



**MEMORANDUM**

**TO:** Mayor TJ Gilmore  
Mayor Pro Tem William J. Meridith  
Deputy Mayor Pro Tem Patrick Kelly  
Councilmember Brandon Jones  
Councilmember Bob Troyer  
Councilwoman Ronni Cade  
Councilwoman Kristin Green

**FROM:** David Erb, Director of Finance  
Clifford Howard, Fiscal Services Manager

**DATE:** November 14, 2023

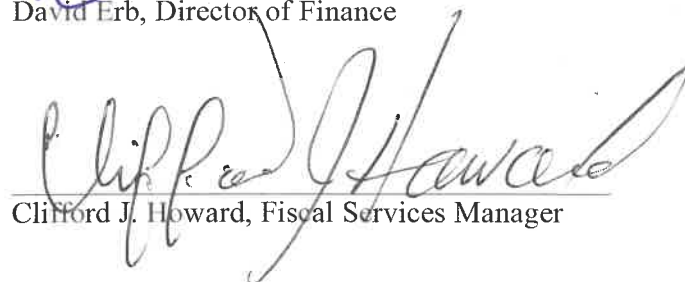
**SUBJECT: QUARTERLY INVESTMENT REPORT  
July 1, 2023 to September 30, 2023**

**BACKGROUND:**

The attached quarterly investment report for the period of July 01, 2023 to September 30, 2023, is provided as required by an amendment to the Public Funds Investment Act.

Each of the Investment Officers has reviewed the report, and by virtue of their signature, represent that the investments making up the report are in compliance with the investment policy of the City of Lewisville and meet the requirements of the amended Public Funds Investment Act.

  
David Erb, Director of Finance

  
Clifford J. Howard, Fiscal Services Manager

# City of Lewisville, Texas

## Quarterly Investment Report

September 30, 2023

### Report Highlights

- City uses consolidated bank, investment, and safekeeping accounts. Staff continues to monitor the Earned Income Credit Rates (ECR) which are essentially interest earnings paid by our depository bank which can be applied toward bank fee offset. The Bank also now pays interest on excess deposit over the amount needed to cover fees. The city evaluates this rate versus the short-term interest rates as to which is more beneficial to the city to use as an offset to fees versus paying fees and receiving actual interest earnings.
- The 'Change in Market Value' column on the attached detail portfolio is a comparison of only the past quarter. Also, on this report is the total net change associated with the Fair Market Value as of the report date, compared to the original cost of the portfolio. Fair Market Value (FMV) of an investment represents what the city would receive if we were to sell the security as of the reporting date. Depending on whether interest rates are rising or falling, the FMV will fluctuate. If held to maturity, a security is redeemed at par. As a rule, the city holds all securities until maturity.
- For purposes of Weighted Average Maturity, Cash is considered as same day liquidity and TexPool is calculated using the pool's average day calculation.
- In accordance with Section 2257 of the Texas Local Government Code and the City of Lewisville's Investment Policy, the Investment Committee has approved a change in the form of Collateral from Pledge securities to a Federal Home Loan Bank Letter of Credit (LOC). All funds for the City will continue to be fully collateralized and the LOC may be subsidized by approved Securities should the need arise.
- Agency credit ratings are listed on page two of the report as a method of monitoring security types within the city's portfolio as directed by the Public Funds Investment Act.

### News in the Markets

- **Unemployment Rate is at 3.9%, Texas unemployment rate remained 4.1%** for the fifth consecutive month.
- **Texas Sales Tax Revenue 46.58 billion, up 8.4% from Fiscal 2022.**
- **October CPI rose 3.2% over the last 12 months. The index for all items less food and energy increased 0.2%, up 4.0% over the year.**
- **The New York Fed's October survey showed 1-year inflation expectations fell from 3.7% to 3.6%, 3-year expectations were unchanged at 3.0%, and 5-year expectations fell from 2.8% to 2.7%.**
- **Fed slows rate increases.** After a series of Fed rate increases of 75 basis points in 2022, the Fed slowed December's increase to 50 basis points with anticipation to reduce in 2023's initial meeting to 25 basis points. On July 27, the current Fed Funds rate was raised 25 basis points to 5.25% to 5.5% after being at 0%-.25% dating back to the beginning of 2022.
- Economist calculated Extreme Heat this year may have **cost the Texas economy \$24 billion or** reduced the state's nominal GDP by about 1 percentage point in 2023.
- **Rating agency Fitch downgraded the US credit rating to AA+ from AAA.**



Portfolio Investment Report  
for Quarter Ending September 30, 2023 **(Unaudited)**

**Consolidated Investment Report**

**Cash and Investment Balances**

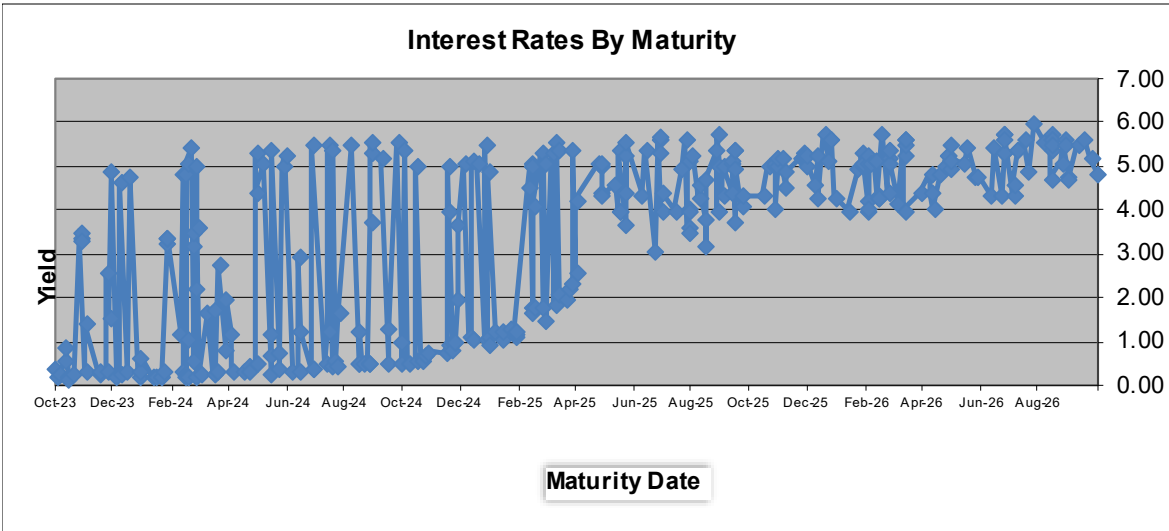
		Same Quarter Last Year
Cash Balances	\$ 2,988,122.51	\$ 45,641,154.76
TexPool Balance	\$ 10,963,204.17	\$ 68,583,126.22
Other Investment Portfolio Balance	\$ 526,973,643.65	\$ 398,288,014.90
<b>Total Cash, Texpool &amp; Investment Amount</b>	<b>\$ 540,924,970.33</b>	<b>\$ 512,512,295.88</b>

**Investment Yields, Maturities, and Interest**

TexPool Average Quarter Yield	5.24%	2.03%
TexPool End of Qtr Weighted Maturity	26 Days	23 Days
Bank Earned Income Credit	3.85%	1.50%
13 Week Treasury - Benchmark	5.29%	3.34%
Other Investment Average Weighted Yield	3.21%	1.23%
Average Weighted Maturity: Agency / Total	526 / 516 Days	518 / 405 Days
Other Investment Accrued Interest	\$ 3,822,022.04	\$ 695,165.37

**Outstanding Portfolio (excluding TexPool)**

Distribution by Maturity	Number	Amount	Percent	Market Value
1 to 365 days	107	\$ 179,893,892.06	34.14%	\$ 176,897,181.95
366 to 730 days	115	\$ 192,386,627.05	36.51%	\$ 187,580,704.01
Over 730 days	99	\$ 154,693,124.54	29.36%	\$ 153,613,627.28
<b>Total</b>	<b>321</b>	<b>\$ 526,973,643.65</b>	<b>100.00%</b>	<b>\$ 518,091,513.24</b>

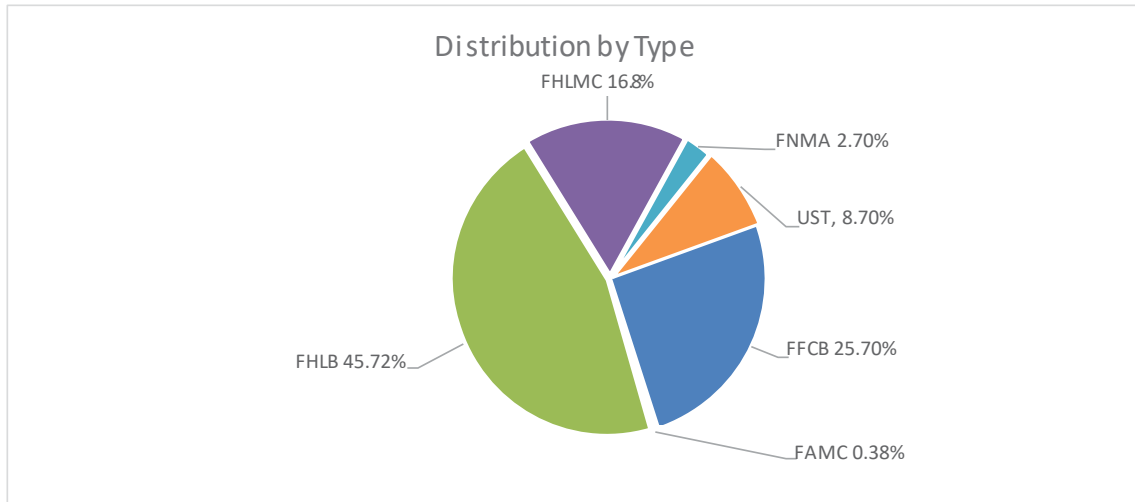




Portfolio Investment Report  
for Quarter Ending September 30, 2023 **(Unaudited)**

**Consolidated Investments - continued**

<b>Outstanding Portfolio (excluding TexPool)</b>				
Distribution by Investment type	Number	Amount	Percent	Market Value
Federal Farm Credit Bank	72	\$ 135,421,352.38	25.70%	\$ 132,571,522.80
Federal Agriculture Mortgage Corp	1	\$ 1,994,400.00	0.38%	\$ 1,951,937.40
Federal Home Loan Bank	156	\$ 240,951,239.21	45.72%	\$ 236,510,549.87
Federal Home Loan Mortgage Corp	57	\$ 88,512,597.00	16.80%	\$ 87,864,124.62
Federal National Mortgage Assoc.	11	\$ 14,246,880.00	2.70%	\$ 14,195,911.50
U S Treasuries	24	\$ 45,847,175.06	8.70%	\$ 44,997,467.05
<b>Total</b>	<b>321</b>	<b>\$ 526,973,643.65</b>	<b>100.00%</b>	<b>\$ 518,091,513.24</b>



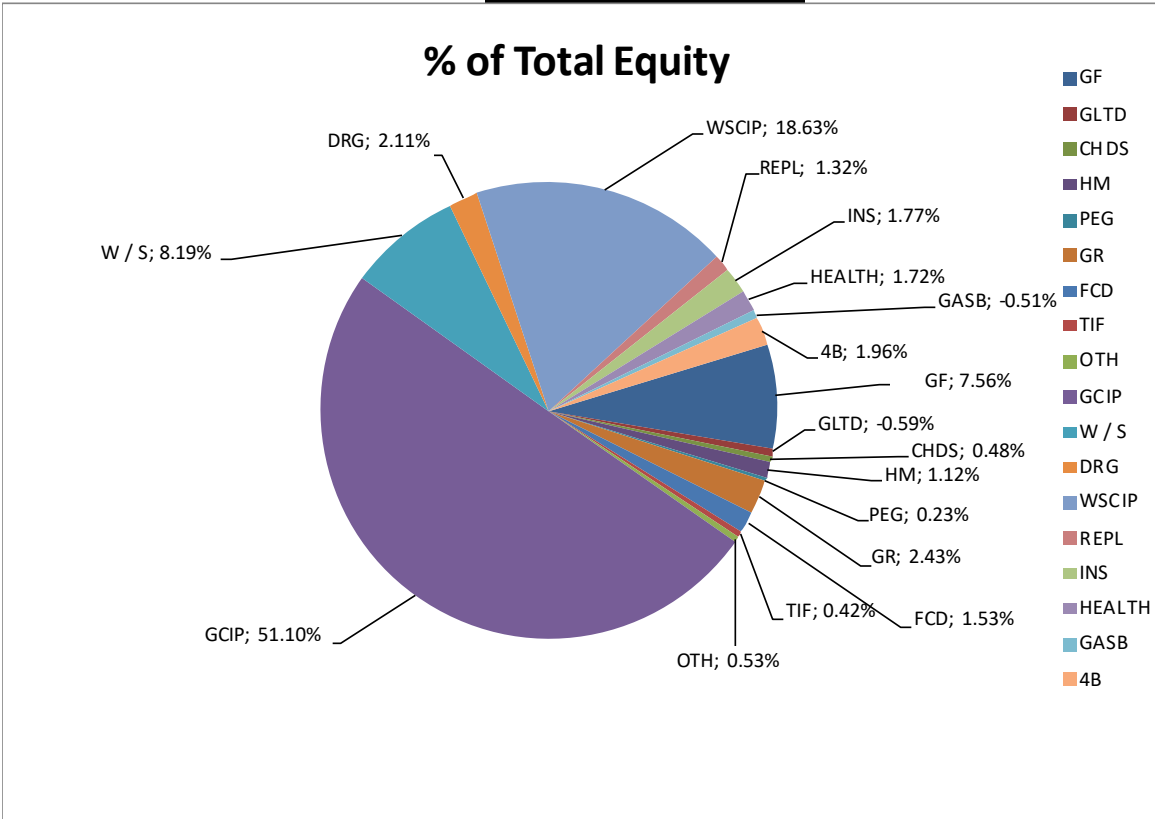
**Agencies Credit Ratings**

	<b>S &amp; P</b>	<b>Moody's</b>
Federal Farm Credit Bank	AA+	Aaa
Federal Home Loan Bank	AA+	Aaa
Federal Home Loan Mortgage Corp	AA+	Aaa
Federal National Mortgage Assoc.	AA+	Aaa



**Outstanding Portfolio - Major Funds**

	Chart Key	Equity Balance	% of Total Equity
GENERAL	GF	\$ 40,871,079	7.56%
GLTDAG	GLTD	\$ (3,190,640)	-0.59%
CASTLE HILLS PID DEBT SERVICE	CHDS	\$ 2,598,030	0.48%
HOTEL/MOTEL	HM	\$ 6,055,670	1.12%
PEG Programming	PEG	\$ 1,219,219	0.23%
Grants	GR	\$ 13,160,630	2.43%
FIRE & CRIME DISTRICTS	FCD	\$ 8,292,361	1.53%
TAX INCREMENTAL	TIF	\$ 2,269,568	0.42%
Funds under 1 million	OTH	\$ 2,883,888	0.53%
GENERAL CIP	GCIP	\$ 276,392,103	51.10%
WATER & SEWER	W / S	\$ 44,299,164	8.19%
STORMWATER	DRG	\$ 11,423,311	2.11%
W & S CIP	WSCIP	\$ 100,762,167	18.63%
EQUIP REPLACEMENT	REPL	\$ 7,125,387	1.32%
INSURANCE RISK	INS	\$ 9,592,180	1.77%
HEALTH INS	HEALTH	\$ 9,306,756	1.72%
GASB 34	GASB	\$ (2,755,998)	-0.51%
4-B SALES TAX	4B	\$ 10,620,094	1.96%
<b>Total</b>		<b>\$ 540,924,970</b>	<b>100.00%</b>















Security Type	Par Value	Cost	6/30/2023		9/30/2023		Change in Market Value	Cusip	Purchase Date	Maturity Date	Rate	Yield	Accrued Interest
			Beg. Market Value	End. Market Value	Beg. Market Value	End. Market Value							
Federal Farm Credit bank	\$ 3,000,000.00	\$ 3,017,255.88	\$ 3,017,255.88	\$ 2,976,591.90	(40,663.98)	3133EPPR0	7/14/2023	4/10/2026	4.63	4.40200	\$	28,221.04	
Federal Farm Credit bank	\$ 1,000,000.00	\$ 992,390.00	\$ 992,390.00	\$ 971,102.80	(21,287.20)	3133EPFT7	4/24/2023	4/13/2026	3.72	4.02408	\$	18,742.27	
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,000,730.00	\$ 1,000,730.00	\$ 996,895.00	(3,835.00)	3133EPWD3	9/20/2023	4/20/2026	4.88	4.84627	\$	1,327.75	
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 990,143.60	(9,856.40)	3134GYQC9	4/24/2023	4/24/2026	5.00	5.00000	\$	21,780.82	
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,468.80	(7,531.20)	3134GYPZ9	4/27/2023	4/27/2026	5.25	5.25000	\$	22,438.36	
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 992,468.80	(7,531.20)	3134GYPZ9	4/27/2023	4/27/2026	5.25	5.25000	\$	22,438.36	
Federal Farm Credit bank	\$ 2,000,000.00	\$ 1,998,800.00	\$ 1,998,800.00	\$ 1,978,420.80	(20,379.20)	3133EPHC2	5/1/2023	5/1/2026	4.94	4.96177	\$	41,325.44	
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 995,942.60	(4,057.40)	3134GYQA3	5/1/2023	5/1/2026	5.50	5.50000	\$	22,904.11	
Federal Home Loan Mortgage Corp. Note	\$ 1,865,000.00	\$ 1,864,067.50	\$ 1,864,067.50	\$ 1,850,549.23	(13,518.27)	3134GYQK1	6/28/2023	5/1/2026	5.15	5.16643	\$	24,814.42	
Federal Home Loan Mortgage Corp. Note	\$ 2,000,000.00	\$ 1,996,000.00	\$ 1,996,000.00	\$ 1,979,646.40	(16,353.60)	3134GYS94	6/28/2023	5/15/2026	5.00	5.07336	\$	26,131.27	
Federal Home Loan Mortgage Corp. Note	\$ 2,000,000.00	\$ 1,994,700.00	\$ 1,994,700.00	\$ 1,988,052.20	(6,647.80)	3134GYRX2	6/28/2023	5/18/2026	5.38	5.47305	\$	28,189.96	
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 912,280.00	\$ 912,280.00	\$ 914,772.00	2,492.00	3130AMKJ0	7/7/2023	5/26/2026	1.50	4.78992	\$	11,154.61	
Federal Farm Credit bank	\$ 1,000,000.00	\$ 999,210.00	\$ 999,210.00	\$ 994,114.90	(5,095.10)	3133EPUD5	9/14/2023	5/28/2026	4.75	4.78334	\$	2,096.81	
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,002,200.00	\$ 2,002,200.00	\$ 1,970,033.40	(32,166.60)	3130AWGR5	6/22/2023	6/12/2026	4.33	4.33551	\$	23,756.20	
Federal Home Loan Mortgage Corp. Note	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,990,230.20	(9,769.80)	3134GYUA8	6/20/2023	6/15/2026	5.44	5.43896	\$	30,398.59	
Federal Farm Credit bank	\$ 2,000,000.00	\$ 2,001,660.00	\$ 2,001,660.00	\$ 1,973,347.40	(28,312.60)	3133EPNG6	6/23/2023	6/23/2026	4.38	4.34519	\$	23,571.18	
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 994,610.30	(5,389.70)	3130AWG95	6/26/2023	6/26/2026	5.35	5.35000	\$	14,071.23	
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,989,220.60	(10,779.40)	3130AWG95	6/26/2023	6/26/2026	5.35	5.35000	\$	28,142.47	
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,039.60	(1,960.40)	3134GYUL4	6/30/2023	6/26/2026	5.75	5.75000	\$	14,493.15	
Federal Home Loan Mortgage Corp. Note	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,996,079.20	(3,920.80)	3134GYUL4	6/30/2023	6/26/2026	5.75	5.75000	\$	28,986.30	
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,053.10	(2,946.90)	3134GYUS9	6/30/2023	6/26/2026	5.65	5.65000	\$	14,241.10	
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,001,456.19	\$ 1,001,456.19	\$ 984,583.60	(16,872.59)	3133EPPE9	7/14/2023	7/6/2026	4.33	4.32200	\$	9,236.05	
Federal Farm Credit bank	\$ 500,000.00	\$ 496,790.00	\$ 496,790.00	\$ 492,291.80	(4,498.20)	3133EPPE9	7/14/2023	7/6/2026	4.33	4.61062	\$	4,926.42	
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,991,500.00	(8,500.00)	3130AWJJ0	7/10/2023	7/10/2026	5.40	5.40000	\$	24,263.01	
Federal National Mortgage Assn. Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,996,005.80	(3,994.20)	3135GAJ69	7/10/2023	7/10/2026	5.38	5.37500	\$	24,150.68	
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,992,634.60	(7,365.40)	3130AWJ43	7/17/2023	7/17/2026	5.60	5.60000	\$	23,013.70	
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 991,490.80	(8,509.20)	3133EPQM0	7/21/2023	7/21/2026	4.89	4.89000	\$	9,512.05	
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,998,603.40	(1,396.60)	3130AWLD0	7/27/2023	7/27/2026	6.00	6.00000	\$	21,369.86	
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,622.80	(2,377.20)	3130AWQN3	8/7/2023	8/7/2026	5.55	5.55000	\$	8,210.96	
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,343.30	(1,656.70)	3130AWRC6	8/14/2023	8/14/2026	5.75	5.75000	\$	7,404.11	
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,180.30	(3,819.70)	3134GYK2	8/14/2023	8/14/2026	5.60	5.60000	\$	7,210.96	
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 996,180.30	(3,819.70)	3134GYK2	8/14/2023	8/14/2026	5.60	5.60000	\$	7,210.96	
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,987.70	(1,012.30)	3134GYZ54	8/14/2023	8/14/2026	5.88	5.37500	\$	6,921.23	
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,794.70	(1,205.30)	3134GYZA3	8/14/2023	8/14/2026	5.50	5.50000	\$	7,082.19	
Federal Farm Credit bank	\$ 2,000,000.00	\$ 1,988,200.00	\$ 1,988,200.00	\$ 1,977,092.00	(11,108.00)	3133EPSW6	8/15/2023	8/14/2026	4.50	4.73335	\$	11,930.64	
Federal Farm Credit bank	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,991,988.60	(8,011.40)	3133EPTW5	8/25/2023	8/25/2026	5.10	5.10000	\$	10,060.27	
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 998,376.10	(1,623.90)	3130AWWJ5	8/28/2023	8/28/2026	5.60	5.60000	\$	5,063.01	
Federal Home Loan Mortgage Corp. Note	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 997,779.60	(2,220.40)	3134H1AE3	8/28/2023	8/28/2026	5.50	5.50000	\$	4,972.60	
Federal Farm Credit bank	\$ 1,000,000.00	\$ 998,890.00	\$ 998,890.00	\$ 994,403.70	(4,486.30)	3133EPUW3	9/13/2023	9/1/2026	4.75	4.78995	\$	2,230.93	
Federal Farm Credit bank	\$ 1,000,000.00	\$ 1,000,172.00	\$ 1,000,172.00	\$ 994,403.70	(5,768.30)	3133EPUW3	9/14/2023	9/1/2026	4.75	4.74303	\$	2,079.14	
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,995,811.40	(4,188.60)	3130AX5H7	9/11/2023	9/11/2026	5.50	5.50000	\$	5,726.03	
Federal Home Loan Bank Bond	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,998,228.80	(1,771.20)	3130AX6F0	9/18/2023	9/18/2026	5.62	5.62000	\$	3,695.34	
Federal Farm Credit bank	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,997,273.80	(2,726.20)	3133EPWS0	9/25/2023	9/25/2026	5.20	5.20000	\$	1,424.66	
Federal Home Loan Bank Bond	\$ 1,000,000.00	\$ 892,860.00	\$ 892,860.00	\$ 889,091.40	(3,768.60)	3130AP4P7	9/14/2023	9/30/2026	1.00	4.82610	\$	2,115.55	

Sub-Total \$ 530,133,000.00 \$ 526,973,643.65 \$ 514,003,593.14 \$ 518,091,513.24 \$ 4,087,920.10 \$ 3,822,022.04

\$ 537,936,847.82

**TexPool: 10,963,204.17**