



Board Action Required

No Action Required

To: Dr. Jeff Turner & Board of Trustees
From: Kelly Penny
Subject: Annual Review of Investment Policy, training, brokers and performance
Date: September 5, 2009
Cc: Sid Grant

The Public Funds Investment Act (TX Govt. Code Chapter 2256) as articulated in Policy CDA (LEGAL) requires that:

“The investment policy and the investment strategy shall be reviewed not less than annually. The Board 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 change made to either the investment policy or strategies.”

The latest updates of both CDA (LEGAL) and (LOCAL) are attached for review. Neither policy has been changed since the last investment policy review by the Board of Trustees in September 2008. Additionally, the Board must annually review Broker/Dealer and investment officer training instructors (separate agenda item). There have been no changes to Broker/Dealers since September, 2008. The training instructors are as proposed in the separate agenda item.

Review of Current Performance on Investments

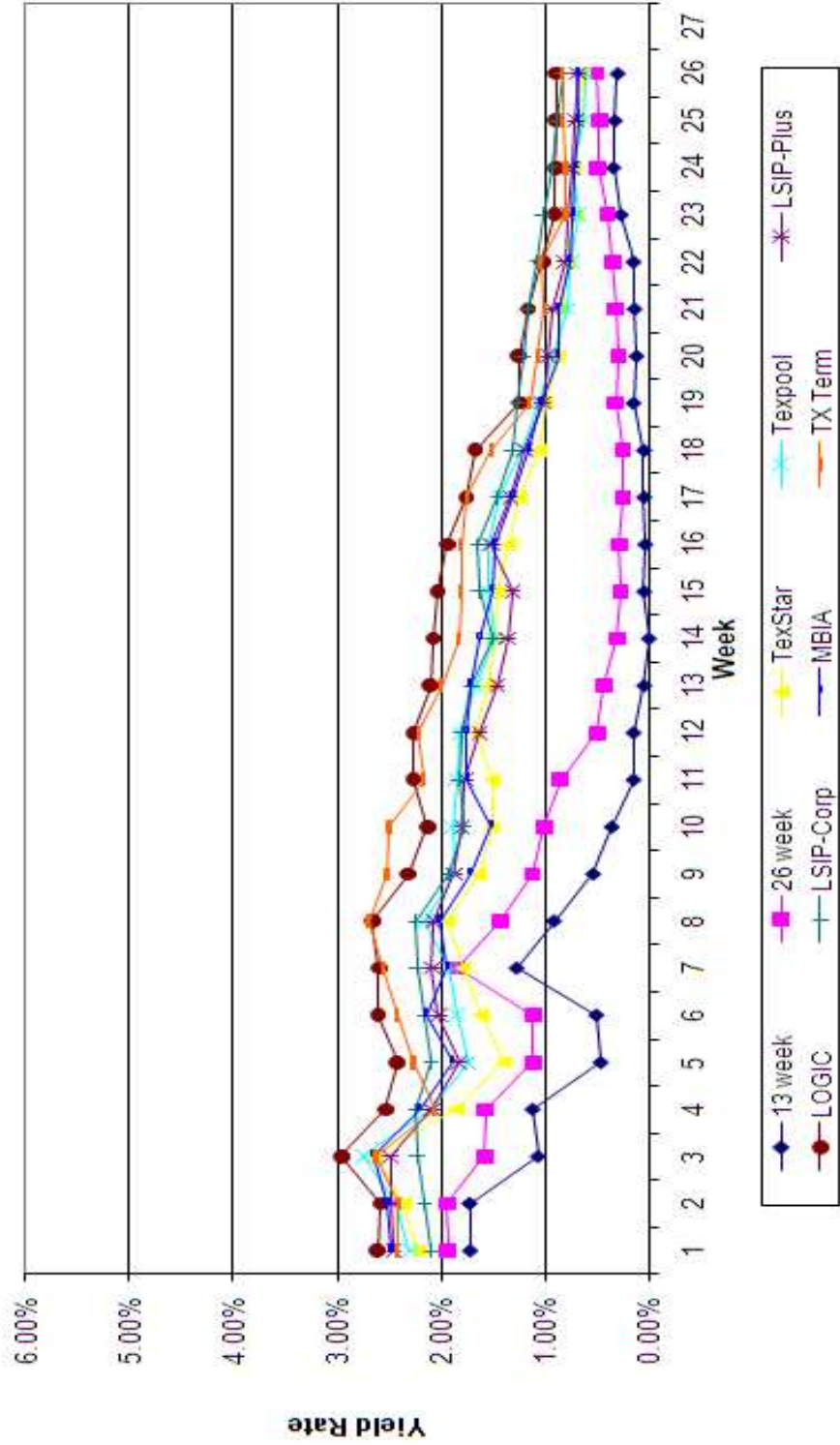
The attached graphs and data compare the rates paid on the investment pools utilized with the rate for the 13 and 26 week T-Bill auctions. A distinct advantage of the investment pools is that investor funds are very liquid. Money can be transferred overnight either in or out of pools. Multiple governmental investment pools are utilized to diversify the investments.

The District has experienced a substantial decrease in interest earning over the past year due to the downturn in economy and market. However, the District received greater earnings from pool investments than we would have from investing in T-Bills. As noted, interest rates have dropped substantially over the past year resulting in less interest earnings for the district.

2008 & 2009

05-Sep	1.72%	1.94%	2.22%	2.31%	2.46%	2.61%	2.10%	2.48%	2.42%
12-Sep	1.72%	1.95%	2.36%	2.44%	2.47%	2.59%	2.16%	2.52%	2.41%
19-Sep	1.07%	1.58%	2.64%	2.75%	2.49%	2.96%	2.23%	2.66%	2.63%
26-Sep	1.12%	1.57%	1.86%	2.11%	2.09%	2.54%	2.24%	2.21%	2.06%
03-Oct	0.47%	1.11%	1.40%	1.74%	1.83%	2.42%	2.10%	1.89%	2.27%
10-Oct	0.51%	1.11%	1.62%	1.85%	2.03%	2.61%	2.16%	2.15%	2.42%
17-Oct	1.27%	1.84%	1.79%	1.92%	2.09%	2.60%	2.23%	1.94%	2.56%
24-Oct	0.92%	1.43%	1.94%	2.15%	2.08%	2.66%	2.24%	2.02%	2.70%
31-Oct	0.54%	1.12%	1.64%	1.87%	1.88%	2.32%	1.92%	1.72%	2.52%
07-Nov	0.36%	1.01%	1.51%	1.89%	1.80%	2.14%	1.78%	1.52%	2.50%
14-Nov	0.15%	0.86%	1.50%	1.85%	1.77%	2.27%	1.83%	1.75%	2.17%
21-Nov	0.15%	0.50%	1.67%	1.82%	1.63%	2.27%	1.81%	1.76%	2.22%
28-Nov	0.05%	0.44%	1.54%	1.68%	1.46%	2.10%	1.71%	1.72%	2.00%
05-Dec	0.01%	0.31%	1.49%	1.49%	1.36%	2.08%	1.51%	1.63%	1.83%
12-Dec	0.05%	0.27%	1.45%	1.55%	1.31%	2.03%	1.64%	1.51%	1.81%
19-Dec	0.04%	0.29%	1.35%	1.54%	1.52%	1.95%	1.65%	1.49%	1.81%
26-Dec	0.05%	0.25%	1.25%	1.43%	1.33%	1.76%	1.46%	1.31%	1.75%
02-Jan	0.05%	0.25%	1.06%	1.22%	1.20%	1.67%	1.32%	1.16%	1.52%
09-Jan	0.15%	0.33%	0.99%	1.06%	1.02%	1.24%	1.27%	1.04%	1.15%
16-Jan	0.12%	0.29%	0.87%	0.94%	0.97%	1.26%	1.21%	0.87%	1.07%
23-Jan	0.14%	0.33%	0.84%	0.79%	0.93%	1.16%	1.17%	0.87%	1.01%
30-Jan	0.15%	0.35%	0.77%	0.75%	0.81%	1.03%	1.08%	0.77%	1.04%
06-Feb	0.27%	0.40%	0.71%	0.68%	0.78%	0.91%	1.02%	0.73%	0.80%
13-Feb	0.35%	0.49%	0.73%	0.73%	0.74%	0.90%	0.93%	0.71%	0.80%
20-Feb	0.33%	0.48%	0.69%	0.63%	0.71%	0.90%	0.89%	0.68%	0.83%
27-Feb	0.30%	0.50%	0.63%	0.62%	0.68%	0.89%	0.83%	0.69%	0.83%

Investment Rates - September 2008 thru February 2009



Date	T-Bills 13 week	T-Bills 26 week	TexStar	Texpool	LSIP- Plus	LOGIC	LSIP- Corp	MBIA	TX Term
2009									
06-Mar	0.28%	0.47%	0.59%	0.59%	0.68%	0.85%	0.90%	0.61%	0.80%
13-Mar	0.24%	0.45%	0.58%	0.54%	0.68%	0.82%	0.85%	0.61%	0.80%
20-Mar	0.23%	0.40%	0.60%	0.59%	0.66%	0.80%	0.80%	0.61%	0.75%
27-Mar	0.20%	0.43%	0.57%	0.55%	0.63%	0.76%	0.78%	0.59%	0.69%
03-Apr	0.20%	0.41%	0.53%	0.53%	0.62%	0.75%	0.77%	0.56%	0.67%
10-Apr	0.18%	0.38%	0.49%	0.52%	0.59%	0.75%	0.78%	0.56%	0.66%
17-Apr	0.14%	0.34%	0.49%	0.44%	0.56%	0.69%	0.75%	0.56%	0.64%
24-Apr	0.14%	0.31%	0.48%	0.42%	0.55%	0.68%	0.75%	0.55%	0.62%
01-May	0.20%	0.34%	0.50%	0.48%	0.52%	0.70%	0.75%	0.55%	0.58%
08-May	0.19%	0.31%	0.48%	0.46%	0.49%	0.63%	0.69%	0.54%	0.58%
15-May	0.19%	0.30%	0.45%	0.45%	0.41%	0.57%	0.65%	0.44%	0.59%
22-May	0.18%	0.31%	0.42%	0.40%	0.39%	0.55%	0.59%	0.45%	0.53%
29-May	0.15%	0.29%	0.38%	0.38%	0.38%	0.57%	0.60%	0.44%	0.53%
05-Jun	0.19%	0.35%	0.39%	0.42%	0.33%	0.57%	0.53%	0.40%	0.53%
12-Jun	0.16%	0.29%	0.36%	0.40%	0.31%	0.51%	0.51%	0.39%	0.48%
19-Jun	0.20%	0.34%	0.38%	0.41%	0.33%	0.53%	0.50%	0.41%	0.50%
26-Jun	0.20%	0.36%	0.34%	0.36%	0.29%	0.52%	0.46%	0.38%	0.55%
03-Jul	0.19%	0.29%	0.35%	0.38%	0.28%	0.52%	0.43%	0.41%	0.44%
12-Jul	0.18%	0.27%	0.32%	0.33%	0.27%	0.50%	0.40%	0.39%	0.42%
19-Jul	0.19%	0.29%	0.33%	0.31%	0.27%	0.44%	0.39%	0.37%	0.41%
28-Jul	0.19%	0.28%	0.31%	0.32%	0.25%	0.40%	0.37%	0.37%	0.39%
01-Aug	0.18%	0.28%	0.33%	0.36%	0.24%	0.42%	0.36%	0.37%	0.41%
08-Aug	0.19%	0.29%	0.31%	0.34%	0.23%	0.41%	0.36%	0.35%	0.43%
15-Aug	0.18%	0.27%	0.31%	0.34%	0.24%	0.42%	0.35%	0.35%	0.40%
22-Aug	0.16%	0.26%	0.31%	0.34%	0.26%	0.40%	0.36%	0.36%	0.40%
29-Aug	0.15%	0.24%	0.30%	0.32%	0.25%	0.40%	0.34%	0.34%	0.40%

Investment Rates - March thru August 2009

