



## *Memorandum*

### *July 25, 2017*

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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 – June 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 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 June 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 June 30, 2017 was 0.88% and 1.07%, 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 June 30, 2017 was \$22,441. The total cash and investments for the period ending March 31, 2017 was \$20,960,228 compared to \$20,101,195 on June 30, 2017, a net decrease of \$859,033.

The attached Quarterly Investment Report for the Period Ending June 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. 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  
June 30, 2017**



**Town of Fairview  
Investment Officers' Certification**

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**For the Quarter Ended  
June 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:**

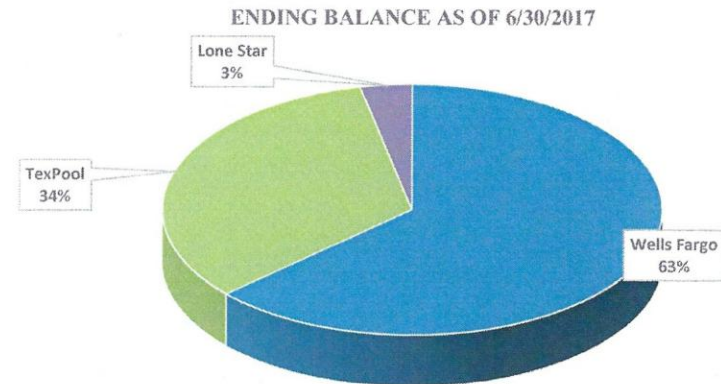
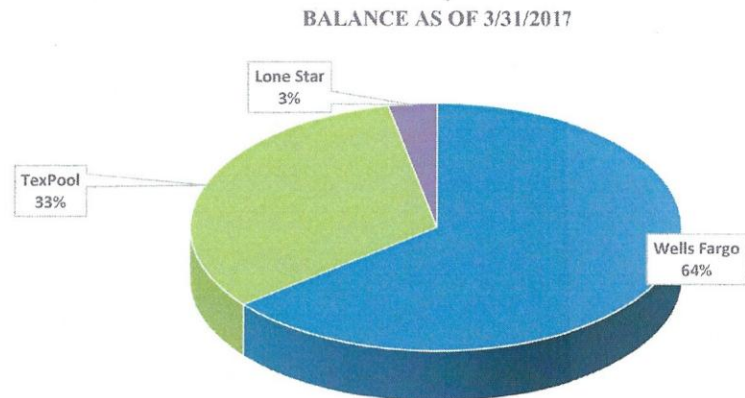
  
Name: Jason B. Weeks Title: Chief Financial Officer

  
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 JUNE 30, 2017**

Account	Balance as of 3/31/2017	Deposits	Withdrawals	Interest Earned	Ending Balance as of 6/30/2017
<b>CASH:</b>					
Wells Fargo - Operating	\$ 13,095,464	\$ 6,208,037	\$ 6,958,427	\$ 7,141	\$ 12,352,215
Wells Fargo - CO 2012B Conf Center	43,971	33,074	51,110	17	25,952
Wells Fargo - CO 2012A/2013 Street Repairs	298,706	-	-	168	298,874
Wells Fargo - FV Twn Emp Benefit Trust	39,662	174,363	174,348	-	39,677
<b>TOTAL CASH ACCOUNTS</b>	<b>\$ 13,477,803</b>	<b>\$ 6,415,473</b>	<b>\$ 7,183,884</b>	<b>\$ 7,325</b>	<b>\$ 12,716,718</b>
Account	Balance as of 3/31/2017	Deposits	Withdrawals	Interest Earned	Ending Balance as of 6/30/2017
<b>INVESTMENTS:</b>					
TexPool - General Fund	\$ 599,686	\$ -	\$ -	\$ 1,178	\$ 600,864
TexPool - Water System	539,998	-	-	1,061	541,059
TexPool - Interest & Sinking	439,526	30,827	-	905	471,258
TexPool - CDC	885,451	169,055	257,000	1,743	799,249
TexPool - EDC	918,956	169,055	225,000	1,790	864,801
TexPool - 2016 CO	3,423,533	-	-	6,725	3,430,258
Lone Star - General Fund	675,274	-	-	1,714	676,988
<b>TOTAL INVESTMENT ACCOUNTS</b>	<b>\$ 7,482,425</b>	<b>\$ 368,936</b>	<b>\$ 482,000</b>	<b>\$ 15,116</b>	<b>\$ 7,384,477</b>
<b>TOTAL CASH &amp; INVESTMENTS AS OF JUNE 30, 2017</b>					
					<b>\$ 20,101,195</b>



**Town of Fairview**  
**Detail of Security Holding**  
**June 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%	7/1/2017	6/30/2017	\$ 12,352,214.97	\$ 12,352,214.97	\$ 12,352,214.97	100.00	\$ 12,352,214.97	1.00	0.1413%
Wells Fargo - CO 2012B Conf Center	0.23%	7/1/2017	6/30/2017	25,952.00	25,952.00	25,952.00	100.00	25,952.00	1.00	0.0003%
Wells Fargo - CO 2012A/2013 Street Repairs	0.23%	7/1/2017	6/30/2017	298,873.54	298,873.54	298,873.54	100.00	298,873.54	1.00	0.0034%
Wells Fargo - FV Twn Emp Benefit Trust	0.00%	7/1/2017	6/30/2017	39,677.41	39,677.41	39,677.41	100.00	39,677.41	1.00	0.0000%
TexPool - General Fund	0.88%	7/1/2017	6/30/2017	600,864.45	600,864.45	600,864.45	100.00	600,864.45	1.00	0.0264%
TexPool - Water System	0.88%	7/1/2017	6/30/2017	541,058.96	541,058.96	541,058.96	100.00	541,058.96	1.00	0.0237%
TexPool - Interest & Sinking	0.88%	7/1/2017	6/30/2017	471,257.51	471,257.51	471,257.51	100.00	471,257.51	1.00	0.0207%
TexPool - CDC	0.88%	7/1/2017	6/30/2017	799,248.56	799,248.56	799,248.56	100.00	799,248.56	1.00	0.0351%
TexPool - EDC	0.88%	7/1/2017	6/30/2017	864,800.81	864,800.81	864,800.81	100.00	864,800.81	1.00	0.0379%
TexPool -CO 2016	0.88%	7/1/2017	6/30/2017	3,430,258.35	3,430,258.35	3,430,258.35	100.00	3,430,258.35	1.00	0.1505%
Lone Star - General Fund	1.07%	7/1/2017	6/30/2017	676,988.29	676,988.29	676,988.29	100.00	676,988.29	1.00	0.0360%
<b>TOTAL</b>				<b>\$ 20,101,194.85</b>	<b>\$ 20,101,194.85</b>	<b>\$ 20,101,194.85</b>		<b>\$ 20,101,194.85</b>	<b>1.00</b>	<b>0.4753%</b>
									(1)	(2)

(1) Weighted average life - For purposes of calculating weighted average life bank, 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 JUNE 30, 2017**

<u>Account</u>	<u>Balance as of 3/31/2017</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Earned</u>	<u>Ending Balance as of 6/30/2017</u>
<b>INVESTMENTS:</b>					
TexPool - General Fund	\$ 599,686.42	\$ -	\$ -	\$ 1,178.03	\$ 600,864.45
Lone Star - General Fund	675,274.17	-	-	1,714.12	676,988.29
<b>TOTAL INVESTMENT ACCOUNTS</b>	<u><u>\$ 1,274,960.59</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,892.15</u></u>	<u><u>\$ 1,277,852.74</u></u>
<b>TOTAL GENERAL FUND INVESTMENT PORTFOLIO AS OF JUNE 30, 2017</b>					<u><u>\$ 1,277,852.74</u></u>

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

<u>Account</u>	<u>Balance as of 3/31/2017</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Earned</u>	<u>Ending Balance as of 6/30/2017</u>
<b>INVESTMENTS:</b>					
<b>TexPool - Interest &amp; Sinking</b>	\$ 439,525.59	\$ 30,826.51	\$ -	\$ 905.41	\$ 471,257.51
<b>TOTAL INVESTMENT ACCOUNTS</b>	<u>\$ 439,525.59</u>	<u>\$ 30,826.51</u>	<u>\$ -</u>	<u>\$ 905.41</u>	<u>\$ 471,257.51</u>
 <b>TOTAL DEBT SERVICE FUND INVESTMENT PORTFOLIO AS OF JUNE 30, 2017</b>					 <u><u>\$ 471,257.51</u></u>

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

<u>Account</u>	<u>Balance as of 3/31/2017</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Earned</u>	<u>Ending Balance as of 6/30/2017</u>
INVESTMENTS:					
TexPool - Water System	\$ 539,998.15	\$ -	\$ -	\$ 1,060.81	\$ 541,058.96
TOTAL INVESTMENT ACCOUNTS	<u>\$ 539,998.15</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,060.81</u>	<u>\$ 541,058.96</u>
 TOTAL WATER FUND INVESTMENT PORTFOLIO AS OF JUNE 30, 2017					 <u>\$ 541,058.96</u>

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

<u>Account</u>	<u>Balance as of 3/31/2017</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Earned</u>	<u>Ending Balance as of 6/30/2017</u>
<b>INVESTMENTS:</b>					
<b>TexPool - 2016 CO</b>	\$ 3,423,533.46	\$ -	\$ -	\$ 6,724.89	\$ 3,430,258.35
<b>TOTAL INVESTMENT ACCOUNTS</b>	<u>\$ 3,423,533.46</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,724.89</u>	<u>\$ 3,430,258.35</u>
 <b>TOTAL CAPITAL PROJECT FUND INVESTMENT PORTFOLIO AS OF JUNE 30, 2017</b>					 <u><u>\$ 3,430,258.35</u></u>

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

<u>Account</u>	<u>Balance as of 3/31/2017</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Earned</u>	<u>Ending Balance as of 6/30/2017</u>
INVESTMENTS:					
TexPool - CDC	\$ 885,451.06	\$ 169,054.74	\$ 257,000.00	\$ 1,742.76	\$ 799,248.56
TOTAL INVESTMENT ACCOUNTS	<u>\$ 885,451.06</u>	<u>\$ 169,054.74</u>	<u>\$ 257,000.00</u>	<u>\$ 1,742.76</u>	<u>\$ 799,248.56</u>
 TOTAL CDC FUND INVESTMENT PORTFOLIO AS OF JUNE 30, 2017					 <u>\$ 799,248.56</u>

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

<u>Account</u>	<u>Balance as of 3/31/2017</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Earned</u>	<u>Ending Balance as of 6/30/2017</u>
<b>INVESTMENTS:</b>					
<b>TexPool - EDC</b>	\$ 918,956.06	\$ 169,054.64	\$ 225,000.00	\$ 1,790.11	\$ 864,800.81
<b>TOTAL INVESTMENT ACCOUNTS</b>	<u>\$ 918,956.06</u>	<u>\$ 169,054.64</u>	<u>\$ 225,000.00</u>	<u>\$ 1,790.11</u>	<u>\$ 864,800.81</u>
 <b>TOTAL EDC FUND INVESTMENT PORTFOLIO AS OF JUNE 30, 2017</b>					 <u><u>\$ 864,800.81</u></u>