

RICHARDSON, TX

FINANCE

4th Quarter Investment Report
(For the Quarter Ended September 30, 2020)
Fiscal Year 2019-20
City of Richardson, Texas

Investment Report Overview Quarter Ending September 30, 2020

Portfolio Balance

The Market Value of the City’s Investment Portfolio as of September 30, 2020 was \$208,323,104.

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 0.55% as of September 30, 2020, above the benchmark of the 91-day Treasury bill at 0.11% 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 September 15-16, 2020, decided to maintain the target range for the federal fund rate of between 0.00% to 0.25%. The ongoing public health crisis will continue to weigh on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term. The FOMC seeks to achieve maximum employment and inflation at the rate of 2 percent over the long run. The committee will continue to monitor the implications of incoming information for the economic outlook and is prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the committee’s goals.

Investment Type	Yield
Total Portfolio	0.55%
Securities	1.57%
Money Market Mutual Funds and Local Investment Pools	0.26%
<i>Reference: Benchmark 91-day Treasury Bill</i>	0.11%

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 \$756,518. 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	\$412,383	\$440,148	\$1,685,460
Bond Proceeds & Capital Proj.	485,900	469,887	336,904	312,171	1,604,862
Debt Service	44,279	81,257	7,827	2,148	135,511
Deposit	23,510	21,186	3,813	2,051	50,560
Total	\$945,417	\$1,013,531	\$760,927	\$756,518	\$3,476,393

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
FFCB	Federal Farm Credit Bank
T-Note	U.S. Treasury Note
CD	Certificate of Deposit

City of Richardson, Texas
Investment Report
Investment Officers Signature Page
Quarter Ending September 30, 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: November 9, 2020

Kent Pfeil
Chief Financial Officer

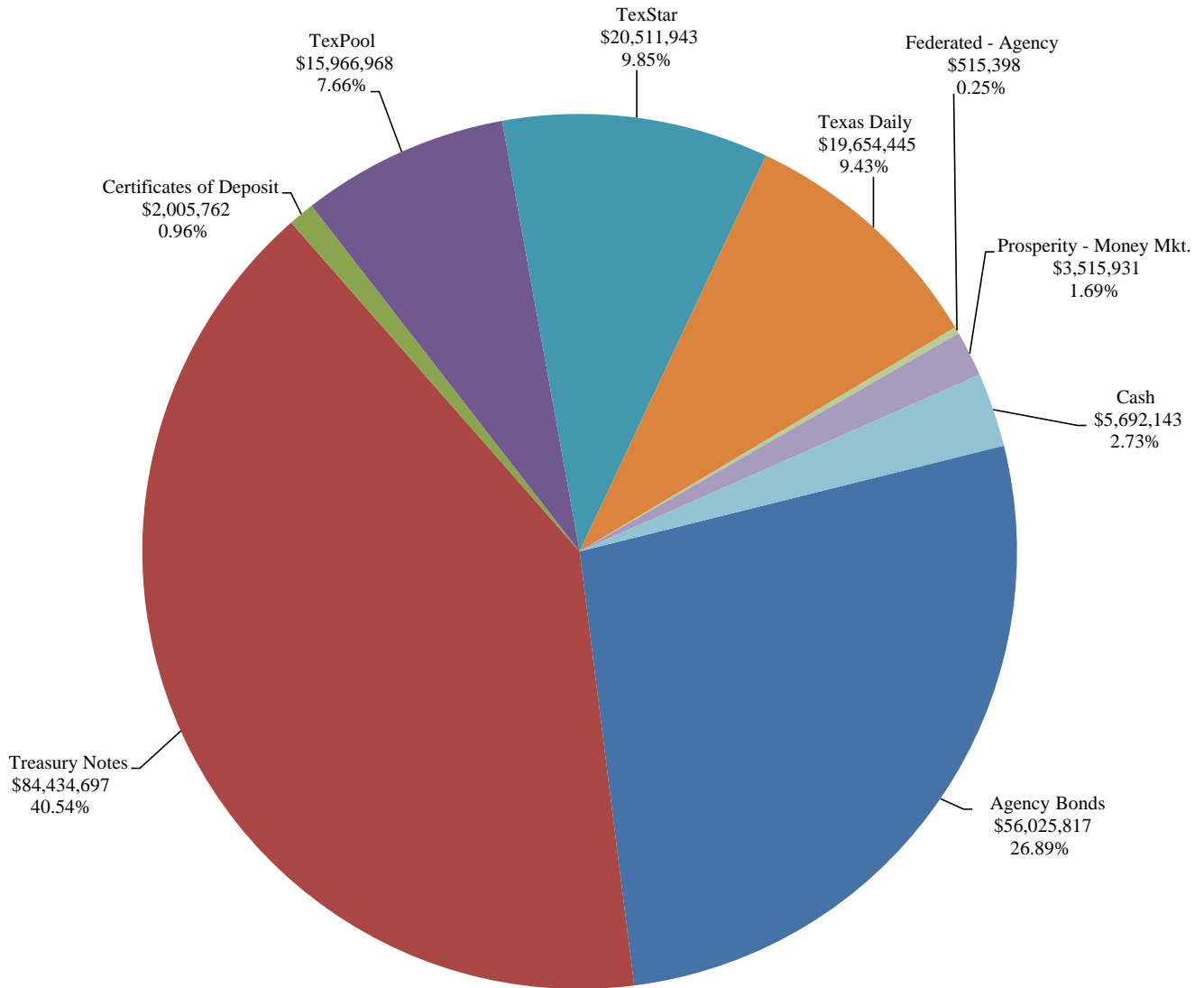
Keith Dagen
Director of Finance

Cara Copley
Assistant Finance Director

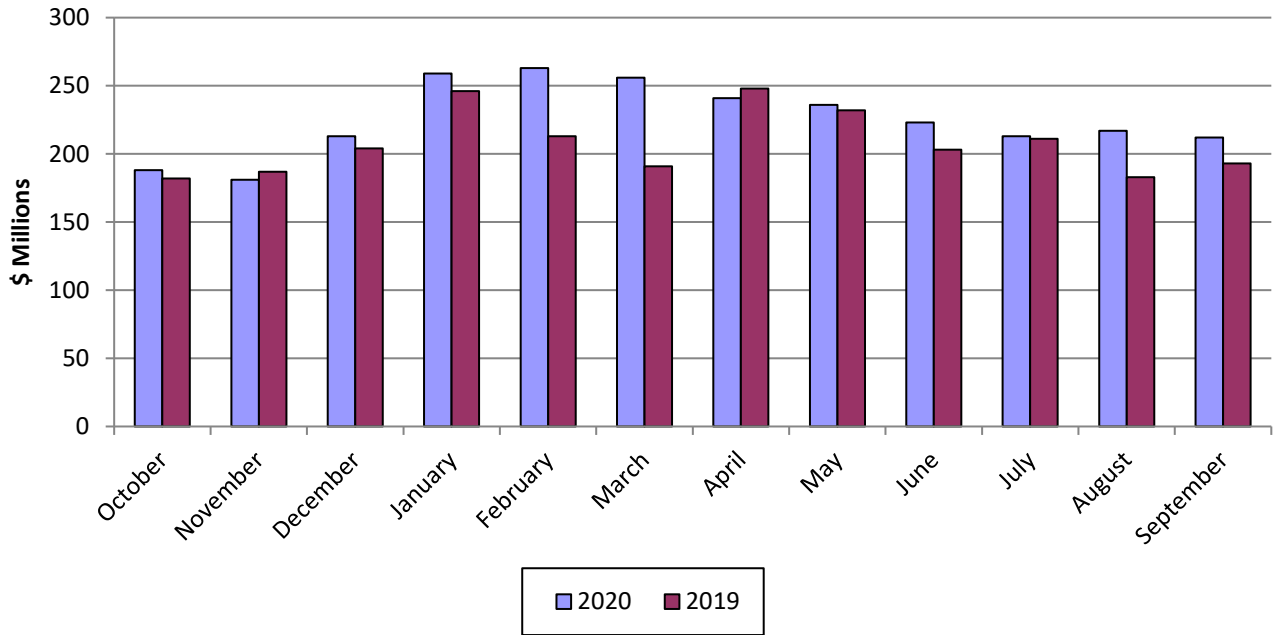
Vicki McCarthy
Controller

Paulette Overman
Treasury Accountant

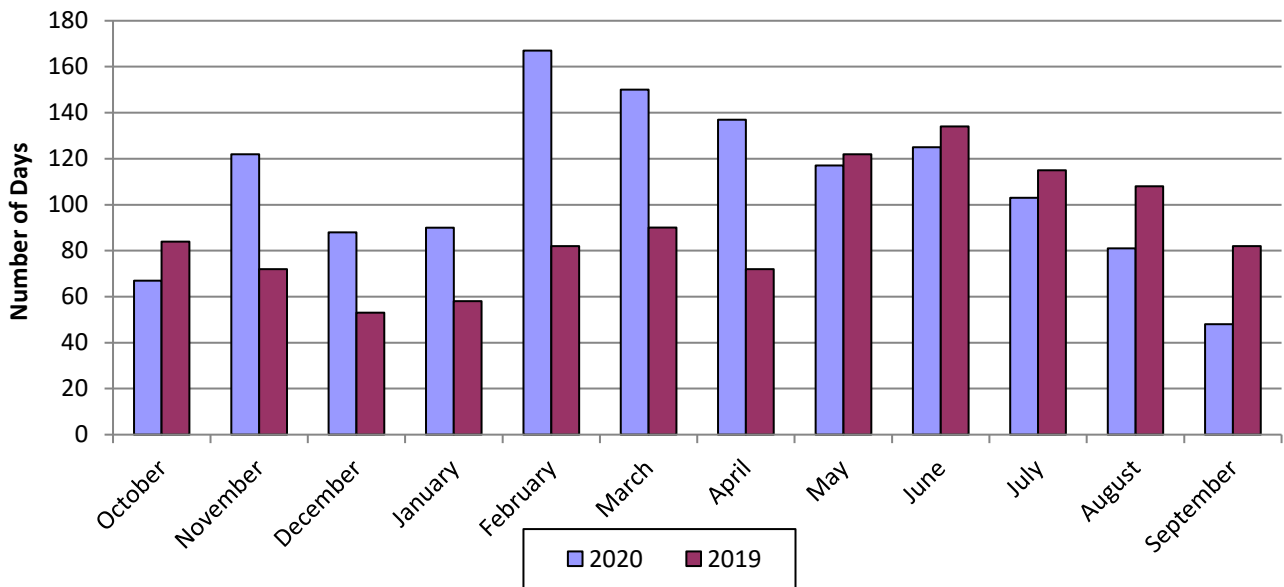
Securities by Type As of September 30, 2020 \$208,323,104



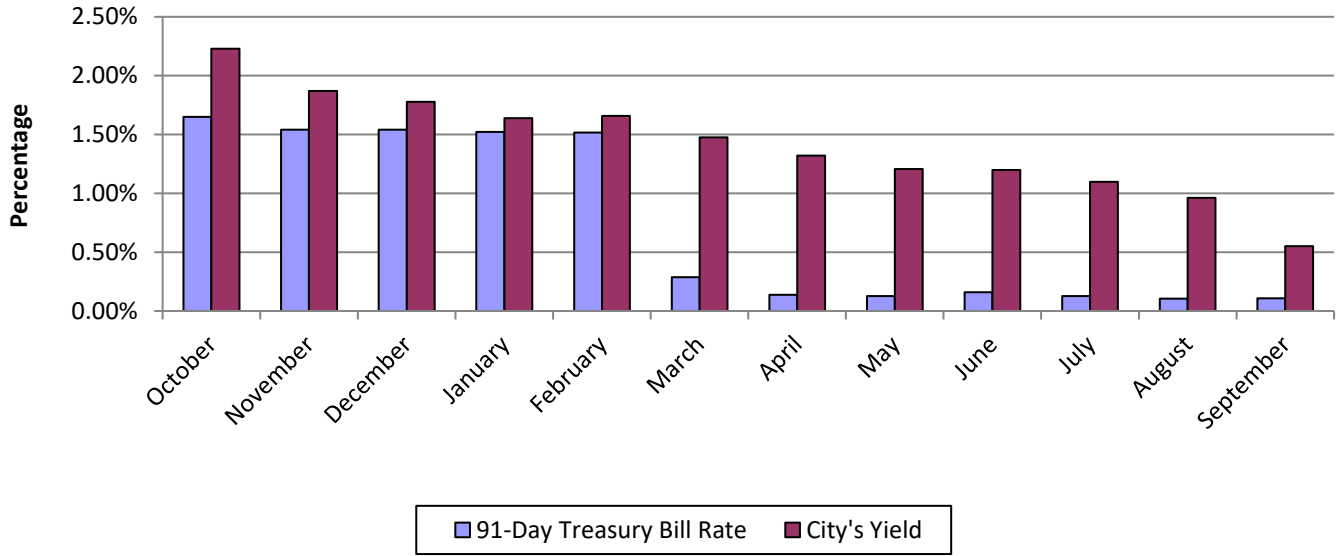
Investment Portfolio Balance Fiscal Year 2020



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

September 30, 2020

Securities & CD's										
Source of Funds	Type		Purchase Date	Maturity Date	# of Days	Market Value	Book Value	Yield	Callable	Purchased From
Operating	Agency Bond	FNMA	01/31/20	10/30/20	273 days	4,004,209	4,004,209	1.56%	N/A	FTN
Operating	US Treas Bond	T-Note	01/30/20	10/31/20	275 days	3,999,394	3,999,394	1.56%	N/A	Hilltop
Operating	US Treas Bond	T-Note	02/19/20	10/31/20	255 days	3,999,485	3,999,485	1.53%	N/A	Samco
Bond & Cap Proj.	US Treas Bond	T-Note	11/15/19	10/31/20	351 days	3,999,251	3,999,251	1.61%	N/A	Raymond James
Bond & Cap Proj.	US Treas Bond	T-Note	02/21/20	10/31/20	253 days	4,000,741	4,000,741	1.52%	N/A	Hilltop
Operating	Agency Bond	FHLMC	01/29/20	11/17/20	293 days	4,001,614	4,001,614	1.56%	N/A	FTN
Bond & Cap Proj.	Agency Bond	FFCB	06/19/19	11/23/20	523 days	4,007,640	4,007,640	1.99%	N/A	Ladenburg
Operating	Agency Bond	FFCB	06/19/19	11/30/20	530 days	4,014,120	4,014,120	1.96%	N/A	Multi-Bank
Operating	US Treas Bond	T-Note	02/19/20	11/30/20	285 days	4,000,691	4,000,691	1.52%	N/A	Samco
Bond & Cap Proj.	Agency Bond	FNMA	07/26/19	11/30/20	493 days	4,009,160	4,009,160	1.94%	N/A	Hilltop
Operating	US Treas Bond	T-Note	01/29/20	12/15/20	321 days	4,002,775	4,002,775	1.53%	N/A	Samco
Operating	US Treas Bond	T-Note	01/30/20	12/15/20	320 days	4,002,673	4,002,673	1.55%	N/A	Hilltop
Bond & Cap Proj.	US Treas Bond	T-Note	11/15/19	12/15/20	396 days	4,014,360	4,014,360	1.61%	N/A	FTN
Bond & Cap Proj.	US Treas Bond	T-Note	02/18/20	12/15/20	301 days	4,003,037	4,003,037	1.50%	N/A	FHN
Operating	Agency Bond	FHLB	01/28/20	01/27/21	365 days	3,999,354	3,999,354	1.55%	N/A	Ladenburg
Bond & Cap Proj.	US Treas Bond	T-Note	11/15/19	01/31/21	443 days	4,031,560	4,031,560	1.62%	N/A	FTN
Bond & Cap Proj.	US Treas Bond	T-Note	02/19/20	01/31/21	347 days	3,998,352	3,998,352	1.50%	N/A	Samco
Operating	US Treas Bond	T-Note	02/18/20	01/31/21	348 days	4,013,092	4,013,092	1.51%	N/A	Samco
Operating	Agency Bond	FHLB	02/18/20	02/18/21	366 days	7,999,398	7,999,398	1.52%	N/A	Ladenburg
Bond & Cap Proj.	Agency Bond	FFCB	02/24/20	02/24/21	366 days	3,999,889	3,999,889	1.51%	N/A	Hilltop
Operating	Agency Bond	FHDN	09/17/20	03/12/21	176 days	3,998,110	3,998,110	0.11%	N/A	Oppenheimer
Bond & Cap Proj.	US Treas Bond	T-Note	09/17/20	03/25/21	189 days	3,998,153	3,998,153	0.10%	N/A	Samco
Operating	Agency Bond	FHLB	09/17/20	04/09/21	204 days	3,998,100	3,998,100	0.09%	N/A	FHN
Operating	Agency Bond	FHLB	09/17/20	04/09/21	204 days	3,998,100	3,998,100	0.09%	N/A	V Sparks
Bond & Cap Proj.	US Treas Bond	T-Note	09/17/20	04/22/21	217 days	3,997,744	3,997,744	0.10%	N/A	Samco
Bond & Cap Proj.	US Treas Bond	T-Note	09/17/20	04/22/21	217 days	3,997,744	3,997,744	0.10%	N/A	FHN
Operating	Agency Bond	FHDN	09/25/20	05/07/21	224 days	7,996,124	7,996,124	0.08%	N/A	V Sparks
Bond & Cap Proj.	US Treas Bond	T-Note	09/25/20	05/15/21	232 days	8,125,725	8,125,725	0.10%	N/A	FHN
Bond & Cap Proj.	US Treas Bond	T-Note	09/25/20	06/15/21	263 days	4,070,999	4,070,999	0.11%	N/A	FHN
Bond & Cap Proj.	CD		06/18/20	06/17/21	364 days	2,005,762	2,005,762	1.00%	N/A	BTH Bank
Operating	US Treas Bond	T-Note	02/14/20	07/31/21	533 days	4,033,440	4,033,440	1.49%	N/A	FHN
Operating	US Treas Bond	T-Note	02/14/20	07/31/21	533 days	4,053,920	4,053,920	1.47%	N/A	Ladenburg
Operating	US Treas Bond	T-Note	02/14/20	08/15/21	548 days	4,091,560	4,091,560	1.48%	N/A	FHN
Total						\$ 142,466,276	\$ 142,466,276			

Money Market Funds, State Pools and Uninvested Balances			
Source of Funds	Type	Market Value	Purchased From
Operating	State Pool	\$ 15,390,212	TexPool
Bond Proceeds & Capital Projects	State Pool	476,185	TexPool
Debt Service	State Pool	100,571	TexPool
Operating	State Pool	117,324	TexStar
Bond Proceeds & Capital Projects	State Pool	14,291,663	TexStar
Debt Service	State Pool	2,375,473	TexStar
Deposit	State Pool	3,727,483	TexStar
Operating	State Pool	17,873,784	Texas Daily
Bond Proceeds & Capital Projects	State Pool	280,892	Texas Daily
Debt Service	State Pool	612,879	Texas Daily
Deposit	State Pool	886,890	Texas Daily
Bond Proceeds & Capital Projects	Money Market	515,398	Federated
Operating	Money Market	3,515,931	Prosperity Bank
Operating	Cash	(6,689,592)	Prosperity Bank
Operating	Cash	1,470,255	Bank of America
Operating	Cash	66,541	Frost Bank
Deposit	Cash	269,158	Prosperity Bank
Debt Service	Cash	795,599	Prosperity Bank
Bond Proceeds & Capital Projects	Cash	9,780,182	Prosperity Bank
Total		\$ 65,856,828	

Type	Market Value	Percentage
Securities		
Agency Bonds	\$ 56,025,817	26.89%
Treasury Bonds	84,434,697	40.54%
CDs	2,005,762	0.96%
TexPool	15,966,968	7.66%
TexStar	20,511,943	9.85%
Texas Daily	19,654,445	9.43%
Federated	515,398	0.25%
Prosperity Money Market	3,515,931	1.69%
Cash	5,692,143	2.73%
Total Investments	\$ 208,323,104	100.00%

City of Richardson Investment Report

Schedule of Beginning and Ending Market Value and Interest Earned

September 30, 2020

Portfolio	Quarter Beginning Market Value	Quarter Ending Market Value	Interest Income Quarter	Interest Income YTD
Operating Portfolio				
General Fund	\$ 48,189,354	\$ 60,274,411	\$ 211,085	\$ 717,862
Special Police Funds	338,765	352,038	1,283	4,753
Municipal Court Building Security Fund	48,463	61,695	196	619
Technology Fund	210,855	229,926	831	3,271
Wireless 911 Fund	539,016	558,314	2,127	9,498
Municipal Jury Fund	643	1,087	3	5
Juvenile Case Manager Fund	32,181	54,375	128	236
Judicial Efficiency Fund	22,909	31,888	96	324
Hotel/ Motel Tax Fund	2,463,994	3,071,154	10,094	50,791
Tax Increment Financing Fund #1	9,829,658	9,191,764	39,437	146,404
Tax Increment Financing Fund #2	1,080,182	898,641	7,250	37,939
Tax Increment Financing Fund #3	207,970	208,258	1,447	7,350
Franchise PEG Fund	559,731	591,384	2,182	8,242
Drainage Fee Fund	4,139,616	4,268,018	16,256	67,993
State Grants Fund (1)	-	-	-	-
Federal Grant Funds (1)	1,377,439	(1,829,445)	(2,334)	2,848
Economic Development	3,144,000	4,120,542	13,237	57,549
Eisemann Endowment Fund	233,825	234,782	957	4,091
Water and Sewer Operating Fund	12,733,316	3,386,026	55,968	247,014
Water and Sewer Rate Stabilization Fund	2,452,549	2,421,705	10,022	43,941
Golf Fund	563,737	898,393	2,040	5,003
Solid Waste Services Fund	2,401,707	2,702,370	9,853	39,870
Central Services Fund	419,365	321,863	1,744	9,191
Insurance and Flexible Spending Fund	12,933,482	13,631,186	49,359	195,305
Tech Replacement Fund	1,927,996	1,439,393	6,889	25,363
Payroll Liability Fund	2,032,904	739,285	-	-
Total Operating Portfolio	\$ 107,883,657	\$ 107,859,054	\$ 440,148	\$ 1,685,460

(1) These include both reimbursement grants and advanced funding grants.

Bond Proceeds and Capital Projects Portfolio				
Capital Projects - Equipment Funds	\$ 7,034,989	\$ 5,636,663	\$ 22,064	\$ 119,970
Capital Projects - Major Projects Funds	57,670,812	51,943,106	179,294	926,069
Water and Sewer - Capital Project Funds	17,990,584	13,872,862	49,265	237,979
Solid Waste - Capital Projects Funds	1,287,450	759,770	2,921	16,357
Non-Bond Capital Projects:				
Special Projects Fund	8,685,536	8,789,728	24,160	124,785
Eisemann Center Capital Fund	401,883	393,081	1,214	6,535
Street Rehabilitation Fund	4,348,352	4,178,801	15,467	84,511
Capital Equipment Replacement Fund	3,558,267	3,568,668	10,401	51,826
Water Sewer Special Projects Fund	41,531	42,281	750	4,634
Solid Waste Special Projects Fund	2,300,634	2,511,039	6,636	32,197
Total Bond Proceeds & Capital Projects Portfolio	\$ 103,320,038	\$ 91,695,997	\$ 312,171	\$ 1,604,862

Debt Service Portfolio				
General Debt Service Fund	\$ 6,475,723	\$ 3,237,128	\$ 2,114	\$ 121,919
Water and Sewer Debt Service Fund	-	527,671	27	11,066
Solid Waste Debt Service Fund	-	119,723	7	2,526
Total Debt Service Portfolio	\$ 6,475,723	\$ 3,884,522	\$ 2,148	\$ 135,511

Deposit Portfolio				
Water and Sewer Deposit Fund	\$ 4,859,332	\$ 4,883,531	\$ 2,051	\$ 50,560
Total Deposit Portfolio	\$ 4,859,332	\$ 4,883,531	\$ 2,051	\$ 50,560

Total All Portfolios	\$ 222,538,750	\$ 208,323,104	\$ 756,518	\$ 3,476,393
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