



# **RICHARDSON, TX**

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## **FINANCE**

**2<sup>nd</sup> Quarter Investment Report**  
*(For the Quarter Ended March 31, 2020)*  
**Fiscal Year 2019-20**  
**City of Richardson, Texas**

# Investment Report Overview Quarter Ending March 31, 2020

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## Portfolio Balance

The Market Value of the City’s Investment Portfolio as of March 31, 2020 was \$255,672,652.

The City of Richardson maintains portfolios which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios. (Article XIII of the City’s Investment Policy) The four portfolios are Operating, Bond Proceeds and Capital Projects, Deposit and Debt Service. More information on the funds and fund groups in each portfolio can be found on page 8 of this report.

## Investment and Interest Rate Information

The City’s yield on the total portfolio was 1.48% as of March 31, 2020, above the benchmark of the 91-day Treasury bill at 0.29% and above the current Fed Funds rate range of between 0.00% and 0.25%. The Federal Open Market Committee (FOMC), a committee of the Federal Reserve Board, at their meeting on March 15, 2020, decided to lower the target range for the federal fund rate of between 1.00% to 1.25% to 0.00% to 0.25%. At their March 15, 2020 meeting the FOMC judged that the effects of the coronavirus will weigh on economic activity in the near term and pose risks to the economic outlook. The committee believes this action will help support economic activity, strong labor market conditions, and return inflation to their symmetric 2 percent objective. The committee will continue to monitor the implications of incoming information for the economic outlook, including information related to public health, as well as global developments and muted inflation pressures.

Investment Type	Yield
Total Portfolio	1.48%
Securities	1.63%
Money Market Mutual Funds and Local Investment Pools	1.07%
<i>Reference: Benchmark 91-day Treasury Bill</i>	0.29%

The City has focused on preserving the safety of the investment portfolio while trying to keep a balance between maintaining adequate liquidity for ongoing operations and the ability to earn interest. The City continues to invest in U.S. Agency Securities, U.S. Treasury Notes, Certificates of Deposit, money market funds and local government

investment pools which invest only in U.S. Treasuries and Agencies. The City requires that bank deposits are fully collateralized with Obligations, including letters of credit, of the United States or its agencies and instrumentalities. The portfolio contains a mix of investments in money market funds and local government investment pools for funds that will be used in the short term, and direct investments in Treasury and Agency Securities or Certificates of Deposit for funds that will be used in the future.

**Earnings**

Total interest on the City’s investments for the quarter was \$1,013,531. The interest by Portfolio is listed in the chart below.

Portfolio	Interest 1st Quarter	Interest 2nd Quarter	Interest 3rd Quarter	Interest 4th Quarter	Interest YTD
Operating	\$391,728	\$441,201			\$832,929
Bond Proceeds & Capital Proj.	485,900	469,887			955,787
Debt Service	44,279	81,257			125,536
Deposit	23,510	21,186			44,696
Total	\$945,417	\$1,013,531			\$1,958,948

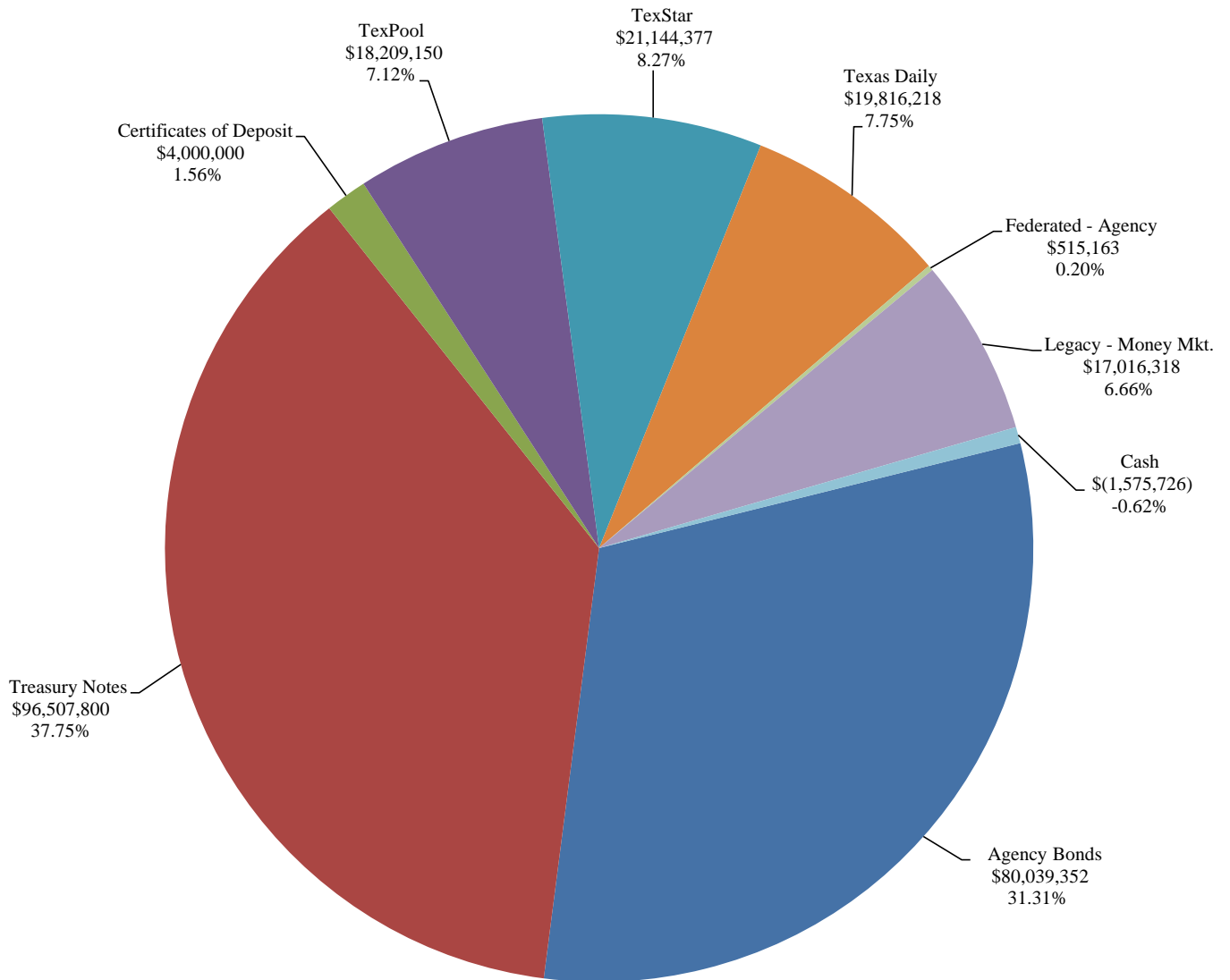
Additional information on interest earned can be found on page 8 of this report.

**Abbreviations**

Throughout this report, the following common abbreviations are used for securities which are held in the City’s Portfolio.

Abbreviation	Official Name
FNMA	Federal National Mortgage Association
FHDN	Federal Home Loan Bank Discount Note
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
FMCDN	Federal Home Loan Mortgage Corp. Discount Note
FFCB	Federal Farm Credit Bank
T-Note	U.S. Treasury Note
CD	Certificate of Deposit

# Securities by Type As of March 31, 2020 \$255,672,652



**City of Richardson, Texas**  
**Investment Report**  
**Investment Officers Signature Page**  
**Quarter Ending March 31, 2020**

This report is in compliance with the investment strategy as established in the City's Investment Policy and the Public Funds Investment Act, Chapter 2256, Texas Government Code.

Prepared on: April 27, 2020

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Kent Pfeil  
Chief Financial Officer

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Keith Dagen  
Director of Finance

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Cara Copley  
Assistant Finance Director

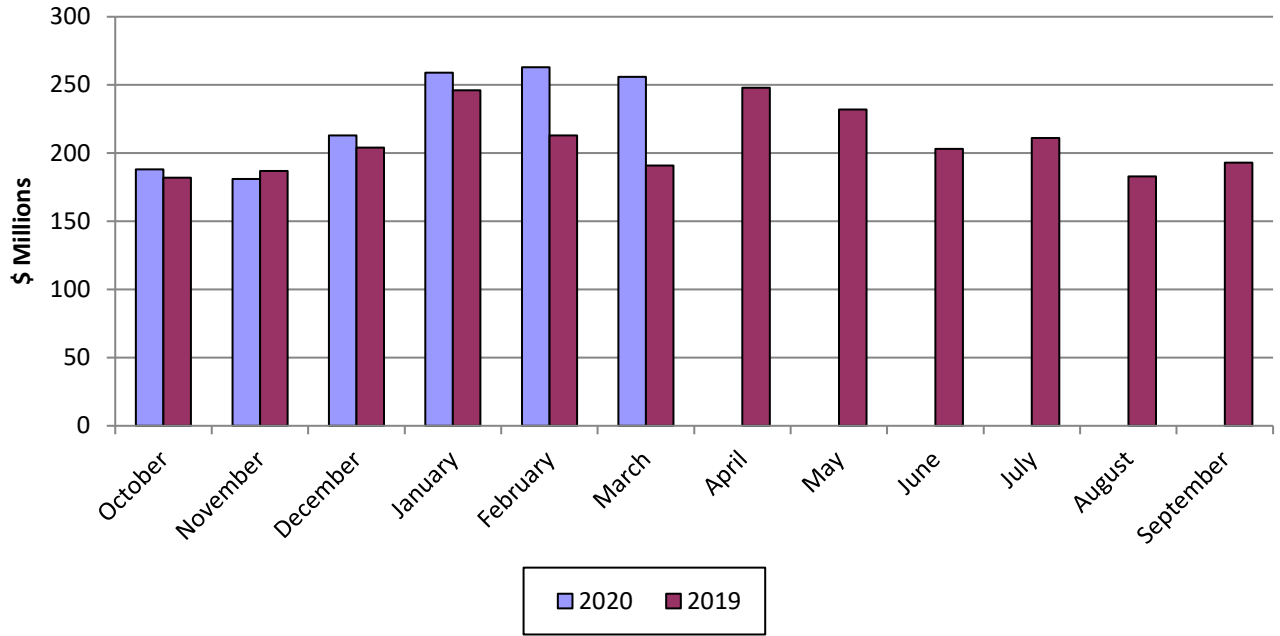
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Vicki McCarthy  
Controller

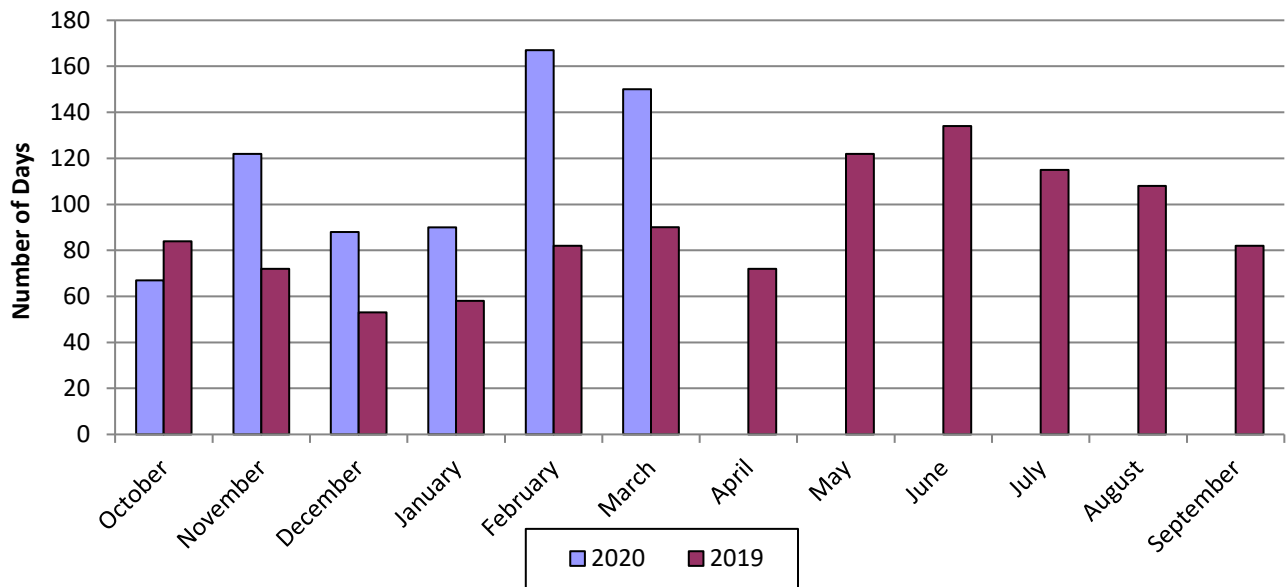
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Michael Spanos  
Treasury Accountant

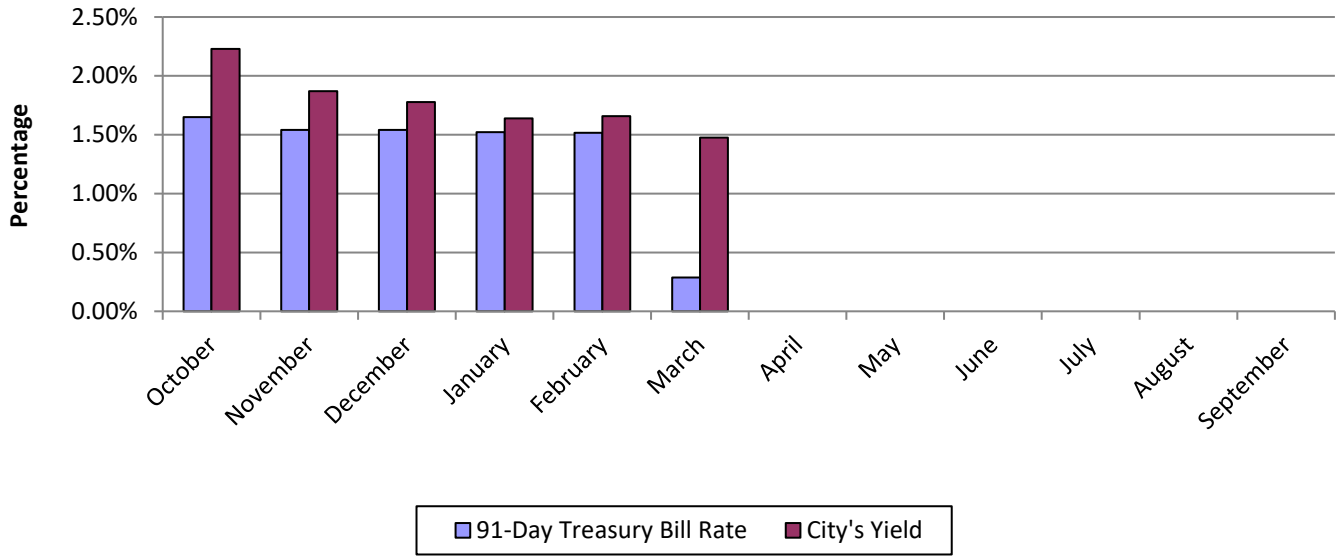
### Investment Portfolio Balance Fiscal Year 2020



### Weighted Average Maturity Total Portfolio Fiscal Year 2020



## Comparison of the City's Yield to the 91-day Treasury Bill Rate Fiscal Year 2020



# City of Richardson Investment Report

## Schedule of Investments by Source of Funds

March 31, 2020

Securities & CD's										
Source of Funds	Type	Purchase Date	Maturity Date	# of Days	Market Value	Book Value	Yield	Callable	Purchased From	
Bond & Cap Proj.	US Treas Bond	T-Note	05/29/19	04/15/20	322 days	\$ 3,998,627	\$ 3,998,627	2.35%	N/A	Samco
Operating	Agency Bond	FFCB	05/09/19	04/29/20	356 days	4,000,000	4,000,000	2.40%	N/A	Raymond James
Bond & Cap Proj.	CD	CD	05/21/19	05/20/20	365 days	4,000,000	4,000,000	2.43%	N/A	Texas Term
Operating	US Treas Bond	T-Note	11/13/19	05/31/20	200 days	3,998,500	3,998,500	1.61%	N/A	Hilltop
Bond & Cap Proj.	Agency Bond	FHLB	11/14/19	06/12/20	211 days	4,001,365	4,001,365	1.58%	N/A	Samco
Operating	Agency Bond	FHLB	11/13/19	06/12/20	212 days	4,001,073	4,001,073	1.61%	N/A	FTN
Operating	US Treas Bond	T-Note	11/13/19	07/31/20	261 days	4,013,473	4,013,473	1.60%	N/A	Hilltop
Operating	Agency Bond	FMCDN	02/07/20	07/31/20	175 days	3,979,430	3,979,430	1.57%	N/A	FTN
Operating	Agency Bond	FMCDN	02/19/20	07/31/20	163 days	3,979,699	3,979,699	1.55%	N/A	FHN
Bond & Cap Proj.	US Treas Bond	T-Note	11/14/19	07/31/20	260 days	4,013,598	4,013,598	1.59%	N/A	Samco
Bond & Cap Proj.	Agency Bond	FHDN	02/11/20	07/31/20	171 days	3,979,699	3,979,699	1.55%	N/A	Hilltop
Operating	Agency Bond	FHLMC	02/07/20	08/19/20	194 days	3,976,433	3,976,433	1.55%	N/A	FTN
Bond & Cap Proj.	US Treas Bond	T-Note	02/11/20	08/31/20	202 days	3,997,296	3,997,296	1.54%	N/A	Hilltop
Bond & Cap Proj.	US Treas Bond	T-Note	11/14/19	08/31/20	291 days	3,996,164	3,996,164	1.59%	N/A	Samco
Operating	US Treas Bond	T-Note	11/13/19	08/31/20	292 days	4,016,348	4,016,348	1.63%	N/A	Hilltop
Operating	US Treas Bond	T-Note	02/20/20	08/31/20	193 days	4,017,720	4,017,720	1.54%	N/A	Hilltop
Operating	US Treas Bond	T-Note	02/10/20	09/15/20	218 days	3,997,247	3,997,247	1.53%	N/A	Samco
Bond & Cap Proj.	Agency Bond	FHDN	02/20/20	09/15/20	208 days	3,972,352	3,972,352	1.53%	N/A	Hilltop
Operating	Agency Bond	FHLMC	01/31/20	09/29/20	242 days	4,001,436	4,001,436	1.55%	N/A	Ladenburg
Operating	Agency Bond	FHLMC	02/20/20	09/29/20	222 days	4,002,042	4,002,042	1.53%	N/A	Ladenburg
Bond & Cap Proj.	Agency Bond	FHLMC	11/14/19	09/29/20	320 days	4,000,653	4,000,653	1.61%	N/A	Samco
Operating	Agency Bond	FNMA	01/31/20	10/30/20	273 days	4,030,335	4,030,335	1.56%	N/A	FTN
Operating	US Treas Bond	T-Note	01/30/20	10/31/20	275 days	3,995,700	3,995,700	1.56%	N/A	Hilltop
Operating	US Treas Bond	T-Note	02/19/20	10/31/20	255 days	3,996,346	3,996,346	1.53%	N/A	Samco
Bond & Cap Proj.	US Treas Bond	T-Note	11/15/19	10/31/20	351 days	3,994,684	3,994,684	1.61%	N/A	Raymond James
Bond & Cap Proj.	US Treas Bond	T-Note	02/21/20	10/31/20	253 days	4,005,262	4,005,262	1.52%	N/A	Hilltop
Operating	Agency Bond	FHLMC	01/29/20	11/17/20	293 days	4,007,928	4,007,928	1.56%	N/A	FTN
Bond & Cap Proj.	Agency Bond	FFCB	06/19/19	11/23/20	523 days	4,030,000	3,980,760	1.99%	N/A	Ladenburg
Operating	Agency Bond	FFCB	06/19/19	11/30/20	530 days	4,053,240	4,018,560	1.96%	N/A	Multi-Bank
Operating	US Treas Bond	T-Note	02/29/20	11/30/20	275 days	4,002,798	4,002,798	1.52%	N/A	Samco
Bond & Cap Proj.	Agency Bond	FNMA	07/26/19	11/30/20	493 days	4,026,960	3,985,840	1.94%	N/A	Hilltop
Operating	US Treas Bond	T-Note	01/29/20	12/15/20	321 days	4,009,544	4,009,544	1.53%	N/A	Samco
Operating	US Treas Bond	T-Note	01/30/20	12/15/20	320 days	4,009,196	4,009,196	1.55%	N/A	Hilltop
Bond & Cap Proj.	US Treas Bond	T-Note	11/15/19	12/15/20	396 days	4,050,640	4,011,250	1.61%	N/A	FTN
Bond & Cap Proj.	US Treas Bond	T-Note	02/18/20	12/15/20	301 days	4,010,448	4,010,448	1.50%	N/A	FHN
Operating	Agency Bond	FHLB	01/28/20	01/27/21	365 days	3,998,351	3,998,351	1.55%	N/A	Ladenburg
Bond & Cap Proj.	US Treas Bond	T-Note	11/15/19	01/31/21	443 days	4,079,360	4,041,719	1.62%	N/A	FTN
Bond & Cap Proj.	US Treas Bond	T-Note	02/19/20	01/31/21	347 days	3,995,880	3,995,880	1.50%	N/A	Samco
Operating	US Treas Bond	T-Note	02/18/20	01/31/21	348 days	4,032,729	4,032,729	1.51%	N/A	Samco
Operating	Agency Bond	FHLB	02/18/20	02/18/21	366 days	7,998,607	7,998,607	1.52%	N/A	Ladenburg
Bond & Cap Proj.	Agency Bond	FFCB	02/24/20	02/24/21	366 days	3,999,749	3,999,749	1.51%	N/A	Hilltop
Operating	US Treas Bond	T-Note	02/14/20	07/31/21	533 days	4,050,920	3,979,375	1.49%	N/A	FHN
Operating	US Treas Bond	T-Note	02/14/20	07/31/21	533 days	4,083,760	4,015,896	1.47%	N/A	Ladenburg
Bond & Cap Proj.	US Treas Bond	T-Note	02/14/20	08/15/21	548 days	4,141,560	4,075,156	1.48%	N/A	FHN
<b>Total</b>						<b>\$ 180,547,152</b>	<b>\$ 180,139,268</b>			

Money Market Funds, State Pools and Uninvested Balances			
Source of Funds	Type	Market Value	Purchased From
Operating	State Pool	\$ 2,971,514	TexPool
Bond Proceeds & Capital Projects	State Pool	8,642,165	TexPool
Debt Service	State Pool	6,595,471	TexPool
Operating	State Pool	616,999	TexStar
Bond Proceeds & Capital Projects	State Pool	13,182,728	TexStar
Debt Service	State Pool	3,621,584	TexStar
Deposit	State Pool	3,723,066	TexStar
Operating	State Pool	1,070,897	Texas Daily
Bond Proceeds & Capital Projects	State Pool	17,247,998	Texas Daily
Debt Service	State Pool	611,880	Texas Daily
Deposit	State Pool	885,443	Texas Daily
Bond Proceeds & Capital Projects	Money Market	515,163	Federated
Operating	Money Market	17,016,318	Prosperity Bank
Operating	Cash	(2,227,103)	Prosperity Bank
Operating	Cash	67,192	Frost Bank
Deposit	Cash	222,375	Prosperity Bank
Debt Service	Cash	2,314	Prosperity Bank
Bond Proceeds & Capital Projects	Cash	359,496	Prosperity Bank
<b>Total</b>		<b>\$ 75,125,500</b>	

Type	Market Value	Percentage
Securities		
Agency Bonds	\$ 80,039,352	31.31%
Treasury Bonds	96,507,800	37.75%
CDs	4,000,000	1.56%
TexPool	18,209,150	7.12%
TexStar	21,144,377	8.27%
Texas Daily	19,816,218	7.75%
Federated	515,163	0.20%
Prosperity Money Market	17,016,318	6.66%
Cash	(1,575,726)	-0.62%
<b>Total Investments</b>	<b>\$ 255,672,652</b>	<b>100.00%</b>



# City of Richardson Investment Report

## Schedule of Beginning and Ending Market Value and Interest Earned

March 31, 2020

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Quarter	Interest Income YTD
<b>Operating Portfolio</b>				
General Fund	\$ 31,167,862	\$ 57,566,482	\$ 211,407	\$ 318,876
Special Police Funds	485,862	522,719	1,808	3,907
Municipal Court Building Security Fund	28,891	38,639	129	271
Technology Fund	174,429	195,748	698	1,700
Wireless 911 Fund	596,994	512,579	2,032	5,092
Municipal Jury Fund	-	311	1	1
Juvenile Case Manager Fund	-	15,551	25	25
Judicial Efficiency Fund	15,978	19,778	67	151
Hotel/ Motel Tax Fund	3,804,045	2,873,771	12,596	30,872
Tax Increment Financing Fund #1	6,062,256	11,299,657	35,515	67,515
Tax Increment Financing Fund #2	(6,250)	5,176,094	11,893	11,893
Tax Increment Financing Fund #3	68,361	878,378	2,298	2,643
Franchise PEG Fund	456,079	511,885	1,858	4,069
Drainage Fee Fund	3,968,427	4,099,827	15,130	36,618
State Grants Fund (1)	(8,642)	-	-	-
Federal Grant Funds (1)	(161,516)	(426,956)	-	-
Economic Development	3,507,565	3,699,001	13,524	32,093
Eisemann Endowment Fund	256,984	257,955	971	2,264
Water and Sewer Operating Fund	18,609,012	14,569,992	57,960	149,902
Water and Sewer Rate Stabilization Fund	2,769,670	2,704,072	10,398	24,460
Golf Fund	215,557	128,501	643	1,922
Solid Waste Services Fund	2,617,792	2,301,525	9,007	21,659
Central Services Fund	705,259	540,315	2,296	5,696
Insurance and Flexible Spending Fund	11,432,524	12,072,111	43,191	99,976
Tech Replacement Fund	2,053,570	2,061,324	7,754	11,324
Payroll Liability Fund	2,134,273	2,149,416	-	-
<b>Total Operating Portfolio</b>	<b>\$ 90,954,982</b>	<b>\$ 123,768,675</b>	<b>\$ 441,201</b>	<b>\$ 832,929</b>

(1) These grants are reimbursement grants. The City expends the funds first and then bills the appropriate governmental agency for reimbursements.

<b>Bond Proceeds and Capital Projects Portfolio</b>				
Capital Projects - Equipment Funds	\$ 7,238,680	\$ 8,814,427	\$ 35,736	\$ 72,937
Capital Projects - Major Projects Funds	53,449,066	65,370,026	266,027	559,679
Water and Sewer - Capital Project Funds	12,157,679	19,432,114	71,213	131,581
Solid Waste - Capital Projects Funds	913,133	1,283,496	4,550	9,481
Non-Bond Capital Projects:				
Special Projects Fund	7,491,073	8,630,846	35,618	73,606
Eisemann Center Capital Fund	476,001	406,137	1,940	4,078
Street Rehabilitation Fund	6,238,335	5,678,055	27,480	53,548
Capital Equipment Replacement Fund	3,531,176	3,547,339	16,163	30,497
Water Sewer Special Projects Fund	36,147	785,837	1,711	1,885
Solid Waste Special Projects Fund	1,884,119	2,293,568	9,449	18,495
<b>Total Bond Proceeds &amp; Capital Projects Portfolio</b>	<b>\$ 93,415,409</b>	<b>\$ 116,241,845</b>	<b>\$ 469,887</b>	<b>\$ 955,787</b>

<b>Debt Service Portfolio</b>				
General Debt Service Fund	\$ 20,768,921	\$ 10,831,248	\$ 75,742	\$ 111,978
Water and Sewer Debt Service Fund	2,101,327	-	4,494	11,039
Solid Waste Debt Service Fund	478,227	-	1,021	2,519
<b>Total Debt Service Portfolio</b>	<b>\$ 23,348,475</b>	<b>\$ 10,831,248</b>	<b>\$ 81,257</b>	<b>\$ 125,536</b>

<b>Deposit Portfolio</b>				
Water and Sewer Deposit Fund	\$ 4,789,107	\$ 4,830,883	\$ 21,186	\$ 44,696
<b>Total Deposit Portfolio</b>	<b>\$ 4,789,107</b>	<b>\$ 4,830,883</b>	<b>\$ 21,186</b>	<b>\$ 44,696</b>

<b>Total All Portfolios</b>	<b>\$ 212,507,973</b>	<b>\$ 255,672,652</b>	<b>\$ 1,013,531</b>	<b>\$ 1,958,948</b>
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