



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

10F. Preview

Date: January 14, 2010

SUBJECT: INVESTMENT POLICY [CDA (LEGAL) & CDA (LOCAL)]

BOARD GOAL: All systems in the Keller Independent School District will be effective, efficient and accountable in support of the district's mission.

FISCAL NOTE: Investment of District Funds

ANTICIPATED

DATE FOR ACTION: January 28, 2010

Background Information:

- TEA requires the District's Investment Policies, both CDA Legal and Local, be reviewed and approved by the Board each year.
- This policy review is to make changes to the policy if needed. There are no changes being proposed.
- The review will also look at the rate of returns of the investments by the district in regards to benchmarks.

Administrative Considerations:

- The CDA (Legal) policy describes the acceptable investments that can be made with public funds and all local decisions are made in accord with the CDA (Local) policy.
- Due to the nature of the current investment markets, district funds have been kept in investment pools to provide for acceptable types of investments, diversity, liquidity, safety and rates of return.
- The attached chart and data summary demonstrates the rate of return from the pools as compared to benchmarks in US government securities and the Fed Funds rate.
- Since the change in local policy CDA (Local approved by the Board in February 2008) the use of the Logic Pool that uses some commercial paper has continuously outperformed the other pools with one recent exception of December 2009.
- The district's investments are currently distributed in a ratio of 97.64%:0.95%:1.42% (Logic: TexPool: TexSTAR) between the pools.

Communication Deployment:

- Board Meeting Minutes
- Keller ISD Public Website – Finance Section

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Respectfully submitted,

Kent V. Morrison, III
Chief Financial Officer