Thursday, April 13, 2023
Municipal Development District Board Meeting

Council Chambers
3815 Sachse Road, Building B
7:00 p.m.

A. Regular Meeting

1. Call to Order: The Municipal Development District Board of the City of Sachse will hold a Regular Meeting on Thursday, April 13, 2023, at 7:00 p.m. to consider the following items of business:

2. Invocation and Pledge of Allegiance to the U.S. and Texas Flags.

3. Public Comment: The public is invited at this time to address the Board. Please come to the microphone and state your name and city of residence for the record. However, if your remarks pertain to a specific agenda item that will include action/vote, please hold them until that item, at which time the presiding officer will solicit your comments. The time limit is 3 minutes per speaker. The Board is prohibited by state law from discussing any item not posted on the agenda according to the Texas Open Meetings Act but may take comments under advisement. Issues raised may be referred to City staff for research and possible future action.

4. Consider approval of the January 19, 2023, meeting minutes.

5. Accept the Quarterly Investment Report for the quarter ending December 31, 2022.

6. Discuss and receive an update on the J.K. Sachse Park and Heritage Park expansion

7. Set upcoming Board meeting date.

8. Adjournment.

I, the undersigned authority, do hereby certify that this notice of a public meeting was posted in accordance with the regulations of the Texas Open Meetings Act and was posted on the bulletin board, an accessible location at Sachse City Hall.

Leah K Granger

Leah K Granger, City Secretary

Posted: 04/07/2023 by 5 pm Removed: ____________________

Accommodation requests for persons with disabilities should be made at least 48 hours prior to the meeting by contacting Amanda Chi, ADA Coordinator, via phone at 972-495-1212, via email at achi@cityofsachse.com, or by appointment at 3815 Sachse Road, Building B, Sachse, Texas 75048.

A. Regular Meeting

Subject	4. Consider approval of the January 19, 2023, meeting minutes.
Meeting	Apr 13, 2023 - Municipal Development District Board Meeting
Access	Public
Type	Action, Minutes
Recommended Action	Approve the meeting minutes as presented.
Minutes	View Minutes for Jan 19, 2023 - Municipal Development District Board Meeting

File Attachments
01.19.23 MDD Board Minutes.pdf (15 KB)

**MUNICIPAL DEVELOPMENT DISTRICT BOARD OF THE CITY OF SACHSE
JANUARY 19, 2023, MEETING MINUTES**

The Municipal Development District Board of the City of Sachse held a regular meeting on Thursday, January 19, 2023, at 7:00 p.m. at Sachse City Hall, 3815-B Sachse Road. Members present were President Jermaine McDaniel; Vice President Butch Kemper; Board members Valarie Pike, Michael Wilson, Ian Bailey, Pat Porter; Leisure Services Director Lance Whitworth; and Administrative Assistant Jennifer Hagood.

Members absent: Richard Fricks.

President Jermaine McDaniel called the meeting to order at 7:31 p.m.

Invocation and Pledges of Allegiance to the US and Texas Flags.
Mr. Whitworth led the invocation, and Mr. Kemper led the pledges.

Public Comment.
No public comment was made.

Introductions of all new and current Board members.
Introductions were made in a previous meeting on August 11, 2022.

Election of the Municipal Development District Board President, Vice President, and Secretary.
Ms. Pike made a motion to elect Jermaine McDaniel as the President Butch Kemper as the Vice President, Ian Bailey as the Secretary of the Municipal Development District Board. Mr. Wilson seconded the motion, and it carried unanimously.

Consider approval of the August 11, 2022, meeting minutes.
Mr. Kemper made a motion to approve the item as presented. Mr. Bailey seconded the motion, and it carried unanimously.

Consider approval of the October 20, 2022, joint Parks and Recreation Board / Municipal Development District Board meeting minutes.
Mr. Wilson made a motion to approve the item as presented. Ms. Porter seconded the motion, and it carried unanimously.

Accept the Quarterly Investment Report for the quarters ending in June 30 and September 30, 2022.
Mr. Whitworth presented a general run down of the report. The report is about the investment status on the public funds that have been acquired.

Mr. Wilson made a motion to approve the item as presented. Ms. Pike seconded the motion, and it carried unanimously.

Accept the City of Sachse Investment Policy for FY 2022-2023, as adopted by the City council on November 14, 2022.
Mr. Whitworth mentioned that there were only three changes to the investment policy from previous policy.

Mr. Kemper made a motion to approve the item as presented. Mr. Wilson seconded the motion, and it carried unanimously.

Discuss and receive an update on J.K. Sachse Park.
Mr. Whitworth led a presentation on the progress of J.K. Sachse Park. The pavilion, restrooms, and trails are all completed. The volleyball court is almost done. The splash pad and seeding remain to be completed.

Set upcoming Board meeting date.
The next meeting is set for April 13, 2023.

Adjournment.
President McDaniel adjourned the meeting at 7:59 p.m.

APPROVE:

____
Jermaine McDaniel, President

ATTEST:

____
Butch Kemper, Vice President

A. Regular Meeting

Subject	5. Accept the Quarterly Investment Report for the quarter ending December 31, 2022.
Meeting	Apr 13, 2023 - Municipal Development District Board Meeting
Access	Public
Type	Action (Consent)
Recommended Action	Accept the Quarterly Investment Report for the quarter ending December 31, 2022.

BACKGROUND

The Finance Department provides a Quarterly Investment Report to provide an overview of investment activity details for Checking, Money Market, Investing Pool, and Certificate of Deposit accounts.

Beginning with the current quarter, the format of the investment report has been revised to eliminate redundancies and to make the report more understandable.

POLICY CONSIDERATIONS

Texas Government Code 2256.023 of the Public Funds Investment Act (PFIA) requires not less than quarterly, the investment officer prepare and submit a written report of investment transactions for all funds covered by the Investment Policy. The City's Investment Policy is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of Sachse and conforming to the PFIA and all other State and local statutes governing the investment of public funds.

RECOMMENDATION

Accept the Quarterly Investment Report for the quarter ending December 31, 2022.

File Attachments
Quarterly Investment Report FY 2023 Q1 2023.12.31.pdf (2,037 KB)

Finance Department Memo

To: **Gina Nash, City Manager**

From: David Baldwin, Director of Finance

Ryan Bredehoeft, Assistant Director of Finance

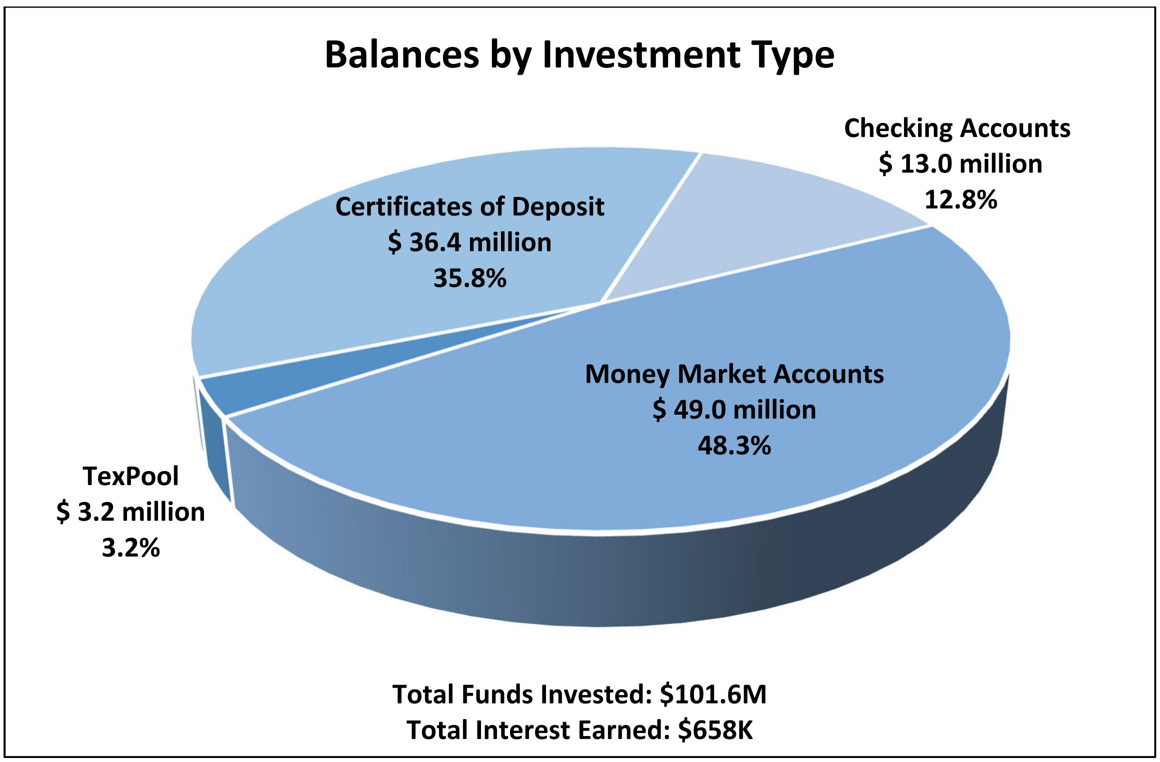
Katelyn Ellis, Senior Accountant

CC: Mayor and City Council

Date: March 6, 2023

Re: **Investment Report for the quarter ending December 31, 2022**

Attached is the Quarterly Investment Report for the quarter ending December 31, 2022. This report complies with the requirements of the City's Investment Policy and the Public Funds Investment Act as amended. The chart below provides a summary of balances by investment type. See the report for further details.



Account Type	Weighted Average Interest Rate
Checking Accounts	0.00%
Money Market Accounts	4.34%
TexPool	3.98%
Certificates of Deposit	2.34%

Average interest rate yield	3.16%
TexPool (benchmark)	3.98%

The City of SACHSE

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2022

Prepared by
Valley View Consulting, L.L.C.

The investment portfolio of the City is in compliance with the Public Funds Investment Act and the Investment Policy and strategies.

Director of Finance

Assistant Director of Finance

Senior Accountant

Disclaimer: These reports were compiled using information provided by the City of Sachse. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Summary

Quarter End Results by Investment Category:

Asset Type	September 30, 2022 Book Value	September 30, 2022 Market Value	December 31, 2022 Book Value	December 31, 2022 Market Value	Ave. Yield
Bank/Pool	$ 69,723,449	$ 69,723,449	$ 65,195,522	$ 65,195,522	3.46%
CDs/Securities	24,177,419	24,177,419	36,393,474	36,393,474	2.63%
Totals	**$ 93,900,868**	**$ 93,900,868**	**$ 101,588,996**	**$ 101,588,996**	3.16%

Current Quarter Average Yield *(1)*	
Total Portfolio	3.16%
Weighted Average Maturity	68 days
Rolling Three Month Treasury	4.19%
Rolling Six Month Treasury	3.90%
TexPool	3.98%

Fiscal Year-to-Date Average Yield *(2)*	
Total Portfolio	3.16%
Rolling Three Month Treasury	4.19%
Rolling Six Month Treasury	3.90%
TexPool	3.98%

Interest Earnings (Approximate)

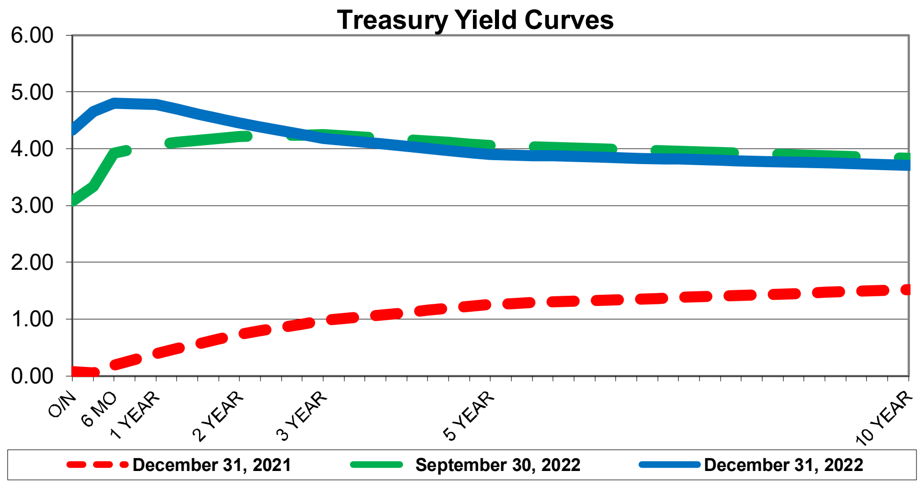
	City	EDC
Interest Earnings QTR	$ 629,885	$ 28,023
Interest Earnings YTD	$ 629,885	$ 28,023

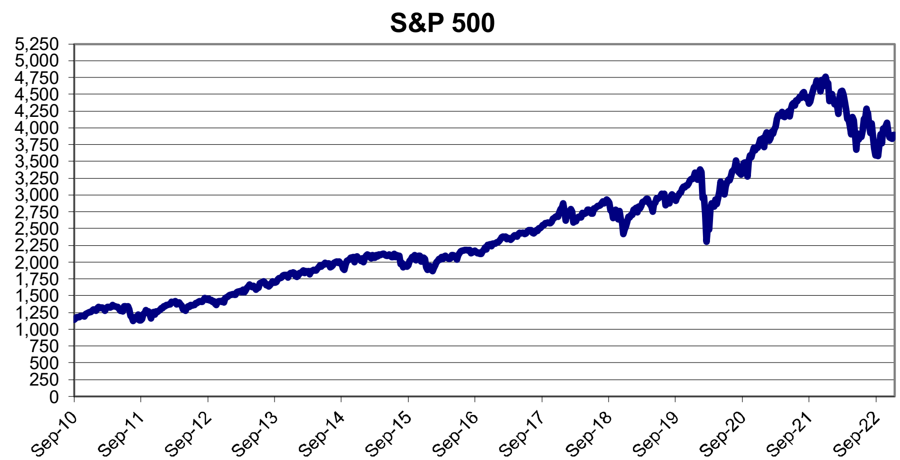
(1) Current Quarter Weighted Average Yield- calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis; realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.
(2) Fiscal Year-to-Date Weighted Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

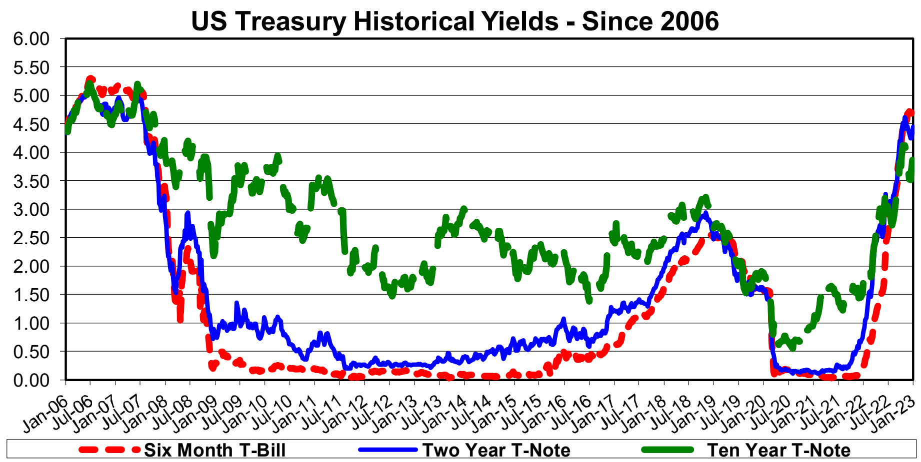
Economic Overview

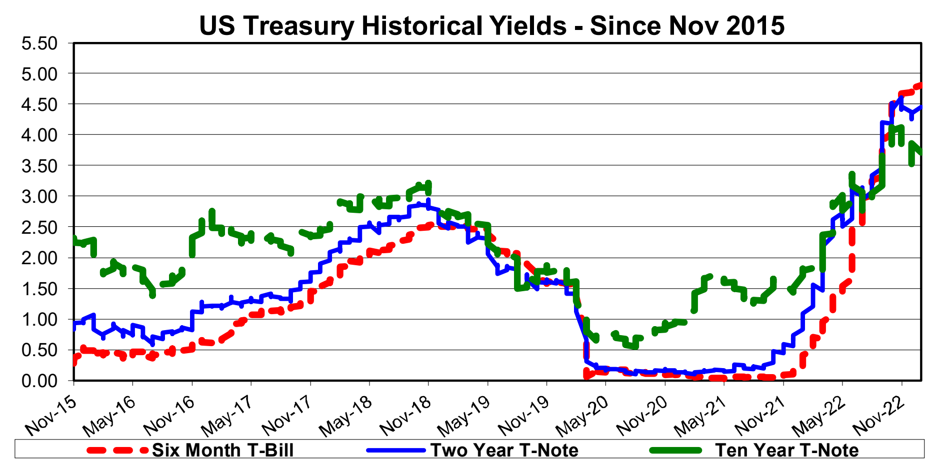
12/31/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.50% to 4.25% - 4.50% December 14th (Effective Fed Funds are trading +/-4.33%). A 0.25% increase is projected February 1st. Third Quarter GDP jumped to 3.2% in the final number. December Non-Farm Payroll added 223k new jobs with the Three Month Average declining to 247k. Crude oil continues moderating at +/-$75 per barrel. The Stock Markets drifted between +/-15% to +/-19% below the 2021 peak. The yield curve is fully negatively sloped (3 months to 10 years, with peak yield at 6 months) and continues to indicate lower future interest rates. Inflation remained well over the FOMC 2% target (Core PCE +/-5% and CPI +/-6%). International challenges add to economic uncertainty.









Investment Holdings
December 31, 2022

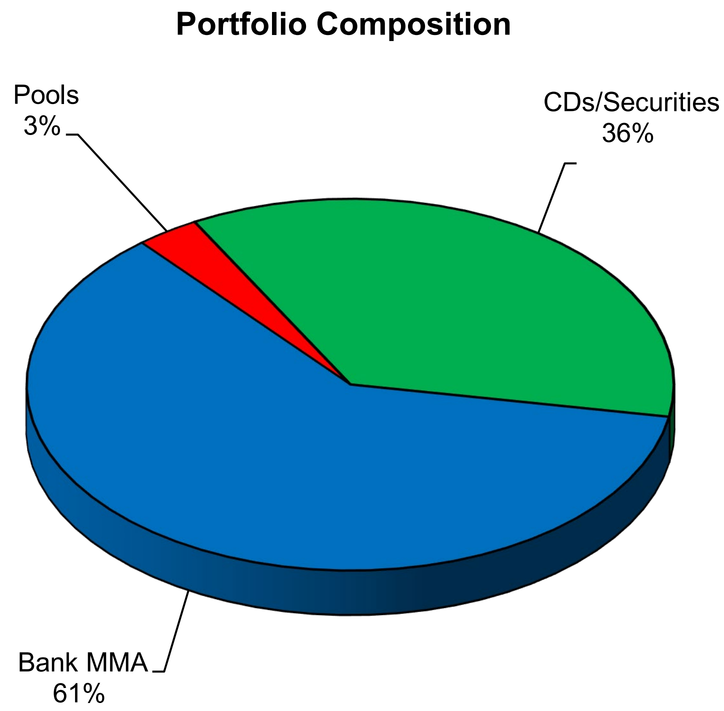
Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Original Face\ Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Checking Accounts										
American Nat'l Bank of Texas Checking		0.00%	01/01/23	12/31/22	$ 12,954,165	$ 12,954,165	1.00	$ 12,954,165	1	0.00%
Money Market Accounts										
American Nat'l Bank of Texas		3.85%	01/01/23	12/31/22	7,356,639	7,356,639	1.00	7,356,639	1	3.85%
NexBank		4.21%	01/01/23	12/31/22	101,667	101,667	1.00	101,667	1	4.21%
NexBank IntraFi		4.40%	01/01/23	12/31/22	31,502,191	31,502,191	1.00	31,502,191	1	4.40%
Texas Bank		4.50%	01/01/23	12/31/22	10,068,885	10,068,885	1.00	10,068,885	1	4.50%
Local Government Investment Pools										
TexPool	AAAm	3.98%	01/01/23	12/31/22	3,211,976	3,211,976	1.00	3,211,976	1	3.98%
Certificates of Deposit										
Citizens Bank 5723		0.65%	01/07/23	01/07/22	1,012,957	1,012,957	100.00	1,012,957	7	0.65%
Citizens Bank 5733		0.65%	01/07/23	01/07/22	1,012,957	1,012,957	100.00	1,012,957	7	0.65%
Citizens Bank 5743		0.65%	01/07/23	01/07/22	1,012,957	1,012,957	100.00	1,012,957	7	0.65%
East West Bank 0174		0.48%	01/23/23	01/23/22	2,009,095	2,009,095	100.00	2,009,095	23	0.48%
East West Bank 0553		0.48%	01/23/23	01/23/22	2,009,095	2,009,095	100.00	2,009,095	23	0.48%
East West Bank 6002		0.48%	01/23/23	01/23/22	2,009,095	2,009,095	100.00	2,009,095	23	0.48%
East West Bank 6607		0.48%	01/23/23	01/23/22	2,009,095	2,009,095	100.00	2,009,095	23	0.48%
East West Bank 8172		2.87%	06/30/23	06/30/22	5,073,262	5,073,262	100.00	5,073,262	181	2.87%
East West Bank 7048		3.15%	07/01/23	07/26/22	2,027,632	2,027,632	100.00	2,027,632	182	3.15%
Citizens Bank 5763		2.75%	07/07/23	07/07/22	1,023,237	1,023,237	100.00	1,023,237	188	2.75%
Citizens Bank 5773		2.75%	07/07/23	07/07/22	1,023,237	1,023,237	100.00	1,023,237	188	2.75%
Citizens Bank 5783		2.75%	07/07/23	07/07/22	1,023,237	1,023,237	100.00	1,023,237	188	2.75%
East West Bank 0043		3.01%	07/13/23	07/13/22	3,042,854	3,042,854	100.00	3,042,854	194	3.06%
East West Bank 6187		4.08%	10/05/23	10/05/22	7,069,193	7,069,193	100.00	7,069,193	278	4.16%
American Nat'l Bank & Trust 7350		4.25%	03/07/24	10/07/22	5,035,577	5,035,577	100.00	5,035,577	432	4.33%
					$ 101,588,996	**$ 101,588,996**		**$ 101,588,996**	**68**	**3.16%**
									(1)	**(2)**

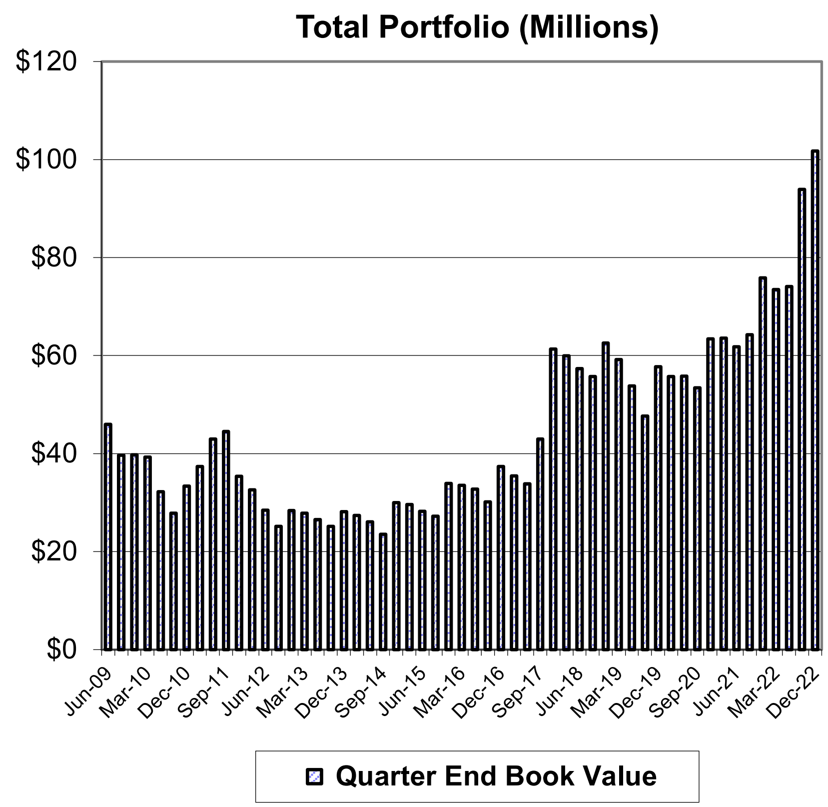
(1) Weighted average life - For purposes of calculating weighted average life, pool investments are assumed to have a one day maturity.

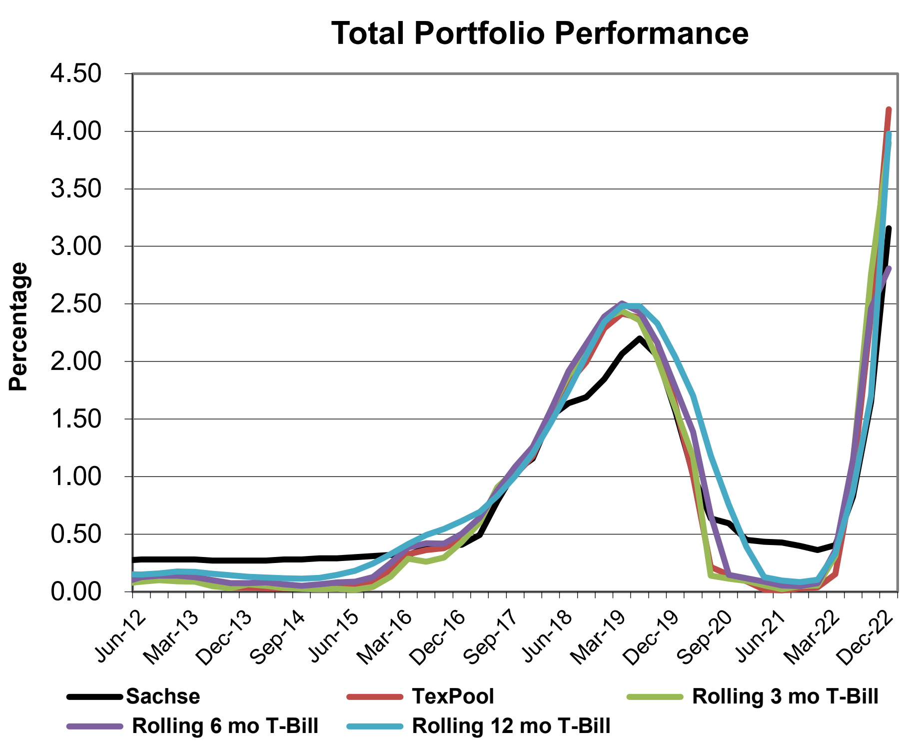
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered.

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 09/30/22	Increases	Decreases	Book Value 12/31/22	Market Value 09/30/22	Change in Market Value	Market Value 12/31/22
Checking Accounts									
American Nat'l Bank of Texas Checking	0.00%	01/01/23	$14,591,423	$ –	$ (1,637,258)	$ 12,954,165	$ 14,591,423	$ (1,637,258)	$ 12,954,165
Money Market Accounts									
American Nat'l Bank of Texas	3.85%	01/01/23	17,674,740	–	(10,318,102)	7,356,639	17,674,740	(10,318,102)	7,356,639
NexBank	4.21%	01/01/23	–	101,667	–	101,667	–	101,667	101,667
NexBank IntraFi	4.40%	01/01/23	23,370,505	8,131,686	–	31,502,191	23,370,505	8,131,686	31,502,191
Texas Bank	4.50%	01/01/23	–	10,068,885	–	10,068,885	–	10,068,885	10,068,885
Local Government Investment Pools									
TexPool	3.98%	01/01/23	14,086,781	–	(10,874,805)	3,211,976	14,086,781	(10,874,805)	3,211,976
Certificates of Deposit									
Citizens Bank 5723	0.65%	01/07/23	1,011,299	1,658	–	1,012,957	1,011,299	1,658	1,012,957
Citizens Bank 5733	0.65%	01/07/23	1,011,299	1,658	–	1,012,957	1,011,299	1,658	1,012,957
Citizens Bank 5743	0.65%	01/07/23	1,011,299	1,658	–	1,012,957	1,011,299	1,658	1,012,957
East West Bank 0174	0.48%	01/23/23	2,006,665	2,429	–	2,009,095	2,006,665	2,429	2,009,095
East West Bank 0553	0.48%	01/23/23	2,006,665	2,429	–	2,009,095	2,006,665	2,429	2,009,095
East West Bank 6002	0.48%	01/23/23	2,006,665	2,429	–	2,009,095	2,006,665	2,429	2,009,095
East West Bank 6607	0.48%	01/23/23	2,006,665	2,429	–	2,009,095	2,006,665	2,429	2,009,095
East West Bank 8172	2.87%	06/30/23	5,036,696	36,566	–	5,073,262	5,036,696	36,566	5,073,262
East West Bank 7048	3.15%	07/01/23	2,011,597	16,034	–	2,027,632	2,011,597	16,034	2,027,632
Citizens Bank 5763	2.75%	07/07/23	1,016,237	6,999	–	1,023,237	1,016,237	6,999	1,023,237
Citizens Bank 5773	2.75%	07/07/23	1,016,237	6,999	–	1,023,237	1,016,237	6,999	1,023,237
Citizens Bank 5783	2.75%	07/07/23	1,016,237	6,999	–	1,023,237	1,016,237	6,999	1,023,237
East West Bank 0043	3.06%	07/13/23	3,019,856	22,997	–	3,042,854	3,019,856	22,997	3,042,854
East West Bank 6187	4.16%	10/05/23	–	7,069,193	–	7,069,193	–	7,069,193	7,069,193
American Nat'l Bank & Trust 7350	4.33%	03/07/24	–	5,035,577	–	5,035,577	–	5,035,577	5,035,577
TOTAL / AVERAGE	**3.16%**		**$ 93,900,868**	**$ 30,518,293**	**$(22,830,165)**	**$ 101,588,996**	**$ 93,900,868**	**$ 7,688,129**	**$ 101,588,996**


Portfolio Composition
Pools
3%
CDs/Securities
36%
Bank MMA
61%


Total Portfolio (Millions)
$120
$100
$80
$60
$40
$20
$0
Jun-09
Mar-10
Dec-10
Sep-11
Jun-12
Mar-13
Dec-13
Sep-14
Jun-15
Mar-16
Dec-16
Sep-17
Jun-18
Mar-19
Dec-19
Sep-20
Jun-21
Mar-22
Dec-22
Quarter End Book Value


Total Portfolio Performance
Percentage
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
Jun-12
Mar-13
Dec-13
Sep-14
Jun-15
Mar-16
Dec-16
Sep-17
Jun-18
Mar-19
Dec-19
Sep-20
Jun-21
Mar-22
Dec-22
Sachse
TexPool
Rolling 3 mo T-Bill
Rolling 6 mo T-Bill
Rolling 12 mo T-Bill

FUND EQUITY IN POOLED CASH AND INVESTMENT

FUND	FUND NAME	9/30/2022	12/31/2022	Percent	Quarterly Change
01	General Fund	$ 15,969,313	$ 20,400,163	20.08%	$ 4,430,849
02	Utility Fund	21,397,519	21,842,692	21.51%	445,174
03	Debt Service	1,165,221	4,725,983	4.65%	3,560,761
04	Capital Projects	13,305,834	12,712,928	12.51%	(592,906)
05	Special Revenue Fund	1,045,461	954,781	0.94%	(90,680)
06	Sachse Economic Development (EDC)	3,680,063	3,955,552	3.89%	275,489
09	PGBT Reinvestment Zone TIF Fund	31,874	32,097	0.03%	223
10	Impact Fees	8,301,526	7,917,108	7.79%	(384,417)
11	Street Maintenance	1,276,660	1,464,957	1.44%	188,296
12	Vehicle Equipment Replacement Fund (VERF)	1,888,333	1,766,300	1.74%	(122,033)
13	Sachse Municipal Development District (MDD)	161,046	(76,155)	-0.07%	(237,201)
14	TIRZ #2 Station	140,181	137,227	0.14%	(2,954)
15	Health Insurance	1,025,333	1,170,409	1.15%	145,075
16	Station O&M PID	32,856	29,931	0.03%	(2,925)
17	American Rescue Plan Act (ARPA)	6,468,025	6,516,415	6.41%	48,390
18	Hotel Occupancy Tax	12,754	15,682	0.02%	2,928
21	2022 Bond Construction Fund	17,998,867	18,022,926	17.74%	24,059
	TOTAL POOLED CASH AND INVESTMENTS	**$ 93,900,868**	**$ 101,588,996**	**100.00%**	**$ 7,688,129**

Notes

Consistent with City policy, investment activity is attributed to all of the City's accounting funds collectively and on a proportional basis to each fund's total cash balance.

The City does not carry any security instrument (investment type) on its books that is traded on the open market; therefore, all investments are listed at 100% of market value.

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.

The City's investments are liquid and have same day access. The City's funds are swept into the above accounts and are withdrawn as needed for operational cash flow requirements.

A. Regular Meeting

Subject	6. Discuss and receive an update on the J.K. Sachse Park and Heritage Park expansion
Meeting	Apr 13, 2023 - Municipal Development District Board Meeting
Access	Public
Type	Discussion, Information
Goals	Provide excellent government services to Sachse citizens. Provide a high quality of life environment for families, individuals, businesses, and other organizations in Sachse. Strategically invest in the City's existing and future infrastructure.

A. Regular Meeting

Subject	7. Set upcoming Board meeting date.
Meeting	Apr 13, 2023 - Municipal Development District Board Meeting
Access	Public
Type	Discussion, Information