

Memorandum

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

From: Rhett Clark, Director of Finance

Date: June 1, 2009

Subject: Minute Order MO-09-061, accept Quarterly Investment Report – Period ended 3/31/09.

Council Action Requested:

Approve Minute Order MO-09-061, accepting the Quarterly Investment Report. 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 March 31, 2009

Staff Contact:

Rhett Clark, Director of Finance
817-447-5400 ext 261
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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: 5/29/2009

Re: Quarterly Investment Report – Period Ending March 31, 2009

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 March 31, 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 2nd quarter of the 2009 fiscal year, total cash and investments decreased from approximately \$101,262,000, to \$98,435,351. This reflects a net **decrease** of approximately \$2,827,000. 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) 2nd quarter 2009 **increase** of \$4,431,000 in General Fund cash and investments

The second quarter increase resulted primarily from ongoing sales tax collections and the collection of ad valorem taxes. Most of these collections occur during the early part of the 2nd quarter.

2) 2nd quarter 2009 **decrease** of \$981,000 in Debt Service Funds cash and investments

The second quarter decrease resulted from the debt service payments that occur in March.

3) 2nd quarter 2009 **decrease** of \$1,733,000 in Capital Project Funds cash and investments

Second 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) 2nd quarter 2009 **decrease** of \$2,974,000 in Special Revenue Funds cash and investments

The 2nd quarter decrease resulted primarily from transfers for debt service payments that occurred during the period.

- 5) 2nd quarter 2009 **decrease** of \$113,000 in Internal Service Funds cash and investments

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

- 6) 2nd quarter 2009 **decrease** of \$1,374,000 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. Balances typically decrease in a period that includes a debt service payment.

- 7) 2nd quarter 2009 **increase** of \$70,000 in Water and Wastewater Fund operating cash and investments

The second quarter is normally weak in operating cash flows in this fund. Winter quarter averaging of wastewater charges has made this a better situation of late.

- 8) 2nd quarter 2009 **decrease** of \$307,000 in Water and Wastewater Bond Fund cash and investments

Second 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) 2nd quarter 2009 **decrease** of \$67,000 in Golf Course cash and investments

During the second quarter, cash flows are generally weak. This decrease is comparable to the decline in the 2nd quarter of 2008.

- 10) 2nd quarter 2009 **increase** of \$219,000 in Solid Waste cash and investments

Second quarter inflows reflect the net impact of revenues over expenditures.

<u>Summary</u> *	1st Qtr	2nd Qtr	
1)	\$ 1,095,000	\$ 4,431,000	General Fund
2)	1,286,000	(981,000)	Debt Service
3)	(861,000)	(1,733,000)	Capital Project
4)	1,373,000	(2,974,000)	Special Revenue
5)	493,000	(113,000)	Internal Service
6)	898,000	(1,374,000)	W & W.W Reserves
7)	(1,054,000)	70,000	Water & Wast.W Oper.
8)	(132,000)	(307,000)	Water & Wast.W Bonds
9)	(158,000)	(67,000)	Golf / Operating
10)	7,500	3,800	Cemetery Fund
11)	78,000	219,000	Solid Waste
Total	\$ 3,025,000	\$ (2,827,000)	

* Note: See Table 6 for fund detail

Rhett Clark, Director of Finance

Curtis E. Hawk, City Manager

Paul Cain, Deputy City Manager

CITY OF BURLESON
QUARTERLY INVESTMENT REPORT
PERIOD ENDING
March 31, 2009
SUMMARY: CASH & INVESTMENTS - BY TYPE

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	<u>Beginning of Quarter</u>	<u>End of Quarter</u>	<u>Change</u>
Investment Type			
Cash	841,219	828,722	(12,497)
TexPool	14,322,876	63,121,332	48,798,456
Other Pools	69,104,819	22,765,798	(46,339,021)
Securities	16,993,055	11,719,499	(5,273,556)
Total Cash & Inv	<u>101,261,969</u>	<u>98,435,351</u>	<u>(2,826,618)</u>

Table 1

CITY OF BURLESON
QUARTERLY INVESTMENT REPORT
PERIOD ENDING
March 31, 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	(2,009,960)	-2.42%	0	0.00%	65,660	1.97%	2,785,517	59.38%	841,217
TexPool	11,222,888	13.49%	0	0.00%	923,101	27.70%	1,865,644	39.77%	14,011,633
TexPool Prime	311,243	0.37%		0.00%		0.00%		0.00%	311,243
Other Pools	66,721,889	80.18%	0	0.00%	2,343,348	70.33%	39,582	0.84%	69,104,819
Securities	6,968,081	8.37%	10,024,975	100.00%	0	0.00%	0	0.00%	16,993,055
Total	83,214,141	100.00%	10,024,975	100.00%	3,332,109	100.00%	4,690,743	100.00%	101,261,967
Weighted Avg. Maturity (Days)	57		278		16		15		
END OF QUARTER									
Cash	(1,040,937)	-1.22%	0	0.00%	65,389	1.96%	1,804,269	77.32%	828,721
TexPool	41,368,074	48.66%	0	0.00%	924,771	27.74%	489,513	20.98%	42,782,358
TexPool Prime	20,338,975	23.93%		0.00%		0.00%		0.00%	20,338,975
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
Total	85,006,648	100.00%	7,761,832	100.00%	3,333,508	100.00%	2,333,364	100.00%	98,435,351
Weighted Avg. Maturity (Days)	55		422		19		10		

Table 2

CITY OF BURLESON
QUARTERLY INVESTMENT REPORT
March 31, 2009

16-May-09

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

	Cost	Market
<u>Short Term Operating Pool</u>		
Beginning balance	6,919,458	6,968,080
Securities added during the period	2,750,000	2,750,000
Securities matured or sold during the period	5,719,459	5,750,000
Net changes in market value of securities held during the period	N/A	(10,414)
= Ending balance	3,949,999	3,957,667
<u>Long Term Non-Operating Pool</u>		
Beginning balance	9,975,203	10,024,975
Securities added during the period	5,750,000	5,750,000
Securities matured or sold during the period	7,975,437	8,000,000
Net changes in market value of securities held during the period	N/A	(13,143)
Ending balance	7,749,766	7,761,832
<u>Bond Fund Reserves</u>		
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

NDING 31-Mar-09

QUARTERLY INVESTMENT REPORT
PERIOD ENDING
3/31/2009
INDIVIDUAL SECURITY LISTING

16-May-09

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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	
Short Term Operating													
04/21/2008	05/15/2009	FHLMC	2.500%	2.500%	389	45	750,000	750,000	750,000	NA	750,802	NA	(802)
05/07/2008	05/07/2009	FHLB	2.750%	2.750%	365	37	450,000	450,000	450,000	450,000	453,797	450,985	(2,812)
07/16/2008	07/16/2009	FHLMC	3.000%	3.000%	365	107	750,000	750,000	750,000	750,000	759,334	755,012	(4,323)
08/07/2008	02/17/2009	FNMA	2.800%	2.760%	194	NA	739,007	750,000	739,007	NA	750,000	NA	0
08/07/2008	03/31/2009	FNMA	2.840%	2.810%	236	NA	736,430	750,000	736,430	NA	749,850	NA	150
08/21/2008	01/26/2009	FNMA	2.690%	2.770%	158	NA	494,022	500,000	494,022	NA	500,000	NA	0
08/27/2008	08/27/2009	FHLB	3.000%	3.000%	365	149	500,000	500,000	500,000	NA	501,875	NA	(1,875)
10/02/2008	02/02/2009	FHLB	3.250%	3.250%	123	NA	500,000	500,000	500,000	NA	501,250	NA	(1,250)
10/02/2008	10/02/2009	FHLB	3.400%	3.400%	365	185	500,000	500,000	500,000	NA	500,000	NA	0
10/06/2008	10/06/2009	FHLB	4.000%	4.000%	365	189	750,000	750,000	750,000	NA	750,234	NA	(234)
10/22/2008	10/22/2009	FHLB	3.500%	3.500%	365	205	750,000	750,000	750,000	NA	750,938	NA	(938)
02/04/2009	02/26/2010	FHLMC	1.100%	1.100%	387	332	1,000,000	1,000,000	NA	1,000,000	NA	1,000,295	295
02/20/2009	03/19/2010	FHLMC	1.300%	1.300%	392	353	750,000	750,000	NA	750,000	NA	750,335	335
03/23/2009	03/23/2010	FNMA	1.350%	1.350%	365	357	1,000,000	1,000,000	NA	1,000,000	NA	1,001,041	1,041
Total Securities - Operating									6,919,459	3,950,000	6,968,081	3,957,668	(10,414)

Long Term Non-operating

04/21/2008	05/15/2009	FHLMC	2.500%	2.500%	389	45	750,000	750,000	750,000	NA	750,802	NA	(802)
04/28/2008	04/28/2010	FHLMC	3.050%	3.050%	730	393	749,766	750,000	749,766	749,766	751,081	751,149	68
05/07/2008	05/07/2009	FHLB	2.750%	2.750%	365	37	500,000	500,000	500,000	500,000	504,219	501,094	(3,125)
05/27/2008	05/27/2010	FNMA	3.000%	3.000%	730	422	750,000	750,000	750,000	NA	752,578	NA	(2,578)
07/16/2008	07/16/2009	FHLMC	3.000%	3.000%	365	107	750,000	750,000	750,000	750,000	759,334	755,012	(4,323)
08/07/2008	02/17/2009	FNMA	2.800%	2.760%	194	NA	739,007	750,000	739,007	NA	750,000	NA	0
08/07/2008	03/31/2009	FNMA	2.840%	2.810%	236	NA	736,430	750,000	736,430	NA	749,850	NA	150
08/27/2008	08/27/2009	FHLB	3.000%	3.000%	365	149	500,000	500,000	500,000	NA	501,875	NA	(1,875)
10/02/2008	10/02/2009	FHLB	3.400%	3.500%	365	185	1,000,000	1,000,000	1,000,000	NA	1,000,000	NA	0
10/06/2008	10/06/2009	FHLB	4.000%	4.000%	365	189	750,000	750,000	750,000	NA	750,234	NA	(234)
10/29/2008	10/20/2009	FHLB	3.500%	3.500%	356	203	1,000,000	1,000,000	1,000,000	NA	1,001,563	NA	(1,563)
10/22/2008	10/22/2009	FHLB	3.500%	3.500%	365	205	750,000	750,000	750,000	NA	750,938	NA	(938)
11/24/2008	05/05/2010	FNMA	3.500%	3.500%	527	400	1,000,000	1,000,000	1,000,000	NA	1,002,500	NA	(2,500)
02/18/2009	08/18/2010	FHLMC	1.625%	1.625%	546	505	1,000,000	1,000,000	NA	1,000,000	NA	1,001,044	1,044
03/05/2009	05/05/2010	FHLMC	1.330%	1.330%	426	400	1,000,000	1,000,000	NA	1,000,000	NA	1,000,954	954
01/28/2009	01/28/2011	FNMA	1.250%	1.250%	730	668	1,000,000	1,000,000	NA	1,000,000	NA	1,000,313	313
02/20/2009	03/19/2010	FHLMC	1.300%	1.300%	392	353	750,000	750,000	NA	750,000	NA	750,335	335
02/04/2009	08/04/2010	FHLMC	1.500%	1.500%	546	491	1,000,000	1,000,000	NA	1,000,000	NA	999,876	(124)
03/30/2009	09/30/2010	FHLMC	1.700%	1.700%	549	548	1,000,000	1,000,000	NA	1,000,000	NA	1,002,055	2,055
Total Securities - Water & Sewer Reserve									9,975,203	7,749,766	10,024,975	7,761,832	(13,143)

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
March 31, 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
CASH								
	Pooled Investments	Beginning	771,853	1	(2,013,664)			2,785,517
		Ending	759,628	1	(1,044,641)			1,804,269
	Held by Paying Agent	Beginning	65,660	1			65,660	0
		Ending	65,389	1			65,389	0
	Change Funds	Beginning	3,704	1	3,704			
		Ending	3,704	1	3,704			
TEXPOOL								
	Pooled Investments	Beginning	7,022,989	37	7,022,989			
		Ending	22,352,886	37	22,352,886			
	Held by Paying Agent	Beginning	0		0		0	0
		Ending	0		0		0	0
	Investments	Beginning	6,988,644	37	4,199,899	0	923,101	1,865,644
		Ending	20,429,472	37	19,015,188	0	924,771	489,513
TEXPOOL PRIME								
	Investments	Beginning	311,243	45	311,243			
		Ending	20,338,975	45	20,338,975			
LONESTAR - Enhanced Corporate Fund								
	Operations	Beginning	0	NA	0			
		Ending	0	NA	0			
LONESTAR - Liquidity Plus Fund								
	Operations	Beginning	3,886,944	39	3,847,362			39,582
		Ending	2,226,587	39	2,187,005			39,582
TEXSTAR								
	Pooled Investments	Beginning	7,769,647	48	7,769,647			
		Ending	2,345,541	48	2,345,541			
	Held by Paying Agent	Beginning	2,343,348	48			2,343,348	
		Ending	2,343,348	48			2,343,348	
	Investments	Beginning	55,104,881	48	55,104,881			
		Ending	15,850,322	48	15,850,322			
SECURITIES								
	Pooled Investments	Beginning	6,968,081	162	6,968,081			
		Ending	3,957,668	162	3,957,668			
	Investments L Term	Beginning	10,024,975	278		10,024,975		
		Ending	7,761,832	278		7,761,832		
	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	
TOTAL								
		Beginning	101,261,969		83,214,141	10,024,975	3,332,109	4,690,743
		Ending	98,435,351		85,006,648	7,761,832	3,333,508	2,333,364

TABLE 5

CITY OF BURLESON
INCREASE/DECREASE - CASH & INVESTMENTS
QUARTER ENDING
March 31, 2009

Fund	31-Dec-08 Total	31-Mar-09 Total	Net Inc (Dec)
General	6,884,224	11,315,362	4,431,138
Debt Service Funds			
General Debt Svc	2,072,293	1,091,044	(981,249)
BCDC Debt Svc	1,162,835	1,162,755	(80)
4A Debt Service	717,566	717,568	2
Fund Type Total			(981,327)
Capital Project Funds			
Street Paving	1,049,909	1,173,155	123,246
01 Sales tax 4B	73,407	27,203	(46,204)
05 GOB ENG PROJ	728,286	723,081	(5,205)
05 COMMUNICATIONS	(3,587)	39	3,626
05 FIRE	48,795	45,444	(3,351)
01 GOB	0	0	0
4B SALES TX MISC PROJ	999,322	4,267,445	3,268,123
Park Dedication	447,042	441,285	(5,757)
4A Bond Fund	475,970	452,254	(23,716)
4A Cap Prj	1,581,454	1,263,265	(318,189)
HIDDEN CRK PKWY	139,834	131,539	(8,295)
05 STREET & DRNG	711,790	196,823	(514,967)
06 GOB Street & Drainage	381,851	189,460	(192,391)
06 CO - Street & Drainage	1,918,832	1,632,634	(286,197)
06 CO - 4b Parks	1,298,655	778,344	(520,311)
NON BOND CAP PRJ	185,459	259,549	74,090
PARK IMPROVEMENT FUND	953,851	1,071,827	117,976
COMM SVC FACILITY FUND	7,943,467	5,556,086	(2,387,381)
01 Fire Bond	53	53	0
02 GOB	(18,429)	0	18,429
06 GOB Public Safety	165,582	165,786	204
07 GOB - Street & Drainage	2,055,171	2,011,751	(43,420)
07 GOB - Parks	428,723	264,600	(164,123)
07 CO Street & Drainage	1,603,698	1,135,512	(468,186)
08 CO - Street & Drainage	3,212,987	3,218,963	5,976
08 CO - 4B Park Improvements	11,920,883	11,946,872	25,989
08 CO - 4A Economic Develop	4,641,665	4,226,430	(415,235)
08 GO - Street & Drainage	1,125,832	1,128,257	2,425
08 GO - Park Improvements	13,512,921	13,542,602	29,681
Fund Type Total			(1,733,164)
Special Revenue Funds			
BCDC	3,778,023	1,886,303	(1,891,720)
01 Sales tax 4A	2,936,582	1,765,023	(1,171,559)
Hotel Motel	283,989	317,398	33,409
Econ Dev Incent Fund	560,561	506,736	(53,825)
Misc Grants	787,180	896,824	109,644
Fund Type Total			(2,974,051)
Internal Svc Funds			
Vehicle Replacement	456,197	285,869	(170,328)
Vehicle Replacement - Enterprise	988,118	972,829	(15,289)
Eqpt Svc	64,098	137,193	73,095
Fund Type Total			(112,522)
Enterprise Funds			
Cemetery	869,531	873,337	3,806
Solid Waste	794,314	1,012,988	218,674
Water & Sewer			
Reserves	4,070,159	2,695,695	(1,374,464)
Bond Funds	12,980,479	12,673,466	(307,013)
Operating	4,310,416	4,379,998	69,582
W & S Total			(1,611,895)
Golf			
Operating	(108,560)	(172,154)	(63,594)
Capital	70,542	66,858	(3,684)
Golf Total			(67,278)
Fund Type Total			(1,675,367)
	101,261,969	98,435,351	(2,826,618)

Table 6