



Monday, August 4, 2025

Tax Increment Financing Reinvestment Zone #3 Board Meeting

Council Chambers
3815 Sachse Road, Building B
6:05 PM

Tax Increment Financing Reinvestment Zone #3 Board meetings are available live and on-demand (<https://sachsetx.swagit.com/live>).

A. Meeting Opening

1. Call to Order: The Tax Increment Financing Reinvestment Zone #3 Board of the City of Sachse will hold a regular meeting on Monday, August 4, 2025, at 6:05 PM to consider the following items of business:

B. Public Comment

The public is invited to address the Board regarding any topic not already on the agenda for action or public hearing. **Comments regarding any discussion-only items on the agenda may be addressed during this Public Comment section.** The time limit is three minutes per speaker. A Public Comment Card should be presented to the acting secretary prior to the meeting. According to the Texas Open Meetings Act, the Board is prohibited from discussing any item not posted on the agenda but will take comments under advisement.

C. Consent Agenda

Consent Agenda items are routine or administrative in nature, have been discussed previously at a Board meeting, and/or do not warrant discussion. The Board will act upon these items with one motion. There will be no separate discussion of these items unless a Board member requests the item be removed from the consent agenda. **If you have comments related to items on the Consent Agenda, please address them in the Public Comment section of the meeting.**

1. Accept the Quarterly Investment Reports for the quarters ending December 31, 2024, March 31, 2025, June 30, 2024, and September 30, 2024 of the 2023-2024 fiscal year and quarters ending December 31, 2024 and March 31, 2025 of the 2024-2025 fiscal year.
2. Accept the City of Sachse Investment Policy for FY 2024-2025 as adopted by the City Council on November 18, 2024.

D. 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, on July 31, 2025, by 12 PM.

Leah K Granger, TRMC, City Secretary

Date removed

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

C. Consent Agenda

| | |
|--------------------|--|
| Subject: | 1. Accept the Quarterly Investment Reports for the quarters ending December 31, 2024, March 31, 2025, June 30, 2024, and September 30, 2024 of the 2023-2024 fiscal year and quarters ending December 31, 2024 and March 31, 2025 of the 2024-2025 fiscal year. |
| Meeting | August 4, 2025 - Tax Increment Financing Reinvestment Zone #3 Board Meeting |
| Access | Public |
| Type | Information, Action |
| Fiscal Impact | None |
| Recommended Action | Accept the Quarterly Investment Reports for the quarters ending December 31, 2024, March 31, 2025, June 30, 2024, and September 30, 2024 of the 2023-2024 fiscal year and quarters ending December 31, 2024 and March 31, 2025 of the 2024-2025 fiscal year. |
| Goals | |

BACKGROUND

The Finance Department provides a Quarterly Investment Report to provide an overview of investment activity details for Checking, Money Market, Investment Pool, and Certificate of Deposit accounts. The same Quarterly Investment Reports were accepted by City Council.

POLICY CONSIDERATIONS

Texas Government Code 2256.023 of the Public 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 and that the report shall be presented not less than quarterly to each governing body within a reasonable time after the end of the period. 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 Reports for the quarters ending December 31, 2024, March 31, 2025, June 30, 2024, and September 30, 2024 of the 2023-2024 fiscal year and quarters ending December 31, 2024 and March 31, 2025 of the 2024-2025 fiscal year.

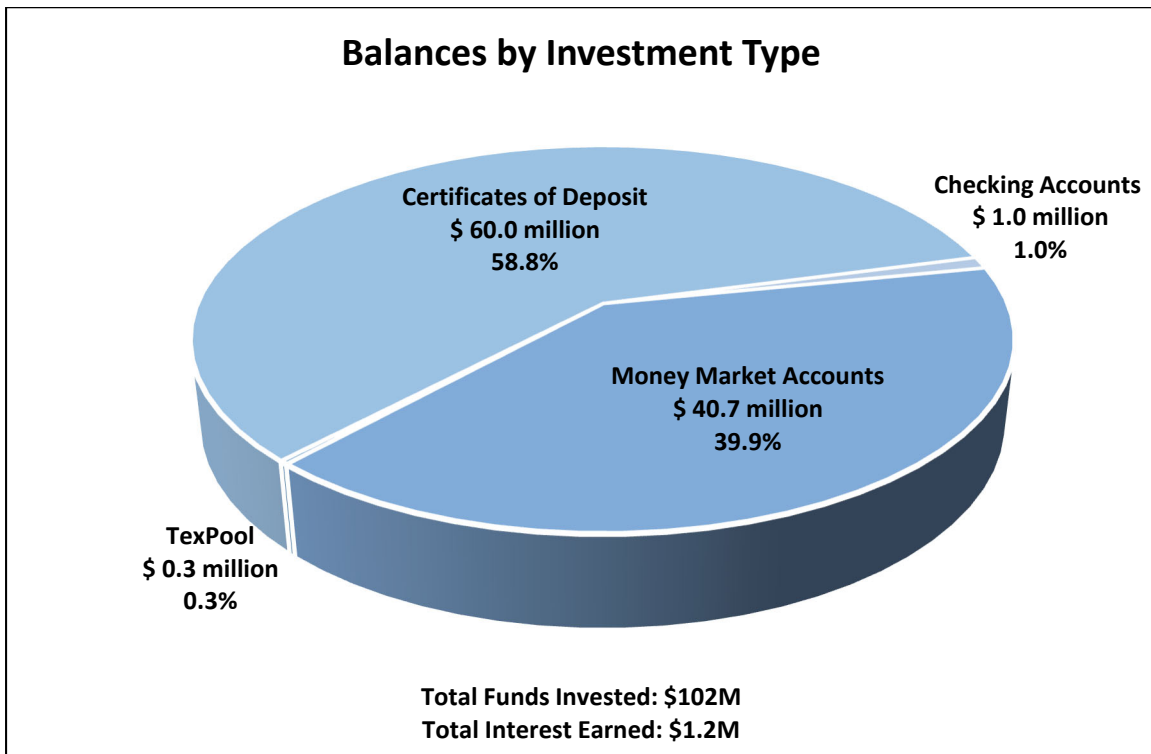
File Attachments

1. Quarterly Investment Report FY 2024 Q1 2023.12.31
2. Quarterly Investment Report FY 2024 Q2 2024.03.31
3. Quarterly Investment Report FY 2024 Q3 2024.06.30
4. Quarterly Investment Report FY 2024 Q4 2024.09.30
5. Quarterly Investment Report FY 2025 Q1 2024.12.31
6. Quarterly Investment Report FY 2025 Q2 2025.03.31

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 4, 2024

Re: Investment Report for the quarter ending December 31, 2023

Attached is the Quarterly Investment Report for the quarter ending December 31, 2023. 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 | 5.56% |
| TexPool | 5.37% |
| Certificates of Deposit | 5.17% |

| | |
|-----------------------------|-------|
| Average interest rate yield | 5.27% |
| TexPool (benchmark) | 5.37% |



The City of
SACHSE

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2023

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, 2023 | | December 31, 2023 | | |
|-----------------------------------|----------------------|----------------------|-----------------------|-----------------------|------------|
| | Book Value | Market Value | Book Value | Market Value | Ave. Yield |
| Demand Deposit/ Money Market/Pool | \$ 34,589,332 | \$ 34,589,332 | \$ 42,056,757 | \$ 42,056,757 | 5.42% |
| CDs/Securities | 59,445,297 | 59,445,297 | 60,028,446 | 60,028,446 | 5.17% |
| Totals | \$ 94,034,629 | \$ 94,034,629 | \$ 102,085,203 | \$ 102,085,203 | 5.27% |

Current Quarter Average Yield (1)

Total Portfolio 5.27%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 5.27%

Weighted Average Maturity 118 days

Rolling Three Month Treasury 5.53%
 Rolling Six Month Treasury 5.49%
 TexPool 5.37%

Rolling Three Month Treasury 5.53%
 Rolling Six Month Treasury 5.49%
 TexPool 5.37%

Interest Earnings (Approximate)

| | City | EDC |
|-----------------------|--------------|-----------|
| Interest Earnings QTR | \$ 1,131,099 | \$ 63,767 |
| Interest Earnings YTD | \$ 1,131,099 | \$ 63,767 |

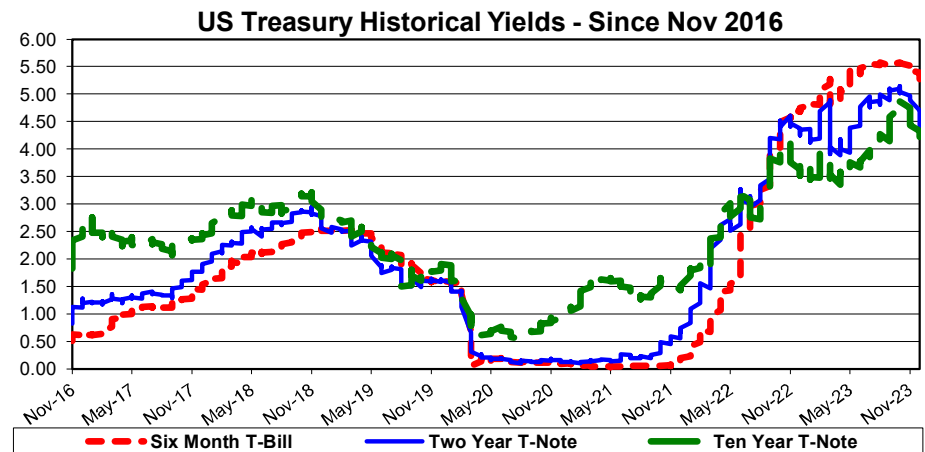
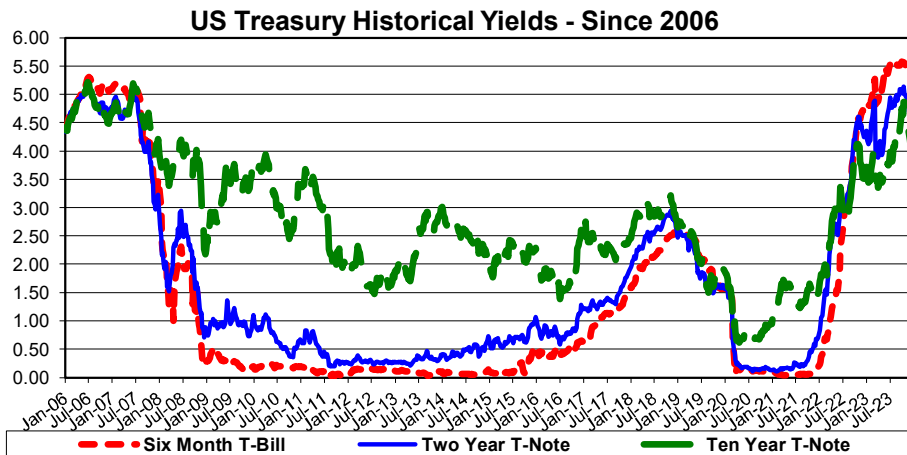
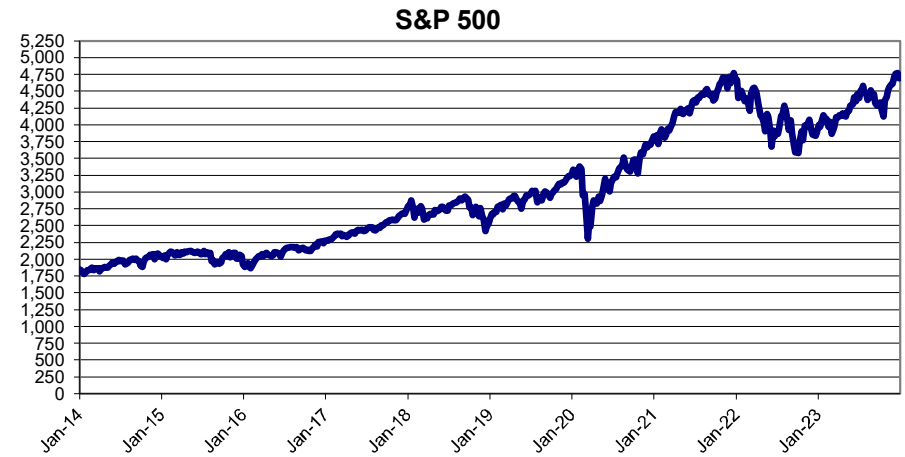
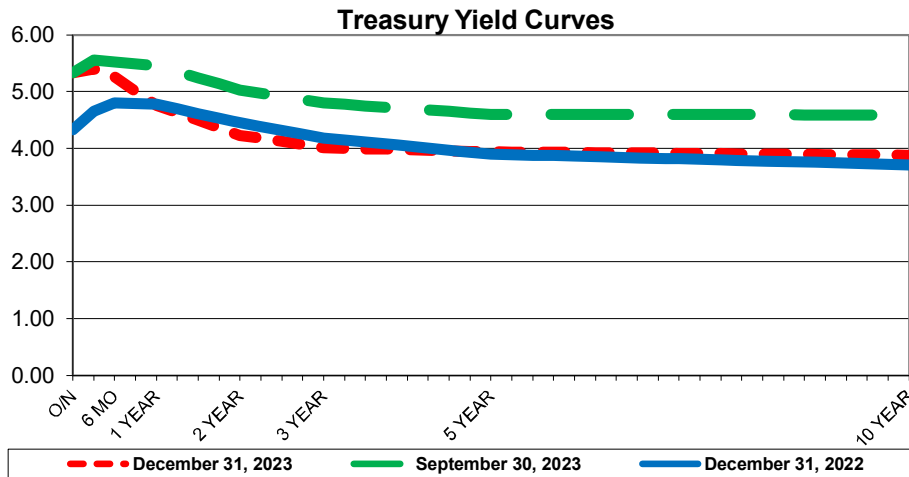
(1) Current Quarter Weighted Average Yield - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis; realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool,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

12/31/2023

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range 5.25% - 5.50% (Effective Fed Funds are trading +/-5.33%). Any additional actions, up or down, will be data-dependent. Final Third Quarter 2023 GDP revised downward to 4.9%, but still robust growth. December Non-Farm Payroll posted 216k new jobs (above the estimated 170k). The Three Month Rolling Average declined to 165k. The S&P 500 Stock Index reached a new peak trading over 4,770 (exceeding 4,766 in Dec 2021). The yield curve shifted lower anticipating future FOMC target reductions. Crude Oil stabilized at +/- \$73 per barrel. Inflation continued to decline but still remained above the FOMC 2% target (Core PCE +/-3.2% and Core CPI +/-4.0%). Reduced global economic outlooks and ongoing/expanding military conflicts increase uncertainty.



Investment Holdings
December 31, 2023

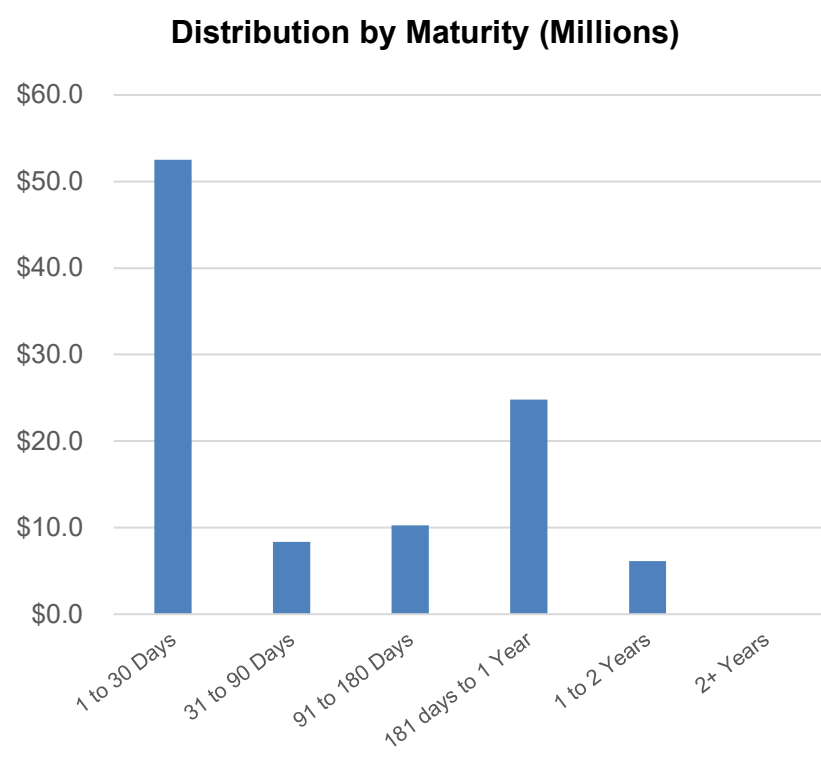
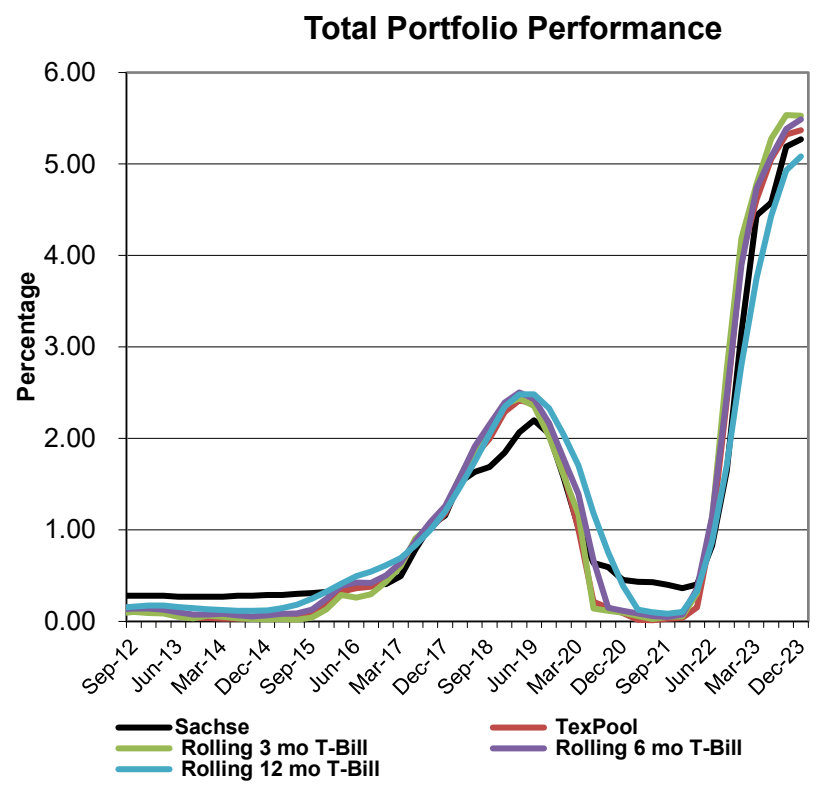
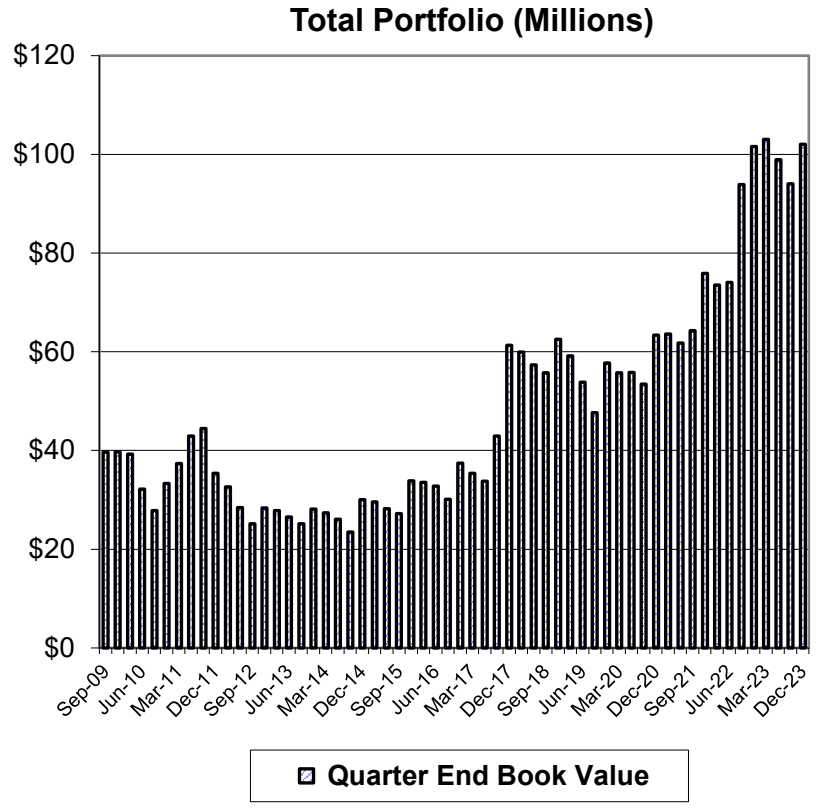
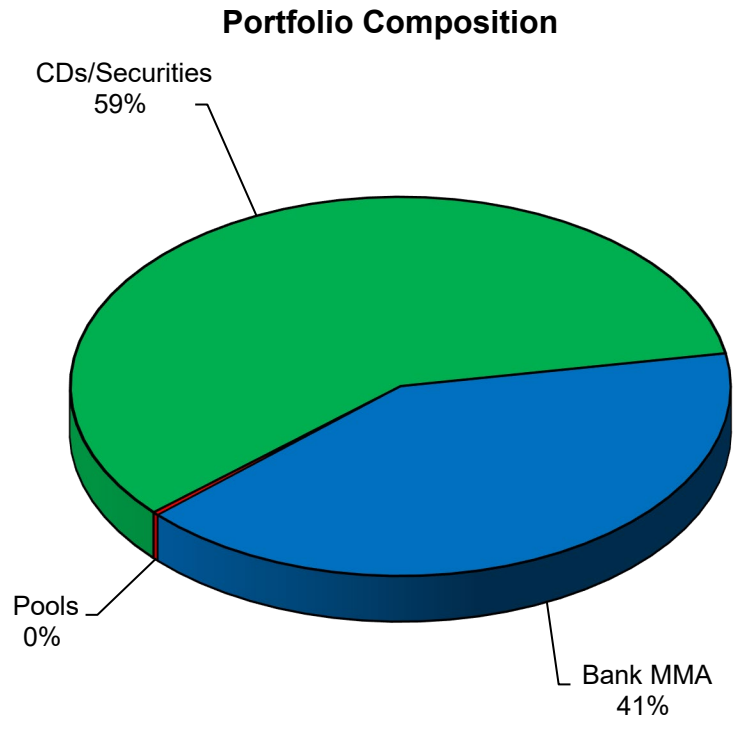
| <u>Description</u> | <u>Rating</u> | <u>Coupon/ Discount</u> | <u>Maturity Date</u> | <u>Settlement Date</u> | <u>Book Value</u> | <u>Market Price</u> | <u>Market Value</u> | <u>Life (days)</u> | <u>Yield</u> |
|---|---------------|-----------------------------|--------------------------|----------------------------|------------------------------|-------------------------|------------------------------|------------------------|---------------------|
| <u>Checking Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas Checking | | 0.00% | 01/01/24 | 12/31/23 | \$ 1,014,755 | 1.00 | \$ 1,014,755 | 1 | 0.00% |
| <u>Money Market Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas | | 3.92% | 01/01/24 | 12/31/23 | 452,500 | 1.00 | 452,500 | 1 | 3.92% |
| NexBank IntraFi | | 5.60% | 01/01/24 | 12/31/23 | 29,690,709 | 1.00 | 29,690,709 | 1 | 5.60% |
| Texas Bank | | 5.50% | 01/01/24 | 12/31/23 | 10,604,470 | 1.00 | 10,604,470 | 1 | 5.50% |
| <u>Local Government Investment Pools</u> | | | | | | | | | |
| TexPool | AAAm | 5.37% | 01/01/24 | 12/31/23 | 294,323 | 1.00 | 294,323 | 1 | 5.37% |
| <u>Certificates of Deposit</u> | | | | | | | | | |
| Veritex Community Bank 5162 | | 4.87% | 01/09/24 | 01/09/23 | 3,142,498 | 100.00 | 3,142,498 | 9 | 4.87% |
| Veritex Community Bank 5165 | | 4.84% | 01/23/24 | 01/23/23 | 7,317,451 | 100.00 | 7,317,451 | 23 | 4.84% |
| American Nat'l Bank & Trust 7350 | | 4.25% | 03/07/24 | 10/07/22 | 5,253,807 | 100.00 | 5,253,807 | 67 | 4.33% |
| East West Bank 3409 | | 5.47% | 03/12/24 | 06/12/23 | 3,092,662 | 100.00 | 3,092,662 | 72 | 5.62% |
| East West Bank 0248 | | 5.57% | 04/05/24 | 07/05/23 | 5,139,235 | 100.00 | 5,139,235 | 96 | 5.73% |
| East West Bank 1557 | | 5.31% | 06/13/24 | 06/13/23 | 5,149,104 | 100.00 | 5,149,104 | 165 | 5.45% |
| East West Bank 3829 | | 5.48% | 07/05/24 | 07/05/23 | 5,136,955 | 100.00 | 5,136,955 | 187 | 5.63% |
| American Nat'l Bank & Trust 7787 | | 4.50% | 07/24/24 | 01/24/23 | 6,251,745 | 100.00 | 6,251,745 | 206 | 4.59% |
| East West Bank 6187 | | 5.61% | 10/07/24 | 10/05/23 | 7,390,773 | 100.00 | 7,390,773 | 281 | 5.77% |
| Texas Bank 0374 | | 4.94% | 12/19/24 | 12/21/23 | 6,008,932 | 100.00 | 6,008,932 | 354 | 5.06% |
| BOK Financial 3645 | | 4.93% | 06/12/25 | 06/15/23 | 1,027,363 | 100.00 | 1,027,363 | 529 | 5.05% |
| BOK Financial 2643 | | 4.93% | 07/03/25 | 07/06/23 | 512,228 | 100.00 | 512,228 | 550 | 5.05% |
| BOK Financial 3602 | | 4.93% | 07/10/25 | 07/13/23 | 4,605,694 | 100.00 | 4,605,694 | 557 | 5.05% |
| | | | | | <u>\$ 102,085,203</u> | | <u>\$ 102,085,203</u> | <u>118</u> | <u>5.27%</u> |
| | | | | | | | | (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 09/30/23 | Increases | Decreases | Book Value 12/31/23 | Market Value 09/30/23 | Change in Market Value | Market Value 12/31/23 |
|---|--------------|---------------|------------------------|----------------------|------------------------|------------------------|--------------------------|---------------------------|--------------------------|
| <u>Checking Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas | 0.00% | 01/01/24 | \$ 485,666 | \$ 529,089 | \$ - | \$ 1,014,755 | \$ 485,666 | \$ 529,089 | \$ 1,014,755 |
| <u>Money Market Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas | 3.92% | 01/01/24 | 448,185 | 4,316 | - | 452,500 | 448,185 | 4,316 | 452,500 |
| NexBank IntraFi | 5.60% | 01/01/24 | 22,906,296 | 6,784,413 | - | 29,690,709 | 22,906,296 | 6,784,413 | 29,690,709 |
| Texas Bank | 5.50% | 01/01/24 | 10,458,809 | 145,662 | - | 10,604,470 | 10,458,809 | 145,662 | 10,604,470 |
| <u>Local Government Investment Pools</u> | | | | | | | | | |
| TexPool | 5.37% | 01/01/24 | 290,377 | 3,946 | - | 294,323 | 290,377 | 3,946 | 294,323 |
| <u>Certificates of Deposit</u> | | | | | | | | | |
| East West Bank 6187 | 4.16% | 10/05/23 | 7,288,230 | - | (7,288,230) | - | 7,288,230 | (7,288,230) | - |
| East West Bank 9276 | 5.79% | 12/12/23 | 3,051,802 | - | (3,051,802) | - | 3,051,802 | (3,051,802) | - |
| East West Bank 1060 | 5.97% | 12/12/23 | 3,052,380 | - | (3,052,380) | - | 3,052,380 | (3,052,380) | - |
| Veritex Community Bank 5162 | 4.87% | 01/09/24 | 3,105,672 | 36,825 | - | 3,142,498 | 3,105,672 | 36,825 | 3,142,498 |
| Veritex Community Bank 5165 | 4.84% | 01/23/24 | 7,232,055 | 85,396 | - | 7,317,451 | 7,232,055 | 85,396 | 7,317,451 |
| American Nat'l Bank & Trust 7350 | 4.33% | 03/07/24 | 5,198,529 | 55,278 | - | 5,253,807 | 5,198,529 | 55,278 | 5,253,807 |
| East West Bank 3409 | 5.62% | 03/12/24 | 3,050,318 | 42,344 | - | 3,092,662 | 3,050,318 | 42,344 | 3,092,662 |
| East West Bank 0248 | 5.73% | 04/05/24 | 5,067,593 | 71,642 | - | 5,139,235 | 5,067,593 | 71,642 | 5,139,235 |
| East West Bank 1557 | 5.45% | 06/13/24 | 5,080,651 | 68,452 | - | 5,149,104 | 5,080,651 | 68,452 | 5,149,104 |
| East West Bank 3829 | 5.63% | 07/05/24 | 5,066,494 | 70,462 | - | 5,136,955 | 5,066,494 | 70,462 | 5,136,955 |
| American Nat'l Bank & Trust 7787 | 4.59% | 07/24/24 | 6,182,127 | 69,618 | - | 6,251,745 | 6,182,127 | 69,618 | 6,251,745 |
| East West Bank 6187 | 5.77% | 10/07/24 | - | 7,390,773 | - | 7,390,773 | - | 7,390,773 | 7,390,773 |
| Texas Bank 0374 | 5.06% | 12/19/24 | - | 6,008,932 | - | 6,008,932 | - | 6,008,932 | 6,008,932 |
| BOK Financial 3645 | 5.05% | 06/12/25 | 1,014,684 | 12,679 | - | 1,027,363 | 1,014,684 | 12,679 | 1,027,363 |
| BOK Financial 2643 | 5.05% | 07/03/25 | 505,906 | 6,321 | - | 512,228 | 505,906 | 6,321 | 512,228 |
| BOK Financial 3602 | 5.05% | 07/10/25 | 4,548,855 | 56,839 | - | 4,605,694 | 4,548,855 | 56,839 | 4,605,694 |
| TOTAL / AVERAGE | 5.27% | | \$ 94,034,629 | \$ 21,442,987 | \$ (13,392,413) | \$ 102,085,203 | \$ 94,034,629 | \$ 8,050,574 | \$ 102,085,203 |



FUND EQUITY IN POOLED CASH AND INVESTMENT

| FUND | FUND NAME | 9/30/2023 | 12/31/2023 | Percent | Quarterly Change |
|--|---|----------------------|-----------------------|----------------|-------------------------|
| 01 | General Fund | \$ 16,859,000 | \$ 19,727,742 | 19.33% | \$ 2,868,741 |
| 02 | Utility Fund | 23,275,918 | 22,820,568 | 22.36% | (455,350) |
| 03 | Debt Service | 1,416,090 | 5,597,589 | 5.48% | 4,181,499 |
| 04 | Capital Projects | 8,702,338 | 11,846,895 | 11.60% | 3,144,557 |
| 05 | Special Revenue Fund | 847,919 | 853,502 | 0.84% | 5,583 |
| 06 | Sachse Economic Development (EDC) | 4,927,905 | 5,181,153 | 5.08% | 253,248 |
| 09 | TIRZ 1 - PGBT | 11,015 | 10,150 | 0.01% | (865) |
| 10 | Impact Fees | 9,010,239 | 9,015,791 | 8.83% | 5,551 |
| 11 | Street Maintenance | 1,727,164 | 1,930,974 | 1.89% | 203,810 |
| 12 | Vehicle Equipment Replacement Fund (VERF) | 2,314,324 | 2,492,391 | 2.44% | 178,067 |
| 13 | Sachse Municipal Development District (MDD) | 149,890 | 329,177 | 0.32% | 179,288 |
| 14 | TIRZ 2 - The Station | 679,046 | 170,255 | 0.17% | (508,791) |
| 15 | Health Insurance | 1,737,789 | 950,459 | 0.93% | (787,330) |
| 16 | Station O&M PID | 21,629 | 119,685 | 0.12% | 98,056 |
| 17 | American Rescue Plan Act (ARPA) | 4,708,972 | 4,167,657 | 4.08% | (541,316) |
| 18 | Hotel Occupancy Tax | 26,892 | 34,284 | 0.03% | 7,393 |
| 19 | TIRZ 3 - Highway 78 | 528,090 | 534,591 | 0.52% | 6,501 |
| 21 | 2022 Bond Construction Fund | 17,090,409 | 16,302,342 | 15.97% | (788,067) |
| TOTAL POOLED CASH AND INVESTMENTS | | \$ 94,034,629 | \$ 102,085,203 | 100.00% | \$ 8,050,574 |

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 (although may be subject to an early withdrawal penalty). The City's funds are swept into the above accounts and are withdrawn as needed for operational cash flow requirements.

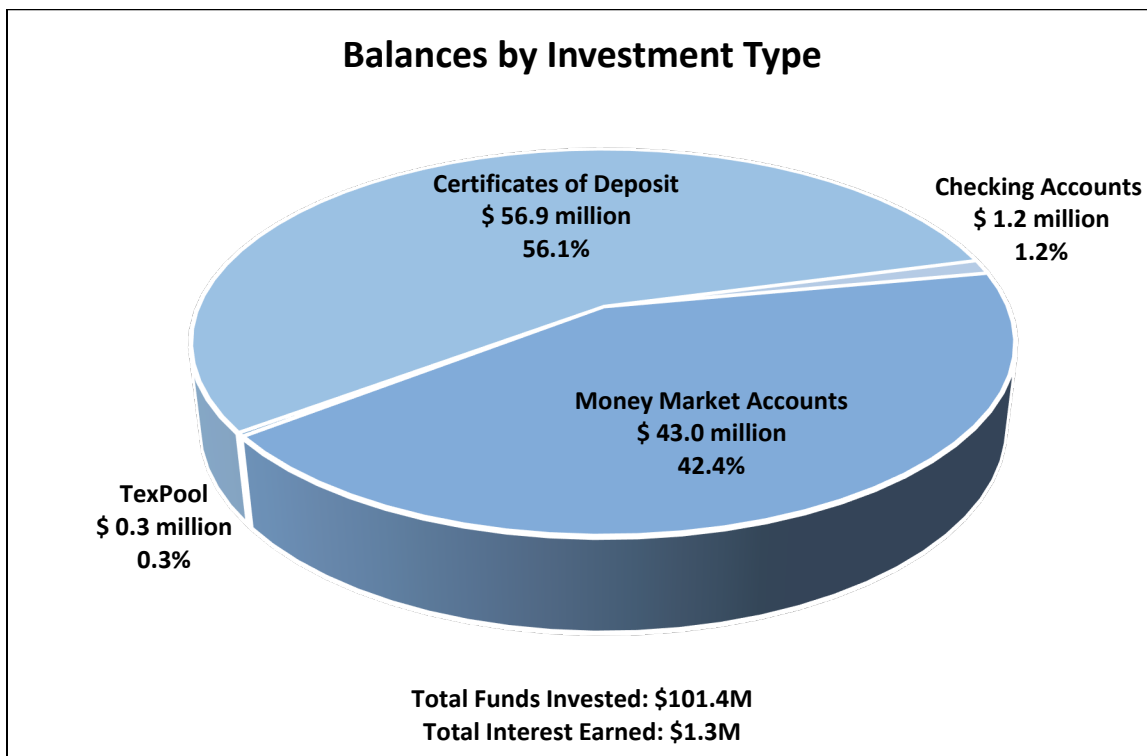


Finance Department Memo

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: June 3, 2024

Re: Investment Report for the quarter ending March 31, 2024

Attached is the Quarterly Investment Report for the quarter ending March 31, 2024. 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 | 5.52% |
| TexPool | 5.32% |
| Certificates of Deposit | 5.29% |

| | |
|-----------------------------|-------|
| Average interest rate yield | 5.33% |
| TexPool (benchmark) | 5.32% |



The City of
SACHSE

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

March 31, 2024

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 | December 31, 2023 | | March 31, 2024 | | |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------|
| | Book Value | Market Value | Book Value | Market Value | Ave. Yield |
| Demand Deposit/ Money Market/Pool | \$ 42,056,757 | \$ 42,056,757 | \$ 44,527,115 | \$ 44,527,115 | 5.37% |
| CDs/Securities | 60,028,446 | 60,028,446 | 56,864,319 | 56,864,319 | 5.29% |
| Totals | \$ 102,085,203 | \$ 102,085,203 | \$ 101,391,434 | \$ 101,391,434 | 5.33% |

Current Quarter Average Yield (1)

Total Portfolio 5.33%

Weighted Average Maturity 113 days

Rolling Three Month Treasury 5.46%
 Rolling Six Month Treasury 5.37%
 TexPool 5.32%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 5.30%

Rolling Three Month Treasury 5.49%
 Rolling Six Month Treasury 5.43%
 TexPool 5.34%

Interest Earnings (Approximate)

| | City | EDC |
|-----------------------|--------------|------------|
| Interest Earnings QTR | \$ 1,269,008 | \$ 68,876 |
| Interest Earnings YTD | \$ 2,400,107 | \$ 132,643 |

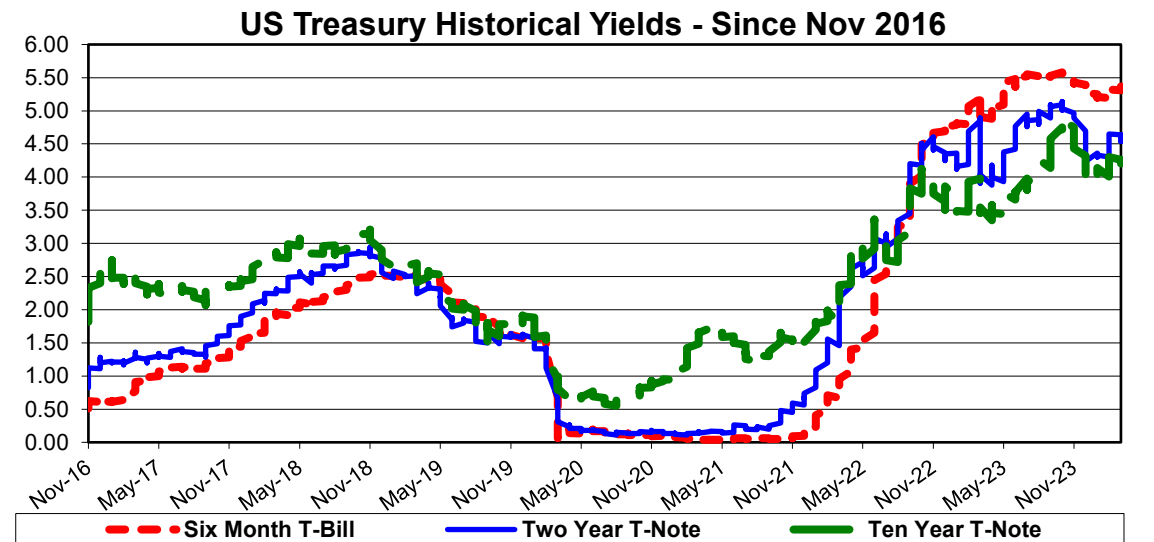
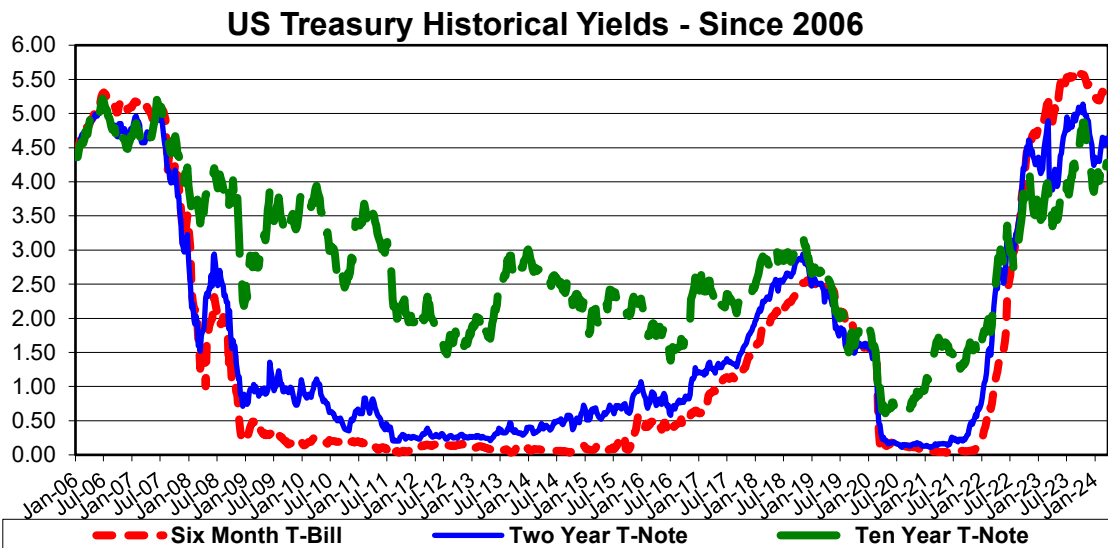
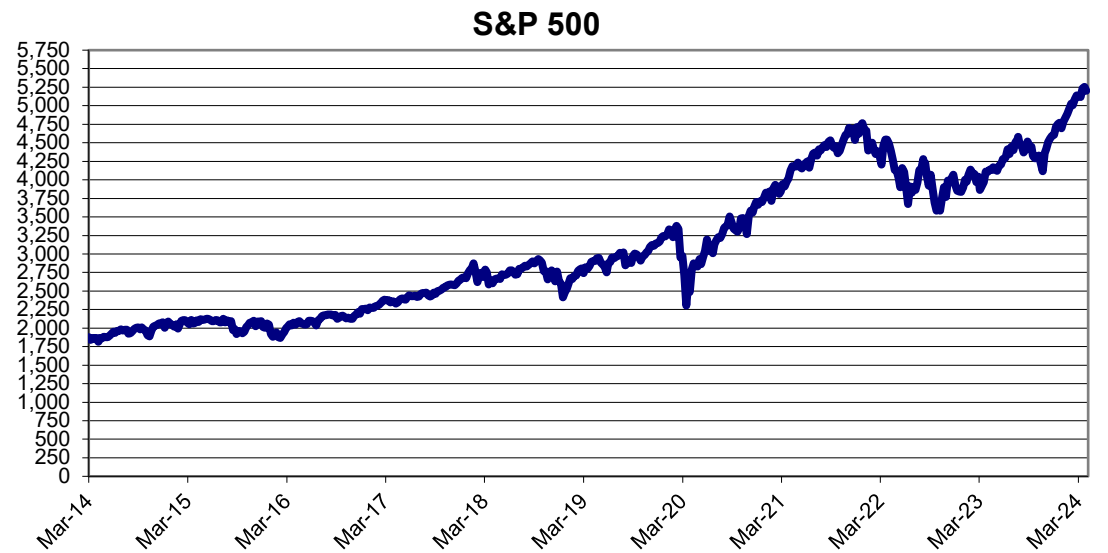
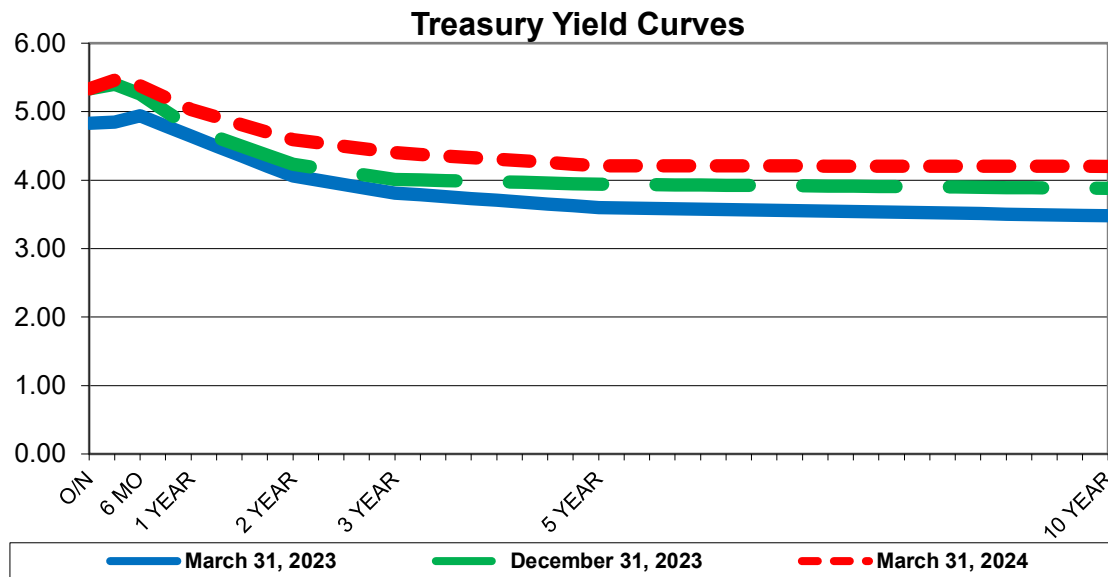
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(2) Fiscal Year-to-Date Weighted Average Yields - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Overview

3/31/2024

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range 5.25% - 5.50% (Effective Fed Funds are trading +/-5.33%). All expectations are for reduced future rates, but any actions will be meeting-by-meeting and "data-dependent." Fourth Quarter 2023 GDP recorded a stronger than expected 3.4%. The S&P 500 Stock Index reached another new high closing over 5,200. The yield curve remains inverted but longer yields rose slightly. Crude Oil traded over \$87 per barrel. Inflation stubbornly remained above the FOMC 2% target (Core PCE +/-2.8% and Core CPI +/-3.8%). Reduced global economic outlooks and ongoing/expanding military conflicts continue increasing uncertainty.



Investment Holdings

March 31, 2024

| Description | Rating | Coupon/ Discount | Maturity Date | Settlement Date | Book Value | Market Price | Market Value | Life (days) | Yield |
|---|--------|---------------------|------------------|--------------------|-----------------------|-----------------|-----------------------|----------------|--------------|
| <u>Checking Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas Checking | | 0.00% | 04/01/24 | 03/31/24 | \$ 1,203,417 | 1.00 | \$ 1,203,417 | 1 | 0.00% |
| <u>Money Market Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas | | 3.91% | 04/01/24 | 03/31/24 | 456,846 | 1.00 | 456,846 | 1 | 3.91% |
| NexBank IntraFi | | 5.55% | 04/01/24 | 03/31/24 | 31,818,055 | 1.00 | 31,818,055 | 1 | 5.55% |
| Texas Bank | | 5.50% | 04/01/24 | 03/31/24 | 10,750,547 | 1.00 | 10,750,547 | 1 | 5.50% |
| <u>Local Government Investment Pools</u> | | | | | | | | | |
| TexPool | AAAm | 5.32% | 04/01/24 | 03/31/24 | 298,251 | 1.00 | 298,251 | 1 | 5.32% |
| <u>Certificates of Deposit</u> | | | | | | | | | |
| East West Bank 0248 | | 5.57% | 04/05/24 | 07/05/23 | 5,211,095 | 100.00 | 5,211,095 | 5 | 5.73% |
| East West Bank 1557 | | 5.31% | 06/13/24 | 06/13/23 | 5,217,719 | 100.00 | 5,217,719 | 74 | 5.45% |
| East West Bank 3829 | | 5.48% | 07/05/24 | 07/05/23 | 5,207,615 | 100.00 | 5,207,615 | 96 | 5.63% |
| American Nat'l Bank & Trust 7787 | | 4.50% | 07/24/24 | 01/24/23 | 6,322,147 | 100.00 | 6,322,147 | 115 | 4.59% |
| East West Bank 0647 | | 5.44% | 09/26/24 | 03/26/24 | 5,004,473 | 100.00 | 5,004,473 | 179 | 5.59% |
| East West Bank 6187 | | 5.61% | 10/07/24 | 10/05/23 | 7,494,863 | 100.00 | 7,494,863 | 190 | 5.77% |
| Texas Bank 0374 | | 4.94% | 12/19/24 | 12/21/23 | 6,083,338 | 100.00 | 6,083,338 | 263 | 5.06% |
| Veritex Community Bank 5562 | | 4.94% | 01/16/25 | 01/16/24 | 10,101,837 | 100.00 | 10,101,837 | 291 | 5.05% |
| BOK Financial 3645 | | 4.93% | 06/12/25 | 06/15/23 | 1,040,060 | 100.00 | 1,040,060 | 438 | 5.05% |
| BOK Financial 2643 | | 4.93% | 07/03/25 | 07/06/23 | 518,558 | 100.00 | 518,558 | 459 | 5.05% |
| BOK Financial 3602 | | 4.93% | 07/10/25 | 07/13/23 | 4,662,614 | 100.00 | 4,662,614 | 466 | 5.05% |
| | | | | | \$ 101,391,434 | | \$ 101,391,434 | 113 | 5.33% |
| | | | | | | | | (1) | (2) |

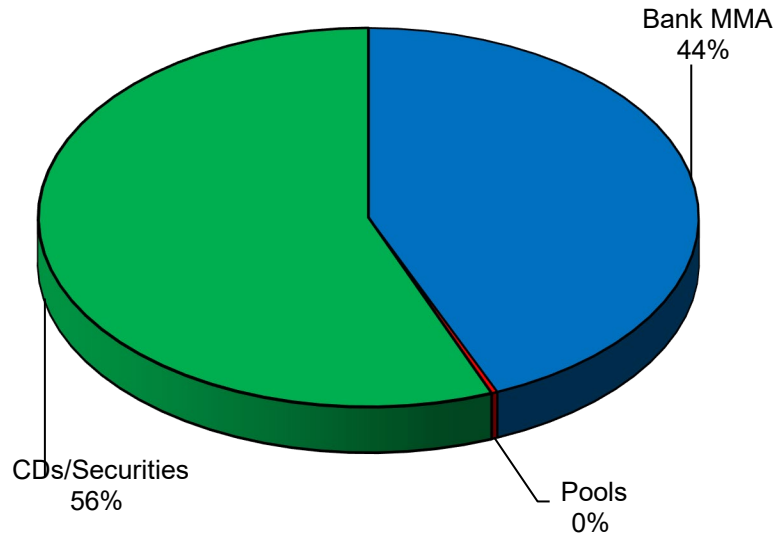
(1) **Weighted average life** - For purposes of calculating weighted average life, pool investments are assumed to have a one day maturity.

(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.

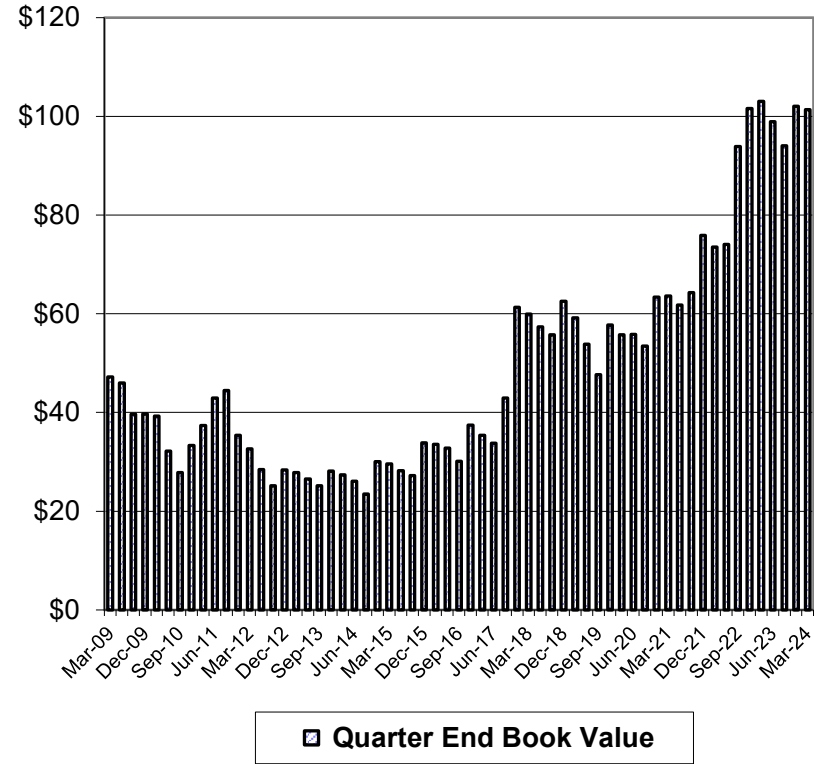
Book & Market Value Comparison

| Issuer/Description | Yield | Maturity Date | Book Value 12/31/23 | Increases | Decreases | Book Value 03/31/24 | Market Value 12/31/23 | Change in Market Value | Market Value 03/31/24 |
|---|--------------|---------------|------------------------|----------------------|------------------------|------------------------|--------------------------|---------------------------|--------------------------|
| <u>Checking Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas | 0.00% | 04/01/24 | \$ 1,014,755 | \$ 188,662 | \$ - | \$ 1,203,417 | \$ 1,014,755 | \$ 188,662 | \$ 1,203,417 |
| <u>Money Market Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas | 3.91% | 04/01/24 | 452,500 | 4,345 | - | 456,846 | 452,500 | 4,345 | 456,846 |
| NexBank IntraFi | 5.55% | 04/01/24 | 29,690,709 | 2,127,346 | - | 31,818,055 | 29,690,709 | 2,127,346 | 31,818,055 |
| Texas Bank | 5.50% | 04/01/24 | 10,604,470 | 146,077 | - | 10,750,547 | 10,604,470 | 146,077 | 10,750,547 |
| <u>Local Government Investment Pools</u> | | | | | | | | | |
| TexPool | 5.32% | 04/01/24 | 294,323 | 3,928 | - | 298,251 | 294,323 | 3,928 | 298,251 |
| <u>Certificates of Deposit</u> | | | | | | | | | |
| Veritex Community Bank 5162 | 4.87% | 01/09/24 | 3,142,498 | - | (3,142,498) | - | 3,142,498 | (3,142,498) | - |
| Veritex Community Bank 5165 | 4.84% | 01/23/24 | 7,317,451 | - | (7,317,451) | - | 7,317,451 | (7,317,451) | - |
| American Nat'l Bank & Trust 7350 | 4.33% | 03/07/24 | 5,253,807 | - | (5,253,807) | - | 5,253,807 | (5,253,807) | - |
| East West Bank 3409 | 5.62% | 03/12/24 | 3,092,662 | - | (3,092,662) | - | 3,092,662 | (3,092,662) | - |
| East West Bank 0248 | 5.73% | 04/05/24 | 5,139,235 | 71,860 | - | 5,211,095 | 5,139,235 | 71,860 | 5,211,095 |
| East West Bank 1557 | 5.45% | 06/13/24 | 5,149,104 | 68,615 | - | 5,217,719 | 5,149,104 | 68,615 | 5,217,719 |
| East West Bank 3829 | 5.63% | 07/05/24 | 5,136,955 | 70,660 | - | 5,207,615 | 5,136,955 | 70,660 | 5,207,615 |
| American Nat'l Bank & Trust 7787 | 4.59% | 07/24/24 | 6,251,745 | 70,402 | - | 6,322,147 | 6,251,745 | 70,402 | 6,322,147 |
| East West Bank 0647 | 5.59% | 09/26/24 | - | 5,004,473 | - | 5,004,473 | - | 5,004,473 | 5,004,473 |
| East West Bank 6187 | 5.77% | 10/07/24 | 7,390,773 | 104,090 | - | 7,494,863 | 7,390,773 | 104,090 | 7,494,863 |
| Texas Bank 0374 | 5.06% | 12/19/24 | 6,008,932 | 74,406 | - | 6,083,338 | 6,008,932 | 74,406 | 6,083,338 |
| Veritex Community Bank 5562 | 5.05% | 01/16/25 | - | 10,101,837 | - | 10,101,837 | - | 10,101,837 | 10,101,837 |
| BOK Financial 3645 | 5.05% | 06/12/25 | 1,027,363 | 12,697 | - | 1,040,060 | 1,027,363 | 12,697 | 1,040,060 |
| BOK Financial 2643 | 5.05% | 07/03/25 | 512,228 | 6,330 | - | 518,558 | 512,228 | 6,330 | 518,558 |
| BOK Financial 3602 | 5.05% | 07/10/25 | 4,605,694 | 56,920 | - | 4,662,614 | 4,605,694 | 56,920 | 4,662,614 |
| TOTAL / AVERAGE | 5.33% | | \$ 102,085,203 | \$ 18,112,648 | \$ (18,806,417) | \$ 101,391,434 | \$ 102,085,203 | \$ (693,769) | \$ 101,391,434 |

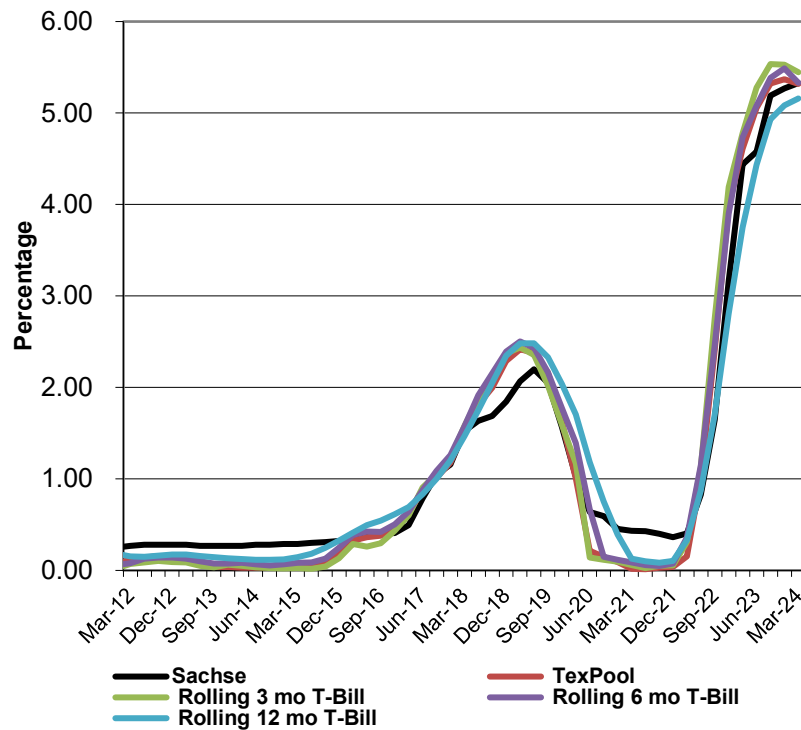
Portfolio Composition



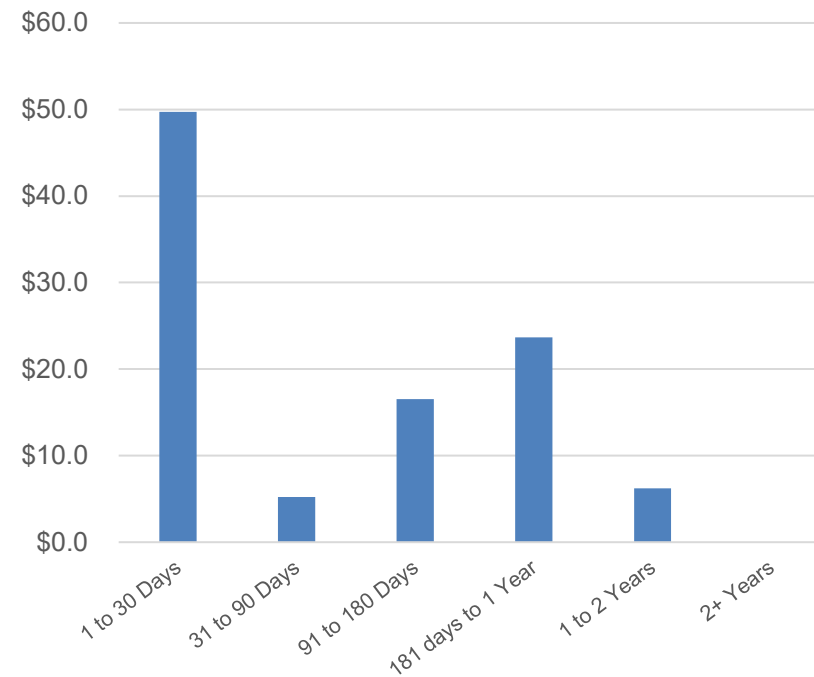
Total Portfolio (Millions)



Total Portfolio Performance



Distribution by Maturity (Millions)



FUND EQUITY IN POOLED CASH AND INVESTMENT

| FUND | FUND NAME | 12/31/2023 | 3/31/2024 | Percent | Quarterly Change |
|--|---|-----------------------|-----------------------|----------------|-------------------------|
| 01 | General Fund | \$ 19,727,742 | \$ 21,843,966 | 21.53% | \$ 2,116,225 |
| 02 | Utility Fund | 22,820,568 | 21,239,866 | 20.95% | (1,580,702) |
| 03 | Debt Service | 5,597,589 | 3,419,815 | 3.37% | (2,177,774) |
| 04 | Capital Projects | 11,846,895 | 13,823,710 | 13.63% | 1,976,815 |
| 05 | Special Revenue Fund | 853,502 | 879,557 | 0.87% | 26,055 |
| 06 | Sachse Economic Development (EDC) | 5,181,153 | 5,402,458 | 5.33% | 221,305 |
| 09 | TIRZ 1 - PGBT | 10,150 | 10,284 | 0.01% | 134 |
| 10 | Impact Fees | 9,015,791 | 9,028,962 | 8.91% | 13,171 |
| 11 | Street Maintenance | 1,930,974 | 2,147,145 | 2.12% | 216,172 |
| 12 | Vehicle Equipment Replacement Fund (VERF) | 2,492,391 | 2,737,217 | 2.70% | 244,827 |
| 13 | Sachse Municipal Development District (MDD) | 329,177 | 522,219 | 0.52% | 193,041 |
| 14 | TIRZ 2 - The Station | 170,255 | 168,919 | 0.17% | (1,336) |
| 15 | Health Insurance | 950,459 | 932,234 | 0.92% | (18,225) |
| 16 | Station O&M PID | 119,685 | 80,987 | 0.08% | (38,698) |
| 17 | American Rescue Plan Act (ARPA) | 4,167,657 | 3,194,998 | 3.15% | (972,659) |
| 18 | Hotel Occupancy Tax | 34,284 | 38,461 | 0.04% | 4,177 |
| 19 | TIRZ 3 - Highway 78 | 534,591 | 541,504 | 0.53% | 6,914 |
| 21 | 2022 Bond Construction Fund | 16,302,342 | 15,379,131 | 15.17% | (923,211) |
| TOTAL POOLED CASH AND INVESTMENTS | | \$ 102,085,203 | \$ 101,391,434 | 100.00% | \$ (693,769) |

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 (although may be subject to an early withdrawal penalty). The City's funds are swept into the above accounts and are withdrawn as needed for operational cash flow requirements.



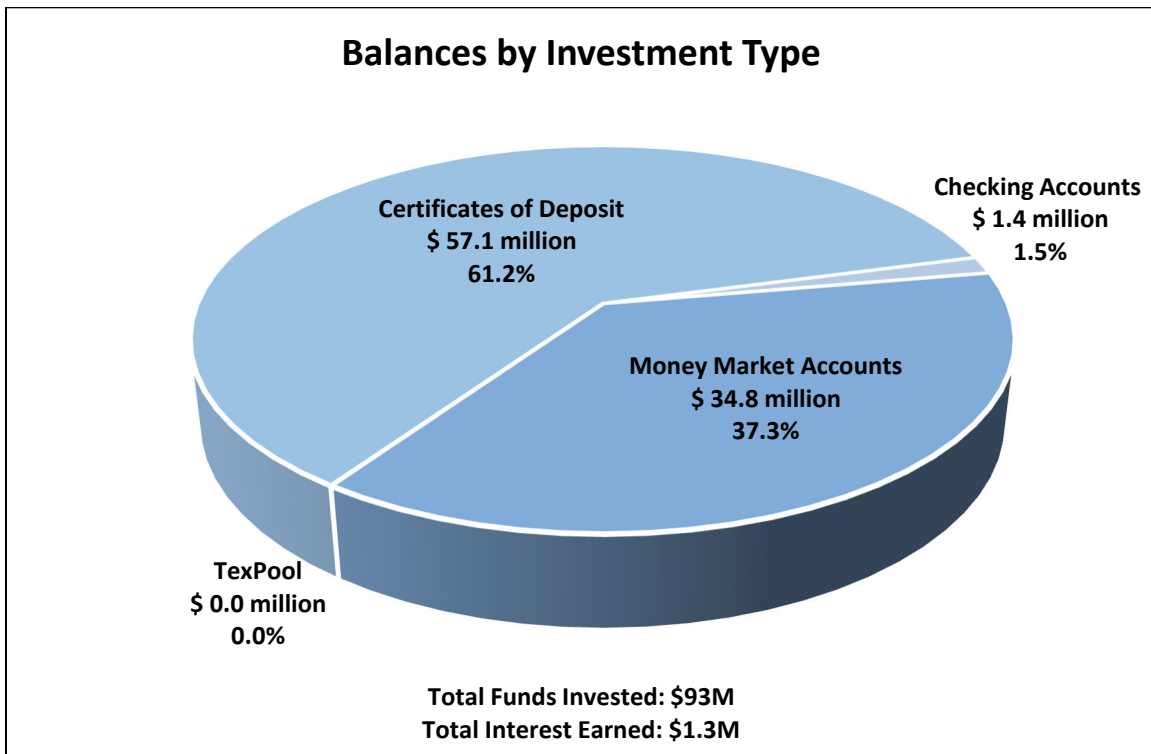
To: Gina Nash, City Manager
From: David Baldwin, Director of Finance
Ryan Bredehoeft, Assistant Director of Finance
Katelyn Ellis, Senior Accountant

CC: Mayor and City Council

Date: September 3, 2024

Re: Investment Report for the quarter ending June 30, 2024

Attached is the Quarterly Investment Report for the quarter ending June 30, 2024. 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 | 5.51% |
| TexPool | 5.31% |
| Certificates of Deposit | 5.28% |

| | |
|-----------------------------|-------|
| Average interest rate yield | 5.29% |
| TexPool (benchmark) | 5.31% |



The City of
SACHSE

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

June 30, 2024

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 | March 31, 2024 | | June 30, 2024 | | |
|-----------------------------------|-----------------------|-----------------------|----------------------|----------------------|------------|
| | Book Value | Market Value | Book Value | Market Value | Ave. Yield |
| Demand Deposit/ Money Market/Pool | \$ 44,527,115 | \$ 44,527,115 | \$ 36,162,531 | \$ 36,162,531 | 5.31% |
| CDs/Securities | 56,864,319 | 56,864,319 | 57,100,192 | 57,100,192 | 5.28% |
| Totals | \$ 101,391,434 | \$ 101,391,434 | \$ 93,262,722 | \$ 93,262,722 | 5.29% |

Current Quarter Average Yield (1)

Total Portfolio 5.29%

Weighted Average Maturity 98 days

Rolling Three Month Treasury 5.47%
 Rolling Six Month Treasury 5.34%
 TexPool 5.31%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 5.30%

Rolling Three Month Treasury 5.48%
 Rolling Six Month Treasury 5.40%
 TexPool 5.33%

Interest Earnings (Approximate)

| | City | EDC |
|-----------------------|--------------|------------|
| Interest Earnings QTR | \$ 1,175,896 | \$ 77,784 |
| Interest Earnings YTD | \$ 3,576,003 | \$ 210,427 |

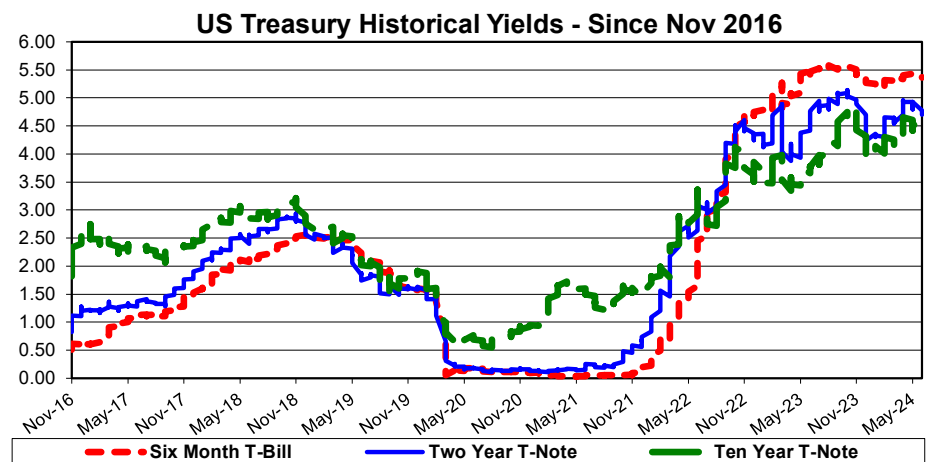
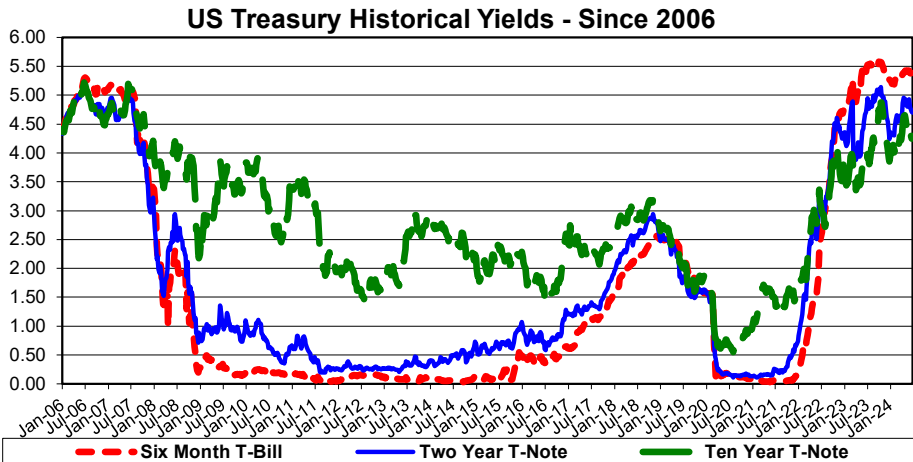
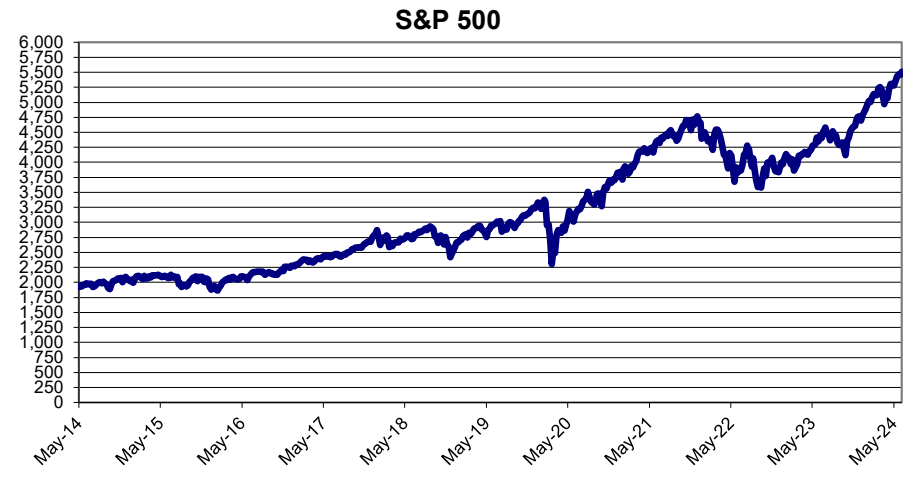
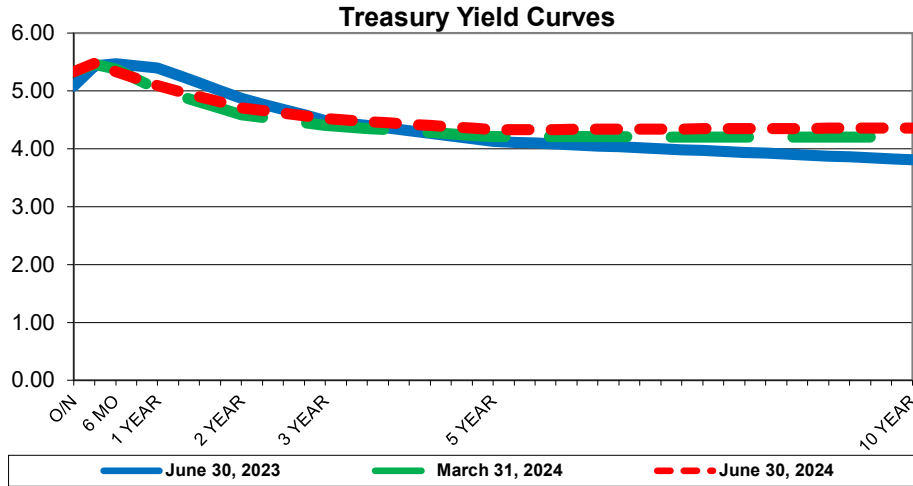
(1) Current Quarter Weighted Average Yield - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis; realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool,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

6/30/2024

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range 5.25% - 5.50% (Effective Fed Funds are trading +/-5.33%). Expectations are for reduced future rates, but any actions will be meeting-by-meeting and "data-dependent." June Non-Farm Payroll slightly exceeded expectations at 206k new jobs, but the previous two months were revised down causing the Three Month Rolling Average to fall to 177k. Final First Quarter 2024 GDP reported +1.4%. The S&P 500 Stock Index created new highs above +/-5,500. The yield curve remains inverted but longer yields rose slightly. Crude Oil trades over \$80 per barrel. Inflation declined slightly but remains above the FOMC 2% target (Core PCE +/-2.6% and Core CPI +/-3.4%). Reduced global economic outlooks and ongoing/expanding military conflicts continue increasing uncertainty.



Investment Holdings

June 30, 2024

| Description | Rating | Coupon/ Discount | Maturity Date | Settlement Date | Book Value | Market Price | Market Value | Life (days) | Yield |
|---------------------------------------|--------|---------------------|------------------|--------------------|----------------------|-----------------|-----------------|----------------|--------------|
| <u>Checking Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas Checking | | 0.00% | 07/01/24 | 06/30/24 | \$ 1,357,409 | 1.00 | \$ 1,357,409 | 1 | 0.00% |
| <u>Money Market Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas | | 3.91% | 07/01/24 | 06/30/24 | 713,342 | 1.00 | 713,342 | 1 | 3.91% |
| NexBank IntraFi | | 5.55% | 07/01/24 | 06/30/24 | 31,248,647 | 1.00 | 31,248,647 | 1 | 5.55% |
| Texas Bank | | 5.50% | 07/01/24 | 06/30/24 | 2,843,133 | 1.00 | 2,843,133 | 1 | 5.50% |
| <u>Certificates of Deposit</u> | | | | | | | | | |
| East West Bank 3829 | | 5.48% | 07/05/24 | 07/05/23 | 5,279,247 | 100.00 | 5,279,247 | 5 | 5.63% |
| American Nat'l Bank & Trust 7787 | | 4.50% | 07/24/24 | 01/24/23 | 6,394,127 | 100.00 | 6,394,127 | 24 | 4.59% |
| East West Bank 0647 | | 5.44% | 09/26/24 | 03/26/24 | 5,072,805 | 100.00 | 5,072,805 | 88 | 5.59% |
| East West Bank 6187 | | 5.61% | 10/07/24 | 10/05/23 | 7,600,418 | 100.00 | 7,600,418 | 99 | 5.77% |
| East West Bank 4112 | | 5.42% | 10/09/24 | 04/09/24 | 5,062,001 | 100.00 | 5,062,001 | 101 | 5.57% |
| Texas Bank 0374 | | 4.94% | 12/19/24 | 12/21/23 | 6,158,666 | 100.00 | 6,158,666 | 172 | 5.06% |
| Veritex Community Bank 5562 | | 4.94% | 01/16/25 | 01/16/24 | 10,226,764 | 100.00 | 10,226,764 | 200 | 5.05% |
| BOK Financial 3645 | | 4.93% | 06/12/25 | 06/15/23 | 1,052,914 | 100.00 | 1,052,914 | 347 | 5.05% |
| BOK Financial 3646 | | 5.34% | 06/20/25 | 06/20/24 | 5,008,046 | 100.00 | 5,008,046 | 355 | 5.48% |
| BOK Financial 2643 | | 4.93% | 07/03/25 | 07/06/23 | 524,967 | 100.00 | 524,967 | 368 | 5.05% |
| BOK Financial 3602 | | 4.93% | 07/10/25 | 07/13/23 | 4,720,238 | 100.00 | 4,720,238 | 375 | 5.05% |
| | | | | | \$ 93,262,722 | | | 98 | 5.29% |
| | | | | | | | | (1) | (2) |

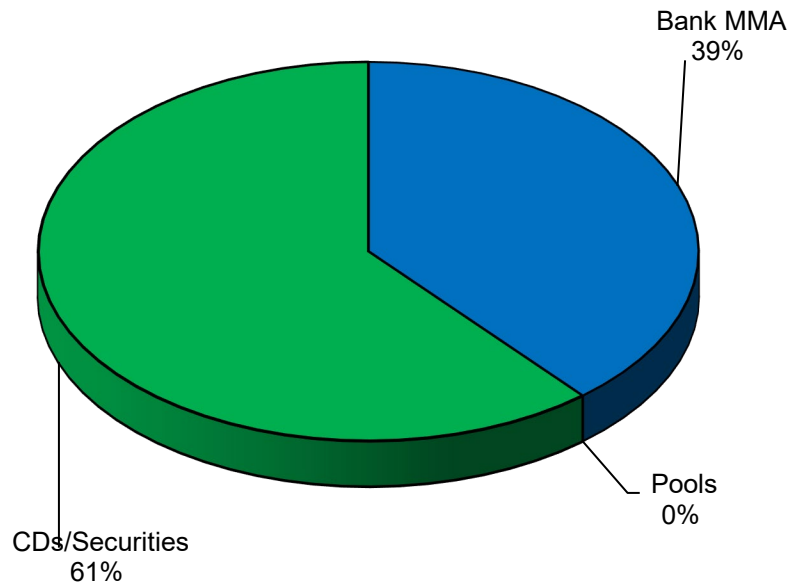
(1) **Weighted average life** - For purposes of calculating weighted average life, pool investments are assumed to have a one day maturity.

(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.

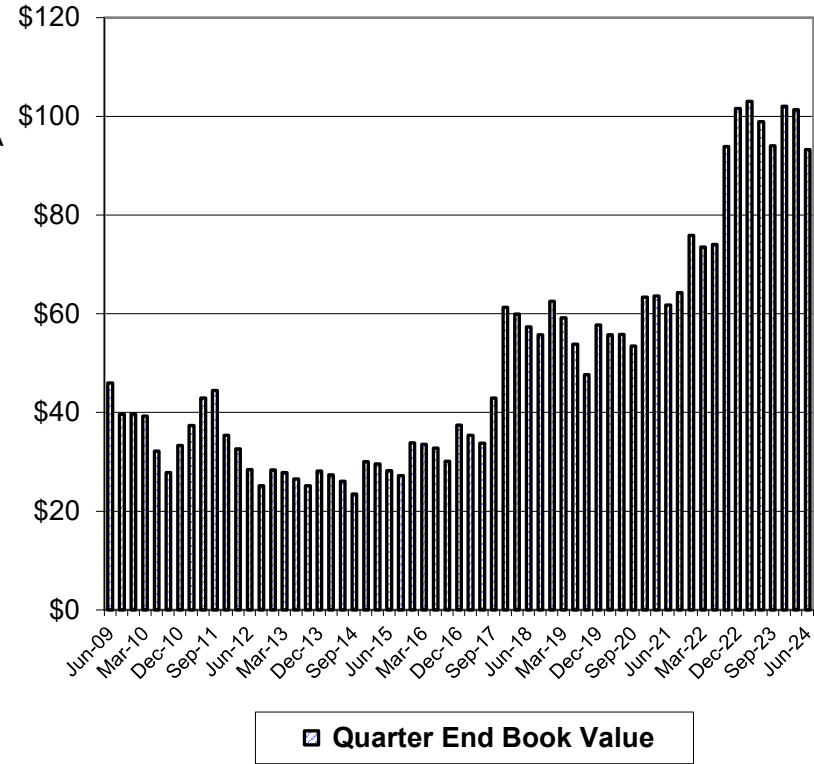
Book & Market Value Comparison

| Issuer/Description | Yield | Maturity Date | Book Value 03/31/24 | Increases | Decreases | Book Value 06/30/24 | Market Value 03/31/24 | Change in Market Value | Market Value 06/30/24 |
|---|--------------|---------------|------------------------|----------------------|------------------------|------------------------|--------------------------|---------------------------|--------------------------|
| <u>Checking Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas | 0.00% | 07/01/24 | \$ 1,203,417 | \$ 153,992 | \$ - | \$ 1,357,409 | \$ 1,203,417 | \$ 153,992 | \$ 1,357,409 |
| <u>Money Market Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas | 3.91% | 07/01/24 | 456,846 | 256,497 | - | 713,342 | 456,846 | 256,497 | 713,342 |
| NexBank IntraFi | 5.55% | 07/01/24 | 31,818,055 | - | (569,408) | 31,248,647 | 31,818,055 | (569,408) | 31,248,647 |
| Texas Bank | 5.50% | 07/01/24 | 10,750,547 | - | (7,907,414) | 2,843,133 | 10,750,547 | (7,907,414) | 2,843,133 |
| <u>Local Government Investment Pools</u> | | | | | | | | | |
| TexPool | 5.31% | 07/01/24 | 298,251 | - | (298,251) | - | 298,251 | (298,251) | - |
| <u>Certificates of Deposit</u> | | | | | | | | | |
| East West Bank 0248 | 5.73% | 04/05/24 | 5,211,095 | - | (5,211,095) | - | 5,211,095 | (5,211,095) | - |
| East West Bank 1557 | 5.45% | 06/13/24 | 5,217,719 | - | (5,217,719) | - | 5,217,719 | (5,217,719) | - |
| East West Bank 3829 | 5.63% | 07/05/24 | 5,207,615 | 71,632 | - | 5,279,247 | 5,207,615 | 71,632 | 5,279,247 |
| American Nat'l Bank & Trust 7787 | 4.59% | 07/24/24 | 6,322,147 | 71,980 | - | 6,394,127 | 6,322,147 | 71,980 | 6,394,127 |
| East West Bank 0647 | 5.59% | 09/26/24 | 5,004,473 | 68,332 | - | 5,072,805 | 5,004,473 | 68,332 | 5,072,805 |
| East West Bank 6187 | 5.77% | 10/07/24 | 7,494,863 | 105,556 | - | 7,600,418 | 7,494,863 | 105,556 | 7,600,418 |
| East West Bank 4112 | 5.57% | 10/09/24 | - | 5,062,001 | - | 5,062,001 | - | 5,062,001 | 5,062,001 |
| Texas Bank 0374 | 5.06% | 12/19/24 | 6,083,338 | 75,328 | - | 6,158,666 | 6,083,338 | 75,328 | 6,158,666 |
| Veritex Community Bank 5562 | 5.05% | 01/16/25 | 10,101,837 | 124,927 | - | 10,226,764 | 10,101,837 | 124,927 | 10,226,764 |
| BOK Financial 3645 | 5.05% | 06/12/25 | 1,040,060 | 12,854 | - | 1,052,914 | 1,040,060 | 12,854 | 1,052,914 |
| BOK Financial 3646 | 5.48% | 06/20/25 | - | 5,008,046 | - | 5,008,046 | - | 5,008,046 | 5,008,046 |
| BOK Financial 2643 | 5.05% | 07/03/25 | 518,558 | 6,409 | - | 524,967 | 518,558 | 6,409 | 524,967 |
| BOK Financial 3602 | 5.05% | 07/10/25 | 4,662,614 | 57,623 | - | 4,720,238 | 4,662,614 | 57,623 | 4,720,238 |
| TOTAL / AVERAGE | 5.29% | | \$ 101,391,434 | \$ 11,075,176 | \$ (19,203,887) | \$ 93,262,722 | \$ 101,391,434 | \$ (8,128,712) | \$ 93,262,722 |

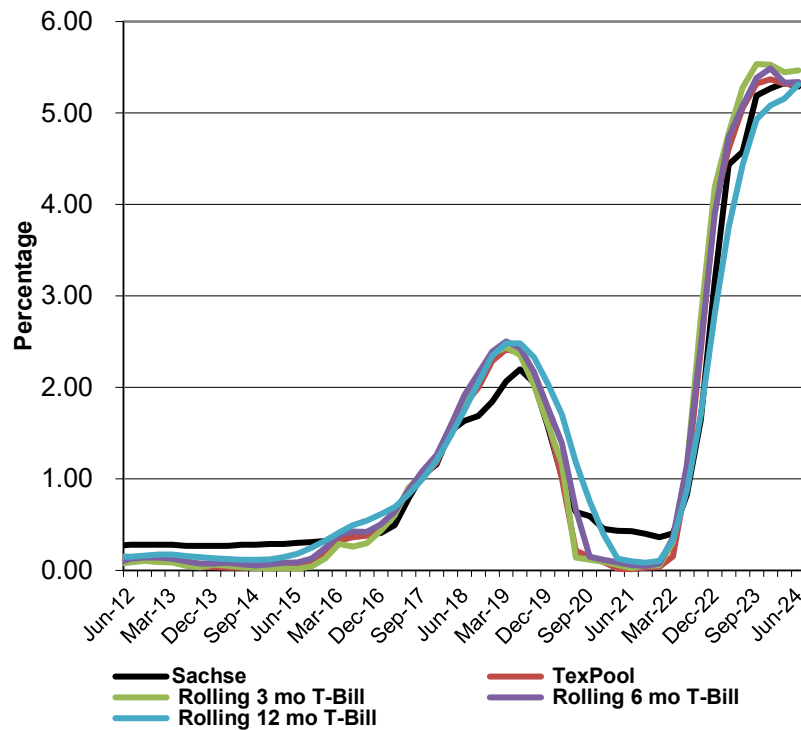
Portfolio Composition



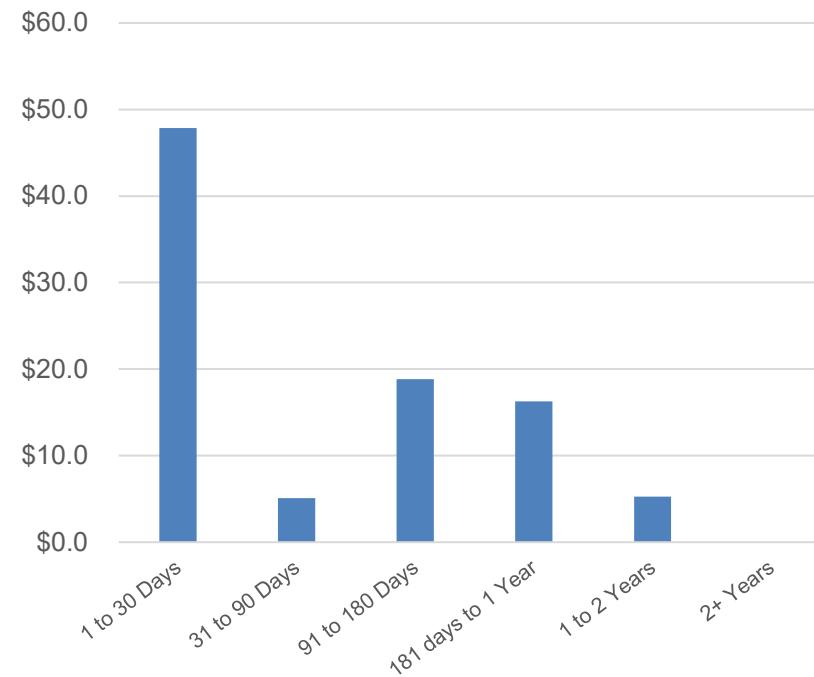
Total Portfolio (Millions)



Total Portfolio Performance



Distribution by Maturity (Millions)



FUND EQUITY IN POOLED CASH AND INVESTMENT

| FUND | FUND NAME | 3/31/2024 | 6/30/2024 | Percent | Quarterly Change |
|--|---|-----------------------|----------------------|----------------|-------------------------|
| 01 | General Fund | \$ 21,843,966 | \$ 14,986,325 | 16.07% | \$ (6,857,641) |
| 02 | Utility Fund | 21,239,866 | 20,235,380 | 21.70% | (1,004,487) |
| 03 | Debt Service | 3,419,815 | 2,901,394 | 3.11% | (518,421) |
| 04 | Capital Projects | 13,823,710 | 14,474,961 | 15.52% | 651,251 |
| 05 | Special Revenue Fund | 879,557 | 921,621 | 0.99% | 42,064 |
| 06 | Sachse Economic Development (EDC) | 5,402,458 | 6,010,871 | 6.45% | 608,413 |
| 09 | TIRZ 1 - PGBT | 10,284 | 190,396 | 0.20% | 180,112 |
| 10 | Impact Fees | 9,028,962 | 8,533,267 | 9.15% | (495,695) |
| 11 | Street Maintenance | 2,147,145 | 1,424,981 | 1.53% | (722,164) |
| 12 | Vehicle Equipment Replacement Fund (VERF) | 2,737,217 | 2,529,129 | 2.71% | (208,088) |
| 13 | Sachse Municipal Development District (MDD) | 522,219 | 385,611 | 0.41% | (136,608) |
| 14 | TIRZ 2 - The Station | 168,919 | 1,006,941 | 1.08% | 838,021 |
| 15 | Health Insurance | 932,234 | 900,899 | 0.97% | (31,335) |
| 16 | Station O&M PID | 80,987 | 75,948 | 0.08% | (5,039) |
| 17 | American Rescue Plan Act (ARPA) | 3,194,998 | 3,006,976 | 3.22% | (188,021) |
| 18 | Hotel Occupancy Tax | 38,461 | 41,367 | 0.04% | 2,906 |
| 19 | TIRZ 3 - Highway 78 | 541,504 | 1,381,140 | 1.48% | 839,636 |
| 21 | 2022 Bond Construction Fund | 15,379,131 | 14,255,515 | 15.29% | (1,123,616) |
| TOTAL POOLED CASH AND INVESTMENTS | | \$ 101,391,434 | \$ 93,262,722 | 100.00% | \$ (8,128,712) |

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.

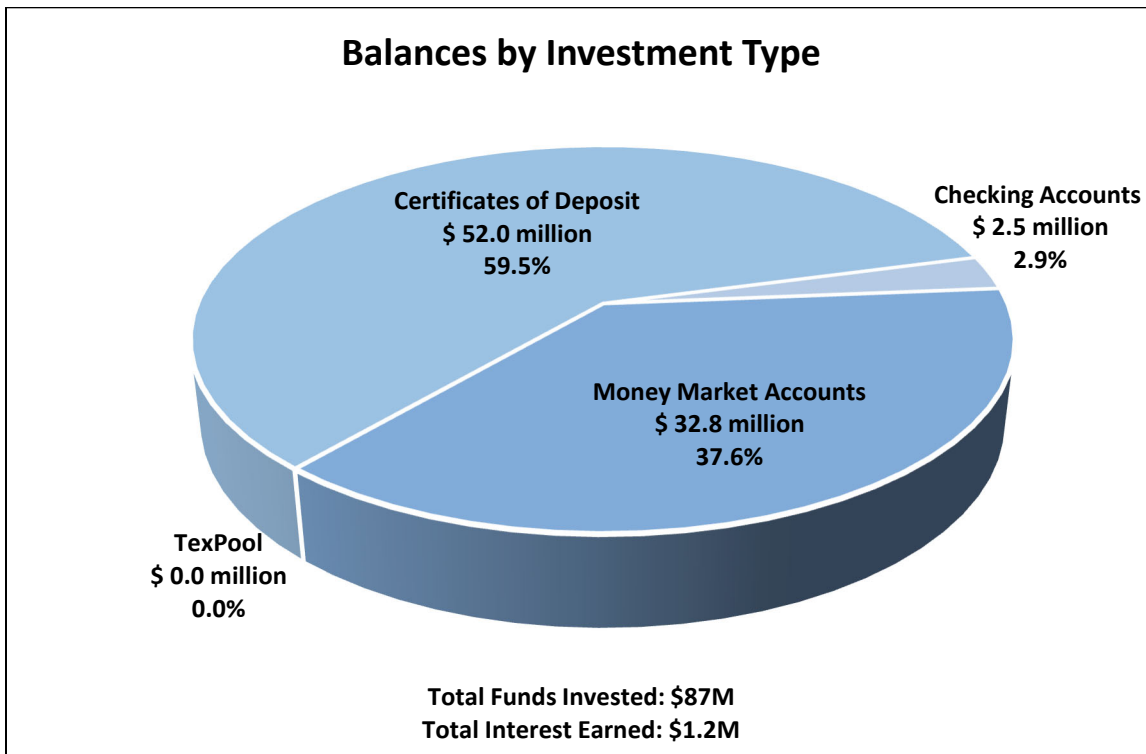
The City's investments are liquid and have same day access (although may be subject to an early withdrawal penalty). The City's funds are swept into the above accounts and are withdrawn as needed for operational cash flow requirements.



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: December 2, 2024

Re: Investment Report for the quarter ending September 30, 2024

Attached is the Quarterly Investment Report for the quarter ending September 30, 2024. 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 | 5.00% |
| TexPool | 5.16% |
| Certificates of Deposit | 5.32% |

| | |
|-----------------------------|-------|
| Average interest rate yield | 5.04% |
| TexPool (benchmark) | 5.16% |



The City of
SACHSE

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2024

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.

Annual Comparison

FYE Results by Investment Category:

| Asset Type | September 30, 2023 | | | September 30, 2024 | | |
|-----------------------------------|--------------------|----------------------|----------------------|--------------------|----------------------|----------------------|
| | Ave. Yield | Book Value | Market Value | Ave. Yield | Book Value | Market Value |
| Demand Deposit/ Money Market/Pool | 5.43% | \$ 34,589,332 | \$ 34,589,332 | 4.64% | \$ 35,312,726 | \$ 35,312,726 |
| CDs/Securities | 5.05% | 59,445,297 | 59,445,297 | 5.32% | 52,000,979 | 52,000,979 |
| Totals | | \$ 94,034,629 | \$ 94,034,629 | | \$ 87,313,706 | \$ 87,313,706 |
| Fourth Quarter-End Yield | 5.19% | | | 5.04% | | |

Average Quarter-End Yields

| | 2023 Fiscal Year | 2024 Fiscal Year |
|--|---------------------|---------------------|
| Sachse (1) | 4.34% | 5.23% |
| Rolling Three Month Treasury | 4.95% | 5.42% |
| Rolling Six Month Treasury | 4.77% | 5.34% |
| TexPool | 4.74% | 5.29% |
| Fiscal YTD Interest Earnings-City | \$ 3,827,028 | \$ 4,667,483 |
| Fiscal YTD Interest Earnings-EDC | \$ 213,742 | \$ 291,985 |

(1) Average Quarter Ends Yield - based on adjusted book value. Realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for Demand Deposit, Money Market and Pool balances. □

Summary

Quarter End Results by Investment Category:

| Asset Type | June 30, 2024 | | September 30, 2024 | | |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|------------|
| | Book Value | Market Value | Book Value | Market Value | Ave. Yield |
| Demand Deposit/ Money Market/Pool | \$ 36,162,531 | \$ 36,162,531 | \$ 35,312,726 | \$ 35,312,726 | 4.64% |
| CDs/Securities | 57,100,192 | 57,100,192 | 52,000,979 | 52,000,979 | 5.32% |
| Totals | \$ 93,262,722 | \$ 93,262,722 | \$ 87,313,706 | \$ 87,313,706 | 5.04% |

Current Quarter Average Yield (1)

Total Portfolio 5.04%

Weighted Average Maturity 93 days

Rolling Three Month Treasury 5.24%
 Rolling Six Month Treasury 5.17%
 TexPool 5.16%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 5.23%

Rolling Three Month Treasury 5.42%
 Rolling Six Month Treasury 5.34%
 TexPool 5.29%

Interest Earnings (Approximate)

| | City | EDC |
|-----------------------|--------------|------------|
| Interest Earnings QTR | \$ 1,091,480 | \$ 81,558 |
| Interest Earnings YTD | \$ 4,667,483 | \$ 291,985 |

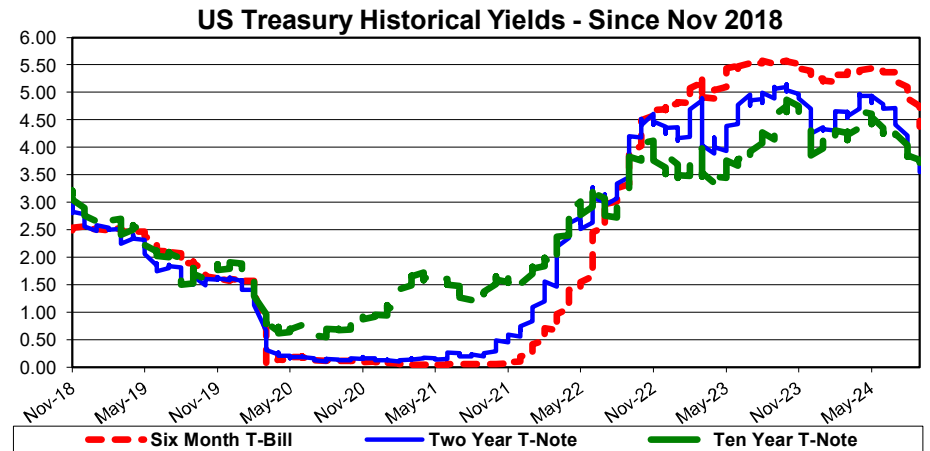
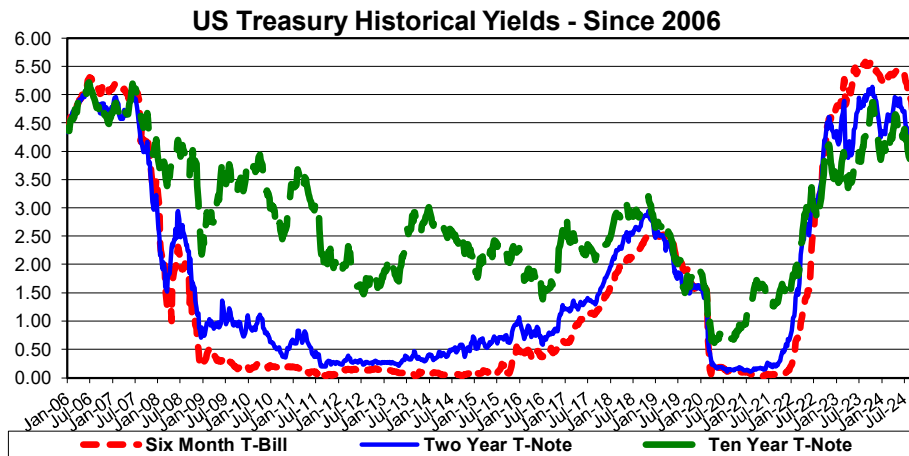
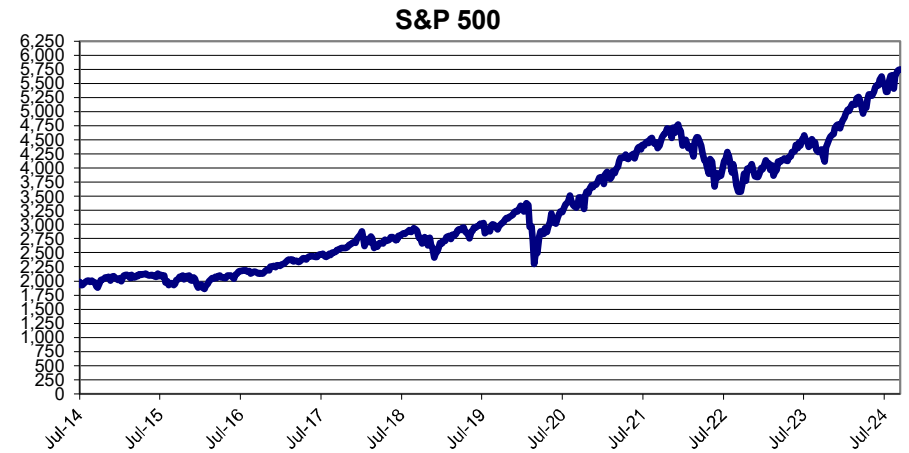
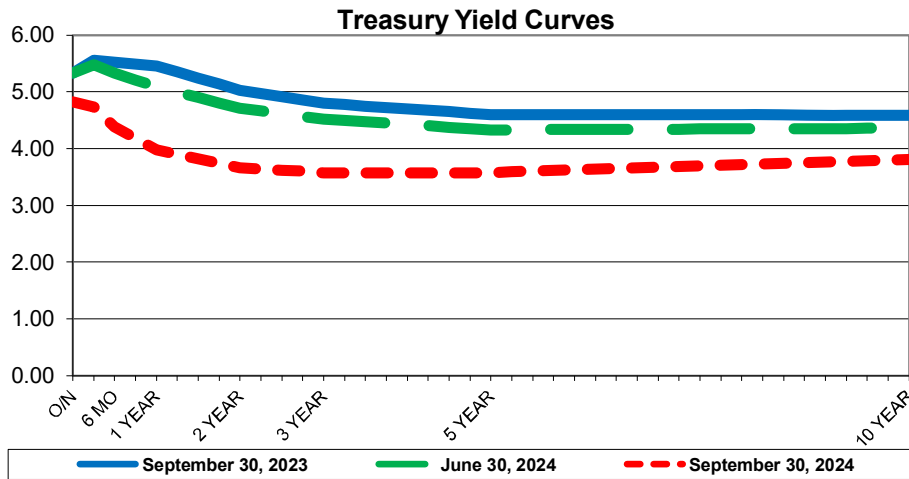
(1) Current Quarter Weighted Average Yield - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis; realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool,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

9/30/2024

The Federal Open Market Committee (FOMC) reduced the Fed Funds target range 0.50% to 4.75% - 5.00% (Effective Fed Funds trade +/-4.83%). Expectations are for two more 0.25% cuts by 12/31, although any actions will be meeting-by-meeting and "data-dependent." Sep Non-Farm Payroll surged 254k new jobs (above expectation), with the previous two months revised up boosting the Three Month Rolling Average 186k (from the previous 116k). Second Quarter 2024 GDP remained +3.0% due to increased consumer spending. The S&P 500 Stock Index exceeded 5,700 making new records. The yield curve dropped with the FOMC action and anticipated future actions. Crude Oil drifted slightly higher to +/- \$74 per barrel. Inflation remains above the FOMC 2% target (Core PCE +/-2.7% and Core CPI +/-3.2%). Declining global economic outlook, ongoing/expanding military conflicts and the domestic elections increase uncertainty.



Investment Holdings
September 30, 2024

| <u>Description</u> | <u>Rating</u> | <u>Coupon/ Discount</u> | <u>Maturity Date</u> | <u>Settlement Date</u> | <u>Book Value</u> | <u>Market Price</u> | <u>Market Value</u> | <u>Life (days)</u> | <u>Yield</u> |
|---------------------------------------|---------------|-----------------------------|--------------------------|----------------------------|-----------------------|-------------------------|-------------------------|------------------------|--------------|
| <u>Checking Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas Checking | | 0.00% | 10/01/24 | 09/30/24 | \$ 2,489,553 | 1.00 | \$ 2,489,553 | 1 | 0.00% |
| <u>Money Market Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas | | 3.85% | 10/01/24 | 09/30/24 | 103,227 | 1.00 | 103,227 | 1 | 3.85% |
| NexBank IntraFi | | 5.00% | 10/01/24 | 09/30/24 | 32,666,002 | 1.00 | 32,666,002 | 1 | 5.00% |
| Texas Bank | | 5.00% | 10/01/24 | 09/30/24 | 53,944 | 1.00 | 53,944 | 1 | 5.00% |
| <u>Certificates of Deposit</u> | | | | | | | | | |
| East West Bank 6187 | | 5.61% | 10/07/24 | 10/05/23 | 7,708,645 | 100.00 | 7,708,645 | 7 | 5.77% |
| East West Bank 4112 | | 5.42% | 10/09/24 | 04/09/24 | 5,131,625 | 100.00 | 5,131,625 | 9 | 5.57% |
| Texas Bank 0374 | | 4.94% | 12/19/24 | 12/21/23 | 6,235,769 | 100.00 | 6,235,769 | 80 | 5.06% |
| Veritex Community Bank 5562 | | 4.94% | 01/16/25 | 01/16/24 | 10,354,632 | 100.00 | 10,354,632 | 108 | 5.05% |
| BOK Financial 3645 | | 4.93% | 06/12/25 | 06/15/23 | 1,066,070 | 100.00 | 1,066,070 | 255 | 5.05% |
| BOK Financial 3646 | | 5.34% | 06/20/25 | 06/20/24 | 5,075,846 | 100.00 | 5,075,846 | 263 | 5.48% |
| BOK Financial 2643 | | 4.93% | 07/03/25 | 07/06/23 | 531,526 | 100.00 | 531,526 | 276 | 5.05% |
| BOK Financial 3602 | | 4.93% | 07/10/25 | 07/13/23 | 4,779,219 | 100.00 | 4,779,219 | 283 | 5.05% |
| Cornerstone Capital Bank 7374 | | 5.26% | 07/10/25 | 07/11/24 | 5,059,427 | 100.00 | 5,059,427 | 283 | 5.40% |
| Cornerstone Capital Bank 2023 | | 5.18% | 07/24/25 | 07/25/24 | 6,058,220 | 100.00 | 6,058,220 | 297 | 5.32% |
| | | | | | \$ 87,313,706 | | | 93 | 5.04% |
| | | | | | | | | (1) | (2) |

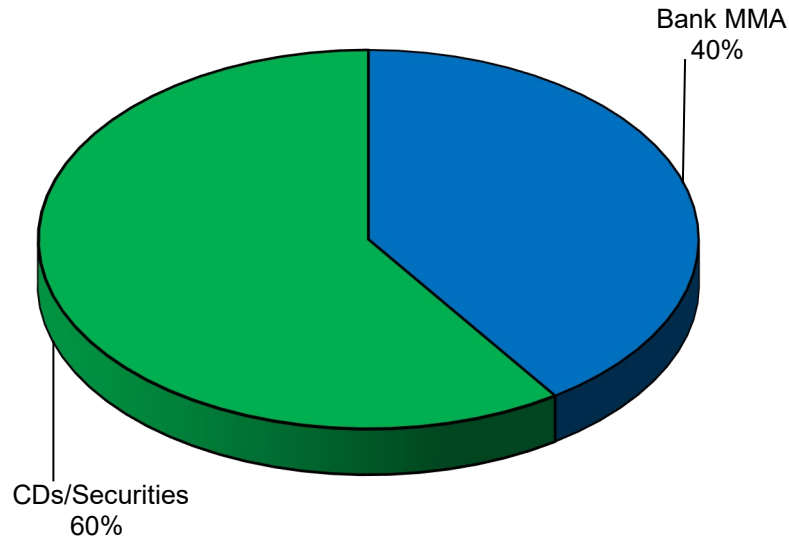
(1) **Weighted average life** - For purposes of calculating weighted average life, pool investments are assumed to have a one day maturity.

(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.

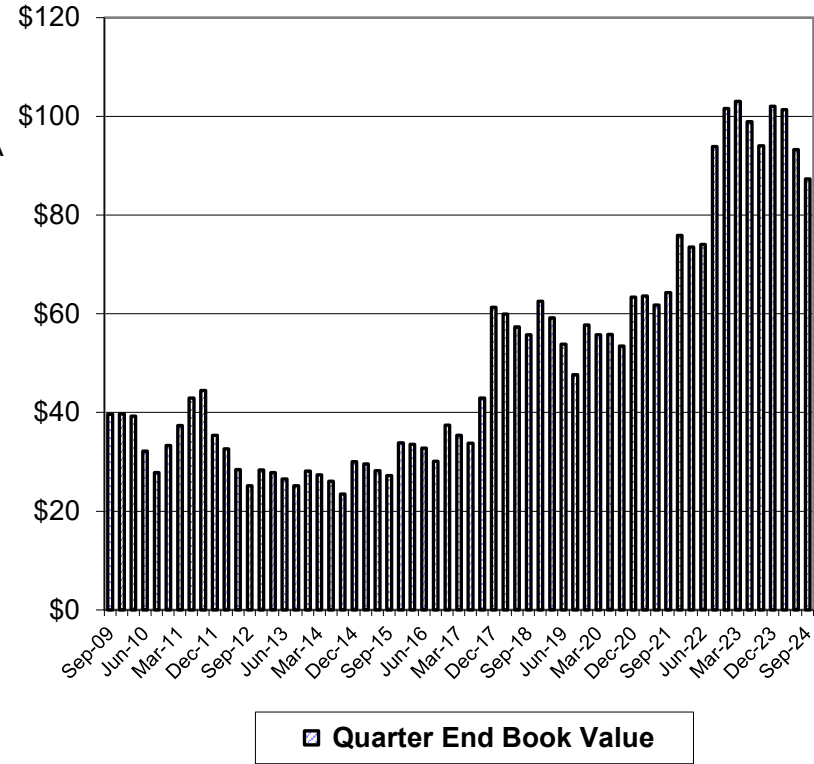
Book & Market Value Comparison

| Issuer/Description | Yield | Maturity Date | Book Value 06/30/24 | Increases | Decreases | Book Value 09/30/24 | Market Value 06/30/24 | Change in Market Value | Market Value 09/30/24 |
|---------------------------------------|--------------|---------------|------------------------|----------------------|------------------------|------------------------|--------------------------|---------------------------|--------------------------|
| <u>Checking Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas | 0.00% | 10/01/24 | \$ 1,357,409 | \$ 1,132,145 | \$ - | \$ 2,489,553 | \$ 1,357,409 | \$ 1,132,145 | \$ 2,489,553 |
| <u>Money Market Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas | 3.85% | 10/01/24 | 713,342 | - | (610,115) | 103,227 | 713,342 | (610,115) | 103,227 |
| NexBank IntraFi | 5.00% | 10/01/24 | 31,248,647 | 1,417,356 | - | 32,666,002 | 31,248,647 | 1,417,356 | 32,666,002 |
| Texas Bank | 5.00% | 10/01/24 | 2,843,133 | - | (2,789,190) | 53,944 | 2,843,133 | (2,789,190) | 53,944 |
| <u>Certificates of Deposit</u> | | | | | | | | | |
| East West Bank 3829 | 5.63% | 07/05/24 | 5,279,247 | - | (5,279,247) | - | 5,279,247 | (5,279,247) | - |
| American Nat'l Bank & Trust 7787 | 4.59% | 07/24/24 | 6,394,127 | - | (6,394,127) | - | 6,394,127 | (6,394,127) | - |
| East West Bank 0647 | 5.59% | 09/26/24 | 5,072,805 | - | (5,072,805) | - | 5,072,805 | (5,072,805) | - |
| East West Bank 6187 | 5.77% | 10/07/24 | 7,600,418 | 108,227 | - | 7,708,645 | 7,600,418 | 108,227 | 7,708,645 |
| East West Bank 4112 | 5.57% | 10/09/24 | 5,062,001 | 69,623 | - | 5,131,625 | 5,062,001 | 69,623 | 5,131,625 |
| Texas Bank 0374 | 5.06% | 12/19/24 | 6,158,666 | 77,103 | - | 6,235,769 | 6,158,666 | 77,103 | 6,235,769 |
| Veritex Community Bank 5562 | 5.05% | 01/16/25 | 10,226,764 | 127,868 | - | 10,354,632 | 10,226,764 | 127,868 | 10,354,632 |
| BOK Financial 3645 | 5.05% | 06/12/25 | 1,052,914 | 13,156 | - | 1,066,070 | 1,052,914 | 13,156 | 1,066,070 |
| BOK Financial 3646 | 5.48% | 06/20/25 | 5,008,046 | 67,800 | - | 5,075,846 | 5,008,046 | 67,800 | 5,075,846 |
| BOK Financial 2643 | 5.05% | 07/03/25 | 524,967 | 6,560 | - | 531,526 | 524,967 | 6,560 | 531,526 |
| BOK Financial 3602 | 5.05% | 07/10/25 | 4,720,238 | 58,981 | - | 4,779,219 | 4,720,238 | 58,981 | 4,779,219 |
| Cornerstone Capital Bank 7374 | 5.40% | 07/10/25 | - | 5,059,427 | - | 5,059,427 | - | 5,059,427 | 5,059,427 |
| Cornerstone Capital Bank 2023 | 5.32% | 07/24/25 | - | 6,058,220 | - | 6,058,220 | - | 6,058,220 | 6,058,220 |
| TOTAL / AVERAGE | 5.04% | | \$ 93,262,722 | \$ 14,196,466 | \$ (20,145,483) | \$ 87,313,706 | \$ 93,262,722 | \$ (5,949,017) | \$ 87,313,706 |

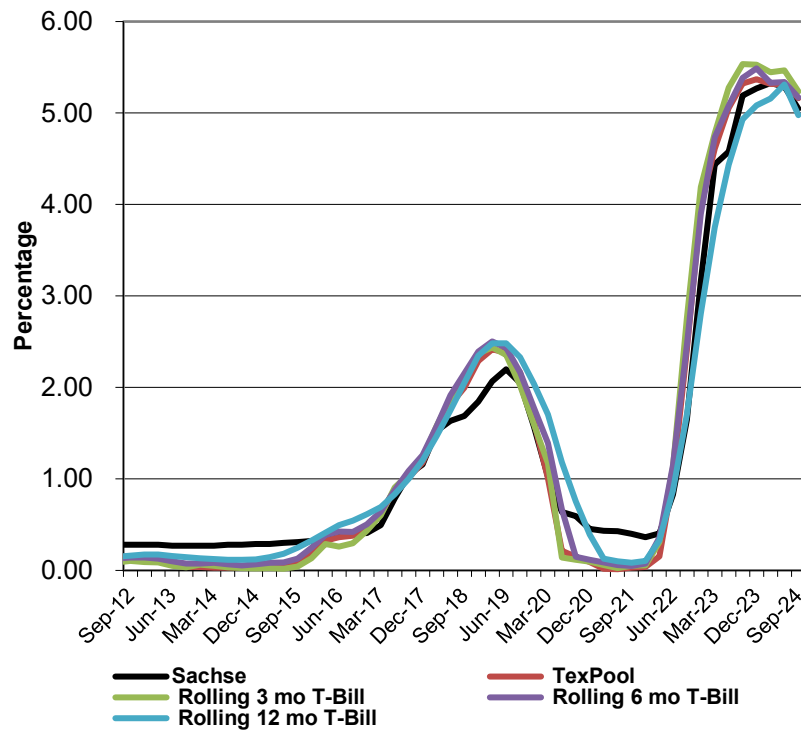
Portfolio Composition



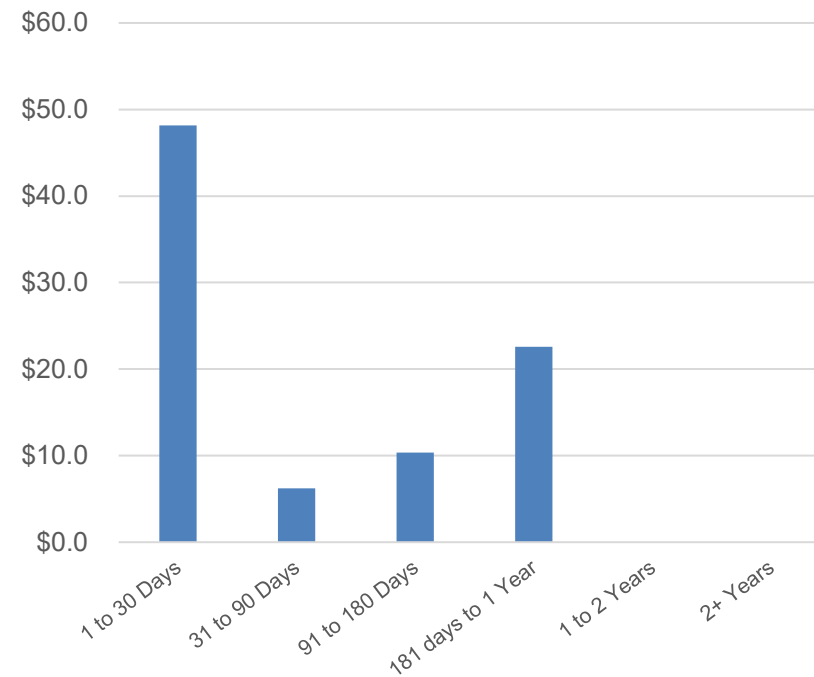
Total Portfolio (Millions)



Total Portfolio Performance



Distribution by Maturity (Millions)



FUND EQUITY IN POOLED CASH AND INVESTMENT

| FUND | FUND NAME | 6/30/2024 | 9/30/2024 | Percent | Quarterly Change |
|--|---|----------------------|----------------------|----------------|-------------------------|
| 01 | General Fund | \$ 14,986,325 | \$ 9,107,211 | 10.43% | \$ (5,879,114) |
| 02 | Utility Fund | 20,235,380 | 23,471,478 | 26.89% | 3,236,098 |
| 03 | Debt Service | 2,901,394 | 1,593,593 | 1.83% | (1,307,801) |
| 04 | Capital Projects | 14,474,961 | 15,869,939 | 18.18% | 1,394,978 |
| 05 | Special Revenue Fund | 921,621 | 1,181,056 | 1.35% | 259,435 |
| 06 | Sachse Economic Development (EDC) | 6,010,871 | 6,315,162 | 7.23% | 304,291 |
| 09 | TIRZ 1 - PGBT | 190,396 | 192,915 | 0.22% | 2,520 |
| 10 | Impact Fees | 8,533,267 | 8,589,463 | 9.84% | 56,197 |
| 11 | Street Maintenance | 1,424,981 | 757,373 | 0.87% | (667,608) |
| 12 | Vehicle Equipment Replacement Fund (VERF) | 2,529,129 | 2,750,002 | 3.15% | 220,873 |
| 13 | Sachse Municipal Development District (MDD) | 385,611 | 575,664 | 0.66% | 190,053 |
| 14 | TIRZ 2 - The Station | 1,006,941 | 297,917 | 0.34% | (709,024) |
| 15 | Health Insurance | 900,899 | 892,921 | 1.02% | (7,979) |
| 16 | Station O&M PID | 75,948 | 203,123 | 0.23% | 127,175 |
| 17 | American Rescue Plan Act (ARPA) | 3,006,976 | 639,803 | 0.73% | (2,367,173) |
| 18 | Hotel Occupancy Tax | 41,367 | 44,736 | 0.05% | 3,369 |
| 19 | TIRZ 3 - Highway 78 | 1,381,140 | 1,399,228 | 1.60% | 18,088 |
| 21 | 2022 Bond Construction Fund | 14,255,515 | 13,432,120 | 15.38% | (823,396) |
| TOTAL POOLED CASH AND INVESTMENTS | | \$ 93,262,722 | \$ 87,313,706 | 100.00% | \$ (5,949,017) |

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 (although may be subject to an early withdrawal penalty). The City's funds are swept into the above accounts and are withdrawn as needed for operational cash flow requirements.



To: Gina Nash, City Manager

From: David Baldwin, Director of Finance

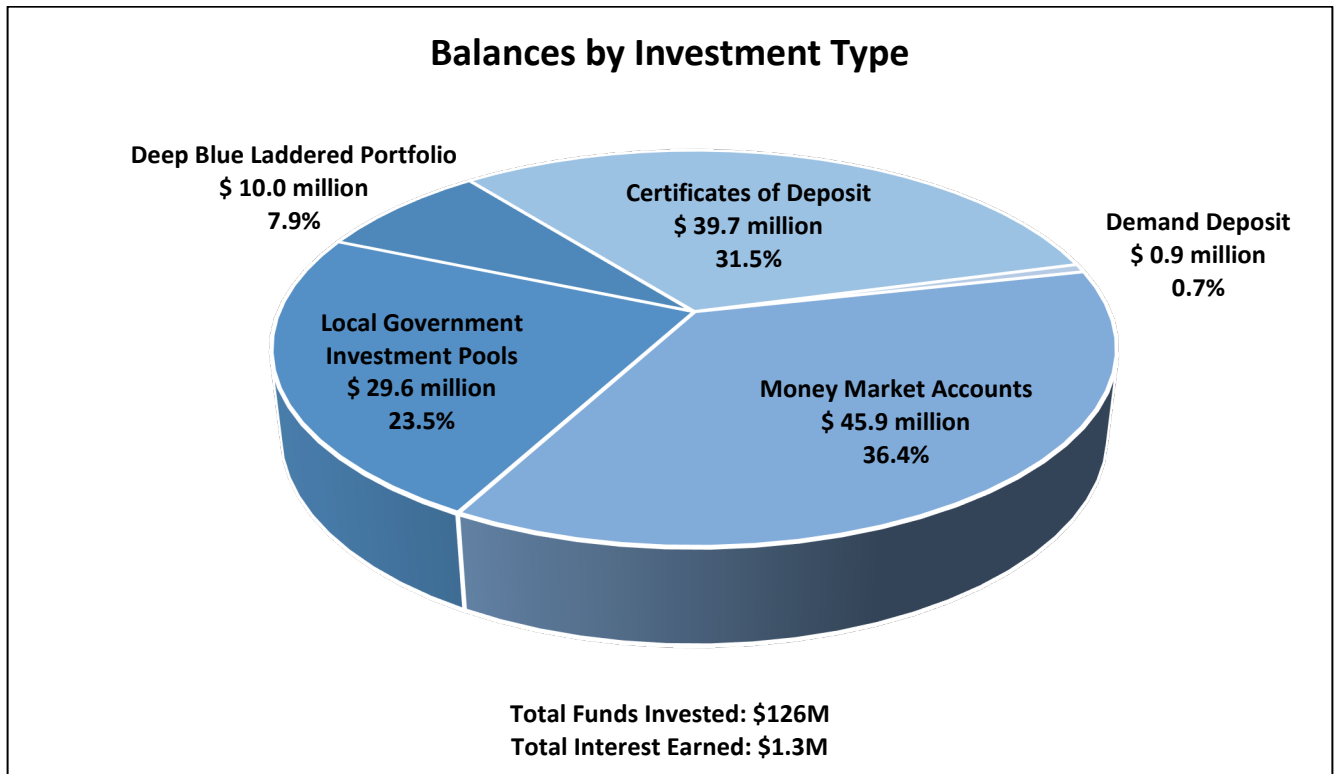
Katelyn Ellis, Senior Accountant

CC: Mayor and City Council

Date: March 3, 2025

Re: Investment Report for the quarter ending December 31, 2024

Attached is the Quarterly Investment Report for the quarter ending December 31, 2024. 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 |
|-----------------------------------|--------------------------------|
| Demand Deposit | 0.00% |
| Money Market Accounts | 4.55% |
| Local Government Investment Pools | 4.73% |
| Certificates of Deposit | 5.07% |
| Deep Blue Laddered Portfolio | 4.47% |

| | |
|---------------------------------|-------|
| Average interest rate yield | 4.72% |
| 3-month US Treasury (benchmark) | 4.23% |

Summary

Quarter End Results by Investment Category:

| Asset Type | September 30, 2024 | | December 31, 2024 | | | |
|-----------------------------------|----------------------|----------------------|-----------------------|-----------------------|--------------|-------------|
| | Book Value | Market Value | Book Value | Market Value | Ave. Yield | Weight |
| Demand Deposit | \$ 2,489,553 | \$ 2,489,553 | \$ 855,665 | \$ 855,665 | 0.00% | 1% |
| Money Market Accounts | 32,823,173 | 32,823,173 | 45,854,582 | 45,854,582 | 4.55% | 36% |
| Local Government Investment Pools | - | - | 29,644,565 | 29,644,565 | 4.73% | 24% |
| CDs | 52,000,979 | 52,000,979 | 39,663,828 | 39,663,828 | 5.07% | 31% |
| DBIA Long-Term Portfolio | - | - | 10,014,059 | 10,014,059 | 4.47% | 8% |
| Totals | \$ 87,313,705 | \$ 87,313,705 | \$ 126,032,698 | \$ 126,032,698 | 4.72% | 100% |

Current Quarter Average Yield (1)

Total Portfolio 4.72%

Weighted Average Maturity 68.1 days

Rolling Three Month Treasury 4.23%

Rolling Six Month Treasury 4.28%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 4.72%

Rolling Three Month Treasury 4.23%

Rolling Six Month Treasury 4.28%

Interest Earnings (Approximate)

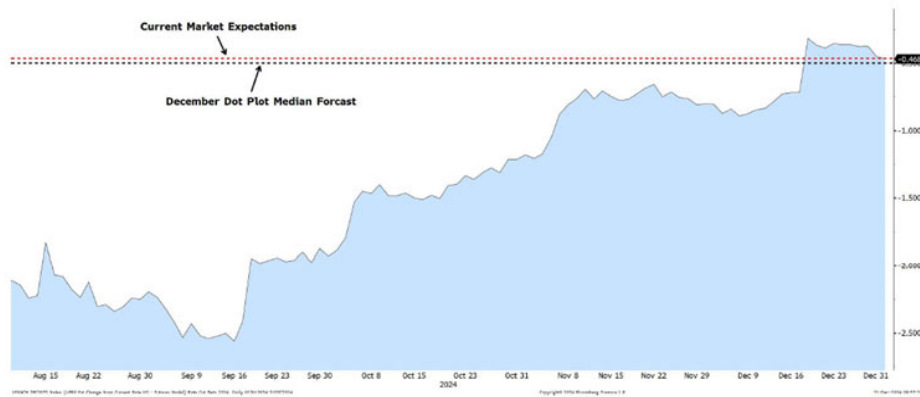
| | City | EDC |
|-----------------------|--------------|-----------|
| Interest Earnings QTR | \$ 1,242,807 | \$ 71,394 |
| Interest Earnings YTD | \$ 1,242,807 | \$ 71,394 |

(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.

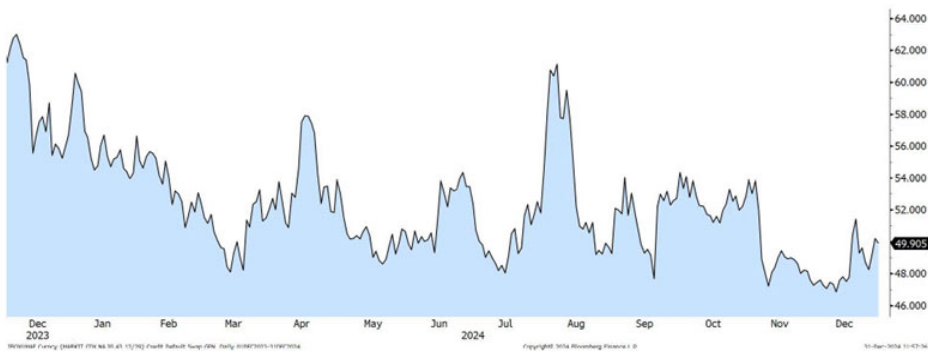
(2) Fiscal Year-to-Date Weighted Average Yields - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Update

Third quarter GDP registered at 3.1% for its final revision, up above expectations of 2.8%, and down from 4.9% in the third quarter of 2023. Total nonfarm payrolls increased 227k in November, above expectations of 220k. The unemployment rate in November came in at 4.2%, slightly above expectations. The Federal Reserve Board met on December 17-18 and decided to proceed with its ratecutting cycle, implementing a 25 basis point reduction. According to the Federal Reserve's dot plot, board members expect a total reduction of 50 basis points by the end of the year. Core CPI (excluding food and energy) came in at 3.3% year-over-year, slightly higher than the 3.2% from the previous month but still below the 3.9% highs seen in 2024. With inflation cooling, the Fed has shifted its focus more towards the labor market.

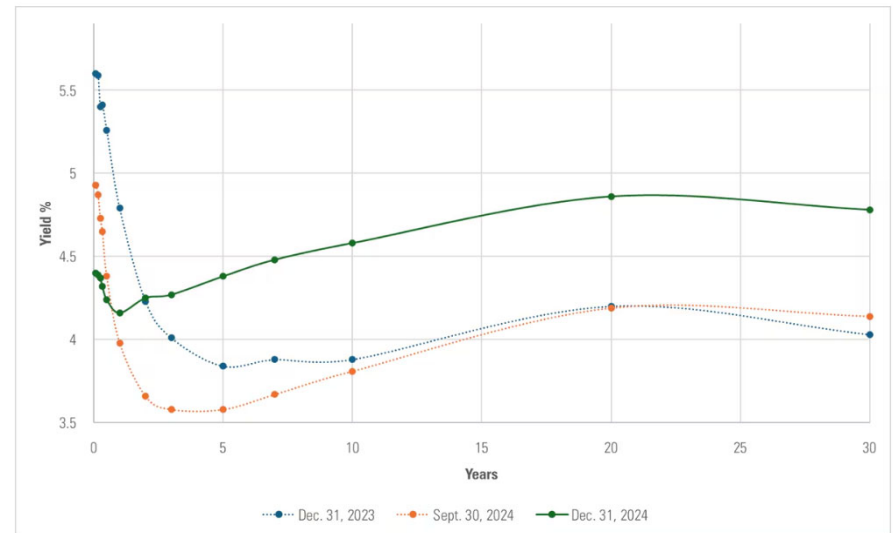


Financial Conditions Remain Accommodative



US Treasury Yield-Curve Comparison

US Treasury Yield-Curve Comparison



Investment Holdings

December 31, 2024

| Description | Rating | Coupon/ Discount | Maturity Date | Settlement Date | Book Value | Market Price | Market Value | Life (days) | Yield | Weight |
|---|--------|---------------------|------------------|--------------------|------------------------------|-----------------|------------------------------|--------------------|---------------------|--------|
| <u>Checking Accounts</u> | | | | | | | | | | |
| American Nat'l Bank of Texas Checking | | 0.00% | 1/1/2025 | 12/31/2024 | \$ 855,665 | 1.00 | \$ 855,665 | 1 | 0.00% | 1% |
| <u>Money Market Accounts</u> | | | | | | | | | | |
| American Nat'l Bank of Texas | | 3.91% | 1/1/2025 | 12/31/2024 | 104,229 | 1.00 | 104,229 | 1 | 3.91% | 0% |
| NexBank Intrafi | | 4.55% | 1/1/2025 | 12/31/2024 | 45,750,353 | 1.00 | 45,750,353 | 1 | 4.55% | 36% |
| Texas Bank | | 0.00% | 1/1/2025 | 12/31/2024 | - | 1.00 | - | 1 | 0.00% | 0% |
| <u>Local Government Investment Pools</u> | | | | | | | | | | |
| TexPool | | 4.48% | 1/1/2025 | 12/31/2024 | - | 1.00 | - | 1 | 4.48% | 0% |
| TX FIT | | 4.73% | 1/1/2025 | 12/31/2024 | 29,644,565 | 1.00 | 29,644,565 | 1 | 4.73% | 24% |
| <u>Certificates of Deposit</u> | | | | | | | | | | |
| Veritex Community Bank 5562 | | 4.94% | 1/16/2025 | 1/16/2024 | 10,484,098 | 100.00 | 10,484,098 | 16 | 4.94% | 8% |
| BOK Financial 3645 | | 4.93% | 6/12/2025 | 6/15/2023 | 1,079,391 | 100.00 | 1,079,391 | 163 | 4.93% | 1% |
| Cornerstone Capital Bank 7374 | | 5.34% | 6/20/2025 | 6/20/2024 | 5,144,565 | 100.00 | 5,144,565 | 171 | 5.34% | 4% |
| BOK Financial 2643 | | 4.93% | 7/3/2025 | 7/6/2023 | 538,168 | 100.00 | 538,168 | 184 | 4.93% | 0% |
| BOK Financial 3602 | | 4.93% | 7/10/2025 | 7/13/2023 | 4,838,937 | 100.00 | 4,838,937 | 191 | 4.93% | 4% |
| Cornerstone Capital Bank 7374 | | 5.26% | 7/10/2025 | 7/11/2024 | 5,126,942 | 100.00 | 5,126,942 | 191 | 5.26% | 4% |
| Cornerstone Capital Bank 2023 | | 5.18% | 7/24/2025 | 7/25/2024 | 6,137,889 | 100.00 | 6,137,889 | 205 | 5.18% | 5% |
| Texas Bank 0374/0102 | | 4.94% | 12/18/2025 | 12/19/2024 | 6,313,838 | 100.00 | 6,313,838 | 352 | 4.94% | 5% |
| <u>Deep Blue Laddered Portfolio</u> | | | | | | | | | | |
| MUFG BANK, LTD. - NEW YORK BRANCH | A1-P1 | 0.00% | 6/26/2025 | 12/27/2024 | 5,000,078 | 100.00 | 5,000,078 | 177 | 4.47% | 4% |
| THE TORONTO-DOMINION BANK | P1 | 0.00% | 7/3/2025 | 12/27/2024 | 5,000,595 | 100.00 | 5,000,595 | 184 | 4.48% | 4% |
| First American Govt. Money Market | | 4.09% | 1/1/2025 | 12/31/2024 | 13,386 | 1.00 | 13,386 | 1 | 4.09% | 0% |
| <u>TOTAL</u> | | | | | <u>\$ 126,032,698</u> | | <u>\$ 126,032,698</u> | <u>68.1</u> | <u>4.72%</u> | |

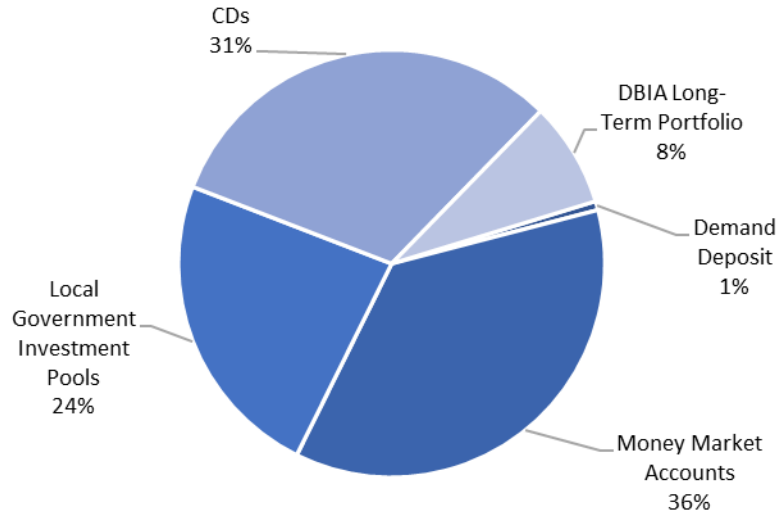
(1) Weighted average life - For purposes of calculating weighted average life, pool investments are assumed to have a one day maturity.

(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.

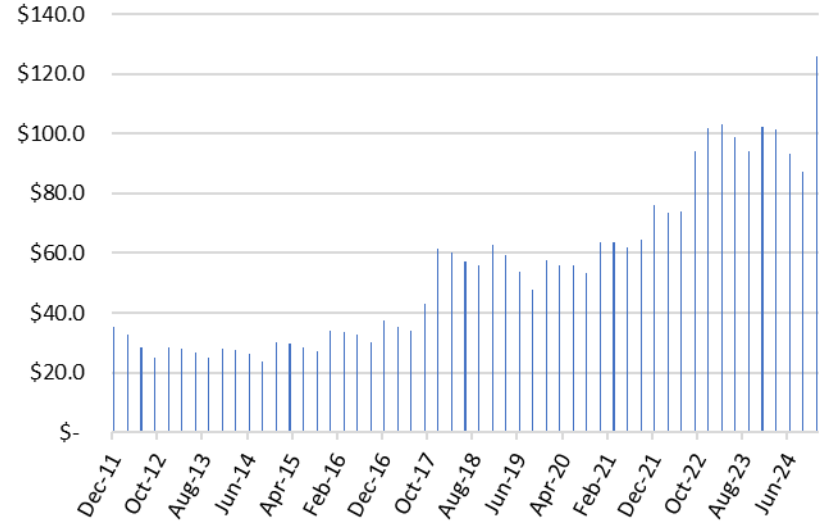
Book & Market Value Comparison

| Issuer/Description | Yield | Maturity Date | Book Value 9/30/24 | Increases | Decreases | Book Value 12/31/24 | Market Value 9/30/24 | Change in Market Value | Market Value 12/31/24 |
|---|--------------|---------------|-----------------------|----------------------|------------------------|------------------------|-------------------------|---------------------------|--------------------------|
| <u>Checking Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas Checking | 0.00% | 1/1/2025 | \$ 2,489,553 | \$ - | \$ (1,633,888) | \$ 855,665 | \$ 2,489,553 | \$ (1,633,888) | \$ 855,665 |
| <u>Money Market Accounts</u> | | | | | | | | | |
| American Nat'l Bank of Texas | 3.91% | 1/1/2025 | 103,227 | 1,002 | - | 104,229 | 103,227 | 1,002 | 104,229 |
| NexBank Intrafi | 4.55% | 1/1/2025 | 32,666,002 | 13,084,351 | - | 45,750,353 | 32,666,002 | 13,084,351 | 45,750,353 |
| Texas Bank | 0.00% | 1/1/2025 | 53,944 | - | (53,944) | - | 53,944 | (53,944) | - |
| <u>Certificates of Deposit</u> | | | | | | | | | |
| East West Bank 6187 | 5.61% | 10/7/2024 | 7,708,645 | - | (7,708,645) | - | 7,708,645 | (7,708,645) | - |
| East West Bank 4112 | 5.42% | 10/19/2024 | 5,131,625 | - | (5,131,625) | - | 5,131,625 | (5,131,625) | - |
| Texas Bank 0374 | 5.06% | 12/19/2024 | 6,235,769 | - | (6,235,769) | - | 6,235,769 | (6,235,769) | - |
| Veritex Community Bank 5562 | 4.94% | 1/16/2025 | 10,354,632 | 129,466 | - | 10,484,098 | 10,354,632 | 129,466 | 10,484,098 |
| BOK Financial 3645 | 4.93% | 6/12/2025 | 1,066,070 | 13,321 | - | 1,079,391 | 1,066,070 | 13,321 | 1,079,391 |
| Cornerstone Capital Bank 7374 | 5.34% | 6/20/2025 | 5,075,846 | 68,719 | - | 5,144,565 | 5,075,846 | 68,719 | 5,144,565 |
| BOK Financial 2643 | 4.93% | 7/3/2025 | 531,526 | 6,642 | - | 538,168 | 531,526 | 6,642 | 538,168 |
| BOK Financial 3602 | 4.93% | 7/10/2025 | 4,779,219 | 59,718 | - | 4,838,937 | 4,779,219 | 59,718 | 4,838,937 |
| Cornerstone Capital Bank 7374 | 5.26% | 7/10/2025 | 5,059,427 | 67,515 | - | 5,126,942 | 5,059,427 | 67,515 | 5,126,942 |
| Cornerstone Capital Bank 2023 | 5.18% | 7/24/2025 | 6,058,220 | 79,669 | - | 6,137,889 | 6,058,220 | 79,669 | 6,137,889 |
| Texas Bank 0102 | 4.94% | 12/18/2025 | - | 6,313,838 | - | 6,313,838 | - | 6,313,838 | 6,313,838 |
| <u>Local Government Investment Pools</u> | | | | | | | | | |
| TexPool | 4.48% | 1/1/2025 | - | - | - | - | - | - | - |
| TX FIT | 4.73% | 1/1/2025 | - | 29,644,565 | - | 29,644,565 | - | 29,644,565 | 29,644,565 |
| <u>Deep Blue Laddered Portfolio</u> | | | | | | | | | |
| MUFG BANK, LTD. - NEW YORK BRANCH | 4.47% | 6/26/2025 | - | 5,000,078 | - | 5,000,078 | - | 5,000,078 | 5,000,078 |
| THE TORONTO-DOMINION BANK | 4.48% | 7/3/2025 | - | 5,000,595 | - | 5,000,595 | - | 5,000,595 | 5,000,595 |
| First American Govt. Money Market | 4.09% | 1/1/2025 | - | 13,386 | - | 13,386 | - | 13,386 | 13,386 |
| <u>TOTAL/AVERAGE</u> | 4.72% | | \$ 87,313,705 | \$ 59,482,864 | \$ (20,763,871) | \$ 126,032,698 | \$ 87,313,705 | \$ 38,718,993 | \$ 126,032,698 |

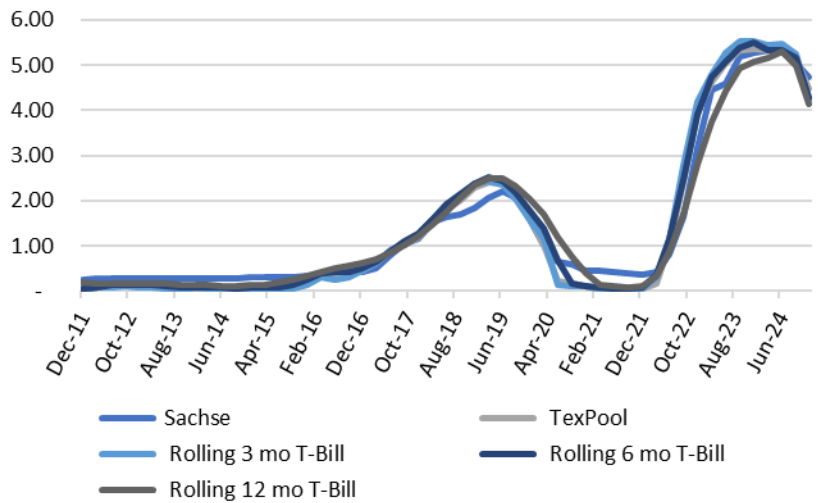
Portfolio Composition



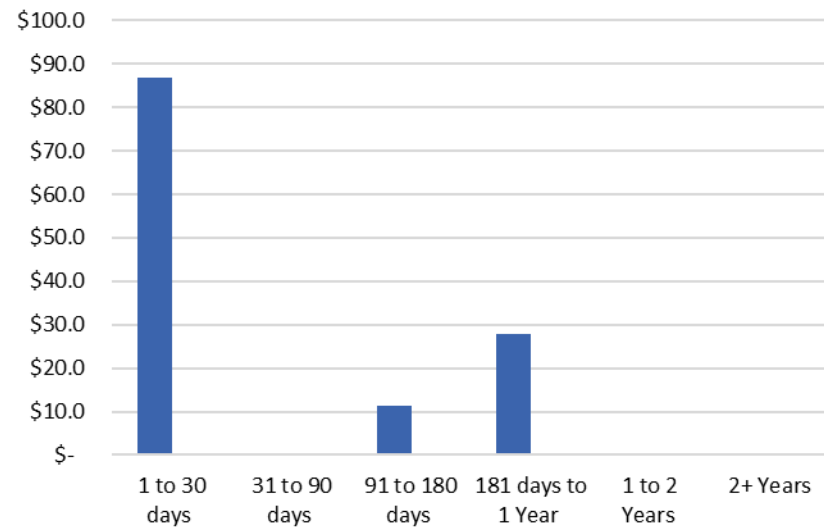
Total Portfolio (Millions)



Total Portfolio Performance



Distribution by Maturity (Millions)



Fund Equity In Pooled Cash and Investment

| Fund | Balance as of 09/30/24 | Balance as of 12/31/24 | Percent | Quarterly Change |
|---|-----------------------------------|-----------------------------------|----------------|-----------------------------|
| 01 - General Fund | \$ 9,107,211 | \$ 13,910,433 | \$ 0 | \$ 4,803,223 |
| 02 - Utility Fund | 23,471,478 | 24,552,788 | 19.48% | 1,081,311 |
| 03 - Debt Service Fund | 1,593,593 | 6,216,923 | 4.93% | 4,623,330 |
| 04 - General Capital Projects | 15,869,939 | 15,918,293 | 12.63% | 48,354 |
| 05 - Special Revenue Fund | 1,181,056 | 1,210,215 | 0.96% | 29,159 |
| 06 - Economic Development Fund | 6,315,162 | 6,466,831 | 5.13% | 151,669 |
| 09 - TIRZ 1 - PGBT | 192,915 | 194,978 | 0.15% | 2,063 |
| 10 - Impact Fee Fund | 8,589,463 | - | 0.00% | (8,589,463) |
| 11 - Street Maintenance Tax Fund | 757,373 | 860,168 | 0.68% | 102,795 |
| 12 - General VERF | 2,750,002 | 4,032,234 | 3.20% | 1,282,232 |
| 13 - Municipal Development District | 575,664 | 692,635 | 0.55% | 116,971 |
| 14 - TIRZ 2 - The Station | 297,917 | 300,147 | 0.24% | 2,230 |
| 15 - Health Insurance | 892,921 | 913,411 | 0.72% | 20,491 |
| 16 - PID - O&M | 203,123 | 174,423 | 0.14% | (28,700) |
| 17 - American Rescue Plan Act (ARPA) Fund | 639,803 | 68,623 | 0.05% | (571,180) |
| 18 - Hotel Occupancy Tax Fund | 44,736 | 47,783 | 0.04% | 3,047 |
| 19 - TIRZ 3 - Highway 78 | 1,399,228 | 1,414,853 | 1.12% | 15,625 |
| 21 - 2022 Bond Construction Fund | 13,432,120 | 40,167,145 | 31.88% | 26,735,025 |
| 22 - Roadway Impact Fee | - | 1,153,233 | 0.92% | 1,153,233 |
| 23 - Water Impact Fee | - | 5,048,843 | 4.01% | 5,048,843 |
| 24 - Sewer Impact Fee | - | 2,320,722 | 1.84% | 2,320,722 |
| 55 - Utility VERF | - | 368,015 | 0.29% | 368,015 |
| Total Pooled Cash and Investments | \$ 87,313,706 | \$ 126,032,698 | 100.00% | \$ 38,718,992 |

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 (although may be subject to an early withdrawal penalty). The City’s funds are swept into the above accounts and are withdrawn as needed for operational cash flow requirements.



To: Gina Nash, City Manager

From: David Baldwin, Director of Finance

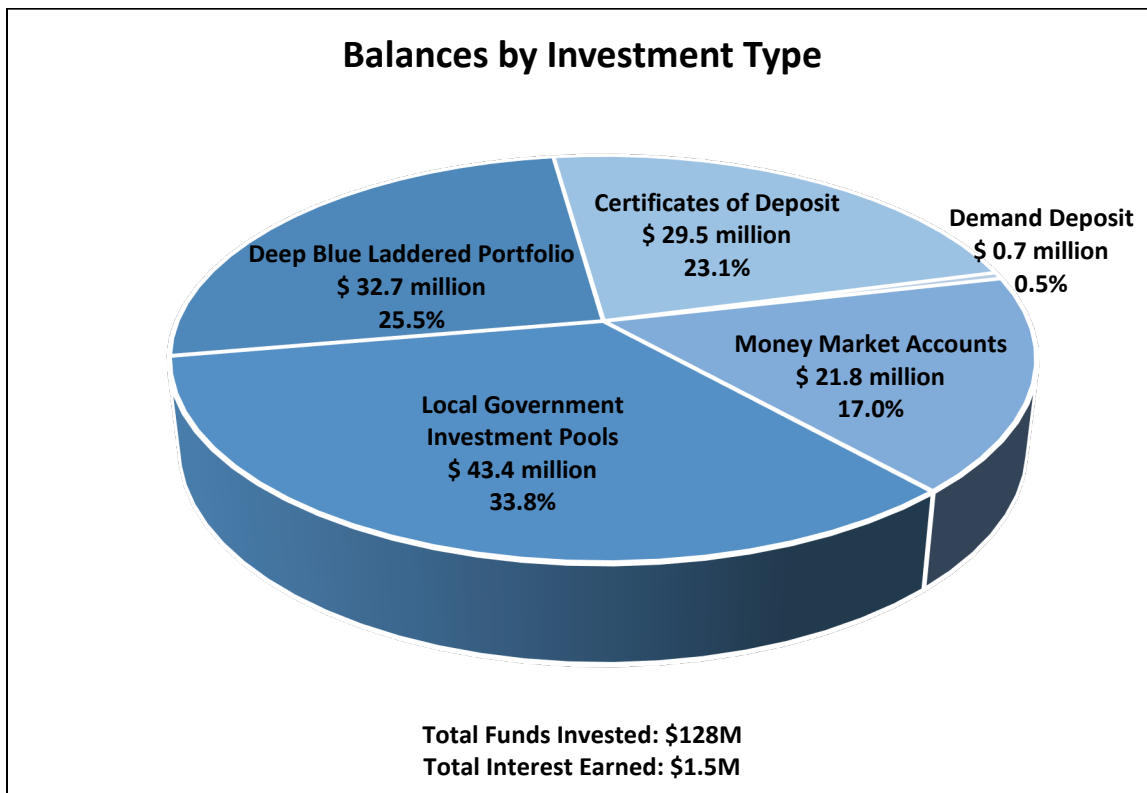
Katelyn Ellis, Senior Accountant

CC: Mayor and City Council

Date: June 2, 2025

Re: Investment Report for the quarter ending March 31, 2025

Attached is the Quarterly Investment Report for the quarter ending March 31, 2025. 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 |
|-----------------------------------|--------------------------------|
| Demand Deposit | 0.00% |
| Money Market Accounts | 4.48% |
| Local Government Investment Pools | 4.51% |
| Certificates of Deposit | 5.04% |
| Deep Blue Laddered Portfolio | 4.40% |

| | |
|---------------------------------|-------|
| Average interest rate yield | 4.57% |
| 3-month US Treasury (benchmark) | 4.21% |

Summary

Quarter End Results by Investment Category:

| Asset Type | December 31, 2024 | | March 31, 2025 | | | |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------|-------------|
| | Book Value | Market Value | Book Value | Market Value | Ave. Yield | Weight |
| Demand Deposit | \$ 855,665 | \$ 855,665 | \$ 686,702 | \$ 686,702 | 0.00% | 1% |
| Money Market Accounts | 45,854,582 | 45,854,582 | 21,838,661 | 21,838,661 | 4.48% | 17% |
| Local Government Investment Pools | 29,644,565 | 29,644,565 | 43,378,318 | 43,378,318 | 4.51% | 34% |
| CDs | 39,663,828 | 39,663,828 | 29,549,953 | 29,549,953 | 5.04% | 23% |
| DBIA Long-Term Portfolio | 10,014,059 | 10,014,059 | 32,730,949 | 32,730,949 | 4.40% | 26% |
| Totals | \$ 126,032,698 | \$ 126,032,698 | \$ 128,184,582 | \$ 128,184,582 | 4.57% | 100% |

Current Quarter Average Yield (1)

Total Portfolio 4.57%

Weighted Average Maturity 67.8 days

Rolling Three Month Treasury 4.21%

Rolling Six Month Treasury 4.23%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 4.64%

Rolling Three Month Treasury 4.26%

Rolling Six Month Treasury 4.25%

Interest Earnings (Approximate)

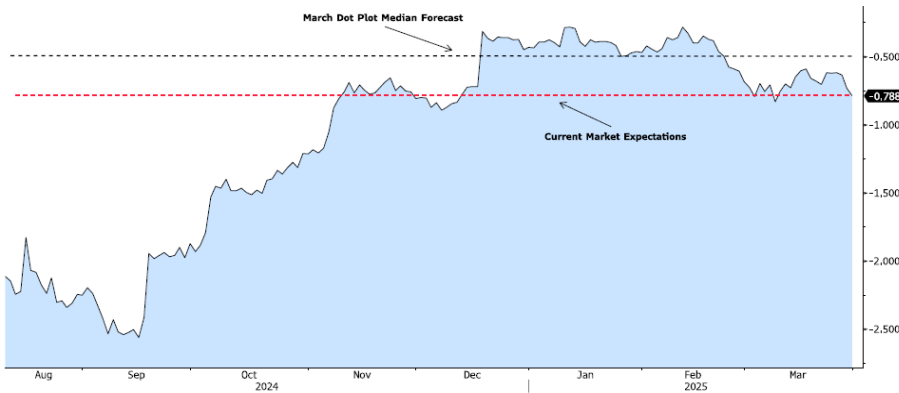
| | City | EDC |
|-----------------------|--------------|------------|
| Interest Earnings QTR | \$ 1,429,069 | \$ 48,533 |
| Interest Earnings YTD | \$ 2,671,876 | \$ 119,927 |

(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.

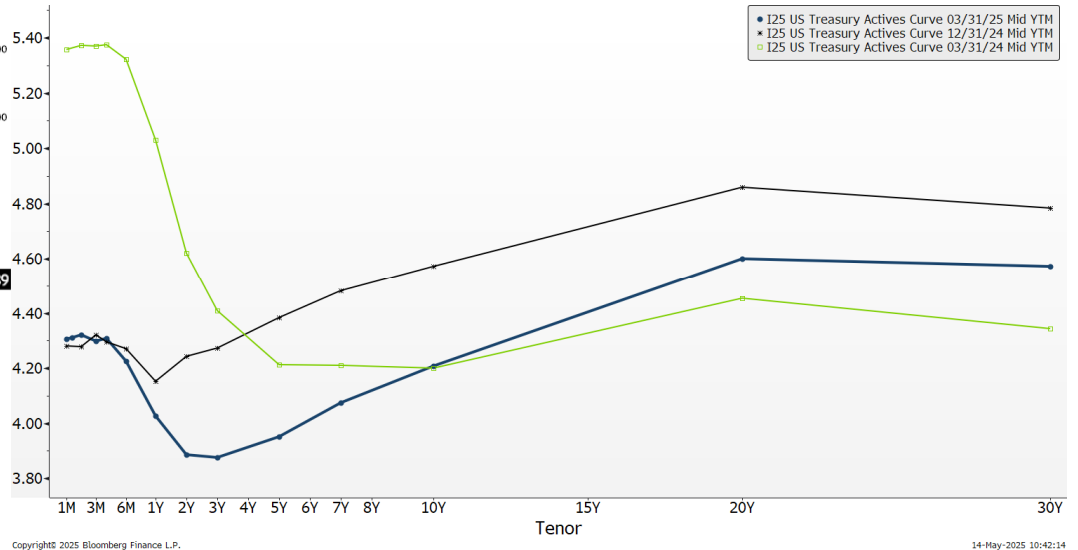
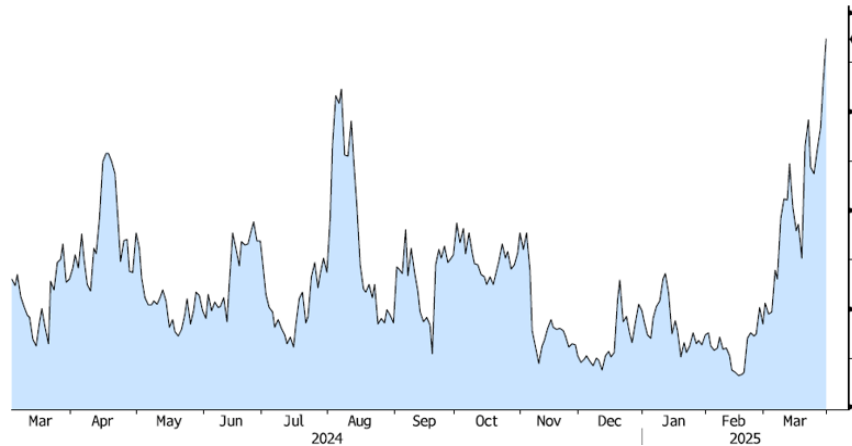
(2) Fiscal Year-to-Date Weighted Average Yields - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Update

Fourth quarter GDP registered at 2.4% for its final revision, up above expectations of 2.3%, and down from 3.4% in the fourth quarter of 2023. Total nonfarm payrolls increased 151k in February, above expectations of 160k. The unemployment rate in February came in at 4.1%, slightly above expectations. The Federal Reserve Board met on March 19-20 and agreed to hold interest rates steady in a 4.25%-2.50% target range. Board members expect 50 basis points in rate cuts by year end. Core CPI (excluding food and energy) came in at 3.1% year-over-year, slightly below expectations of 3.2%. While inflation has come down significantly from its peak in 2022, it has stalled out and even started to reaccelerate in the past few months.



Financial Conditions Starting to Deteriorate



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14-May-2025 10:42:14

Investment Holdings

March 31, 2025

| Description | Rating | Coupon/ Discount | Maturity Date | Settlement Date | Book Value | Market Price | Market Value | Life (days) | Yield | Weight |
|---|--------|---------------------|------------------|--------------------|-----------------------|-----------------|-----------------------|----------------|--------------|--------|
| Checking Accounts | | | | | | | | | | |
| American Nat'l Bank of Texas Checking | | 0.00% | 4/1/2025 | 3/31/2025 | \$ 686,702 | 1.00 | \$ 686,702 | 1 | 0.00% | 1% |
| Money Market Accounts | | | | | | | | | | |
| American Nat'l Bank of Texas | | 3.92% | 4/1/2025 | 3/31/2025 | 758,559 | 1.00 | 758,559 | 1 | 3.92% | 1% |
| NexBank Intrafi | | 4.50% | 4/1/2025 | 3/31/2025 | 21,080,101 | 1.00 | 21,080,101 | 1 | 4.50% | 16% |
| Local Government Investment Pools | | | | | | | | | | |
| TX FIT | | 4.51% | 4/1/2025 | 3/31/2025 | 43,378,318 | 1.00 | 43,378,318 | 1 | 4.51% | 34% |
| Certificates of Deposit | | | | | | | | | | |
| BOK Financial 3645 | | 4.59% | 6/12/2025 | 6/15/2023 | 1,092,583 | 100.00 | 1,092,583 | 73 | 4.59% | 1% |
| Cornerstone Capital Bank 7374 | | 5.34% | 6/20/2025 | 6/20/2024 | 5,212,689 | 100.00 | 5,212,689 | 81 | 5.34% | 4% |
| BOK Financial 2643 | | 4.59% | 7/3/2025 | 7/6/2023 | 544,745 | 100.00 | 544,745 | 94 | 4.59% | 0% |
| BOK Financial 3602 | | 4.59% | 7/10/2025 | 7/13/2023 | 4,898,078 | 100.00 | 4,898,078 | 101 | 4.59% | 4% |
| Cornerstone Capital Bank 7374 | | 5.26% | 7/10/2025 | 7/11/2024 | 5,193,862 | 100.00 | 5,193,862 | 101 | 5.26% | 4% |
| Cornerstone Capital Bank 2023 | | 5.18% | 7/24/2025 | 7/25/2024 | 6,216,839 | 100.00 | 6,216,839 | 115 | 5.18% | 5% |
| Texas Bank 0374/0102 | | 4.94% | 12/18/2025 | 12/19/2024 | 6,391,155 | 100.00 | 6,391,155 | 262 | 4.94% | 5% |
| Deep Blue Laddered Portfolio | | | | | | | | | | |
| MUFG Bank, LTD. - New York Branch | A1-P1 | 0.00% | 6/26/2025 | 12/27/2024 | 5,056,288 | 100.00 | 5,056,288 | 87 | 4.40% | 4% |
| The Toronto-Dominion Bank | P1 | 0.00% | 7/3/2025 | 12/27/2024 | 5,056,860 | 100.00 | 5,056,860 | 94 | 4.40% | 4% |
| First American Govt. Money Market | | 3.96% | 4/1/2025 | 3/31/2025 | 86,069 | 1.00 | 86,069 | 1 | 3.97% | 0% |
| KEB Hana Bank - New York Branch | | 0.00% | 8/29/2025 | 1/13/2025 | 5,049,603 | 100.00 | 5,049,603 | 151 | 4.50% | 4% |
| Credit Agricole Corporate & Investment Bank | | 0.00% | 9/10/2025 | 1/13/2025 | 5,047,977 | 100.00 | 5,047,977 | 163 | 4.42% | 4% |
| Natixis, New York Branch | | 0.00% | 10/7/2025 | 1/24/2025 | 3,816,845 | 100.00 | 3,816,845 | 190 | 4.38% | 3% |
| Shinhan Bank - New York Branch | | 0.00% | 9/12/2025 | 1/22/2025 | 3,806,950 | 100.00 | 3,806,950 | 165 | 4.47% | 3% |
| US Treasury 8/31/25 | | 0.25% | 8/31/2025 | 1/23/2025 | 3,811,993 | 100.00 | 3,811,993 | 153 | 4.23% | 3% |
| US Treasury 11/15/25 | | 2.25% | 11/15/2025 | 1/29/2025 | 998,365 | 100.00 | 998,365 | 229 | 4.14% | 1% |
| TOTAL | | | | | \$ 128,184,582 | | \$ 128,184,582 | 67.8 | 4.57% | |

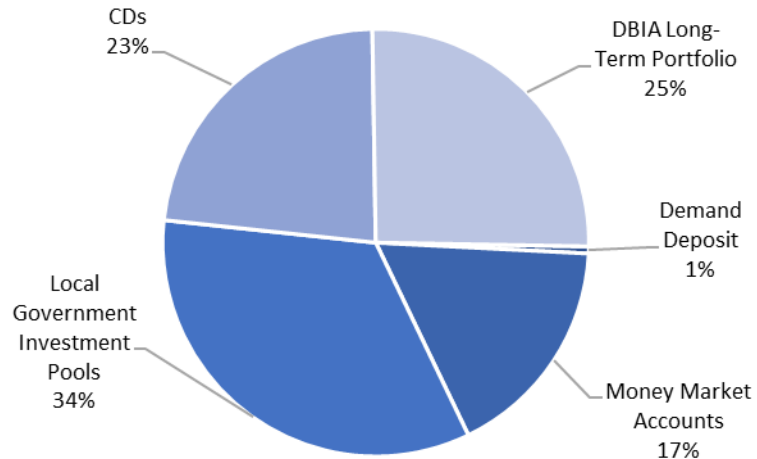
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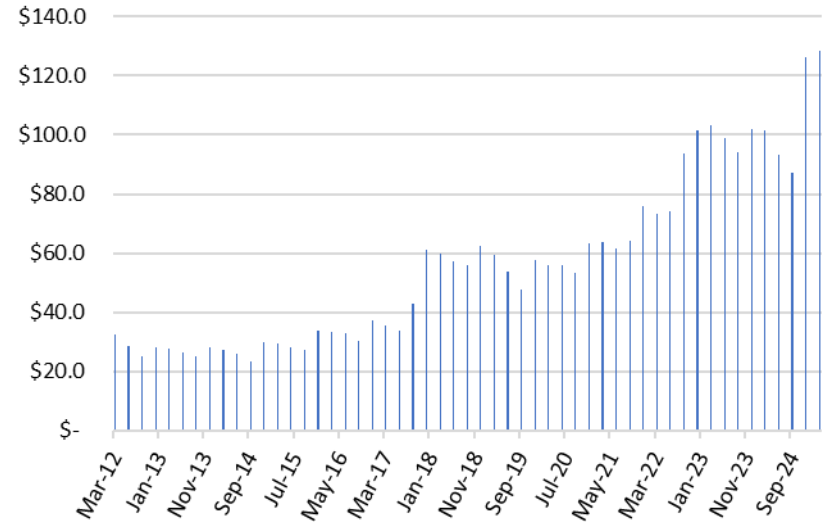
Book & Market Value Comparison

| Issuer/Description | Yield | Maturity Date | Book Value 12/31/24 | Increases | Decreases | Book Value 3/31/25 | Market Value 12/31/24 | Change in Market Value | Market Value 3/31/25 |
|--|--------------|---------------|------------------------|----------------------|------------------------|-----------------------|--------------------------|---------------------------|-------------------------|
| Checking Accounts | | | | | | | | | |
| American Nat'l Bank of Texas Checking | 0.00% | 4/1/2025 | \$ 855,665 | \$ - | \$ (168,963) | \$ 686,702 | \$ 855,665 | \$ (168,963) | \$ 686,702 |
| Money Market Accounts | | | | | | | | | |
| American Nat'l Bank of Texas | 3.92% | 4/1/2025 | 104,229 | 654,330 | - | 758,559 | 104,229 | 654,330 | 758,559 |
| NexBank Intrafi | 4.50% | 4/1/2025 | 45,750,353 | - | (24,670,251) | 21,080,101 | 45,750,353 | (24,670,251) | 21,080,101 |
| Certificates of Deposit | | | | | | | | | |
| Veritex Community Bank 5562 | 4.94% | 1/16/2025 | 10,484,098 | - | (10,484,098) | - | 10,484,098 | (10,484,098) | - |
| BOK Financial 3645 | 4.93% | 6/12/2025 | 1,079,391 | 13,192 | - | 1,092,583 | 1,079,391 | 13,192 | 1,092,583 |
| Cornerstone Capital Bank 7374 | 5.34% | 6/20/2025 | 5,144,565 | 68,125 | - | 5,212,689 | 5,144,565 | 68,125 | 5,212,689 |
| BOK Financial 2643 | 4.93% | 7/3/2025 | 538,168 | 6,577 | - | 544,745 | 538,168 | 6,577 | 544,745 |
| BOK Financial 3602 | 4.93% | 7/10/2025 | 4,838,937 | 59,142 | - | 4,898,078 | 4,838,937 | 59,142 | 4,898,078 |
| Cornerstone Capital Bank 7374 | 5.26% | 7/10/2025 | 5,126,942 | 66,920 | - | 5,193,862 | 5,126,942 | 66,920 | 5,193,862 |
| Cornerstone Capital Bank 2023 | 5.18% | 7/24/2025 | 6,137,889 | 78,951 | - | 6,216,839 | 6,137,889 | 78,951 | 6,216,839 |
| Texas Bank 0102 | 4.94% | 12/18/2025 | 6,313,838 | 77,317 | - | 6,391,155 | 6,313,838 | 77,317 | 6,391,155 |
| Local Government Investment Pools | | | | | | | | | |
| TX FIT | 4.51% | 4/1/2025 | 29,644,565 | 13,733,753 | - | 43,378,318 | 29,644,565 | 13,733,753 | 43,378,318 |
| Deep Blue Laddered Portfolio | | | | | | | | | |
| MUFG Bank, LTD. - New York Branch | 0.00% | 6/26/2025 | 5,000,078 | 56,210 | - | 5,056,288 | 5,000,078 | 56,210 | 5,056,288 |
| The Toronto-Dominion Bank | 0.00% | 7/3/2025 | 5,000,595 | 56,265 | - | 5,056,860 | 5,000,595 | 56,265 | 5,056,860 |
| First American Govt. Money Market | 3.96% | 4/1/2025 | 13,386 | 72,683 | - | 86,069 | 13,386 | 72,683 | 86,069 |
| KEB Hana Bank - New York Branch | 0.00% | 8/29/2025 | - | 5,049,603 | - | 5,049,603 | - | 5,049,603 | 5,049,603 |
| Credit Agricole Corporate & Investment Bar | 0.00% | 9/10/2025 | - | 5,047,977 | - | 5,047,977 | - | 5,047,977 | 5,047,977 |
| Natixis, New York Branch | 0.00% | 10/7/2025 | - | 3,816,845 | - | 3,816,845 | - | 3,816,845 | 3,816,845 |
| Shinhan Bank - New York Branch | 0.00% | 9/12/2025 | - | 3,806,950 | - | 3,806,950 | - | 3,806,950 | 3,806,950 |
| United States Department of the Treasury | 0.25% | 8/31/2025 | - | 3,811,993 | - | 3,811,993 | - | 3,811,993 | 3,811,993 |
| United States Department of the Treasury | 2.25% | 11/15/2025 | - | 998,365 | - | 998,365 | - | 998,365 | 998,365 |
| TOTAL/AVERAGE | 4.57% | | \$ 126,032,698 | \$ 37,475,197 | \$ (35,323,312) | \$ 128,184,582 | \$ 126,032,698 | \$ 2,151,884 | \$ 128,184,582 |

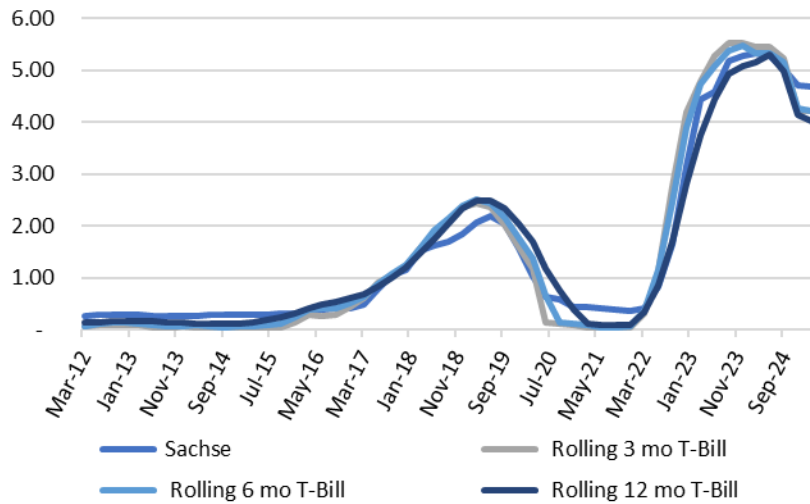
Portfolio Composition



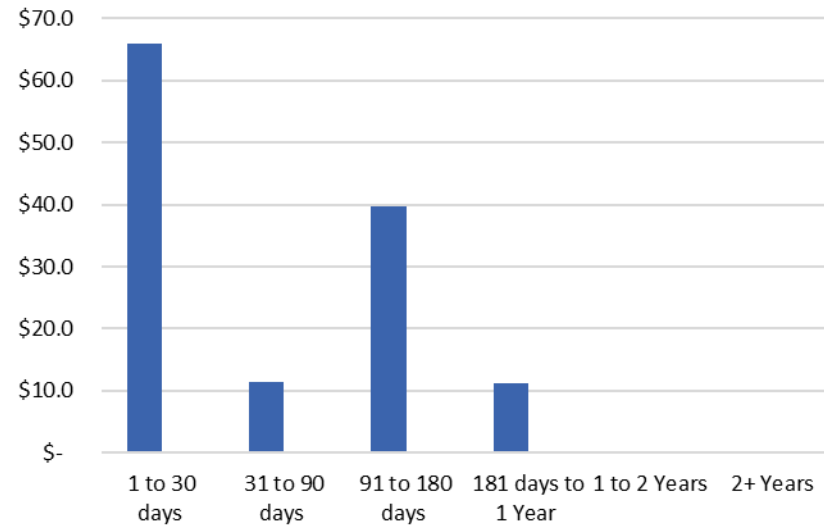
Total Portfolio (Millions)



Total Portfolio Performance



Distribution by Maturity (Millions)



Fund Equity In Pooled Cash and Investment

| Fund | Balance as of 12/31/24 | Balance as of 3/31/25 | Percent | Quarterly Change |
|---|-----------------------------------|----------------------------------|----------------|-----------------------------|
| 01 - General Fund | \$ 13,910,433 | \$ 18,855,822 | 14.70% | \$ 4,945,389 |
| 02 - Utility Fund | 24,552,788 | 23,414,209 | 18.27% | (1,138,579) |
| 03 - Debt Service Fund | 6,216,923 | 3,824,865 | 2.98% | (2,392,058) |
| 04 - General Capital Projects | 15,918,293 | 16,617,923 | 12.96% | 699,630 |
| 05 - Special Revenue Fund | 1,210,215 | 1,228,225 | 0.96% | 18,010 |
| 06 - Economic Development Fund | 6,466,831 | 6,121,890 | 4.78% | (344,941) |
| 09 - TIRZ 1 - PGBT | 194,978 | 197,194 | 0.15% | 2,216 |
| 10 - Impact Fee Fund | - | - | 0.00% | - |
| 11 - Street Maintenance Tax Fund | 860,168 | 1,071,424 | 0.84% | 211,256 |
| 12 - General VERF | 4,032,234 | 4,521,283 | 3.53% | 489,049 |
| 13 - Municipal Development District | 692,635 | 885,293 | 0.69% | 192,658 |
| 14 - TIRZ 2 - The Station | 300,147 | 30,019 | 0.02% | (270,128) |
| 15 - Health Insurance | 913,411 | 921,144 | 0.72% | 7,732 |
| 16 - PID - O&M | 174,423 | 127,263 | 0.10% | (47,160) |
| 17 - American Rescue Plan Act (ARPA) Fund | 68,623 | - | 0.00% | (68,623) |
| 18 - Hotel Occupancy Tax Fund | 47,783 | 51,135 | 0.04% | 3,352 |
| 19 - TIRZ 3 - Highway 78 | 1,414,853 | 1,431,013 | 1.12% | 16,159 |
| 21 - 2022 Bond Construction Fund | 40,167,145 | 39,722,985 | 30.99% | (444,159) |
| 22 - Roadway Impact Fee | 1,153,233 | 1,166,386 | 0.91% | 13,153 |
| 23 - Water Impact Fee | 5,048,843 | 5,116,707 | 3.99% | 67,864 |
| 24 - Sewer Impact Fee | 2,320,722 | 2,179,236 | 1.70% | (141,486) |
| 55 - Utility VERF | 368,015 | 700,564 | 0.55% | 332,548 |
| Total Pooled Cash and Investments | \$ 126,032,698 | \$ 128,184,582 | 100.00% | \$ 2,151,884 |

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 (although may be subject to an early withdrawal penalty). The City’s funds are swept into the above accounts and are withdrawn as needed for operational cash flow requirements.

C. Consent Agenda

| | |
|--------------------|---|
| Subject: | 2. Accept the City of Sachse Investment Policy for FY 2024-2025 as adopted by the City Council on November 18, 2024. |
| Meeting | August 4, 2025 - Tax Increment Financing Reinvestment Zone #3 Board Meeting |
| Access | Public |
| Type | Discussion, Action |
| Fiscal Impact | None |
| Recommended Action | Accept the City of Sachse Investment Policy for FY 2024-2025 as adopted by the City Council on November 18, 2024. |
| Goals | Be a model of financial stewardship through growth management; responsible investment; and financial transparency. |

BACKGROUND

The City's current Investment Policy was reviewed by City Council on November 18, 2024, in accordance with the Public Funds Investment Act (PFIA). The PFIA requires that the Investment Policy be reviewed annually by the City Council and the Boards of all component units.

The Investment Policy approved by City Council for FY 2024-2025 included the following modifications:

- Changes to reflect Government Finance Officers Association (GFOA) best practices
 - V. Delegation of Authority
 - Added reference to custody account
 - X. Portfolio Diversification
 - Added a quick read section of allowable instruments
 - XIV. Custody
 - Included reference to custody statements
- Changes authorized in Texas Government Code Chapter 2256, Public Funds Investment Act
 - V. Delegation of Authority
 - Clarification allowing for registered investment advisor management of the City's portfolio
 - PFIA 2256.003(b) - Authority to Invest Funds
 - IX. Authorized and Suitable Investments
 - Added commercial paper issued in the United States as an investment option
 - PFIA 2256.013 - Authorized Investments: Commercial Paper
 - Appendix A
 - Addition of Broker/Dealer Firms
 - PFIA 2256.025 - Selection of Authorized Brokers

These changes clearly define investment parameters, clarify authorized independent third-party safekeeping of investments, align with the Public Funds Investment Act, save City staff time, and increase ability to seek best price and yield while continuing to prioritize the safety of invested funds, liquidity, and yield of investments.

POLICY CONSIDERATIONS

The recommended policy for adoption is in compliance with Texas Government Code, Chapter 2256, the Public Funds Investment Act (PFIA).

RECOMMENDATION

Accept the City of Sachse Investment Policy for FY 2024-2025 as adopted by the City Council on November 18, 2024.

File Attachments

1. Presentation_Investment Policy Review FY 2024-2025
2. Res. R-2024-16 Adopt the Sachse Investment Policy FY24-25

Investment Policy Annual Review Fiscal Year 2024-2025

City Council
November 18, 2024



Policy Considerations

- Public Finance Investment Act (PFIA) and City Policy require annual review
- All changes must be approved by City Council
- Review/acceptance of changes also required by boards of all component units



Proposed Changes

| Section | Investment Policy Addition | Guidance |
|---|---|--|
| V. Delegation of Authority | Reference to custody account | GFOA best practice |
| | Clarification allowing for registered investment advisor management of the City's portfolio | PFIA 2256.003(b) – Authority to Invest Funds |
| IX. Authorized and Suitable Investments | Commercial Paper issued in the United States | PFIA 2256.013 – Authorized Investments: Commercial Paper |
| X. Portfolio Diversification | Quick read section of allowable instruments | GFOA best practice Clearly define parameters |
| XIV. Custody | Custody statements | GFOA best practice |
| Appendix A | Broker/Dealer Firms | PFIA 2256.025 – Selection of Authorized Brokers |

GFOA – Government Finance Officers Association

PFIA – Texas Government Code, Chapter 2256 - Public Funds Investment Act



Benefits of Proposed Changes

- Adherence to Government Finance Officer Association (GFOA) best practices
- Allowance for items authorized in Public Funds Investment Act
- Increased ability to seek best price and yield while continuing to prioritize safety of invested funds, liquidity, and yield of investments



RESOLUTION NO. R-2024-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, ADOPTING THE CITY OF SACHSE, SACHSE ECONOMIC DEVELOPMENT CORPORATION, SACHSE MUNICIPAL DEVELOPMENT DISTRICT, TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE, TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER TWO, AND TAX INCREMENT REINVESTMENT ZONE NUMBER THREE INVESTMENT POLICY (“SACHSE INVESTMENT POLICY”) ATTACHED HERETO AS EXHIBIT “A”; DECLARING THAT THE CITY COUNCIL HAS COMPLETED ITS REVIEW OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES OF THE CITY AND THAT EXHIBIT “A” RECORDS ANY CHANGES TO EITHER THE INVESTMENT POLICY OR INVESTMENT STRATEGIES; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, the City Council of the City of Sachse, Texas by resolution adopted an investment policy; and

WHEREAS, Section 2256.005, Texas Government Code requires the City Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and recording any changes made to either the investment policies or investment strategies.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

SECTION 1. The Sachse Investment Policy, attached hereto as Exhibit “A” be and the same is hereby adopted and shall govern the investment policies and investment strategies for the City, and shall define the authority of the investment official of the City from and after the effective date of this resolution.

SECTION 2. The City Council of the City of Sachse has completed its review of the investment policies and investment strategies and any changes made to either the investment policies or investment strategies are recorded in Exhibit “A” hereto.

SECTION 3. All provisions of the Resolutions of the City of Sachse, Texas, in conflict with the provisions of this resolution be, and the same are hereby, repealed, and all other provisions of the resolutions of the City not in conflict with the provisions of this resolution shall remain in full force and effect.

SECTION 4. Should any word, sentence, paragraph, subdivision, clause, phrase, or section of this resolution, be adjudged or held to be void or unconstitutional, the same shall not

affect the validity of the remaining portions of said resolution, which shall remain in full force and effect.

SECTION 5. This resolution shall become effective immediately from and after its passage.

SECTION 6. This resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas, this the 18th day of November 2024.



CITY OF SACHSE, TEXAS


Jeff Bickerstaff, Mayor

ATTEST:


Leah K Granger, City Secretary

Exhibit "A"
CITY OF SACHSE
SACHSE ECONOMIC DEVELOPMENT CORPORATION
MUNICIPAL DEVELOPMENT DISTRICT
TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE
TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER TWO
TAX INCREMENT REINVESTMENT ZONE NUMBER THREE
INVESTMENT POLICY

I. Policy

Throughout this Investment Policy, the City of Sachse, Sachse Economic Development Corporation, Sachse Municipal Development District, Tax Increment Financing Reinvestment Zone Number One, Tax Increment Financing Reinvestment Zone Number Two, and Tax Increment Reinvestment Zone Number Three shall be singularly referred to as "ENTITY" and collectively referred to as "SACHSE."

It is the policy of SACHSE 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 Public Funds Investment Act ("PFIA"), Chapter 2256 of the Texas Government Code, the Public Funds Collateral Act ("PFCA"), Chapter 2257 of the Texas Government Code, and all other State and local statutes governing the investment of public funds.

II. Scope

This Investment Policy applies to all funds or financial resources available for investment under SACHSE's financial control and accounted for in the City of Sachse's Annual Comprehensive Financial Report (ACFR) which includes the General Fund, Debt Service Fund, Special Revenue Fund, Capital Projects Fund, Utility Fund, Sachse Economic Development Corporation Fund, President George Bush Turnpike Reinvestment Zone Tax Increment Fund, Tax Increment Financing Reinvestment Zone Number Two, Tax Increment Reinvestment Zone Number Three, and any new fund created by SACHSE unless specifically exempt.

To maximize the effective investment of assets, all funds may pool their cash balances for investment purposes. The income derived from investing activities will be distributed to the various funds based on calculation of their average balances.

III. Prudence

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of their capital and the probable income to be derived.

The standard of prudence to be used by Investment Officers shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment Officers, acting in accordance with written procedures and the Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviation from expectations are reported immediately upon knowledge of the deviation and appropriate action is taken to control adverse developments.

IV. Objective

The primary objectives, in priority order, of SACHSE investment activities shall be:

- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of SACHSE shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- B. **Liquidity:** The SACHSE investment portfolio will remain sufficiently liquid to enable SACHSE to meet all operating requirements which might be reasonably anticipated.
- C. **Public Trust:** Investment Officers shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in SACHSE's ability to govern effectively.
- D. **Return on Investments:** SACHSE's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with SACHSE's investment risk constraints and the cash flow characteristics of the portfolio.

V. Delegation of Authority

Management responsibility for the investment program is hereby delegated to the Director of Finance, the Assistant Director of Finance and the Senior Accountant of the City of Sachse (the "Investment Officers"). The Director of Finance shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include reference to: safekeeping or custody, repurchase agreements, wire transfer agreements, banking service contracts, and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Director of Finance. The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates. The City may contract with a registered investment advisor for the management of the City's portfolio. The advisor shall review the Investment Policy and execute all transactions in accordance with the provisions and controls of the Investment Policy.

VI. Ethics and Conflicts of Interest

Investment Officers involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment Officers shall disclose to SACHSE any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of SACHSE, particularly with regard to the time of purchases and sales.

Investment Officers involved in the investment process shall adhere to the business relationship and other disclosure requirements as described in the PFIA 2256.005(i) by filing statements with the Texas Ethics Commission and each ENTITY's governing body.

VII. Authorized Broker/Dealers

The list of authorized broker/dealers shall be annually approved by the City Council (Appendix A). These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officer with the following: audited financial statements, proof of Financial Industry Regulatory Authority (FINRA) certification, trading resolution, and/or proof of State registration, as applicable.

It is at the discretion of the Investment Officer as to which authorized broker/dealer shall be used for any buy/sell transactions.

VIII. Investment Strategy

SACHSE's basic investment strategy for all financial assets is to preserve principal. In order to achieve that objective, SACHSE restricts the authorized investment instruments to those with suitable and limited credit and market risk. In order to make effective use of SACHSE's resources, all monies may be pooled into one portfolio, if practical, except for those monies required to be accounted for in other accounts as stipulated by applicable laws, bond covenants, ordinances, contracts, agreements, or other policies.

The objective of liquidity stems from the need of SACHSE to maintain available cash balances sufficient to cover financial outlays. Since the timing and amount of some financial disbursements are not predictable, fund-type strategies shall adjust for the uncertainty of projected cash flows.

Investment marketability will be maintained based on the fund-type strategies to sufficiently and reasonably assure that investments could be liquidated prior to the maturity, if cash needs dictate.

Whenever practical or appropriate, it is the policy of SACHSE to diversify its investment portfolio. Assets held in the investment portfolio may be diversified to minimize the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer, or a specific class of investment.

SACHSE funds shall seek to achieve a competitive yield appropriate for each strategy. Yield objectives shall at all times be subordinate to the objectives of safety and liquidity. Tax-exempt debt proceeds shall be invested to maximize the interest earnings retained by SACHSE, while at the same time fully complying with all applicable State laws and federal regulations, including the arbitrage rebate regulations. A competitive yield environment shall be achieved by soliciting quotes from multiple investment providers, monitoring comparable investment alternatives, and reviewing general market conditions.

The overall investment strategy of SACHSE is based on the premise that a certain amount of SACHSE's funds will be needed to pay current year expenditures or for projects that are to be complete within a specific time frame. Remaining funds are considered to be reserves and, barring any unforeseen emergencies or events beyond SACHSE's control, it is considered that these funds may be invested, within the maturity limits of this Policy, in an advantageous position on the yield curve. It is understood that investments in longer term instruments are sensitive to changes in interest rates and other market conditions; however, it is SACHSE's belief that such investments may be held to maturity if necessary.

SACHSE may maintain one portfolio in which all funds under its control are pooled for investment purposes. Within the pooled portfolio are fund components, each having an investment strategy as described below:

- A. Governmental Funds – the funds through which most governmental functions are financed and the primary operating funds of SACHSE. The investment strategy must allow for the investment of anticipated cash flows to meet the anticipated expenditures of the following funds:
 - 1. General Fund
 - 2. Debt Service Fund
 - 3. Special Revenue Fund
 - 4. Capital Projects Fund
 - 5. Sachse Economic Development Corporation Fund
 - 6. Tax Increment Financing Reinvestment Zone Number One
 - 7. Tax Increment Financing Reinvestment Zone Number Two

8. Tax Increment Reinvestment Zone Number Three

The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

- B. Proprietary Funds - the funds used in SACHSE's business-type activities or Enterprise activities financed primarily by user charges and fees. The strategy for these funds is to time investment maturities to anticipated cash requirements. Some project funds may allow investments with short to intermediate maturities.

The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective.

- C. The Debt Service and Interest/Sinking Funds should consist of short-term investments, whose maturities meet the scheduled debt service payments. Reserves may be invested in longer-term investments.

The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

- D. Special Revenue Fund and other Non-operating Funds investments should be in short-term instruments with maturities laddered to meet projected cash needs. Reserves are idle funds that may be invested in intermediate to long-term investments after analysis of future plans for use of the funds.

The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective.

IX. Authorized & Suitable Investments

SACHSE is empowered by statute to invest in the following:

- A. Obligations of, or guaranteed by, governmental entities:
1. obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
 2. direct obligations of this State or its agencies and instrumentalities;
 3. other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of this State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and

4. obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- B. Financial Institution Deposits: A financial institution deposit is an authorized investment under this Policy if the deposit is with a state or national bank, a savings and loan association, or credit union that is:
1. guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or its successor, or the National Credit Union Share Insurance Fund ("NCUSIF"), or its successor;
 2. secured by obligations that are described in Section XIII Collateralization; and
 3. executed through a depository institution or broker that has its main office or a branch office in Texas and meets the requirements of the PFIA.
- C. Repurchase Agreements:
1. A fully collateralized repurchase agreement is an authorized investment if the repurchase agreement:
 - (a) has a defined termination date;
 - (b) is secured by cash or obligations described by Section IX. A1;
 - (c) requires the cash or securities being purchased by SACHSE to be delivered versus payment to SACHSE, held in SACHSE's account with a third party selected and approved by SACHSE; and
 - (d) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this State.
 2. "Repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date, obligations described by Section IX. A1 at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.
- D. Mutual Funds:
1. A no-load money market mutual fund is an authorized investment under this Policy if the mutual fund:

- (a) is registered with and regulated by the Securities and Exchange Commission;
 - (b) provides SACHSE with a prospectus and other information as required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.);
 - (c) has a dollar-weighted average stated maturity in compliance with regulations;
 - (d) includes in its investment objectives the maintenance of a stable net asset value of \$1.0000 for each share; and
 - (e) is continuously rated no lower than AAAm or at an equivalent rating by one nationally recognized rating service.
2. SACHSE is not authorized by this section to invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund.

E. Commercial Paper issued in the United States.

- 1. With a stated maturity of 365 or less from the date of its issuance.
- 2. Is rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies.

F. Investment Pools:

- 1. SACHSE may invest its funds and funds under its control through an eligible investment pool if each ENTITY's governing body by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by the PFIA 2256.016.
- 2. To be eligible to receive funds from and invest funds on behalf of an entity under the PFIA 2256.016, an investment pool must furnish to the Investment Officers or other authorized representative of the entity an offering circular or other similar disclosure instrument that contains at a minimum, the following information:
 - (a) the types of investments in which money is allowed to be invested;

- (b) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
 - (c) the maximum stated maturity date any investment security within the portfolio has;
 - (d) the objectives of the pool;
 - (e) the size of the pool;
 - (f) the names of the members of the advisory board of the pool and the dates their terms expire;
 - (g) the custodian bank that will safekeep the pool's assets;
 - (h) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
 - (i) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
 - (j) the name and address of the independent auditor of the pool;
 - (k) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and
 - (l) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.
3. To maintain eligibility to receive funds from and invest funds on behalf of an entity under the PFIA 2256.016, at a minimum an investment pool must furnish to the Investment Officer or other authorized representative of the entity:
- (a) investment transaction confirmations; and
 - (b) a monthly report that contains, as a minimum, the following information:
 - (1) the types and percentage breakdown of securities in which the pool is invested;

- (2) the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
 - (3) the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
 - (4) the book value versus the market value of the pool's portfolio, using amortized cost valuation;
 - (5) the size of the pool;
 - (6) the number of participants in the pool;
 - (7) the custodian bank that is safekeeping the assets in the pool;
 - (8) a listing of daily transaction activity of the entity participating in the pool;
 - (9) the yield and expense ratio of the pool;
 - (10) the portfolio managers of the pool; and
 - (11) any changes or addenda to the offering circular.
4. SACHSE, by contract, may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.
 5. Investment Pool "yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the Federal Securities and Exchange Commission.
 6. A public funds investment pool utilized as a cash-equivalent investment must mark its portfolio to market daily and, to the extent reasonably possible, stabilize at a \$1.00 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings may be sold as necessary to maintain the ratio between 0.995 and 1.005.
 7. An Investment pool must have an advisory board composed:
 - (a) Equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for pools created under Chapter 791 Texas State Code and managed by a state agency; or

- (b) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.
8. A public funds investment pool must be continuously rated no lower than AAA or AAAm or at an equivalent rating by one nationally recognized rating service.
 9. If the investment pool operates an Internet website, the information in a disclosure instrument or report described in Subsections (b), (c)(2), and (f) must be posted on the website.
 10. To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must make available to the entity an annual audited financial statement of the investment pool in which the entity has funds invested.
 11. If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

X. Portfolio Diversification

| Security Type | Maximum Security Limits | Maximum Issuer Limit | Maturity Limits | Rating Requirement (Minimum) |
|---|-------------------------|----------------------|-----------------|------------------------------|
| Investment Pools | 100% | 50% | N/A | AAAm |
| Direct Obligations of U.S. Treasury | 100% | N/A | 5 years | N/A |
| U.S. Government Agencies | 80% | 20% | 5 years | N/A |
| Financial Institution Deposits | 50% | 20% | 3 yrs | N/A |
| Money Market Funds | 50% | 25% | N/A | AAAm |
| Federal Instrumentalities or Government Sponsored Enterprises ("GSE") | 50% | 20% | 5 years | N/A |
| Commercial Paper | 35% | 10% | 365 days | A1/P1 |
| State or Local Government Taxable or Tax-Exempt Debt | 25% | 5% | 5 years | A |

XI. Unauthorized Investments

The following are not authorized investments under this section:

- A. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;

- B. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; and
- C. Collateralized mortgage obligations.

Any Authorized & Suitable Investment that requires a minimum rating does not qualify during the period the investment does not have the minimum rating. SACHSE shall take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating. Additionally, SACHSE is not required to liquidate investments that were authorized at the time of purchase.

XII. Primary Depository

In compliance with State legislation, a Primary Depository shall be selected through SACHSE's banking services procurement process, which shall include a formal request for application (RFA). In selecting a Primary Depository, the Director of Finance shall conduct a review of prospective depository's credit characteristics and financial history.

No public deposit shall be made except in a qualified public depository as established by State laws.

XIII. Collateralization

Collateralization will be required on two types of investments: financial institution deposits (in amounts exceeding FDIC or NCUSIF insurance coverage) and repurchase agreements. With the exception of Letters of Credit issued for 100% of amount, the minimum collateralization level will be 102% of market value of principal and accrued interest, less FDIC or NCUSIF insurance when applicable.

SACHSE chooses to limit collateral (including letters of credit) to the obligations of, or guaranteed by, governmental entities as outlined in the Public Funds Collateral Act.

All financial institution deposits shall be insured or collateralized in compliance with applicable State law. SACHSE reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards financial institution deposits. Financial institutions serving as depositories will be required to sign a depository agreement with SACHSE. The collateralized deposit portion of the agreement shall define SACHSE's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the Depository and SACHSE contemporaneously with the acquisition of the asset;

- The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to SACHSE; and
- The agreement must be part of the Depository's "official record" continuously since its execution.

Securities pledged as collateral shall be held by an independent third party acceptable to SACHSE. The custodial agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities at default, and the method of valuation of securities.

XIV. Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by SACHSE shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held in an account in SACHSE's name by a third-party safekeeping agent/custodian designated by the Investment Officers and evidenced by safekeeping receipts or custody statements.

XV. Electronic Fund Transfer

SACHSE may use electronic means to transfer or invest all funds collected or controlled by the local government.

XVI. Diversification

SACHSE will diversify its investments by types, maturity dates, and/or institutions, as appropriate.

XVII. Maximum Maturities and Weighted Average Maturity

To the extent possible, SACHSE will attempt to match its anticipated cash flow requirements with maturing investments. SACHSE will not directly invest in instruments maturing more than 2 years from the date of purchase, with the maximum weighted average maturity for the total portfolio to not exceed twelve months. However, SACHSE may collateralize its repurchase agreements using longer dated investments not to exceed 5 years to maturity.

Reserve funds may be invested in instruments up to and including 5 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

XVIII. Internal Control

The Director of Finance shall establish an annual process of independent review by an external auditor in conjunction with the annual audit. This review will provide internal control by assuring compliance with policies and procedures.

XIX. Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. "Weighted Average Yield to Maturity" shall be the standard for calculating portfolio rate of return.

XX. Reporting

- A. The Investment Officers shall prepare and submit quarterly a written report of investment transactions for all funds covered by this Investment Policy for the preceding reporting period.
- B. The report must include the following:
 - 1. describe in detail the investment position of SACHSE on the date of the report;
 - 2. be prepared jointly by all Investment Officers of SACHSE;
 - 3. be signed by each Investment Officer of SACHSE;
 - 4. contain a summary statement of each pooled fund group that states the:
 - (a) beginning market value for the reporting period;
 - (b) ending market value for the period; and
 - (c) fully accrued interest for the period.
 - 5. state the book value and market value of each separately invested asset at the beginning and end of the reporting period by type of asset and fund type invested;
 - 6. state the maturity date of each separately invested asset that has a maturity date;
 - 7. state the account or fund or pooled group fund in the local government for which each individual investment was acquired; and

8. state the compliance of the Investment Portfolio of the local government as it relates to:
 - (a) the Investment Strategy expressed in SACHSE's Investment Policy; and
 - (b) relevant provisions of the PFIA.
- C. The report shall be presented not less than quarterly to each ENTITY's governing body within a reasonable time after the end of the period.
- D. The market values and credit ratings presented in all portfolio reports shall be accurate and reliable estimates of the investment's true value and risk. Market value and credit rating sources may include, but are not limited to, rating agency reports, newspapers, financial websites, custodian reports, broker/dealer reports, and investment advisor research.

XXI. Investment Policy Adoption

SACHSE's Investment Policy shall be adopted by resolution of each ENTITY's governing body. This Policy shall be reviewed annually and any modifications made thereto must be approved by each ENTITY's governing body. Each ENTITY's governing body shall adopt a written instrument attesting to each annual review.

XXII. Auditor

As part of the annual audit, the independent auditor must formally review the quarterly investment reports to comply with the PFIA and report the results of that review to each ENTITY's governing body.

XXIII. Training

In order to ensure qualified and capable investment management, the Investment Officers, their designated subordinates, Treasurer, and Chief Financial Officer of SACHSE shall attend training that includes education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and PFIA compliance. SACHSE approves the Government Finance Officers Association, Government Finance Officers Association of Texas, Government Treasurers' Organization of Texas, North Central Texas Council of Governments, Texas City Managers Association, Texas Municipal League, and University of North Texas as independent sources of training.

Each individual shall attend training accumulating at least 10 hours of instruction within twelve months of assuming investment-related responsibilities; and shall then receive not less than 8 hours of investment-related instruction within each subsequent two-year period aligned with SACHSE's fiscal year end.

XXIV. Donated Investments

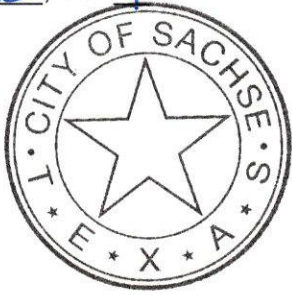
This Policy does not apply to an investment donated to SACHSE for a particular purpose or under terms of use specified by the donor.

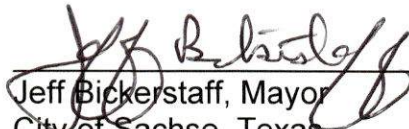
XXV. Investment Policy Certification

The qualified representative of any business organization (including investment pool and discretionary investment management firm) offering to engage in an investment transaction must execute a written instrument substantially to the effect that the business organization has received and reviewed the Investment Policy and that the business organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the organization and SACHSE.

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PASSED AND APPROVED by the City Council of the City of Sachse, Texas this 19th day of November, 2024.





Jeff Bickerstaff, Mayor
City of Sachse, Texas

ATTEST:



Leah K Granger, City Secretary
City of Sachse, Texas

Acknowledged by the Sachse Economic Development Corporation, Texas this 16th day of January, 2025.



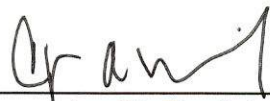
Scott McMurdie, President
Sachse Economic Development Corporation

ATTEST:



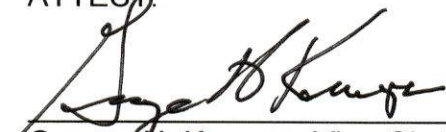
Richard Chandler, Vice-President
Sachse Economic Development Corporation

Acknowledged by the Sachse Municipal Development District, Texas this 13th day of March, 2025.



Jermaine McDaniel, Chairperson
Sachse Municipal Development District

ATTEST:



George H. Kemper, Vice-Chairperson
Sachse Municipal Development District

Acknowledged by the Tax Increment Financing Reinvestment Zone Number One, Texas
this _____ day of _____, 202__.

Bobby Tillman, Chairperson
Tax Increment Financing Reinvestment Zone
Number One

ATTEST:

Ed Brown, Vice-Chairperson
Tax Increment Financing Reinvestment Zone Number One

Acknowledged by the Tax Increment Financing Reinvestment Zone Number Two, Texas
this _____ day of _____, 202__.

Jeff Bickerstaff, Chairperson
Tax Increment Financing Reinvestment Zone
Number Two

ATTEST:

Leah K Granger, City Secretary
Tax Increment Financing Reinvestment Zone Number Two

Acknowledged by the Tax Increment Reinvestment Zone Number Three Fund, Texas
this _____ day of _____, 202__.

Jeff Bickerstaff, Chairperson
Tax Increment Reinvestment Zone Number
Three

ATTEST:

Leah K Granger, City Secretary
Tax Increment Reinvestment Zone Number Three

Appendix A

Authorized Broker/Dealer Firms

| | | |
|-------------------------------|-------------------------------|----------------------------|
| Bank of America | FHN Financial | RBC Capital Mkts |
| BNY Mellon Capital Markets | Goldman Sachs | SAMCO Capital Markets |
| BB&T Capital Mkts | Hilltop Securities | Seelaus |
| Blaylock Van | ICAP North America Inc | Siebert Williams |
| BTIG | InspereX | Signature Securities Corp |
| BNY Capital Markets | JPMorgan | Stephens Inc. |
| Cabrera | Middlegate Securities | Stifel, Nicolaus & Co. |
| Cantor Fitzgerald | Mizuho Securities | StoneX |
| Capital Inst Services (CAPIS) | Morgan Stanley | Suntrust Robinson Humphrey |
| CIBC | MUFG Securities Americas Inc. | Truist |
| Citigroup | Oppenheimer & Co. | Tigress |
| Duncan Williams | Piper Sandler | Wells Fargo Securities |
| Fifth Third Securities | Raymond James & Assoc. | |