



BOARD OF SCHOOL TRUSTEES
KELLER INDEPENDENT SCHOOL DISTRICT

3E. Action Date: August 22, 2005

SUBJECT: CONTINUED PARTICIPATION IN LOGIC, TEXPOOL, AND TEXSTAR INVESTMENT POOLS

BOARD GOAL: Budget and Finance

FISCAL NOTE: All funds come from state and local revenue sources that have been previously approved by the Board.

Background Information:

- Each year the Board of Trustees approves the participation in the investment pools.
- The investment pools afford the district the ability to invest its funds in liquid accounts at competitive market rates.
- Currently, a minimal amount is kept in LOGIC due to the high use of commercial paper that has been discussed as an undesirable investment by the district.
- Transfer of funds between funds are made to take advantage of higher rates of return
- The 2005 bond issue is currently invested in the TexPool Account; plans are to find other safe higher yield investments that will match the draw schedule for these funds.
- Keller ISD currently has funds on deposit with the following investment pools:
 - Local Government Investment Cooperative (LOGIC)
 - Texas Local Government Investment Pool (TexPool)
 - Texas Short Term Asset Reserve Program (TexSTAR)

Administrative Considerations:

- The monthly average yield for the previous twelve months ending July 2005 and funds on deposit at July 31, 2005 for each pool are:

○ LOGIC	2.3676%	\$15,068.39
○ TexPool	2.3217%	\$174,425,862.39
○ TexSTAR	2.3098%	\$11,345,796.83

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The administration recommends that the Board of School Trustees approve the continued District participation in LOGIC, TexPool and TexSTAR investment pools.

Respectfully submitted,

Kent V. Morrison III
Chief Financial Officer