



**City of Azle
Regular Agenda
Municipal Development District Board**

505 W. Main Street
Azle, Texas 76020

October 8, 2024

6:00 PM

Community Room

Pursuant to Section 551.071 of the Texas Government Code, the Board may convene into Executive Session(s) from time to time as deemed necessary during the meeting for any posted agenda item and may receive advice from its attorney as permitted by law.

REGULAR SESSION

CALL TO ORDER

ACTION ITEMS

1. Consider approving the Minutes of the July 23, 2024 Azle MDD regular meeting
Brian Conner - Secretary
2. Consider any action on Resolution No. M2024-01 approving the Investment Policy
Martin Avila, Finance Director

PRESENTATION

3. Quarterly Investment Report for month ended June 30, 2024.
Martin Avila, Finance Director

DISCUSSION ITEM

4. Economic Development Update
David Hawkins, Director of Planning and Development

ADJOURNMENT

I, the undersigned authority, do hereby certify the above Agenda was posted at City Hall on October 4, 2024, at the City's official bulletin board and is readily accessible to the public at all times in accordance with V.T.C.A. Chapter 551, Texas Government Code.

Assistant to the City Manager

This facility is wheelchair accessible and handicapped parking spaces are available. Auxiliary aids and services are available to a person when necessary to afford an equal opportunity to participate in city functions and activities. Auxiliary aids and services or accommodations should be requested forty-eight hours prior to the scheduled starting time by calling the City Secretary's Office at 817-444-7101. Complete Municipal Development District Board agenda packet is available for review at the City Secretary's Office and on our website www.cityofazle.org.



Presenter: Brian Conner - Secretary

Agenda Item: Consider approving the Minutes of the July 23, 2024 Azle MDD regular meeting

Background and Explanation:

Procedural

Board/Commission/Committee Recommendation:

Staff Recommendation:

Attachments:

1. Minutes of 07-23-2024



MINUTES
Regular
Azle Municipal Development District
Board

505 W. Main Street
Azle, Texas 76020

July 23, 2024

6:00 PM

Community Room

REGULAR SESSION

CALL TO ORDER

President Stevens called the meeting to order at 6:00 PM.

Members Present:

Jack Stevens	President
Bill Jones	Vice President
Brian Conner	Secretary
Randa Goode	Director Place 1
Amy Estes	Director Place 2
Jack Reynolds	Director Place 6

Members Absent:

Stacy Peek	Director Place 3
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Staff Present:

Tom Muir	Executive Director
David Hawkins	Director of Planning and Development
Kristen Pegues	Community and Marketing Specialist
Susie Hiles	Assistant to the City Manager (Scribe)

ACTION ITEMS

1. Consider approving the Minutes of the June 25, 2024 Azle MDD regular meeting

Vice President Bill Jones moved to approve the Minutes of the June 25, 2024 Azle MDD regular meeting, as presented. Secretary Brian Conner seconded the motion.

Yes: (6) Jack Stevens, Bill Jones, Brian Conner, Randa Goode, Amy Estes, Jack Reynolds

2. Consider any action on the mid-year budget amendment for FY 2023-24

Executive Director Tom Muir provided an overview of the mid-year budget adjustment for FY 2023-24.

Vice President Bill Jones moved to approve the mid-year budget amendment for FY 2023-24, as presented. Director Randa Goode seconded the motion.

Yes: (6) Jack Stevens, Bill Jones, Brian Conner, Randa Goode, Amy Estes, Jack Reynolds

3. Consider any action on the proposed FY 2024-25 MDD Budget

Executive Director Tom Muir provided an overview of the proposed budget for FY 2024-25, noting key

items include additional funding for the FeedLot Food Truck Park and Farmers Market, planning consultant services for zoning ordinance changes due to the new Master Plan, and additional consultant services for new MDD action plan and branding/website redevelopment.

Vice President Bill Jones moved to approve the proposed FY 2024-25 MDD Budget, as presented. Director Jack Reynolds seconded the motion.

Yes: (6) Jack Stevens, Bill Jones, Brian Conner, Randa Goode, Amy Estes, Jack Reynolds

4. Consider any action regarding possible amendments to Facade and Signage Improvements Program Policy.

Community and Marketing Specialist Kristen Pegues stated the Facade and Signage Improvements Program Policy is being presented with the amendments discussed at the June 25 MDD meeting.

Vice President Bill Jones moved to approve the amendments to the Facade and Signage Improvements Program Policy, as presented. Director Amy Estes seconded the motion.

Yes: (6) Jack Stevens, Bill Jones, Brian Conner, Randa Goode, Amy Estes, Jack Reynolds

ADJOURNMENT

President Jack Stevens adjourned the meeting at 6:37 PM.

Presented and approved on October 8, 2024

Brian Conner, Secretary

Attest:

Susie Hiles, Scribe



Presenter: Martin Avila, Finance Director

Agenda Item: Consider any action on Resolution No. M2024-01 approving the Investment Policy

Background and Explanation:

Chapter 2256 of the Texas Government Code, commonly known as the Public Funds Investment Act, requires that the governing body of an investing entity adopt, by rule, order, ordinance, or resolution as appropriate, a written investment policy and investment strategies regarding the investment of its funds and funds under its control. The law also requires that the policy and strategies be reviewed and adopted by the governing body each year. The Board last approved the Investment Policy on October 10, 2023.

The City's investment advisor, Valley View Consulting, L.L.C., and the Investment Committee (City manager, Assistant City Manager, Finance Director and Assistant Finance Director) have reviewed the policy. This year, the recommended changes include added language for the National Credit Union Share Insurance Fund (NCUSIF).

Board/Commission/Committee Recommendation:

On September 25, 2024, the Investment Committee discussed the proposed investment policy, and approved forwarding the updated policy to the Board for their consideration.

Staff Recommendation:

Staff recommends approval of Resolution No. M2024-01

Attachments:

1. Resolution M2024-01 Investment Policy MDD
2. Investment Policy 10-01-2024 Azle proposed

RESOLUTION NO. M2024-01

A RESOLUTION OF BOARD OF THE AZLE MUNICIPAL DEVELOPMENT DISTRICT OF AZLE, TEXAS, AMENDING, REVIEWING AND APPROVING THE WRITTEN INVESTMENT POLICY.

WHEREAS, Chapter 2256 of the Texas Government Code, commonly known as the “Public Funds Investment Act” requires the City to adopt an investment policy by rule, order, ordinance or resolution annually; and

WHEREAS, the Public Funds Investment Act requires the chief financial officer and investment officers of the City to attend investment training; and

WHEREAS, the chief financial officer, investment officers and any official participating in the investment process have attended an investment training course approved by the Investment Committee as provide in the Investment Policy; and

WHEREAS, the City of Azle Investment Policy also includes the Azle Crime Control & Prevention District and Azle Municipal Development District to allow for the prudent investment of funds, as authorized by the Azle City Council, the Azle Crime Control & Prevention District Board and Azle Municipal Development District Board; and

WHEREAS, the attached Investment Policy and incorporated revisions comply with the Public Funds Investment Act, as amended, and authorize the investment of funds in safe and prudent investments.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL DEVELOPMENT DISTRICT BOARD OF AZLE, TEXAS:

The Azle Municipal Development District has complied with the requirements of the of the Public Funds Investment Act and the Investment Policy, as amended, attached hereto as “Exhibit A” is hereby adopted as the Investment Policy of the City, effective October 08, 2024

APPROVED this 8th day of October 2024

**_____
Jack Stevens, Board President**

ATTEST:

**_____
Yael Hoffman, City Secretary**

Exhibit A

**CITY OF AZLE, AZLE CRIME CONTROL & PREVENTION
DISTRICT, and AZLE MUNICIPAL DEVELOPMENT DISTRICT**

INVESTMENT POLICY

PURPOSE: To establish policies for the investment of funds of the City of Azle, the Azle Crime Control and Prevention District and the Azle Municipal Development District, collectively referred to as (the "CITY") that comply with Chapter 2256 of the Government Code ("Public Funds Investment Act", or "Act", or "PFIA") which requires each city to adopt a written investment policy regarding the investment of its funds and funds under its control.

POLICY: Scope

This Investment Policy applies to the investment activities of the CITY. All financial assets of the CITY, including the following fund-types, shall be administered in accordance with the provisions of these policies.

General Funds
Special Revenue Funds
Debt Service Funds
Capital Project Funds
Enterprise Funds
Internal Service Funds
Sinking Funds

Objectives:

The CITY shall manage and invest its cash with four objectives, listed in order of priority: safety, liquidity, public trust, and risk-appropriate yield. The safety of the principal invested will always remain the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with State and local law.

The CITY shall maintain a comprehensive cash management program that includes collection of accounts receivable, vendor payment in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and optimum yield on short term investments of pooled idle cash.

1. Safety - The primary objective of the CITY's investment activity is the

preservation and safety of principal. Each investment transaction shall seek to first avoid capital losses, whether they arise from issuer defaults or erosion of market value.

2. Liquidity - The CITY's investment portfolio will remain sufficiently liquid to meet operating requirements. Liquidity shall be achieved by matching investment maturities with estimated cash flow requirements, maintaining liquid reserves and by investing in instruments with active secondary markets.
3. Public Trust – Investment Officers shall act responsibly as public trust custodians and shall avoid transactions which might impair public confidence in the CITY's ability to govern effectively.
4. Risk–Appropriate Yield – The investment portfolio shall be designed with the objective of attaining a risk-appropriate yield throughout budgetary and economic cycles, taking into account risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

Responsibility and Control

The City Council, Crime Control and Prevention District and Municipal Development District Boards of Directors shall designate the Assistant City Manager, Finance Director, and Assistant Finance Director as the Investment Officers. The Investment Officers shall establish procedures for the operation of the investment program consistent with this Investment Policy. The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Investment Officers.

The Investment Committee, consisting of the City Manager, Assistant City Manager, Finance Director, and Assistant Finance Director, shall meet at least quarterly to determine appropriate strategies and to monitor results. The Committee shall monitor the investment activities; assist in the development of investment policies, strategies, and procedures; and annually review and approve the CITY's broker/dealers and independent training sources.

In order to ensure the quality and capability of investment management, all Investment Committee members and Investment Officers shall attend investment training no less often than once every two years, aligned with the fiscal year end, and shall receive not less than 8 hours of total

instruction relating to investment responsibilities.

A newly appointed Investment Officer or Investment Committee member must attend investment training consisting of at least 10 hours of total instruction within twelve months of the date that he or she took office or assumed the Officer's duties.

The investment training shall be provided by an independent training source approved by the Investment Committee and comply with the investment training requirements of State law. The training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolios, and compliance with State law.

The City Council and Boards of Directors shall annually review and adopt the Investment Policy and included investment strategies.

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 capital and the probable income to be derived.

The CITY recognizes that in a diversified portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's return and that an Investment Officer acting in accordance with this Policy, written procedures, and exercising prudence shall be relieved of personal responsibility for an individual investment's performance.

Ethics

Investment Officers 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 the City Council and the Boards of Directors any material financial interests in financial institutions that conduct business with the CITY and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. Investment Officers shall subordinate their personal investment transactions to those of the CITY.

If an Investment Officer has a personal business relationship with an entity seeking to sell an investment to the CITY or is related within the second

degree by affinity or consanguinity, to an individual seeking to sell an investment to the CITY, the Investment Officer shall file a statement of disclosure with the City Council, the Boards of Directors, and the Texas Ethics Commission.

Reporting

Within a reasonable time of each quarter's end, the Investment Officers shall submit to the City Council, City Manager, and the Boards of Directors an investment report that contains the information required by State law. Said information shall include, but not be limited to:

1. Detailed description of the CITY's investment position,
2. Summary statement of each pooled fund group (if applicable),
3. Ending book and market value of each separately invested asset by fund and asset type,
4. Maturity date of each asset, and
5. Signatures of each Investment Officer attesting to the portfolio's compliance with the Investment Policy and State law.

The market value of the portfolio will be calculated, and investment credit ratings will be confirmed on a quarterly basis in compliance with the reporting requirements. In determining market value and credit ratings, sources independent of the investment provider will be pursued.

"Weighted average yield to maturity" shall be the standard on which investment performance is calculated.

The CITY shall, in conjunction with its annual financial audit, perform a compliance audit of management controls on investments and adherence to the CITY's Investment Policy, as well as formal review of the CITY's quarterly reports. The CITY's independent auditor shall report to the City Council and the Boards of Directors the results of this audit.

Investments

1. Authorized Investment Instruments – Financial assets of the CITY may be invested in:
 - a. Obligations, including letters of credit, of the United States or its agencies or instrumentalities, including the Federal Home Loan Banks; and other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the United States or its 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;

- b. Certificates of deposit and other evidences of deposit at a financial institution that, a) has its main office or a branch office in Texas and is guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF) or theirs successors, b) is secured by obligations in a manner and amount provided by law for deposits of the CITY, or c) is placed through a depository institution or broker that has its main office or a branch office in Texas and meets the requirements of State law.
 - c. SEC registered, no load money market mutual funds that comply with the requirements of State law, that seek to maintain a stable \$1.0000 net asset value, and would be described as “government” portfolios;
 - d. Texas local government investment pools that seek to maintain a stable dollar net asset value, would be described as “government” portfolios, are specifically authorized by the City Council or applicable Board of Directors, and that comply with the requirements of State law;
 - e. Investment pools that provide fixed maturity, fixed yield investments, are specifically authorized by the City Council or applicable Board of Directors, and that comply with the requirements of State law; and
 - f. Repurchase agreements (direct security repurchase agreements) executed under the terms of a master repurchase agreement or similar agreement, collateralized by obligations of the United States or its agencies or instrumentalities and that comply with the requirements of State law.
2. Not Authorized - Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral, or collateralized mortgage obligations with an inverse floating interest rate coupon or a maturity date of over 10 years are strictly prohibited.

With respect to authorized investments, this Policy is more restrictive than the Public Funds Investment Act.

3. **Maximum Investment Maturity** - The maximum maturity for each fund-type group is set forth in the investment strategies.

4. All security transactions shall be executed using the delivery versus payment method. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the CITY's safekeeping agent. All securities shall be held in safekeeping at a third-party institution approved by the Investment Committee and evidenced by safekeeping receipts of the institution.
5. It is the policy of the CITY to provide a competitive environment for individual investment transactions, and financial institution, money market mutual fund, and local government investment pool selections.
6. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the CITY is not required to liquidate investments that were authorized at the time of purchase.
7. Investment Officers may not purchase any investments from business organizations (defined by the State law as a local government investment pool or discretionary investment management firm) that have not delivered a written certification to the CITY as required by State law and that have not been authorized by the Investment Committee.
8. The Investment Officers will establish and maintain an internal control structure designed to ensure the assets of the CITY are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

- Avoidance of collusion,
- Separation of transactions authority from accounting and record keeping,
- Custodial safekeeping,
- Avoidance of physical delivery securities,
- Clear delegation of authority of subordinate staff members, and
- Written confirmation for transactions for investments and wire transfers.

Financial Institution Deposits

Primary depositories shall be selected through the CITY's banking services procurement process, which shall include a formal Request for Applications (RFA) issued in compliance with applicable State law. This contract can be extended as per the RFA specifications. In selecting depositories, the credit worthiness of institutions shall be considered, and the CITY shall conduct a comprehensive review of prospective depositories' credit characteristics and financial history.

All depository deposits shall be insured or collateralized in compliance with applicable State law. The CITY reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Financial institutions serving as CITY depositories will be required to sign a depository agreement with the CITY. The collateralized deposit portion of the agreement shall define the CITY'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 must be executed by the Depository and the CITY 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 the CITY; and
- The agreement must be part of the Depository's "official record" continuously since its execution.

With the exception of deposits secured with irrevocable letters of credit at 100% of principal plus anticipated accrued interest, the market value of the investments securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds plus accrued interest reduced to the extent that the deposits are insured by the ~~Federal Deposit Insurance Corporation (FDIC)~~ or NCUSIF. Securities pledged as collateral shall be held by an independent third-party approved by an Investment Officer and held in an account in the CITY's name as evidenced by pledge receipts. 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, and the method of valuation of securities.

STRATEGIES:

General

The CITY will work to understand the suitability of investments to the financial requirements of the CITY.

The CITY's basic investment strategy for all financial assets is to preserve principal. In order to achieve that objective, the CITY shall invest in instruments with limited credit risk and invest in maturities that do not exceed anticipated cash flow requirements.

The objective of liquidity stems from the need of the CITY 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 certainty of projected cash flows.

The Investment Officer will ensure that marketability maintained in the fund-type portfolios is sufficient to reasonably assure that investments could be liquidated if cash needs occur prior to the maturity date of the investments.

It is also the policy of the CITY to diversify its investment portfolios. Whenever practical and appropriate, assets held in the investment portfolio shall be diversified to minimize the risk of loss resulting from one concentration of assets in a specific maturity, a specific issuer, or a specific class of investment.

CITY funds shall seek to achieve a competitive yield appropriate for each fund-type. A comparably structured treasury security portfolio shall represent the minimum yield objective. 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 the CITY, while at the same time, fully complying with all applicable State laws and federal regulations.

The CITY will group investment instruments into a number of "fund-type investment groups". These groups will reflect similar needs as to maturity limits, diversity, and liquidity.

All investment-specific restrictions shall be measured at the time of purchase and based on portfolio book value.

Fund-Types:

Short Term/Operating – Most of the CITY's functional accounts maintain fund balances to perform normal operations. Cash flow projections are

reasonably accurate, but occasional circumstances may create unpredicted requirements. To reduce market risk and assure liquidity, anticipated cash flows shall be matched with investment maturities. The dollar weighted average maturity of operating funds may not exceed nine months. The maximum maturity of an individual investment shall not exceed two years. To further offset the risk of unpredictable events and to anticipate market movements, additional fund balances shall be invested in short-term deposits, investment pools or money market mutual funds.

Capital Project Funds – Fund balances designated for capital projects may be scheduled for expenditure separate from the flow of operating funds. Bond proceeds (which may be subject to the arbitrage rebate regulations) are a main source of capital project funds. As with operating funds, a key strategy is to ensure that anticipated cash flows are matched with investment maturities. The maximum weighted average maturity of capital project funds shall not exceed two years. The maximum maturity of an individual investment shall not exceed three years. To further offset the risk of unpredictable events and to anticipate market movements, additional fund balances shall be invested in short-term deposits, investment pools or money market mutual funds.

Bond Proceeds subject to the arbitrage regulations may necessitate an altered investment strategy under some market conditions. Investment selection for these funds may be dependent on market conditions, cash flow needs, and State law and federal regulation compliance.

Debt Service Reserve Funds – These reserves are usually specifically defined in terms of amount and size. Bond document covenants may require that reserve balances be maintained with a third-party financial institution or paying agent. In such instances, the CITY may contract with such parties to operate in the capacity of an investment advisor. These relationships will be approved by the City Council in compliance with State law. The investment advisors will be confined to the particular instruments and parameters specified as appropriate for this type of fund and the applicable bond documents.

A primary investment strategy for debt service reserve funds is to provide emergency funds to meet debt service requirements. Since the investments may be subject to the arbitrage regulations, the secondary investment strategy is to attempt to maximize the amount of retained interest earnings. The maximum maturity of an individual investment shall not exceed the lesser of ten years, the call date of the bonds, the maturity date of the bonds, or any applicable restriction in the bond documents. In the unlikely event Debt Service Reserve Funds would be required to fund a debt service payment, only instruments with historical bid/offer price spreads of 10 basis points or less shall be considered for investment.

Debt Service Funds – These funds are specifically defined in terms of amount, size and cash flow need. Bond document covenants may require that these funds be maintained with a third-party financial institution or paying agent. In such instances, the CITY may contract with such parties to operate in the capacity of an investment advisor. These relationships will be approved by the City Council in compliance with State law. The investment advisors will be confined to the particular instruments and parameters specified as appropriate for this type of fund and the applicable bond documents.

The primary investment strategy for debt service funds is to match investment maturities with debt service payment requirements. The instruments need not have an active secondary market. The maximum maturity of an individual investment shall be the next unfunded debt service date.

Sinking Funds – These funds are usually defined in terms of amount, size and cash flow need. Sinking Fund document covenants may require that these funds be maintained with a third-party financial institution or paying agent. In such instances, the CITY may contract with such parties to operate in the capacity of an investment advisor. These relationships will be approved by the City Council in compliance with State law. The investment advisors will be confined to the particular instruments and parameters specified as appropriate for this type of fund and the applicable documents.

The primary investment strategy for sinking funds is to match investment maturities with payment requirements. The instruments need not have an active secondary market. The maximum maturity of an individual investment shall be the next unfunded payment date.



Presenter: Martin Avila, Finance Director

Agenda Item: Quarterly Investment Report for month ended June 30, 2024.

Background and Explanation:

Presentation of Quarterly Investment Report for month ended June 30, 2024.

Board/Commission/Committee Recommendation:

N/A

Staff Recommendation:

N/A

Attachments:

1. 2024-06 Azle MDD_signed



Municipal Development District
QUARTERLY INVESTMENT REPORT
For the Quarter Ended
June 30, 2024
Prepared by
Valley View Consulting, L.L.C.

The investment portfolio of the City of Azle Municipal Development District is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Investment Officer

Investment Officer

Disclaimer: These reports were compiled using information provided by the City of Azle. 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 adviser 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
DDA/MMA/NOW	\$ 214,750	\$ 214,750	\$ -	\$ -	0.00%
Bank/Pool/MMMFs	2,003,579	2,003,579	2,301,750	2,301,750	5.32%
CDs/Securities	2,079,977	2,079,977	2,105,409	2,105,409	4.85%
Totals	\$ 4,298,306	\$ 4,298,306	\$ 4,407,159	\$ 4,407,159	5.09%

Current Quarter Portfolio Performance (1)

Average Quarterly Yield	5.09%
Rolling Three Month Treasury	5.47%
Rolling Six Month Treasury	5.34%
TexPool	5.31%

Fiscal Year-to-Date Portfolio Performance (2)

Average Quarter-End Yield	5.11%
Rolling Three Month Treasury	5.48%
Rolling Six Month Treasury	5.40%
Average Quarter-End TexPool Yield	5.33%

Interest Earnings (Approximate)

Quarterly Interest Earnings	\$ 54,975
Fiscal YTD Interest Earnings	\$ 163,082

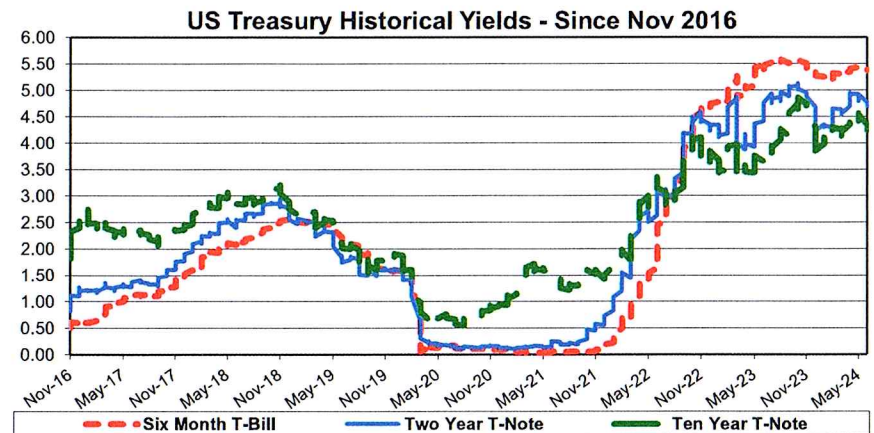
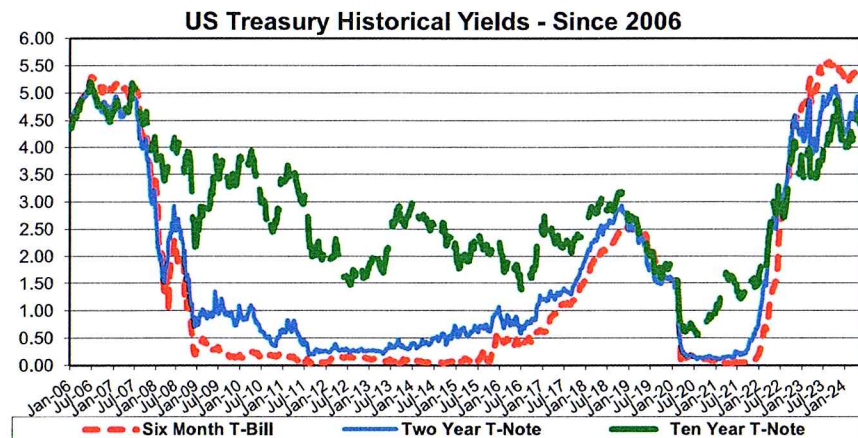
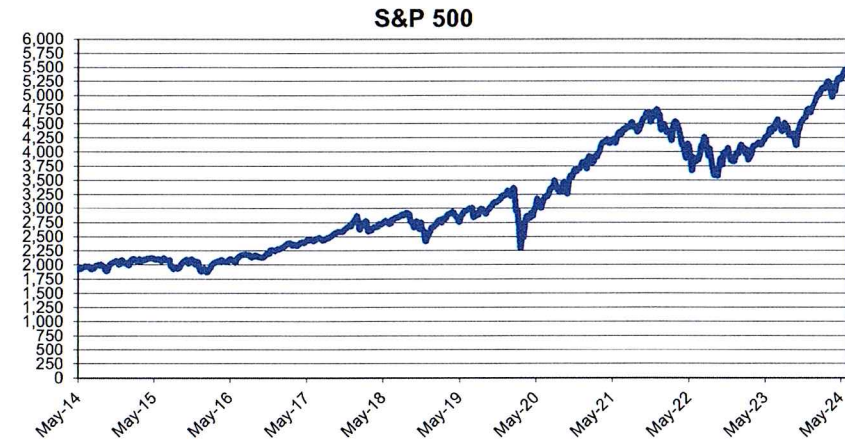
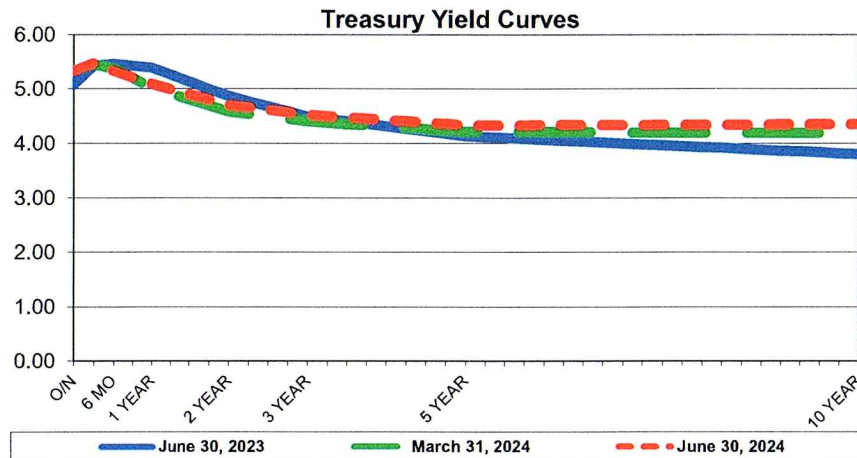
(1) **Current Quarter Weighted Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market balances.

(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.



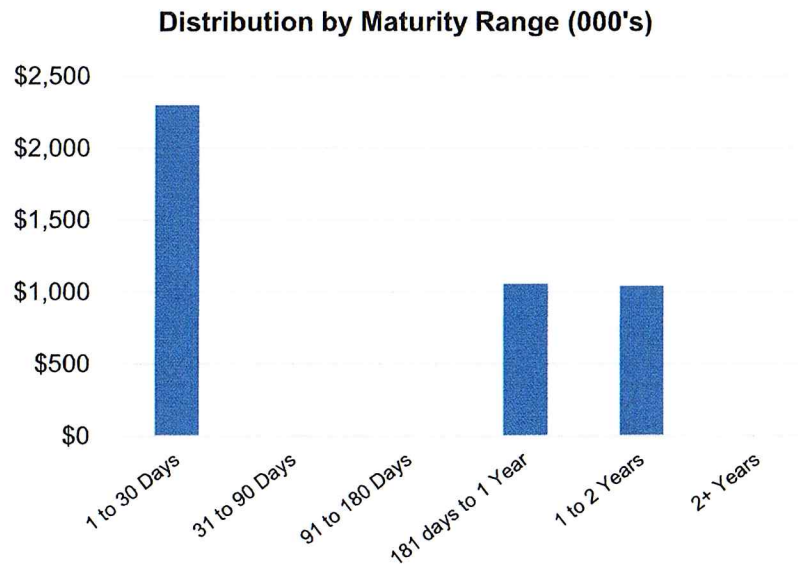
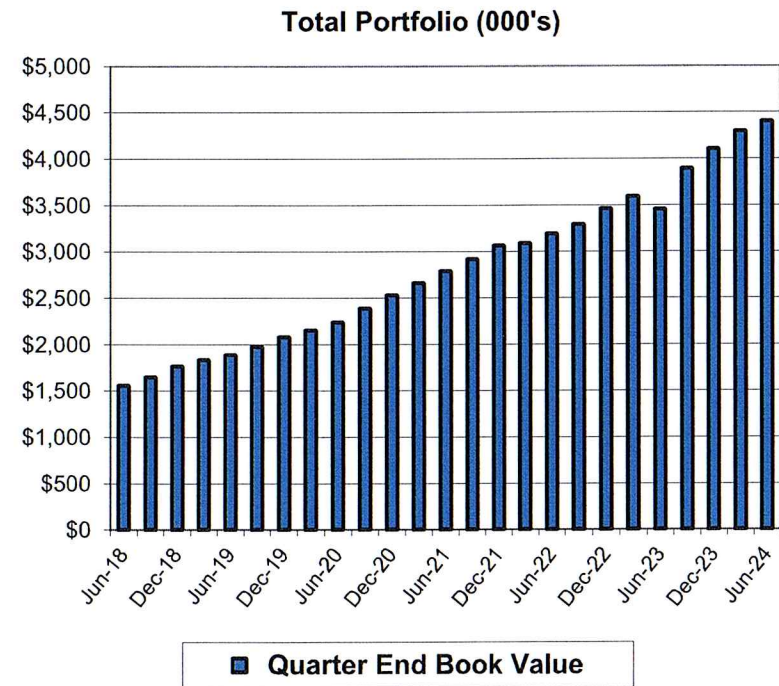
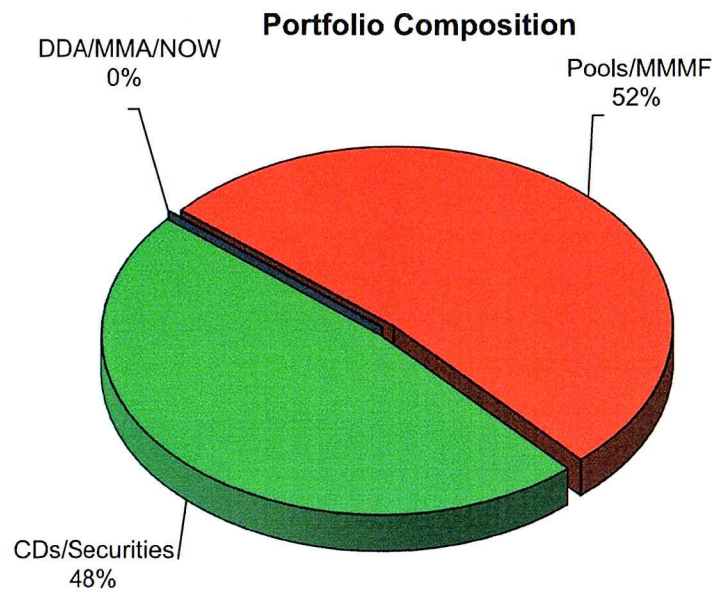
Investment Holdings

June 30, 2024

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Original Face\ Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
TexPool	AAAm	5.32%	07/01/24	06/30/24	\$ 2,301,750	\$ 2,301,750	1.00	\$ 2,301,750	1	5.32%
Texas Capital Bank CD		4.70%	03/20/25	03/20/23	1,060,745	1,060,745	100.00	1,060,745	263	4.70%
American Nat'l Bank & Trust CDARS		5.00%	08/14/25	08/16/23	1,044,664	1,044,664	100.00	1,044,664	410	5.00%
					<u>\$ 4,407,159</u>	<u>\$ 4,407,159</u>		<u>\$ 4,407,159</u>	<u>161</u>	<u>5.09%</u>
									(1)	(2)

(1) **Weighted average life** - Pools, Money Market Funds, and Bank Deposits are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on Book Value, adviser fees and realized and unrealized gains/losses are not considered. The pool and mutual fund yields are the average for the last month of the quarter.



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
TexPool	5.32%	07/01/24	\$ 2,003,579	\$ 298,170	\$ —	\$ 2,301,750	\$ 2,003,579	\$ 298,170	\$ 2,301,750
NexBank	5.55%	07/01/24	214,750	—	(214,750)	—	214,750	(214,750)	—
Texas Capital Bank CD	4.70%	03/20/25	1,048,254	12,491	—	1,060,745	1,048,254	12,491	1,060,745
American Nat'l Bank & Trust	5.00%	08/14/25	1,031,724	12,941	—	1,044,664	1,031,724	12,941	1,044,664
TOTAL			\$ 4,298,306	\$ 323,602	\$ (214,750)	\$ 4,407,159	\$ 4,298,306	\$ 108,853	\$ 4,407,159



Presenter: David Hawkins, Director of Planning and Development
Agenda Item: Economic Development Update

Background and Explanation:

Staff will provide the Board with an update on economic development activities.

Board/Commission/Committee Recommendation:

N/A.

Staff Recommendation:

N/A.

Attachments:

None