	
	Investments	Beginning	15,850,322	50	15,850,322			
		Ending	14,521,264	47	14,521,264			
<b>SECURITIES</b>								
	Pooled Investments	Beginning	3,957,668	266	3,957,668			
		Ending	1,737,434	75	1,737,434			
	Investments L Term	Beginning	7,761,832	422		7,761,832		
		Ending	3,255,955	515		3,255,955		
	Resv Held by Paying Agent	Beginning	0	0			0	
		Ending	0	0			0	
	Resv Held by City	Beginning	0	0			0	
		Ending	0	0			0	
<b>TOTAL</b>								
		Beginning	98,435,351		85,006,648	7,761,832	3,333,508	2,333,364
		Ending	94,007,533		83,313,869	3,255,955	3,372,232	4,065,478

TABLE 5

CITY OF BURLESON  
INCREASE/DECREASE - CASH & INVESTMENTS  
QUARTER ENDING  
June 30, 2009

Fund	31-Mar-09 Total	30-Jun-09 Total	Net Inc (Dec)
<b>General</b>	11,315,362	9,132,871	(2,182,491)
<b>Debt Service Funds</b>			
General Debt Svc	1,091,044	1,927,756	836,712
BCDC Debt Svc	1,162,755	1,180,111	17,356
4A Debt Service	717,568	717,199	(369)
<b>Fund Type Total</b>			853,699
<b>Capital Project Funds</b>			
Street Paving	1,173,155	1,175,797	2,642
01 Sales tax 4B	27,203	28,086	883
<b>05 GOB ENG PROJ</b>	723,081	651,800	(71,281)
<b>05 COMMUNICATIONS</b>	39	5	(34)
<b>05 FIRE</b>	45,444	42,029	(3,415)
01 GOB	0	0	0
4B SALES TX MISC PROJ	4,267,445	3,894,272	(373,173)
Park Dedication	441,285	438,619	(2,666)
4A Bond Fund	452,254	439,929	(12,325)
4A Cap Pri	1,263,265	1,032,265	(231,000)
HIDDEN CRK PKWY	131,539	37,669	(93,870)
05 STREET & DRNG	196,823	200,436	3,613
06 GOB Street & Drainage	189,460	189,739	279
06 CO - Street & Drainage	1,632,634	1,424,574	(208,060)
06 CO - 4b Parks	778,344	677,799	(100,545)
NON BOND CAP PRJ	259,549	180,756	(78,793)
PARK IMPROVEMENT FUND	1,071,827	1,261,572	189,745
COMM SVC FACILITY FUND	5,556,086	5,319,377	(236,709)
01 Fire Bond	53	53	0
02 GOB	0	14,263	14,263
06 GOB Public Safety	165,786	165,883	97
07 GOB - Street & Drainage	2,011,751	1,937,381	(74,370)
07 GOB - Parks	264,600	55,720	(208,880)
07 CO Street & Drainage	1,135,512	957,496	(178,016)
08 CO - Street & Drainage	3,218,963	2,862,578	(356,385)
08 CO - 4B Park Improvements	11,946,872	10,921,695	(1,025,177)
08 CO - 4A Economic Develop	4,226,430	3,795,749	(430,681)
08 GO - Street & Drainage	1,128,257	1,129,901	1,644
08 GO - Park Improvements	13,542,602	13,228,522	(314,080)
<b>Fund Type Total</b>			(3,786,294)
<b>Special Revenue Funds</b>			
BCDC	1,886,303	2,401,201	514,898
01 Sales tax 4A	1,765,023	1,704,485	(60,538)
Hotel Motel	317,398	281,134	(36,264)
Econ Dev Incent Fund	506,736	476,669	(30,067)
Misc Grants	896,824	905,250	8,426
<b>Fund Type Total</b>			396,455
<b>Internal Svc Funds</b>			
Vehicle Replacement	285,869	311,155	25,286
Vehicle Replacement - Enterprise	972,829	398,419	(574,410)
Eqpt Svc	137,193	88,705	(48,488)
<b>Fund Type Total</b>			(597,612)
<b>Enterprise Funds</b>			
Cemetery	873,337	877,671	4,334
Solid Waste	1,012,988	529,465	(483,522)
Water & Sewer			
Reserves	2,695,695	3,612,836	917,141
Bond Funds	12,673,466	12,223,788	(449,678)
Operating	4,379,998	4,821,348	441,350
<b>W &amp; S Total</b>			908,813
Golf			
Operating	(172,154)	224,624	396,778
Capital	66,858	128,881	62,023
<b>Golf Total</b>			458,801
<b>Fund Type Total</b>			1,371,948
	98,435,351	94,007,534	(4,427,817)

Table 6