



****** PUBLIC NOTICE ******

**NOTICE OF A CORINTH ECONOMIC DEVELOPMENT CORPORATION (CEDC)
OF THE CITY OF CORINTH
REGULAR SESSION**

**Monday, January 7, 2019, 6:00 P.M.
City Hall
Conference Room - Room 102
3300 Corinth Parkway
Corinth, Texas 76208**

*** Pursuant to Texas Government Code Section 551.002, a quorum of the City Council of Corinth may attend the following meeting and may participate in discussion on the agenda items listed below, but will not take any action.**

CALL TO ORDER

CITIZENS COMMENTS

In accordance with the Open Meetings Act, the Board is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the published agenda items are appreciated by the Board and may be taken into consideration at this time or during that agenda item. *All remarks and questions addressed to the Board shall be addressed to the Board as a whole and not to any individual member thereof.* Section 30.041B Code of Ordinance of the City of Corinth.

CONSENT AGENDA

1. Consider and act on minutes from the December 10, 2018 meeting.
2. Consider and act on the Corinth Economic Development Corporation Financial Report for the period ending September 2018.
3. Consider and act on the Corinth Economic Development Corporation Financial Report for the period ending October 2018.

BUSINESS AGENDA

4. Review and approve the Investment Policy for the Economic Development Corporation.

5. Consider and act on the Fiscal Year 2017-2018 EDC Annual Investment Report.

REPORTS

6. Board Members
7. Executive Director

EXECUTIVE SESSION

If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the Board to seek advice from the City Attorney as to the posted subject matter of this Board Meeting, the Board will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D Chapter 551, to consider one or more matters pursuant to the following:

Section 551.071. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

A. Deliberations regarding economic development incentives to a business prospect(s).

After discussion of any matters in executive session, any final action or vote taken will be in public by the Board. The Board shall have the right at any time to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS.

ADJOURN

Posted this ____ day of _____, 2019 at ____ on the bulletin board at Corinth City Hall.

Jason Alexander, Economic Development Director

EDC Regular Session

1.

Meeting Date: 01/07/2019

Title: Meeting Minutes

Submitted By: Jason Alexander, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review:

Strategic Goals:

AGENDA ITEM

Consider and act on minutes from the December 10, 2018 meeting.

AGENDA ITEM SUMMARY/BACKGROUND

The meeting minutes from the December 10, 2018 meeting.

RECOMMENDATION

N/A.

Attachments

December 10, 2018 Meeting Minutes

CORINTH ECONOMIC DEVELOPMENT CORPORATION
December 10, 2018

STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH

On this 10th day of December, 2018 the Corinth Economic Development Corporation (CEDC) of the City of Corinth, Texas, met in Special Session at 6:00 P.M. at Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members, to wit:

CEDC Board Members:

Tina Henderson – President, Council Representative
Jerry Blazewicz – Vice President
Grady Ray – Secretary
Brad Hinson – Director
Steve Holzwarth – Director

CEDC Board Members Absent:

Robert Goodwin – Director
Eric Wiser – Director

Others Present:

Bob Hart – City Manager
Jason Alexander – Executive Director
Helen-Eve Liebman – Planning & Development Director

CALL TO ORDER:

President Tina Henderson called the meeting to order at 6:00 P.M.

CITIZENS COMMENTS

In accordance with the Open Meetings Act, the Board is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the published agenda items are appreciated by the Board and may be taken into consideration at this time or during that agenda item. *All remarks and questions addressed to the Board shall be addressed to the Board as a whole and not to any individual member thereof.* Section 30.041B Code of Ordinance of the City of Corinth.

There were no Citizens Comments made.

CONSENT AGENDA:

1. Consider and act on minutes from the November 5, 2018 meeting.
2. Consider and act on the Corinth Economic Development Corporation Financial Report for the period ending September 2018.

Item #2 was pulled from the Consent Agenda due to the year-end process in the Finance Department. The report will be placed on the January 8, 2019 Special Session Agenda for consideration.

MOTION was made by Brad Hinson to approve the minutes on the Consent Agenda.

Seconded by Steve Holzwarth.

AYES: Ray, Blazewicz, Henderson, Holzwarth, Hinson
NOES: None
ABSENT: Goodwin, Wiser

MOTION CARRIES

BUSINESS:

- 1. Discuss, consider and provide a recommendation to City Council on a Chapter 380 Economic Development Incentive Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and B.M.A.J., INC. to locate and operate a hotel within the City.**

Jason Alexander presented the proposed Chapter 380 Economic Development Incentive Agreement between the City of Corinth, the Corinth Economic Development Corporation and B.M.A.J., Inc. He explained to the Board of Directors that the agreement, as proposed, was very similar to other agreements that have come before them and the City Council. As a revenue sharing arrangement, the agreement proposes to rebate 50 percent of the sales and use tax revenues from the addition of personal property on the site over an approximately ten (10) year period. In exchange, B.M.A.J., Inc. would operate the hotel as a Motel 6 or a brand of equivalent or superior quality and create at least five (5) or more full-time jobs with hiring preference being given to residents of Corinth and the surrounding communities.

Bob Hart, advised the Board of Directors that the project already received zoning and permitting approval and that the company was ready to proceed forward with construction.

The Board of Directors asked general questions about the addition of the personal property and the nature of the proposed sales and use tax rebate.

Alexander further advised that the rebate would come from sales and use tax revenues that the community would not receive because the personal property would be purchased in other communities. He also said that the proposed agreement would create additional revenue streams for the City's various funds.

Bhavik Mohanlal, with B.M.A.J., Inc., explained to the Board of Directors that the hotel would not operate as an extended stay facility and the project would feature the latest generation concept.

Alexander recommended that the Board of Directors recommend approval of the Chapter 380 Economic Development Incentive Agreement as presented.

MOTION was made by Jerry Blazewicz to recommend to the City Council the Chapter 380 Economic Development Incentive Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and B.M.A.J., INC. to locate and operate a hotel within the City.

Seconded by Hinson.

AYES: Goodwin, Blazewicz, Henderson, Hinson
NOES: Ray
ABSENT: Holzwarth, Wiser

MOTION CARRIES

- 2. Consider and act on a Resolution of the Board of Directors of the Corinth Economic Development Corporation authorizing the President to execute a Chapter 380 Economic Development Incentive Agreement between the City of Corinth, Texas, the Corinth Economic**

Development Corporation and B.M.A.J., INC., subject to amendment and approval by the City Council.

Alexander explained that the Board of Directors must approve a resolution authorizing the President of the Corinth Economic Development Corporation to execute any economic development incentive agreement. He further stated that the proposed Chapter 380 Economic Development Incentive Agreement between the City of Corinth, the Corinth Economic Development Corporation and B.M.A.J., Inc. is subject to amendment or revision by the City Council.

MOTION was made by Blazewicz to approve a Resolution authorizing the President to execute a Chapter 380 Economic Development Incentive Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and B.M.A.J., INC., subject to amendment and approval by the City Council.

Seconded by Holzwarth.

3. Hold a discussion and provide staff direction on receiving online property marketing services from CoStar.

Alexander requested direction from the Board of Directors on securing the services of CoStar to assist the Corinth Economic Development Corporation with marketing commercial, industrial and mixed-use properties that are for sale or lease online. He explained that given the size of the community and increased conversations with local real estate agents and other investors, there may not be an urgent need for the Board of Directors to engage CoStar at this time. The Board of Directors agreed and decided that the Corinth Economic Development Corporation did not need to pursue services from CoStar presently.

There was no action taken on Business Item #3.

REPORTS AND UPDATES:

1. Board Members

President Henderson asked the Board of Directors to remember to bring their iPads to the next session of the Corinth Economic Development Corporation for an inventory check.

2. Executive Director

Alexander wished the Board of Directors a Merry Christmas and Happy New Year.

President Henderson recessed the meeting at 6:23 p.m. * See Closed Session.

CLOSED SESSION

If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the Board to seek advice from the City Attorney as to the posted subject matter of this Board Meeting, the Board will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D Chapter 551, to consider one or more matters pursuant to the following:

Section 551.071. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

The Board of Directors met in Closed Session from 6:24 p.m. until 7:05 p.m.

A. Deliberations regarding economic development incentives to a business prospect(s).

After discussion of any matters in executive session, any final action or vote taken will be in public by the Board. The Board shall have the right at any time to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

Reconvene in open session to take action, if necessary, on closed session items.

Henderson reconvened the meeting in Open Session at 7:06 p.m.

No action taken from Closed Session.

ADJOURN:

There being no further business, President Henderson adjourned the November 5, 2018 Regular Session of the Corinth Economic Development Corporation at 7:07 P.M.

Kimberly Pence – City Secretary
Corinth Economic Development Corporation

Tina Henderson – President
Corinth Economic Development Corporation

EDC Regular Session

2.

Meeting Date: 01/07/2019

Title: September Corinth Economic Development Corporation Financial Report

Submitted By: Jason Alexander, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review:

Strategic Goals:

AGENDA ITEM

Consider and act on the Corinth Economic Development Corporation Financial Report for the period ending September 2018.

AGENDA ITEM SUMMARY/BACKGROUND

The financial report for the Corinth Economic Development Corporation for the period ending September 2018.

RECOMMENDATION

N/A.

EDC Regular Session

3.

Meeting Date: 01/07/2019

Title: October Monthly Financials

Submitted For: Lee Ann Bunselmeyer, Director

Submitted By: Chris Rodriguez, Financial Services Manager

Finance Review: N/A

Legal Review: N/A

AGENDA ITEM

Consider and act on the Corinth Economic Development Corporation Financial Report for the period ending October 2018.

AGENDA ITEM SUMMARY/BACKGROUND

The financial report for the Corinth Economic Development Corporation for the period ending October 2018.

RECOMMENDATION

N/A.

Attachments

Oct 2018 EDC Financials



City of Corinth

Corinth Economic Development Corporation

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended October 2018

	Current Fiscal Year, 2018-2019					Prior Year
	Budget FY 2018-19	October 2018 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Oct-17 Y-T-D Actual
RESOURCES						
Sales Tax (.50¢)	\$ 823,975	\$ -	\$ -	(823,975)	0.0%	\$ -
Interest Income	800	28	28	(772)	3.5%	67
Investment Income	25,000	4,767	4,767	(20,233)	19.1%	2,925
Miscellaneous Income	-	-	-	-	0.0%	-
Projective Incentive Default	-	-	-	-	0.0%	-
Transfers In	-	-	-	-	0.0%	-
TOTAL ACTUAL RESOURCES	849,775	4,795	4,795	(844,980)	0.6%	2,993
Use of Fund Balance	2,848,006	106,701	106,701		0.0%	313,966
TOTAL RESOURCES	\$ 3,697,781	\$ 111,496	\$ 111,496		3.0%	\$ 316,958
EXPENDITURES						
Wages & Benefits	\$ 139,999	\$ 6,015	\$ 6,015	\$ (133,984)	4.3%	5,806
Professional Fees	152,407	54,507	54,507	(97,900)	35.8%	152
Maintenance & Operations	369,081	50,000	50,000	(319,081)	13.5%	2,000
Supplies	2,500	16	16	(2,484)	0.6%	-
Utilities & Communication	2,278	75	75	(2,203)	3.3%	75
Vehicles/Equipment & Fuel	-	-	-	-	0.0%	-
Training	30,633	-	-	(30,633)	0.0%	-
Capital Outlay	-	-	-	-	0.0%	-
Debt Service	-	-	-	-	0.0%	-
Transfers	3,000,883	883	883	(3,000,000)	0.0%	308,925
TOTAL EXPENDITURES	3,697,781	111,496	111,496	(3,586,285)	3.0%	316,958
EXCESS/(DEFICIT)	\$ -	\$ -	\$ -			\$ -

KEY TRENDS

Resources

Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. September 2018 revenues are remitted to the City in November 2018. Sales Tax received in September represents July collections.

Expenditures

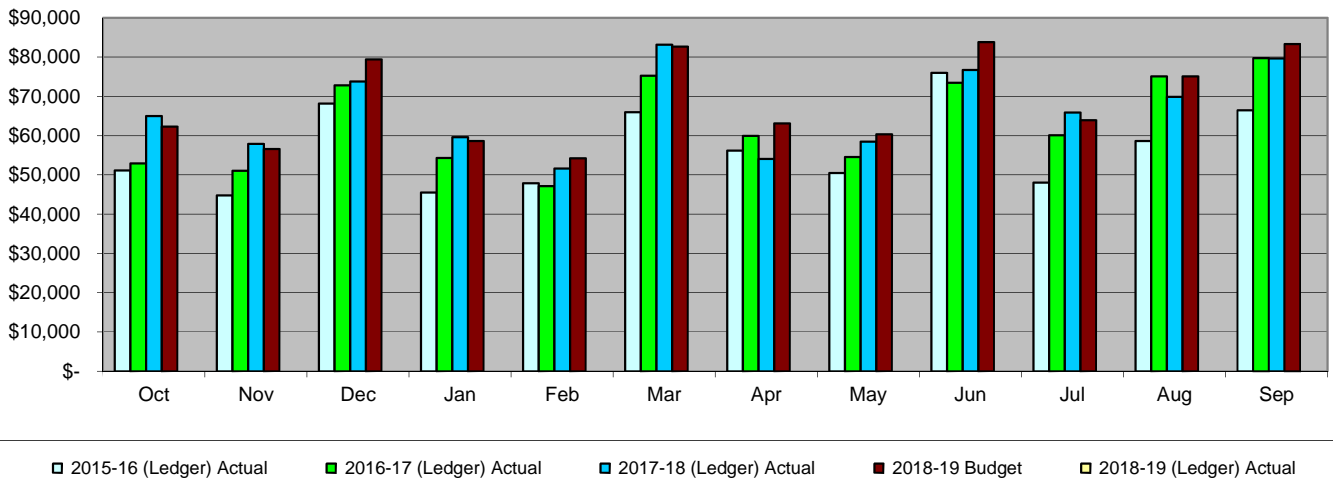
Transfer Out includes \$1,900,000 for Parkridge Drive development, \$100,000 for the Tax Increment Financing District, \$1,000,000 for the Parkridge/FM 2181 wastewater improvement project and \$883 to the Technology Replacement Fund for the future purchases of computers.



Corinth Economic Development Corporation
Economic Development Sales Tax
 PY Comparison and Variance Analysis

	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 (Ledger) Actual	2018-19 Budget	2018-19 Cash Receipts	2018-19 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 51,148	\$ 52,974	\$ 65,029	\$ 62,342	\$ 69,932	\$ -	\$ -	0.0%	\$ -	0.0%
Nov	44,827	51,070	57,889	56,632	-	-	-	-	-	-
Dec	68,160	72,833	73,790	79,450	-	-	-	-	-	-
Jan	45,500	54,300	59,659	58,687	-	-	-	-	-	-
Feb	47,909	47,147	51,635	54,296	-	-	-	-	-	-
Mar	66,022	75,308	83,165	82,719	-	-	-	-	-	-
Apr	56,230	60,003	54,077	63,169	-	-	-	-	-	-
May	50,483	54,590	58,486	60,402	-	-	-	-	-	-
Jun	75,989	73,472	76,735	83,863	-	-	-	-	-	-
Jul	48,076	60,100	65,889	63,983	-	-	-	-	-	-
Aug	58,630	75,148	69,932	75,106	-	-	-	-	-	-
Sep	66,452	79,781	79,716	83,326	-	-	-	-	-	-
TOTAL	\$ 679,427	\$ 756,725	\$ 796,002	\$ 823,975	\$ 69,932	\$ -	\$ -	0.0%	\$ -	0.0%

Monthly Collections Comparison



KEY TRENDS

Description

The sales tax in Corinth is 8.25% for goods and services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, quarterly basis. Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District and .50% to the Economic Development Corporation. The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by businesses.

As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. October 2018 revenues are remitted to the City in December 2018. Sales Tax received in October represents August collections.

Analysis

The EDC Sales Tax revenue reflects a year-to-date increase in collections compared to the budgeted amounts.

Revenues are deposited into the Economic Development Corporation Fund and must be used on behalf of the city in carrying out programs related to a wide variety of projects including public parks and business development (Tex.Rev.Civ.St. art 5190.6-the Development Corporation Act of 1979).



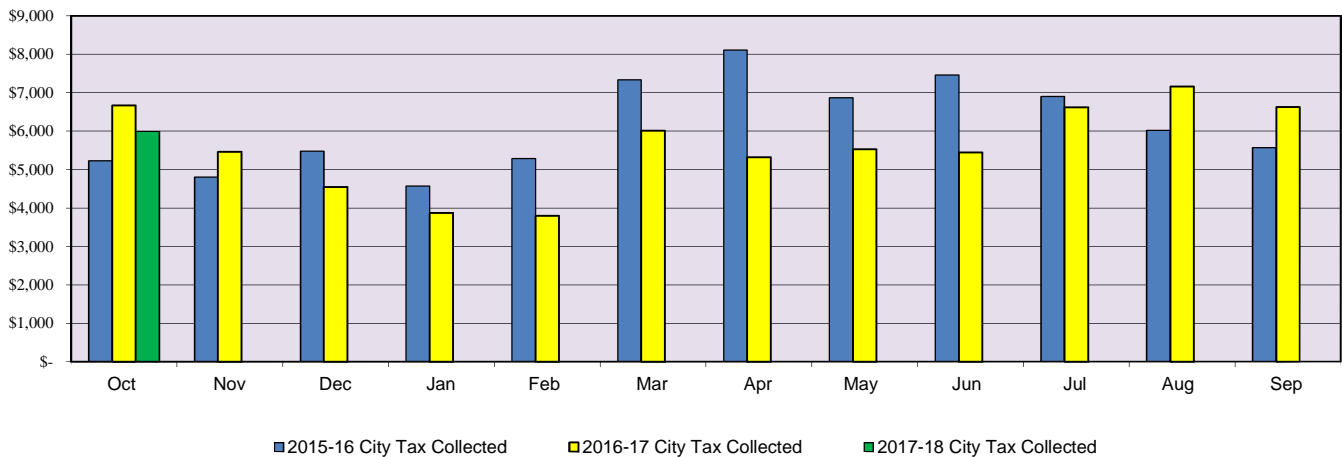
Hotel Occupancy Tax Collection Report

Comfort Inn & Suites

For the Period Ended October 2018

	Occupancy Rate	Total Gross Sales	Less Exemptions & Allowances	Total Taxable Revenues Reported	Taxable Revenues X 7%	Total City Tax Due	City Tax Collected FY 2017-18	Date Received	% Change CY to PY	City Tax Collected FY 2017-18	City Tax Collected FY 2016-17
Oct	68%	\$ 86,497	\$ 847	\$ 85,650	\$ 5,995	\$ 5,995	\$ 5,995	11/21/2016	-10.1%	\$ 6,667	\$ 5,230
Nov				-	-	-				5,463	4,802
Dec				-	-	-				4,545	5,477
Jan				-	-	-				3,873	4,572
Feb				-	-	-				3,795	5,291
Mar				-	-	-				6,014	7,333
Apr				-	-	-				5,322	8,113
May				-	-	-				5,528	6,869
Jun				-	-	-				5,444	7,459
Jul				-	-	-				6,623	6,900
Aug				-	-	-				7,164	6,018
Sep				-	-	-				6,631	5,573
TOTALS		\$ 86,497	\$ 847	\$ 85,650	\$ 5,995	\$ 5,995	\$ 5,995			\$ 67,069	\$ 73,638

Monthly Hotel Tax Collection



KEY TRENDS

Description

The City's Hotel Occupancy Tax is levied at 7% of room rental rates.

CITY OF CORINTH
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: OCTOBER 31ST, 2018

130-Economic Development Corp
 FINANCIAL SUMMARY

% OF YEAR COMPLETED: 08.33

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<u>REVENUE SUMMARY</u>						
SALES TAXES	823,975	0.00	0.00	0.00	823,975.00	0.00
INTEREST INCOME	25,800	4,794.63	4,794.63	0.00	21,005.37	18.58
TOTAL REVENUES	849,775	4,794.63	4,794.63	0.00	844,980.37	0.56
<u>EXPENDITURE SUMMARY</u>						
ECONOMIC DEVELOPMENT	3,697,781	111,495.59	111,495.59	823.80	3,585,461.61	3.04
TOTAL EXPENDITURES	3,697,781	111,495.59	111,495.59	823.80	3,585,461.61	3.04
REVENUE OVER/(UNDER) EXPENDITURES	(2,848,006)	(106,700.96)	(106,700.96)	(823.80)	(2,740,481.24)	3.78

CITY OF CORINTH
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: OCTOBER 31ST, 2018

130-Economic Development Corp

% OF YEAR COMPLETED: 08.33

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<u>SALES TAXES</u>						
130-0000-40200 SALES TAX	823,975	0.00	0.00	0.00	823,975.00	0.00
TOTAL SALES TAXES	823,975	0.00	0.00	0.00	823,975.00	0.00
<u>INTEREST INCOME</u>						
130-0000-41400 INVESTMENT INCOME	25,000	4,766.96	4,766.96	0.00	20,233.04	19.07
130-0000-41410 INTEREST INCOME	800	27.67	27.67	0.00	772.33	3.46
TOTAL INTEREST INCOME	25,800	4,794.63	4,794.63	0.00	21,005.37	18.58
<u>MISCELLANEOUS</u>						
<u>TRANSFERS</u>						
TOTAL REVENUE	849,775	4,794.63	4,794.63	0.00	844,980.37	0.56

130-Economic Development Corp

DEPARTMENT - ECONOMIC DEVELOPMENT

% OF YEAR COMPLETED: 08.33

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<u>WAGES & BENEFITS</u>						
130-1700-50100 SALARIES	105,984	3,941.66	3,941.66	0.00	102,042.34	3.72
130-1700-50203 LONGEVITY PAY	240	0.00	0.00	0.00	240.00	0.00
130-1700-50204 CAR ALLOWANCE	4,800	400.00	400.00	0.00	4,400.00	8.33
130-1700-50300 HEALTH INSURANCE	7,998	833.18	833.18	0.00	7,164.82	10.42
130-1700-50301 DENTAL INSURANCE	352	27.50	27.50	0.00	324.50	7.81
130-1700-50302 LIFE & DISABILITY INSURAN	416	30.29	30.29	0.00	385.71	7.28
130-1700-50303 BROKER FEES	208	16.16	16.16	0.00	191.84	7.77
130-1700-50304 PHS FEES	114	9.00	9.00	0.00	105.00	7.89
130-1700-50305 TMRS EMPLOYER	17,351	658.94	658.94	0.00	16,692.06	3.80
130-1700-50310 401A	390	15.00	15.00	0.00	375.00	3.85
130-1700-50316 EAP	80	7.59	7.59	0.00	72.41	9.49
130-1700-50317 COBRA ADMINISTRATION FEE	7	0.00	0.00	0.00	7.00	0.00
130-1700-50320 WORKERS COMP	360	15.69	15.69	0.00	344.31	4.36
130-1700-50401 MEDICARE EMPLOYER	1,519	60.05	60.05	0.00	1,458.95	3.95
130-1700-50405 TEXAS EMPLOYMENT COMM.	180	0.00	0.00	0.00	180.00	0.00
TOTAL WAGES & BENEFITS	139,999	6,015.06	6,015.06	0.00	133,983.94	4.30
<u>PROF. SERV & CONTRACTUAL</u>						
130-1700-51100 PROFESSIONAL SERVICES	79,000	0.00	0.00	0.00	79,000.00	0.00
130-1700-51101 CONTRACT LABOR	54,317	54,317.00	54,317.00	0.00	0.00	100.00
130-1700-51300 LEGAL FEES	17,200	0.00	0.00	0.00	17,200.00	0.00
130-1700-51400 P&L INSURANCE	1,890	189.53	189.53	0.00	1,700.47	10.03
TOTAL PROF. SERV & CONTRACTUAL	152,407	54,506.53	54,506.53	0.00	97,900.47	35.76
<u>MAINTENANCE & OPERATIONS</u>						
130-1700-52000 ADVERTISING	82,500	0.00	0.00	0.00	82,500.00	0.00
130-1700-52002 POSTAGE	100	0.00	0.00	0.00	100.00	0.00
130-1700-52003 PRINTING	400	0.00	0.00	0.00	400.00	0.00
130-1700-52030 EQUIPMENT RENTAL	783	0.00	0.00	823.80	(40.80)	105.21
130-1700-52040 MAINTENANCE	6,000	0.00	0.00	0.00	6,000.00	0.00
130-1700-52210 BOARDS & COMMITTEE EXPENS	1,200	0.00	0.00	0.00	1,200.00	0.00
130-1700-52215 PROMOTIONAL FEES	19,308	0.00	0.00	0.00	19,308.00	0.00
130-1700-52230 PROJECT INCENTIVES	250,000	50,000.00	50,000.00	0.00	200,000.00	20.00
130-1700-52500 DUES & SUBSCRIPTIONS	8,790	0.00	0.00	0.00	8,790.00	0.00
TOTAL MAINTENANCE & OPERATIONS	369,081	50,000.00	50,000.00	823.80	318,257.20	13.77
<u>SUPPLIES</u>						
130-1700-53001 OFFICE SUPPLIES	1,000	16.00	16.00	0.00	984.00	1.60
130-1700-53205 OFFICE EQUIPMENT	1,500	0.00	0.00	0.00	1,500.00	0.00
TOTAL SUPPLIES	2,500	16.00	16.00	0.00	2,484.00	0.64
<u>UTILITIES & COMMUNICATION</u>						
130-1700-54106 AIRCARD	456	0.00	0.00	0.00	456.00	0.00
130-1700-54107 COMPUTER LICENSING	922	0.00	0.00	0.00	922.00	0.00
130-1700-54200 CELLPHONE	900	75.00	75.00	0.00	825.00	8.33
TOTAL UTILITIES & COMMUNICATION	2,278	75.00	75.00	0.00	2,203.00	3.29

CITY OF CORINTH
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: OCTOBER 31ST, 2018

130-Economic Development Corp

DEPARTMENT - ECONOMIC DEVELOPMENT

% OF YEAR COMPLETED: 08.33

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<u>TRAVEL & TRAINING</u>						
130-1700-56000 TRAINING	16,075	0.00	0.00	0.00	16,075.00	0.00
130-1700-56100 TRAVEL/MEALS/LODGING	13,770	0.00	0.00	0.00	13,770.00	0.00
130-1700-56200 MILEAGE	788	0.00	0.00	0.00	788.00	0.00
TOTAL TRAVEL & TRAINING	30,633	0.00	0.00	0.00	30,633.00	0.00
<u>CAPITAL OUTLAY</u>						
<u>TRANSFERS & COST ALLOC.</u>						
130-1700-59101 TRANSFER OUT	3,000,000	0.00	0.00	0.00	3,000,000.00	0.00
130-1700-59111 TRANSFER OUT - TECH REPLA	883	883.00	883.00	0.00	0.00	100.00
TOTAL TRANSFERS & COST ALLOC.	3,000,883	883.00	883.00	0.00	3,000,000.00	0.03
TOTAL ECONOMIC DEVELOPMENT	3,697,781	111,495.59	111,495.59	823.80	3,585,461.61	3.04
TOTAL EXPENDITURES	3,697,781	111,495.59	111,495.59	823.80	3,585,461.61	3.04
REVENUE OVER/(UNDER) EXPENDITURES	(2,848,006)(106,700.96)(106,700.96)(823.80)(2,740,481.24)	3.78

EDC Regular Session

Meeting Date: 01/07/2019
Title: FY 2018-2019 Investment Policy
Submitted For: Lee Ann Bunselmeyer, Director
Submitted By: Chris Rodriguez, Financial Services Manager
Finance Review: N/A **Legal Review:** N/A

AGENDA ITEM

Review and approve the Investment Policy for the Economic Development Corporation.

AGENDA ITEM SUMMARY/BACKGROUND

In accordance with Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to annually adopt a formal written Investment Policy for the investment of public funds. The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual process, staff reviews the policy and may recommend revisions to the existing policy, if needed. The recommended revisions to the investment policies reflect the changes that the City Council made to the structure of the Finance Audit Committee in September of 2018. The recommended revisions are summarized below.

Section V. finance Audit Committee (A) Members:

There is hereby created a Finance Audit Committee consisting of the ~~City Manager, Director of Finance, a secondary Investment Officer designated by the Director of Finance,~~ Mayor, two members of the City Council and two citizens appointed by the City Council ~~by majority vote~~. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the Committee. The Community Representative members shall be non-voting member of the Committee.

Section V. Finance Audit Committee (B) Scope:

The Finance Audit Committee shall meet at least once per calendar quarter ~~annually~~ to determine general strategies and to monitor results.

Section V. Finance Audit Committee (C) Procedures:

The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and a majority of the members shall constitute a quorum. ~~The Finance Audit Committee shall establish its own rules of procedure.~~ The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

RECOMMENDATION

Staff recommends approval of the Investment Policy.

Attachments

EDC Investment Policy

**CITY OF CORINTH, TEXAS
ECONOMIC DEVELOPMENT CORPORATION
INVESTMENT POLICY**

PREFACE

It is the policy of the City of Corinth the "City" and the Corinth Economic Development Corporation (the "EDC") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate of return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for EDC funds. The EDC's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The EDC will invest public funds in a manner which will provide the maximum security and a market rate of return while meeting the daily cash flow demands of the EDC.

The EDC is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written investment policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the Act]) to define, adopt and review a formal investment strategy and policy.

I. PURPOSE

The purpose of this investment policy (the “policy”) is to set forth specific investment policy and strategy guidelines for the EDC in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the EDC and includes the following separately invested funds or fund types: Operating, Reserve, and Bond Funds, although the EDC has only operating funds. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the EDC by outside agencies under retirement or deferred compensation programs. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

III. INVESTMENT OBJECTIVES

Funds of the EDC shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the EDC’s investment activities shall be as follows (in the order of priority):

- A. Safety – Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the EDC. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the EDC will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the EDC’s investments.
- B. Liquidity - The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the EDC’s cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the EDC’s portfolio.
- C. Diversification - Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the EDC. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) - The EDC’s investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The EDC will not attempt to consistently attain an unrealistic above market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the EDC’s rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.
- E. Public Trust - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the EDC’s ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market

volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

IV. INVESTMENT STRATEGY

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all EDC funds to ensure maximum utilization and yield a market rate of return. The basic and underlying strategy of this program is that all of the EDC's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the EDC's investment activities shall be as follows:

Strategy No. 1

Diversifying the EDC's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the EDC Board, and the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the EDC. Fund withdrawals are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the EDC calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

Strategy No. 2

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A.** It is straight-forward and easily understood;
- B.** It will assure the EDC that it will capture a reasonable portion of the yield curve; and,
- C.** It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

Strategy No. 3

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance,

security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

Strategy No. 4

The EDC will utilize a general investment strategy designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- A. Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- B. Investment strategies for reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund.
- C. Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- D. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

Strategy No. 5

The EDC generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the EDC Executive Director, or the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

Strategy No. 6

All demand deposits of the EDC will be concentrated with one central depository, so long as, the FDIC insurance limits are not exceeded. The City's depository procedure will maximize the EDC's ability to pool cash for investment purposes, and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the EDC may be eligible to bid on EDC investments.

Strategy No. 7

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the EDC, while allowing the EDC to earn an appropriate return on idle demand deposits.

Strategy No. 8

A single pooled fund group of EDC funds, as defined in this policy, may be utilized at the discretion of the Investment Officer. However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the EDC.

Strategy No. 9

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

V. FINANCE AUDIT COMMITTEE

- A. Members** – There is hereby created a Finance Audit Committee consisting of the City Manager, Director of Finance, a secondary Investment Officer designated by the Director of Finance Mayor, two members of the City Council and two citizens appointed by the City Council ~~by majority vote.~~ The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the Committee. The Community Representative members shall be non-voting members of the Committee.
- B. Scope** – The Finance Audit Committee shall meet at least once per calendar quarter annually to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the EDC's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.
- 1. Procedures** – The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting and a majority of the members shall constitute a quorum. ~~The Finance Audit Committee shall establish its own rules of procedures.~~ The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

VI. RESPONSIBILITY AND STANDARD OF CARE

- A.** The responsibility for the daily operation and management of the EDC's investments shall be outlined within this section.
- 1. Delegation of Authority** - Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the City and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance.
- 2.** The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officials. The system of controls shall be designed to provide

reasonable assurance that ensures the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:

- a. The cost of control should not exceed the benefits likely to be derived; and,
 - b. The valuation of costs and benefits requires estimates and judgments by management.
3. The Director of Finance shall be designated as the primary Investment Officer for the City and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- B. Prudence** - The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which states, "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." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
 2. The investment decision was consistent with the written investment policy and procedures of the EDC.
- C. Due Diligence** - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and the citizen committee members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.
- D. Ethical Standards and Conflicts of Interest**
1. All EDC Investment Officers having a direct or indirect role in the investment of EDC funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees 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 the ability to make impartial investment decisions.
 2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the EDC shall file a statement disclosing that personal business interest.
 3. An Investment Officer has a personal business relationship with a business

organization if:

- a. The Investment Officer or person related to the Investment Officer by the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
 - b. Funds received by the Investment Officer or person related to the investment officer by the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Officer's gross income for the prior year; or
 - c. The Investment Officer or person related to the Investment Officer by the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
 - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the EDC shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.
- E. Training - The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the EDC's investment personnel making investment decisions in compliance with Public Funds Investment Act (PFIA). The Investment Officers and Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12 months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

VII. AUTHORIZED INVESTMENTS

- A. Generally - Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the EDC's primary objective, only certain investments are authorized as acceptable investments for the EDC. The following list of authorized investments for the EDC intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to EDC funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the EDC is not required to liquidate investments that were authorized at the time of purchase.
- B. Authorized and Acceptable Investments - The authorized list of investment

instruments is as follows:

1. Obligations of the United States or its agencies and instrumentalities, or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), *excluding mortgage-backed securities*.
 2. Direct obligations of the State of Texas, or its agencies and instrumentalities, other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. Certificates of Deposit – A certificate of deposit issued by a depository institution that has its main office or branch office in this state, and is secured in accordance with the specific collateralization requirements contained in section XI, B of this policy. -In addition, an investment in "bundled" or "shared" CDs made in accordance with the following conditions is permitted:
1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
 2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.
 3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States;
 4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools - AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and stabilize at a \$1 net asset value.
- E. Repurchase Agreements - Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the EDC and held in safekeeping with a third-party custodian approved by the City. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be

collateralized in accordance with State law as described in Section XI of this policy. Authorized under this section includes flexible repurchase agreements which may be used for specific investment of bond proceeds but *shall not include reverse purchase agreements*.

- F. Bankers' Acceptances, and Commercial Paper (LIMITED USE) - These investments are authorized for the EDC to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the EDC invests.
- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds - An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the EDC with a prospectus and other information required by the SEC Act of 1934 or the Investment Advisor Act of 1940 and which provides the EDC with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC. Section 78a et. Seq.) & the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).
- H. Unauthorized Securities - State law specifically prohibits investment in the following securities:
 - 1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.
 - 2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
 - 3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
 - 4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

VIII. DIVERSIFICATION

- A. Generally - Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- B. Diversification by Maturities - The longer the maturity of investments, the greater their price volatility. Therefore, it is the EDC's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The EDC will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the EDC will not

directly invest in securities maturing more than two (2) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The EDC shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire EDC portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

- C. Diversification by Investment Instrument** - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	100%
Local Government Obligations	10%
Fully Insured Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100%
U.S. Treasury & Agency Callables	30%

IX. SECURITY SWAPS

Security swaps may be considered as an investment option for the EDC. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City's approved list. A horizon analysis is required for each swap proving benefit to the EDC before the trade decision is made, which will accompany the investment file for record keeping.

X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

- A.** The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- B.** All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification, trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the EDC's investment policy.

- C.** The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
1. Financial conditions, strength and capability to fulfill commitments;
 2. Overall reputation with other dealers or investors;
 3. Regulatory status of the dealer;
 4. Background and expertise of the individual representatives.
- D.** Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the EDC's investment policy and acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the EDC, except to the extent that this authorization is dependent on an analysis of the makeup of the EDC's entire portfolio or requires an interpretation of subjective investment standards.
- E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the EDC's ability to meet payroll or other expenses.
- F.** All investments (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the EDC's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the EDC. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
- G.** An annual review of the financial condition and registrations of qualified financial organizations will be conducted by the Director of Finance.
- H.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the EDC invests.
- I.** If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the EDC. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the City for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the EDC's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the EDC. The advisor shall

obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.

- J. It is the policy of the City that all security transactions entered into with the EDC shall be conducted on a "Delivery-versus-Payment" basis through the Federal Reserve System. By doing this, EDC funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the EDC. The notification may be oral, but shall be confirmed in writing.

XI. SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping - All securities owned by the EDC shall be held by a third-party safekeeping agent selected by the EDC's Investment Officer. Bank deposits will be held in the EDC's name in the bank's trust department, in a Federal Reserve Bank account in the EDC's name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City and the EDC. The City and the EDC shall contract with a bank or banks for the safekeeping of securities either owned by the EDC as part of its investment portfolio or held as collateral to secure time deposits, if collateralized time deposits are specifically authorized by the board.
- B. Collateralized Deposits - Consistent with the requirements of State law, the EDC requires all bank deposits to be federally insured. If the board and the City do agree that collateralized accounts are acceptable in specific situations the provisions above may be amended for EDC accounts.

XII. INTERNAL CONTROL

The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the EDC's established investment policy.

XIII. PERFORMANCE

The EDC's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the EDC. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

XIV. REPORTING

- A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly investment report to the Economic Development Board and the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return

for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.

- B. Annual Report** - Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the Economic Development Board, City Manager and the City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. Methods** - The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the EDC to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will include the following:
1. A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
 2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
 3. Additions and changes to the market value during the period;
 4. Fully accrued interest for the reporting period;
 5. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
 6. Listing of investments by maturity date;
 7. The percentage of the total portfolio which each type of investment represents; and
 8. Statement of compliance of the EDC's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
 9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.
 10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

XV. INVESTMENT POLICY ADOPTION AND AMENDMENT

The EDC's investment policy shall be reviewed by the Economic Development Board and formally adopted and amended by resolution by the City Council. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

Attachment A

CITY OF CORINTH, TEXAS
Economic Development Corporation
Investment Strategy Statement

Operating Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Operating Funds.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
5. Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the EDC. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

Reserve Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the EDC's debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or two years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

3. Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
4. Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the EDC at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the EDC is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
5. Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of a bond issue, if any, be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

Bond Funds

1. Suitability - Any investment eligible in the Investment Policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of two years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.
5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the EDC is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts.

At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

Attachment B

CITY OF CORINTH, TEXAS
Investment Policy

[SAMPLE]
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of the City of Corinth, Texas (the "City") and _____ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the City and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
2. The Qualified Representative of the Business Organization has received and reviewed the investment policy furnished by the City; and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of Business Organization

Firm: _____

Signature _____

Name: _____

Title: _____

Date: _____

EDC Regular Session

5.

Meeting Date: 01/07/2019

Title: Annual Investment Report

Submitted For: Lee Ann Bunselmeyer, Director

Submitted By: Chris Rodriguez, Financial Services Manager

Finance Review: N/A

Legal Review: N/A

AGENDA ITEM

Consider and act on the Fiscal Year 2017-2018 EDC Annual Investment Report.

AGENDA ITEM SUMMARY/BACKGROUND

In accordance with Public Funds Investment Act, Chapter 2256, Section 02399(a), of the Texas Government Code, the investment officer must prepare and submit to the governing body a written report of the investment transactions within 180 days of the end of the fiscal year. The report must summarize current market conditions, economic developments, and anticipated investment conditions and include the following:

1. A listing of individuals securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired.
2. Unrealized gain or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services, independent from the broker/dealer from which the security was purchased.
3. Additions and changes to the market value during the period.
4. Fully accrued interest for the reporting period.
5. Average weighted yield to maturity of portfolio on entity investments, as compared to applicable benchmarks.
6. Listing of investments by maturity date.
7. The percentage of the total portfolio which each type of investment represents; and
8. Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
9. Market yield benchmark comparison of the average 90-days U.S. Treasury Bill auction yield during the reporting period.

RECOMMENDATION

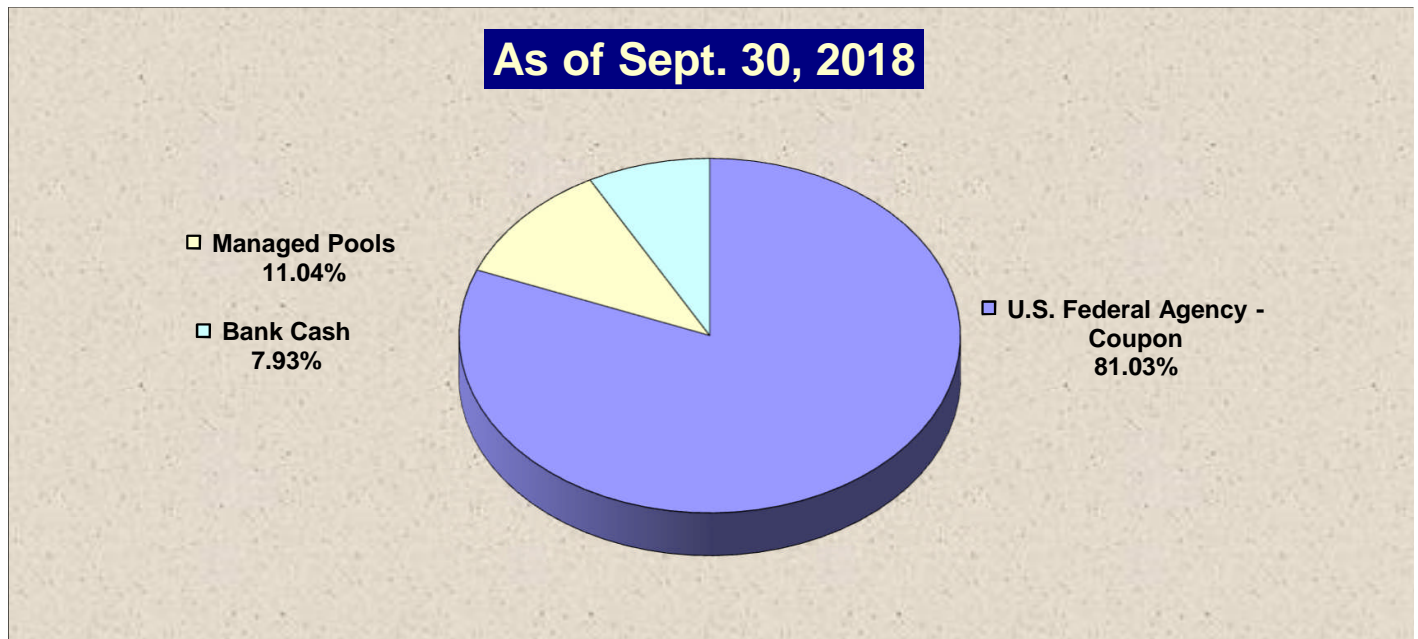
Staff recommends the acceptance of the EDC Annual Investment Report.

Attachments

EDC Annual Investment Report

ANNUAL INVESTMENT REPORT
Economic Development Corporation

Market Sector	Dec. 31, 2017	Mar. 31, 2018	June 30, 2018	Sept. 30, 2018
U.S. Federal Agency -Coupon	\$ 2,150,000	\$ 2,447,090	\$ 3,097,090	\$ 3,097,090
U.S. Federal Agency-Callable	250,000	750,000	-	-
Managed Pools	785,625	788,316	791,725	421,872
Bank Cash	229,643	121,164	270,936	303,201
Total Par Value:	\$ 3,415,268	\$ 4,106,569	\$ 4,159,751	\$ 3,822,164



The portfolio is restricted to U.S. Treasuries, U.S. Agencies, bonds issued by Texas public entities and rated AA or better, fully insured/collateralized certificates of deposit, and fully collateralized repurchase agreements. The investments are diversified by security type to protect interest income from the volatility of interest rates and to protect the portfolio from the risk of principal loss in any one market.

Performance Indicators	Policy Benchmark	Dec. 31, 2017	Mar. 31, 2018	June 30, 2018	Sept. 30, 2018
Average Yield to Maturity		1.166%	1.437%	1.520%	1.500%
≥ Policy Benchmark-(Six Month T-Bill)		1.484%	1.905%	2.099%	2.330%
Callable Securities ≤	30.00%	7.32%	18.26%	0.00%	0.00%
Investment By Type ≤					
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	70.28%	77.85%	74.46%	81.03%
Managed Pools	100.00%	23.00%	19.20%	19.03%	11.04%
Money Market	100.00%	0.00%	0.00%	0.00%	0.00%
Bank Cash	100.00%	6.72%	2.95%	6.51%	7.93%
Weighted Avg. Maturity ≤	270 Days	220	288	205	149
Maturities ≤30 days ≥	5.00%	29.73%	22.15%	25.55%	18.97%

Note: The portfolio is within the policy benchmark for the Average Weighted Maturity for the fourth quarter of the fiscal year. The liquidity for the portfolio is 19% at the end of the fiscal year.

City of Corinth portfolio
Texas Compliance Change in Val Report
Sorted by Fund
October 1, 2017 - September 30, 2018

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Fund: Pooled Cash-Eco Dev									
10021	NTHSTR	00B	10/01/2017	516.27	336,545.38	536,629.13	569,973.07	-33,343.94	303,201.44
SYS10021	303,201.44	0.100	/ /	0.00	336,545.38	536,629.13	569,973.07	-33,343.94	303,201.44
Sub Totals For: Fund: Pooled Cash-Eco Dev				516.27	336,545.38	536,629.13	569,973.07	-33,343.94	303,201.44
				0.00	336,545.38	536,629.13	569,973.07	-33,343.94	303,201.44
Fund: Economic Development									
10593	FAMC	130	09/30/2017	1,500.00	500,737.50	0.00	500,000.00	-500,737.50	0.00
3132X0NNS6	0.00	0.000	02/01/2018	1,512.50	500,137.50	0.00	500,000.00	-500,137.50	0.00
10616	FHLB	130	06/30/2018	3,475.69	0.00	1,000,000.00	0.00	1,002,215.28	1,002,215.28
3130ACR89	1,000,000.00	1.372	11/02/2018	0.00	0.00	1,000,000.00	0.00	1,001,515.28	1,001,515.28
10566	FHLB	130	12/20/2016	2,458.07	350,053.06	0.00	350,029.41	-350,053.06	0.00
3130AAHG6	0.00	0.000	12/14/2018	3,820.83	349,510.00	0.00	350,029.41	-349,510.00	0.00
10606	FHLMC	130	02/28/2018	4,881.25	0.00	496,479.89	0.00	497,500.00	497,500.00
3134G35V8	500,000.00	2.003	03/13/2020	4,468.75	0.00	496,479.89	0.00	491,750.00	491,750.00
10007	TXPOOL	130	10/01/2017	10,476.88	783,476.80	10,395.30	372,000.00	-361,604.70	421,872.10
SYS10007	421,872.10	1.995	/ /	10,395.30	783,476.80	10,395.30	372,000.00	-361,604.70	421,872.10
10379	NTHSTR	130	10/01/2017	0.00	0.00	0.00	0.00	0.00	0.00
SYS10379	0.00	0.250	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10534	FFCB	130	01/27/2016	612.50	450,000.00	0.00	450,000.00	-450,000.00	0.00
3133EFWC7	0.00	0.000	11/27/2017	1,968.75	449,775.00	0.00	450,000.00	-449,775.00	0.00
10595	FHLB	130	11/06/2017	6,770.83	0.00	500,100.00	0.00	500,009.72	500,009.72
3130ACRE6	500,000.00	1.480	11/06/2018	3,750.00	0.00	500,100.00	0.00	499,650.00	499,650.00

Portfolio CITY

City of Corinth portfolio
Texas Compliance Change in Val Report
October 1, 2017 - September 30, 2018

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10583	FHLB	130	08/15/2017	5,750.00	500,312.54	0.00	0.00	-433.29	499,879.25
313381EC5	500,000.00	1.285	12/06/2018	4,647.92	500,252.08	0.00	0.00	-1,102.08	499,150.00
10578	FFCB	130	04/17/2017	3,960.00	300,000.00	0.00	0.00	0.00	300,000.00
3133EHFK4	300,000.00	1.320	04/17/2019	3,960.00	299,190.00	0.00	0.00	-1,260.00	297,930.00
10562	FNMA	130	12/08/2016	1,587.50	249,125.64	0.00	249,356.41	-249,125.64	0.00
3136G2XJ1	0.00	0.000	08/23/2019	1,922.64	248,300.00	0.00	249,356.41	-248,300.00	0.00
10609	FFCB	130	03/27/2018	3,606.34	0.00	297,000.87	0.00	297,023.65	297,023.65
3133EJHL6	297,090.00	2.390	03/27/2020	3,527.94	0.00	297,000.87	0.00	295,129.21	295,129.21
Sub Totals For: Fund: Economic Development				45,079.06	3,133,705.54	2,303,976.06	1,921,385.82	384,794.46	3,518,500.00
				39,974.63	3,130,641.38	2,303,976.06	1,921,385.82	376,355.21	3,506,996.59