



Memorandum

October 26, 2017

TO: Town Manager, Mayor & Town Council

FROM: Jason B. Weeks, Chief Financial Officer
Brenda Bowman, Accounting Manager
Adam Wilbourn, Assistant to Town Manager

SUBJECT: **Quarterly Investment Report – September 30, 2017**

BACKGROUND: It is the objective of the Town of Fairview to invest public funds in a manner which will provide maximum security and the best commensurate yield while meeting the daily cash flow demands of the Town and conforming to all federal, state and local statutes, rules, and regulations governing the investment of public funds. In January 2017, the Town adopted an updated investment policy which serves to satisfy the statutory requirements of defining and adopting a formal investment policy. The investment policy states, “Not less than quarterly, the Chief Financial Officer shall submit to the Town Manager, Mayor and Town Council a written report of the Town’s investment transactions within ninety (90) days of the preceding reporting period.”

STATUS OF ISSUE: The current depository bank for the Town of Fairview is Wells Fargo Bank (expires in November 2017). The current agreement with Wells Fargo specifies the Town to maintain an amount of liquid funds in Wells Fargo to allow the Town to earn interest monthly, which one-day interest rate at September 30, 2017 was 0.23%. The Town invested the majority of the remaining funds in the public investment pool – TexPool and Lone Star, which one-day interest rate at September 30, 2017 was 1.02% and 1.23%, respectively. All funds on deposit with Wells Fargo Bank, TexPool, and Lone Star are fully secured and safeguarded. Total interest earned for the quarter ending September 30, 2017 was \$25,525. The total cash and investments for the period ending June 30, 2017 was \$20,101,195 compared to \$18,275,019 on June 30, 2017, a net decrease of \$1,826,176.

The attached Quarterly Investment Report for the Period Ending September 30, 2017 includes the following documents:

- Investment Officers' Certification
- Investment Portfolio Summary
- Detail of Security Holding
- Individual Fund Investment Portfolio

The Town's current portfolio has same day access, which is sufficient to cover normal and seasonal operation costs. It is the strategy of the Finance Department to maintain a high percentage of its idle funds invested in safe and secure investment securities and pooled investment types in accordance with the Public Funds Investment Act. Town staff has reached out to First Southwest Asset Management Group for analysis of the Town's Investment Policy, Investment Strategies and Investment Reports. First Southwest will provide the Town with some helpful strategies to maximize return of investments. Additionally, the Town Council has authorized staff to begin investing in TexPool Prime and TexasTerm accounts, which will yield higher earnings while still providing liquidity and safety to the investments. Town staff has already utilized the investment options in TexPool Prime and is in the process of beginning investments in TexasTerm. As the economy slowly gains strength again, the Investment Officers will begin to explore other investment opportunities.

BUDGET: N/A

RECOMMENDATION: No action is necessary

INVESTMENT PORTFOLIO SUMMARY



**For the Quarter Ended
September 30, 2017**



**Town of Fairview
Investment Officers' Certification**

**For the Quarter Ended
September 30, 2017**

The Town of Fairview (the "Town") has prepared this report in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Town's investment officers and includes the disclosures required in the PFIA.

The investment portfolio complied with the PFIA and the Town's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made on behalf of the Town and were made in full compliance with the PFIA and the approved Investment Policy.

Officer-Names and Titles:


Name: Jason B. Weeks Title: Chief Financial Officer


Name: Brenda Bowman Title: Accounting Manager

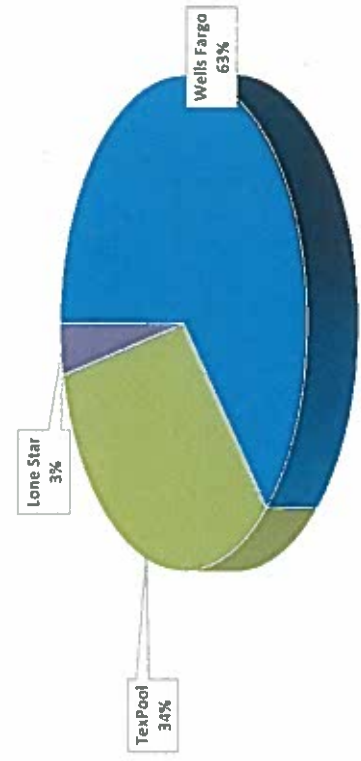
Name: Adam Wilbourn Title: Assistant to the Town Manager

**TOWN OF FAIRVIEW
INVESTMENT PORTFOLIO SUMMARY
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

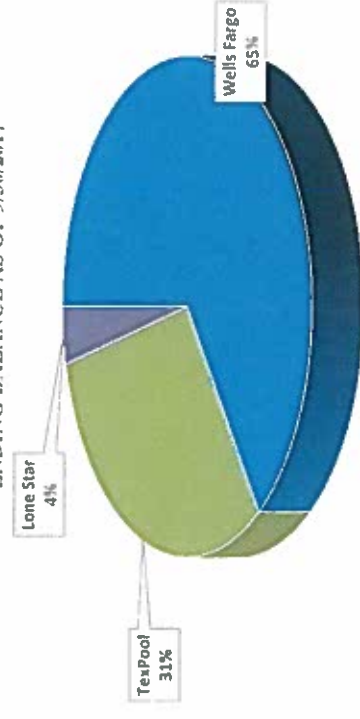
Account	Balance as of 6/30/2017	Deposits	Withdrawals	Interest Earned	Ending Balance as of 9/30/2017
CASH:					
Wells Fargo - Operating	\$ 12,352,215	\$ 4,792,210	\$ 5,638,999	\$ 6,439	\$ 11,505,426
Wells Fargo - CO 2012B Conf Center	25,952	-	-	15	25,967
Wells Fargo - CO 2012A/2013 Street Repairs	298,874	-	-	170	299,043
Wells Fargo - FV Twn Emp Benefit Trust	39,677	165,503	120,964	-	84,217
TOTAL CASH ACCOUNTS	\$ 12,716,718	\$ 4,957,713	\$ 5,759,963	\$ 6,623	\$ 11,914,652

Account	Balance as of 6/30/2017	Deposits	Withdrawals	Interest Earned	Ending Balance as of 9/30/2017
INVESTMENTS:					
TexPool - General Fund	\$ 600,864	\$ -	\$ -	\$ 1,508	\$ 602,373
TexPool - Water System	541,059	-	-	1,358	542,417
TexPool - Interest & Sinking	471,258	741,898	1,198,286	952	15,822
TexPool - CDC	799,249	198,442	80,000	2,165	919,855
TexPool - EDC	864,801	198,442	106,000	2,294	959,536
TexPool - 2016 CO	3,430,258	-	797,508	8,565	2,641,315
Lone Star - General Fund	676,988	-	-	2,061	679,049
TOTAL INVESTMENT ACCOUNTS	\$ 7,384,477	\$ 1,138,782	\$ 2,181,795	\$ 18,902	\$ 6,360,366
TOTAL CASH & INVESTMENTS AS OF SEPTEMBER 30, 2017					\$ 18,275,019

BALANCE AS OF 6/30/2017



ENDING BALANCE AS OF 9/30/2017



Town of Fairview
 Detail of Security Holding
 September 30, 2017

Security Description	Coupon	Maturity Date	Settlement Date	Par Value	Purchased Value	Adjusted Book Value	Market Price	Market Value	Life (mo)	Yield
Wells Fargo - Operating	0.23%	10/1/2017	9/30/2017	\$ 11,505,425.90	\$ 11,505,425.90	\$ 11,505,425.90	100.00	\$ 11,505,425.90	1.00	0.1448%
Wells Fargo - CO 2012B Conf Center	0.23%	10/1/2017	9/30/2017	25,966.72	25,966.72	25,966.72	100.00	25,966.72	1.00	0.0003%
Wells Fargo - CO 2012A/2013 Street Repairs	0.23%	10/1/2017	9/30/2017	299,043.09	299,043.09	299,043.09	100.00	299,043.09	1.00	0.0038%
Wells Fargo - FV Twn Emp Benefit Trust	0.00%	10/1/2017	9/30/2017	84,216.50	84,216.50	84,216.50	100.00	84,216.50	1.00	0.0000%
TexPool - General Fund	1.02%	10/1/2017	9/30/2017	602,372.59	602,372.59	602,372.59	100.00	602,372.59	1.00	0.0335%
TexPool - Water System	1.02%	10/1/2017	9/30/2017	542,416.92	542,416.92	542,416.92	100.00	542,416.92	1.00	0.0301%
TexPool - Interest & Sinking	1.02%	10/1/2017	9/30/2017	15,822.11	15,822.11	15,822.11	100.00	15,822.11	1.00	0.0009%
TexPool - CDC	1.02%	10/1/2017	9/30/2017	919,854.87	919,854.87	919,854.87	100.00	919,854.87	1.00	0.0511%
TexPool - EDC	1.02%	10/1/2017	9/30/2017	959,536.21	959,536.21	959,536.21	100.00	959,536.21	1.00	0.0533%
TexPool - CO 2016	1.02%	10/1/2017	9/30/2017	2,641,314.60	2,641,314.60	2,641,314.60	100.00	2,641,314.60	1.00	0.1467%
Lone Star - General Fund	1.23%	10/1/2017	9/30/2017	679,049.11	679,049.11	679,049.11	100.00	679,049.11	1.00	0.0457%
TOTAL				\$ 18,275,018.62	\$ 18,275,018.62	\$ 18,275,018.62			1.00	0.5102%

(1) Weighted average life - For purposes of calculating weighted average life, pool, and money market investments are assumed to mature the next business day.

(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield is for this month only.

TOWN OF FAIRVIEW
GENERAL FUND
INVESTMENT PORTFOLIO
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

Account	Balance as of 6/30/2017	Deposits	Withdrawals	Interest Earned	Ending Balance as of 9/30/2017
INVESTMENTS:					
TexPool - General Fund	\$ 600,864.45	\$ -	\$ -	\$ 1,508.14	\$ 602,372.59
Lone Star - General Fund	676,988.29	-	-	2,060.82	679,049.11
TOTAL INVESTMENT ACCOUNTS	<u>\$ 1,277,852.74</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,568.96</u>	<u>\$ 1,281,421.70</u>
TOTAL GENERAL FUND INVESTMENT PORTFOLIO AS OF SEPTEMBER 30, 2017					<u>\$ 1,281,421.70</u>

TOWN OF FAIRVIEW
DEBT SERVICE FUND
INVESTMENT PORTFOLIO
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

Account	Balance as of 6/30/2017	Deposits	Withdrawals	Interest Earned	Ending Balance as of 9/30/2017
INVESTMENTS:					
TexPool - Interest & Sinking	\$ 471,257.51	\$ 741,898.26	\$ 1,198,286.13	\$ 952.47	\$ 15,822.11
TOTAL INVESTMENT ACCOUNTS	<u>\$ 471,257.51</u>	<u>\$ 741,898.26</u>	<u>\$ 1,198,286.13</u>	<u>\$ 952.47</u>	<u>\$ 15,822.11</u>
TOTAL DEBT SERVICE FUND INVESTMENT PORTFOLIO AS OF SEPTEMBER 30, 2017					<u>\$ 15,822.11</u>

TOWN OF FAIRVIEW
WATER FUND
INVESTMENT PORTFOLIO
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

Account	Balance as of 6/30/2017	Deposits	Withdrawals	Interest Earned	Ending Balance as of 9/30/2017
INVESTMENTS:					
TexPool - Water System	\$ 541,058.96	\$ -	-	\$ 1,357.96	\$ 542,416.92
TOTAL INVESTMENT ACCOUNTS	<u>\$ 541,058.96</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 1,357.96</u>	<u>\$ 542,416.92</u>
TOTAL WATER FUND INVESTMENT PORTFOLIO AS OF SEPTEMBER 30, 2017					<u>\$ 542,416.92</u>

TOWN OF FAIRVIEW
CAPITAL PROJECT FUND
INVESTMENT PORTFOLIO
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

Account	Balance as of 6/30/2017	Deposits	Withdrawals	Interest Earned	Ending Balance as of 9/30/2017
INVESTMENTS:					
TexPool - 2016 CO	\$ 3,430,258.35	\$ -	\$ 797,508.45	\$ 8,564.70	\$ 2,641,314.60
TOTAL INVESTMENT ACCOUNTS	<u>\$ 3,430,258.35</u>	<u>\$ -</u>	<u>\$ 797,508.45</u>	<u>\$ 8,564.70</u>	<u>\$ 2,641,314.60</u>
TOTAL CAPITAL PROJECT FUND INVESTMENT PORTFOLIO AS OF SEPTEMBER 30, 2017					<u>\$ 2,641,314.60</u>

TOWN OF FAIRVIEW
CDC FUND
INVESTMENT PORTFOLIO
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

Account	Balance as of 6/30/2017	Deposits	Withdrawals	Interest Earned	Ending Balance as of 9/30/2017
INVESTMENTS:					
TexPool - CDC	\$ 799,248.56	\$ 198,441.79	\$ 80,000.00	\$ 2,164.52	\$ 919,854.87
TOTAL INVESTMENT ACCOUNTS	<u>\$ 799,248.56</u>	<u>\$ 198,441.79</u>	<u>\$ 80,000.00</u>	<u>\$ 2,164.52</u>	<u>\$ 919,854.87</u>
TOTAL CDC FUND INVESTMENT PORTFOLIO AS OF SEPTEMBER 30, 2017					<u>\$ 919,854.87</u>

TOWN OF FAIRVIEW
 EDC FUND
 INVESTMENT PORTFOLIO
 FOR THE QUARTER ENDED SEPTEMBER 30, 2017

Account	Balance as of 6/30/2017	Deposits	Withdrawals	Interest Earned	Ending Balance as of 9/30/2017
INVESTMENTS:					
TexPool - EDC	\$ 864,800.81	\$ 198,441.79	\$ 106,000.00	\$ 2,293.61	\$ 959,536.21
TOTAL INVESTMENT ACCOUNTS	<u>\$ 864,800.81</u>	<u>\$ 198,441.79</u>	<u>\$ 106,000.00</u>	<u>\$ 2,293.61</u>	<u>\$ 959,536.21</u>
TOTAL EDC FUND INVESTMENT PORTFOLIO AS OF SEPTEMBER 30, 2017					<u>\$ 959,536.21</u>