THE CITY OF BURLESON TEXAS

Department Memo

City Council Regular Meeting

DEPARTMENT: **Finance**

FROM: **Michael Franklin, Deputy Finance Director**

MEETING: **August 17, 2026**

SUBJECT:

Consider and take possible action on a resolution accepting the Quarterly Investment Report for June 30, 2026, as submitted in accordance with the Public Funds Investment Act (PFIA). (*Staff Contact: Michael Franklin, Deputy Finance Director*)

STRATEGIC PRIORITY AND GOAL(S):

Strategic Priority	Strategic Goal
High Performing City Organization Providing Exceptional, People Focused Services	1.2 Continue to improve the efficiency and productivity of operations 1.3 Deliver high-quality service and communications to external and internal customers 1.4 Be a responsible steward of the city's financial resources by providing rates and fees that represent a strong value to our citizens; providing timely, accurate and transparent financial reporting; and utilizing long-range planning.

SUMMARY:

To comply with the Public Funds Investment Act (PFIA), staff is required to report quarterly to the City Council on the activities of its cash and investment holdings. The information required by the PFIA includes investment results for the quarter, economic summary and investment strategy, investment holdings, and book vs. market comparisons.

PORTFOLIO OVERVIEW

As of June 30, 2026, the City's total investment portfolio had a book value of $141,015,472 and a market value of $140,830,454. The portfolio generated approximately $1,451,413 in interest earnings during the quarter ($4,885,951 fiscal year-to-date).

The weighted average yield of 3.86% outperformed all comparative benchmarks for the period, including the Rolling Three-Month Treasury (3.74%), the Rolling Six-Month Treasury (3.72%), and TexPool Prime (3.80%).

PORTFOLIO COMPOSITION
Securities: 46% | Certificates of Deposit: 36% | Money Market Accounts/Sweep: 12% | Pools: 4% | Demand Deposit (Cash): 2%

QUARTER-OVER-QUARTER HIGHLIGHTS
The portfolio book value decreased by approximately $19.6 million from the March 31, 2026 balance of $160,625,176, reflecting normal operating cash flows and scheduled investment maturities. Several holdings matured or were drawn down during the quarter, including two FFCB notes and a bank CD totaling roughly $15 million, along with a substantial reduction in MMA/sweep and pooled cash balances. Proceeds were reinvested primarily into new certificates of deposit and securities, including new U.S. Treasury Note and FAMCA positions. As a result, the securities allocation increased from 37% to 46% of the portfolio, while the MMA/Sweep allocation declined from 22% to 12%.

The average portfolio yield decreased from 3.93% to 3.86%, consistent with the Federal Open Market Committee's decision to hold the Fed Funds target unchanged at 3.50% - 3.75% at its June 16-17 meeting, as maturing higher-yielding holdings were reinvested at modestly lower prevailing rates.

The City's buy-and-hold investment strategy aligns maturities with anticipated cash flow needs. The City plans maturities utilizing a two-year laddering approach.

RECOMMENDATION:

Approve the resolution accepting the Quarterly Investment Report for June 30, 2026, as submitted in accordance with the Public Funds Investment Act (PFIA).

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

REFERENCE:

Attached is a copy of the June 30, 2026
Quarterly Investment Report

FISCAL IMPACT:

N/A

STAFF CONTACT:

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