Denton County
Commissioners Court

Jan 18, 2011
Date

10-0037
Court Order Number

The Order:

Approval of the Denton County Investment Report for the Quarter Ended 9/30/2010, and any appropriate action.

Motion by Mitchell Seconded by Eads

County Judge Mary Horn	Yes	X
	Abstain	
	No	
	Absent	

Commissioner Pct No 1 Hugh Coleman	Yes		Commissioner Pct No 2 Ron Marchant	Yes	X
	Abstain			Abstain	
	No			No	
	Absent	X		Absent	
Commissioner Pct No 3 Bobbie J. Mitchell	Yes	X	Commissioner Pct No 4 Andy Eads	Yes	X
	Abstain			Abstain	
	No			No	
	Absent			Absent	

Motion Carried 4-0-0

Other Action: Pulled from Consent ____ No Action ____ Postponed ____

BY ORDER OF THE COMMISSIONERS COURT:

Mary Horn
Presiding Officer

ATTEST:

Cynthia Mitchell, County Clerk
and Ex-Officio Clerk of the
Commissioners Court of
Denton County, Texas

APPROVED AS TO FORM:

John Feldt
Assistant District Attorney

BY: _____
Deputy County Clerk

AGENDA PLACEMENT MEMO

DATE:	**Jan 10, 2011**
TO:	**Commissioners Court**
FROM:	**James Wells**
SUBJECT:	**Quarterly Investment Report**

REQUESTED ACTION/RECOMMENDATION

Approval of the Denton County Investment Report for the Quarter Ended 9/30/2010, and any appropriate action.

BACKGROUND

Per the provisions of both the Public Funds Investment Act of the State of Texas (Chapter 2256 of the Government Code) and the County's Investment Policy, the County's designated investment officer(s) should submit an investment report to the Commissioners Court at least quarterly. The report must: (1) describe in detail the investment position of the County on the date of the report; (2) be signed by the investment officer(s); (3) contain a summary of each pooled fund that states its beginning and ending market values for the period as well as additions and changes to the market value; (4) report the book value, market value, maturity date and account or fund for each separately invested asset; and (5) state the compliance of all investments with the County's investment policy and the Public Funds Investment Act.

This report is submitted to the Commissioners Court in order to satisfy the requirements stated above for the quarter ended 9/30/2010.

OPERATIONS AND MAINTENANCE

Investments and cash management are the responsibility of the County Treasurer and the County Auditor. These officers were designated as co-investment officers for the County at the June 6, 1996 meeting of the Commissioners Court.

Managing and investing county funds are continuous, ongoing activities. Funds are received on a daily basis, and they are expended on a weekly basis. The receipt of funds does not coincide with the need for expenditures. Therefore, the County always has funds that need to be invested for varying amounts of time. Proper cash management and investment practices will both protect the County's assets as well as maximize interest revenue.

LEGAL INFORMATION

As stated above, this investment report is required by the provisions of the Public Funds Investment Act in the Government Code of the State of Texas. The Act sets forth guidelines the must be followed in our investment of county funds. It defines legal investments, investment objectives, rules for investment pools, and qualifications for authorized investment brokers and dealers, It requires us to have a written investment policy and that we make the safety of principal, liquidity, and diversification our primary investment objectives.

The Act requires that a quarterly investment report be presented containing the following information:

Sec. 2256.023. INTERNAL MANAGEMENT REPORTS. (a) Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of investment transactions for all funds covered by this chapter for the preceding reporting period.
(b) The report must:
(1) describe in detail the investment position of the entity on the date of the report;
(2) be prepared jointly by all investment officers of the entity;
(3) be signed by each investment officer of the entity;
(4) contain a summary statement, prepared in compliance with generally accepted accounting principles, of each pooled fund group that states the:
(A) beginning market value for the reporting period;
(B) additions and changes to the market value during the period;
(C) ending market value for the period; and
(D) fully accrued interest for the reporting period;
(5) state the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested;

(6) state the maturity date of each separately invested asset that has a maturity date;
(7) state the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and
(8) state the compliance of the investment portfolio of the state agency or local government as it relates to:
(A) the investment strategy expressed in the agency's or local government's investment policy; and
(B) relevant provisions of this chapter.
(c) The report shall be presented not less than quarterly to the governing body and the chief executive officer of the entity within a reasonable time after the end of the period.

FINANCIAL IMPACT

Total investment earnings on all County funds have varied from $7,895,304 in 2007 to only $550,000 in 2010. These revenue swings, which are beyond our control, obviously have significant negative impact on the County's annual budget.

Interest rates have been at historically low levels for more than 24 months now. The current Federal Funds rate is 0.25% which is unchanged from the last several quarters. Currently one year investments in bank CD's yield 1.34%. The interest rate on the County's master repurchase agreement at Wells Fargo Bank has a current rate

of 0.1%. Our investment pool rates, which averaged 5.2% at the end of September, 2007, currently average 0.19%.

Since there is no indication that the Federal Reserve will begin to raise interest rates in the near future, we have continued to reduce budgetary reliance on investment income as a revenue. The budget for interest income for 2011 is $1.7 million and we should expect to fall well short of that amount in our budgeted funds.

PROJECT SCHEDULE

This report should be submitted at least quarterly.

PRECEDING COURT ACTION

There has been no previous action on this specific report. All required quarterly reports have been submitted and approved since the inception of the Act.

DENTON COUNTY, TEXAS
QUARTERLY INVESTMENT REPORT

Prepared by the Denton County Auditor's Office
For the Quarter Ending 9/30/2010

A. At 9/30/2010 the investment position of Denton County was as follows:

1.	Bank Certificates of Deposit with interest	$ 13,406,252.20
2.	Texpool	$ 8,167,925.02
3.	Lone Star Investment Pool	$ 65,097,448.58
4.	Wells Fargo Investment Accounts	$ 71,432,915.01
5.	DWS - Government & Agency Sec	$ 65,293,405.68
6.	Texas Term	$ 54,014,756.29
7.	Securities at Market Value - see attached	$ -
8.	Master Repurchase Agreement	$ 6,144,470.12
	Total	$ 283,557,172.90

B. Summaries of the County's investments in pooled funds (TexPool, Lone Star, Texas Term, DWS and Wells Fargo) are detailed on the attached Investment Pool Summary

C. Separate investments of all funds as of the end of the quarter are detailed on the attached Certificate of Deposit Report and confirmation reports of securities. Book value approximates market value for all certificates of deposit.

D. The investments of Denton County funds detailed in this and the attached reports are all made in full compliance with the Denton County Investment Policy as approved by the Commissioners Court on 6/4/96 and with the Public Funds Investment Act of the State of Texas.

E. The master repurchase agreement is with the County's depository bank, Wells Fargo. Idle funds are invested nightly according to the terms of a master repurchase agreement approved by the Commissioners Court.

Signed _____ Denton County Treasurer

_____ Denton County Auditor

Co-investment officers of Denton County

Certificates of Deposit

Fund #	Fund	CD #	Principal	Term	Rate	Date Purchased	Final Maturity	Issuer
01	GENERAL	9218994672	$ 10,000,000.00	12 months	1.34%	1/30/2009	1/30/2011	Wells Fargo
20	ROAD & BRIDGE	9789447464	$ 500,000.00	12 months	1.34%	1/30/2009	1/30/2011	Wells Fargo
22	COUNTY CLERK RECORDS MGT	9789447449	$ 750,000.00	12 months	1.34%	1/30/2009	1/30/2011	Wells Fargo
25	CSCD	9218994706	$ 500,000.00	12 months	1.34%	1/30/2009	1/30/2011	Wells Fargo
26	JUVENILE PROBATION	9218997592	$ 500,000.00	12 months	1.34%	1/30/2009	1/30/2011	Wells Fargo
34	PUBLIC HEALTH	9789447480	$ 250,000.00	12 months	1.34%	1/30/2009	1/30/2011	Wells Fargo
36	INDIGENT CARE	9789447175	$ 250,000.00	12 months	1.34%	1/30/2009	1/30/2011	Wells Fargo
39	HEALTH CARE RELIEF	9789447209	$ 500,000.00	12 months	1.34%	1/30/2009	1/30/2011	Wells Fargo

Fund Summary	**Totals**
General	$ 10,000,000.00
Road & Bridge	$ 500,000.00
County Clerk Records Mgmt	$ 750,000.00
CSCD	$ 500,000.00
Juvenile Probation	$ 500,000.00
Public Health	$ 250,000.00
Indigent Care	$ 250,000.00
Health Care Relief	$ 500,000.00
	$ 13,250,000.00

INVESTMENT POOL REPORT

Prepared by the Denton County Auditor's Office
For the Quarter Ending 09/30/2010

NAME OF FUND	INVESTMENT POOL	BEGINNING BALANCE	DEPOSITS	WITHDRAWALS	INTEREST EARNED	ENDING BALANCE
1. DISBURSEMENTS (GENERAL, SP.REV., AND DEBT SERVICE)	WELLS FARGO/TEXPOOL LONESTAR/DWS	$57,835,624.03	$2,699,370.28	($37,490,132.85)	$20,633.13	$23,065,494.59
2. ROAD & BRIDGE FUND	TEXPOOL/WF/DWS	$4,065,943.76	$300,000.00	($1,580,000.00)	$1,764.84	$2,787,708.60
3. DIST CLERK REC MGMT	DWS	$20,620.83	$0.00	$0.00	$3.98	$20,624.81
4. COURTHOUSE SEC	DWS	$132,396.08	$0.00	$0.00	$25.43	$132,421.51
5. CSCD FUND	TEXPOOL/DWS/WELLS FARGO	$1,739,360.96	$500,000.00	($110,000.00)	$884.49	$2,130,245.45
6. JUVENILE PROBATION	TEXPOOL/DWS/WELLS FARGO	$3,128,460.19	$475,000.00	($1,870,000.00)	$1,110.87	$1,734,571.06
7. FIRE CODE ENFOR.	DWS	$243,475.80	$0.00	$0.00	$46.70	$243,522.50
8. COMMUNITY CORRECTIONS	DWS	$65.60	$0.00	$0.00	$0.00	$65.60
9. JP TECHNOLOGY	DWS/TEXPOOL	$445,785.85	$0.00	($20,000.00)	$165.58	$425,951.43
10. PUBLIC HEALTH	TEXPOOL/DWS	$895,915.39	$100,000.00	($590,000.00)	$256.12	$406,171.51
11. INDIGENT CARE	TEXPOOL/DWS/WELLS FARGO	$614,776.95	$150,000.00	($530,000.00)	$225.32	$235,002.27
12. TAIP	DWS	$19,697.92	$0.00	$0.00	$3.77	$19,701.69
13. RECORDS MGMT	TEXPOOL	$118,166.40	$0.00	$0.00	$66.58	$118,232.98
14. CO CLK REC MGMT	DWS/TEXPOOL	$2,001,701.86	$700,000.00	($395,000.00)	$847.58	$2,307,549.44
15. S.O. FORFEITURES	DWS	$1,565,823.13	$0.00	$0.00	$300.57	$1,566,123.70
16. ELECTIONS ADMIN	DWS	$206.25	$0.00	$0.00		$206.25
17. VIT INTEREST FUND	DWS	$53,612.79	$0.00	($6,554.62)	$9.22	$47,067.39
18. LAW LIBRARY	DWS	$436,588.28	$0.00	$0.00	$83.80	$436,672.08
19. DA CHAPTER 59	DWS	$826,222.43	$0.00	$0.00	$158.59	$826,381.02
20. JURY	DWS/TEXPOOL	$198,293.87	$0.00	$0.00	$76.06	$198,369.93

CAPITAL PROJECTS

INVESTMENT POOL REPORT

Prepared by the Denton County Auditor's Office
For the Quarter Ending 09/30/2010

NAME OF FUND	INVESTMENT POOL	BEGINNING BALANCE	DEPOSITS	WITHDRAWALS	INTEREST EARNED	ENDING BALANCE
21. HEALTH CARE RELIEF PROJECTS	DWS	$727,686.02	$240,000.00	($71,589.48)	$162.60	$896,259.14
22. HEALTH CARE RELIEF PROJECTS	WELLS FARGO	$727,918.26	$260,000.00	($31,989.75)	$582.44	$956,510.95
23. 2000 ROAD BOND PROJECTS	TEXPOOL	$36,686.71	$0.00	($15,001.20)	$17.42	$21,702.93
24. 1992 ROAD CNST PROJECTS	DWS	$267,865.44	$0.00	($749.77)	$51.41	$267,167.08
25. 1999 ROAD CNST PROJECTS	DWS	$632,495.34	$0.00	$0.00	$121.38	$632,616.72
26. 2004 TAX NOTE PROJECTS	DWS	$68.59	$0.00	($68.59)	$0.00	($0.00)
27. 2005 PI BOND PROJECTS	WELLS FARGO	$59.78	$188,620.95	($171,807.03)	$37.83	$16,911.53
28. 2007 TAX NOTE PROJECTS	DWS	$1,218,223.10	$0.00	($326,743.28)	$191.36	$891,671.18
29. 2007 PI BONDS	WELLS FARGO	$107.37	$2,699,594.96	($523,834.90)	$749.87	$2,176,617.30
30. 2007 PI BONDS	TEXAS TERM	$126.14	$0.00	$0.00	$0.07	$126.21
31. 2007 PI BONDS	DWS	$0.00	$1,000,000.00	($12,524.71)	$86.87	$987,562.16
32. 2005 C.O. PROJECTS	DWS	$1,869,929.18	$0.00	($298,661.67)	$327.27	$1,571,594.78
33. CAPITAL REPLACEMENT	DWS	$1,312,163.19	$3,481,672.47	($415,354.21)	$386.90	$4,378,868.35
34. 2008 PI BONDS	DWS	$1,503,544.85	$0.00	($500,043.50)	$220.29	$1,003,721.64
35. 2008 TAX NOTES	DWS	$6,299,146.74	$0.00	($248,140.75)	$1,185.30	$6,052,191.29
36. 2009 PI BONDS	DWS	$23,934,056.59	$0.00	($382,000.00)	$4,569.33	$23,556,625.92
37. 2009 PI BONDS	TEXAS TERM	$57,112,526.28	$0.00	($3,129,577.41)	$31,681.21	$54,014,630.08
38. 2010 PI BONDS	LONE STAR/ DWS/WELLS FARGO	$0.00	$189,729,628.20	($59,912,667.87)	$62,629.18	$129,879,589.51
TOTAL INVESTMENT POOLS		$169,985,341.95	$202,523,886.86	($108,632,441.59)	$129,663.36	$264,006,450.58

INTEREST RATES PAID

	TEXPOOL	WELLS FARGO	DWS	Texas Term
JULY	0.23%	0.26%	0.08%	0.23%
AUGUST	0.23%	0.27%	0.08%	0.24%
SEPTEMBER	0.21%	0.26%	0.08%	0.21%

Denton County, Texas
Investment Worksheet
As of September, 2010

	Fund	CD Report	Wells Fargo	Texpool	Texas Term	ICT/DWS	Lone Star	Total Investments
01	General	$10,121,232.88	$13,902,865.81	$2,765,493.74	$0.00	$2,764,568.27	$6.84	$29,554,167.54
	HOT Funds	$0.00	$0.00	$33,865.04	$0.00	$0.00	$0.00	$33,865.04
20	Road & Bridge	$505,387.59	$1,247,882.08	$800,361.44	$0.00	$739,465.08	$0.00	$3,293,096.19
21	District Clerk Records Mgmt	$0.00	$0.00	$0.00	$0.00	$20,624.81	$0.00	$20,624.81
22	County Clerk Records	$758,081.38	$0.00	$1,181,221.19	$0.00	$1,126,328.25	$0.00	$3,065,630.82
23	Courthouse Security	$0.00	$0.00	$0.00	$0.00	$132,421.51	$0.00	$132,421.51
25	CSCD	$505,387.59	$798,320.98	$782,168.87	$0.00	$549,755.60	$0.00	$2,635,633.04
26	Juvenile Probation	$505,387.59	$783,276.81	$515,643.82	$0.00	$435,650.43	$0.00	$2,239,958.65
27	Fire Code Enforcement	$0.00	$0.00	$0.00	$0.00	$243,522.50	$0.00	$243,522.50
31	Community Corrections	$0.00	$0.00	$0.00	$0.00	$65.60	$0.00	$65.60
32	JP Technology	$0.00	$0.00	$221,011.81	$0.00	$204,939.62	$0.00	$425,951.43
34	Public Health	$252,693.79	$0.00	$222,823.09	$0.00	$183,348.42	$0.00	$658,865.30
36	Indigent Care	$252,693.79	$107,601.88	$93,441.63	$0.00	$33,958.76	$0.00	$487,696.06
38	TAIP	$0.00	$0.00	$0.00	$0.00	$19,701.69	$0.00	$19,701.69
39	Health Care Relief	$505,387.59	$956,510.95	$0.00	$0.00	$896,259.14	$0.00	$2,358,157.68
41	Records Management	$0.00	$0.00	$118,232.98	$0.00	$0.00	$0.00	$118,232.98
42	Sheriff Training	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
44	County Clerk Record Mgmt	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
45	S.O. Forfeitures	$0.00	$0.00	$0.00	$0.00	$1,566,123.70	$0.00	$1,566,123.70
46	Elections	$0.00	$0.00	$0.00	$0.00	$206.25	$0.00	$206.25
47	Museum Endowment	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
48	VIT Interest	$0.00	$0.00	$0.00	$0.00	$47,067.39	$0.00	$47,067.39
50	Law Library	$0.00	$0.00	$0.00	$0.00	$436,672.08	$0.00	$436,672.08
55	DA Hot Check Fee	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
59	DA Chapter 59	$0.00	$0.00	$0.00	$0.00	$826,381.02	$0.00	$826,381.02
60	Jury	$0.00	$0.00	$102,271.37	$0.00	$96,098.56	$0.00	$198,369.93
61	2009 PI Bonds	$0.00	$0.00	$0.00	$54,014,630.08	$23,556,625.92	$0.00	$77,571,256.00
62	2007 Tax Notes Project Fund	$0.00	$0.00	$0.00	$0.00	$891,671.18	$0.00	$891,671.18
63	2000 Road Bond Fund	$0.00	$0.00	$21,702.93	$0.00	$0.00	$0.00	$21,702.93
64	2008 Tax Notes	$0.00	$0.00	$0.00	$0.00	$6,052,191.29	$0.00	$6,052,191.29
66	1999 CO Project Fund	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
67	2008 PI Bonds	$0.00	$0.00	$0.00	$0.00	$1,003,721.64	$0.00	$1,003,721.64
68	1992 Road Construction Fund	$0.00	$0.00	$0.00	$0.00	$267,167.08	$0.00	$267,167.08
70	2005 PI Bonds	$0.00	$16,911.53	$0.00	$0.00	$0.00	$0.00	$16,911.53
71	1999 Road Construction Projects	$0.00	$0.00	$0.00	$0.00	$632,616.72	$0.00	$632,616.72
72	2003 Tax Notes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
73	2005 C.O.'S	$0.00	$0.00	$0.00	$0.00	$1,571,594.78	$0.00	$1,571,594.78
75	Debt Service	$0.00	$1,425,390.44	$1,309,687.11	$0.00	$863,617.34	$0.00	$3,598,694.89
76	2007 PI Bonds	$0.00	$2,176,617.30	$0.00	$126.21	$987,562.16	$0.00	$3,164,305.67
80	Capital Replacement	$0.00	$0.00	$0.00	$0.00	$4,378,868.35	$0.00	$4,378,868.35
85	2010 PI Bonds	$0.00	$50,017,537.23	$0.00	$0.00	$14,764,610.54	$65,097,441.74	$129,879,589.51
		$0.00	$0.00					
	Totals:	$13,406,252.20	$71,432,915.01	$8,167,925.02	$54,014,756.29	$65,293,405.68	$65,097,448.58	$277,412,702.78

WELLS FARGO

STAGECOACH SWEEP
WELLS FARGO BANK, N.A.
Statement Period : 09/01/2010 - 09/30/2010

DENTON COUNTY
DISBURSEMENT CLEARING/SWEEP ACCT
C/O DENTON COUNTY TREASURER
401 W HICKORY STE 309
DENTON TX 76201

Your Stagecoach Sweep is tied to DDA	5690013227
Interest Earned is deposited to DDA	5690013227
Your Stagecoach Sweep Investment elections	STAGECOACH SWEEP REPO

ACCOUNT SUMMARY

Interest Earned during this period	: $	493.60			
Interest Received during this period	: $	497.83	Interest received YTD	: $	4,525.97
Total Tax backup withholding	: $	.00	Total Tax backup withholding YTD	: $	.00

FOR QUESTIONS, PLEASE CALL YOUR CUSTOMER SERVICE OFFICER, OR TREASURY MANAGEMENT CLIENT SERVICES AT 1-800-AT-WELLS (1-800-289-3557), OPTION 2.

ACCOUNT DETAIL

Settlement Date	Maturity Date	Amount Invested ($)	Interest Earned ($)	Interest Rate	Investment Description	Backup Tax Withholding
09/01/10	09/02/10	8,240,496.25	22.89	.10000 %	Repo	
09/02/10	09/03/10	6,335,166.74	17.60	.10000 %	Repo	
09/03/10	09/07/10	6,185,445.29	68.73	.10000 %	Repo	
09/07/10	09/08/10	6,207,289.19	17.24	.10000 %	Repo	
09/08/10	09/09/10	7,164,256.03	19.90	.10000 %	Repo	
09/09/10	09/10/10	7,588,105.11	21.08	.10000 %	Repo	
09/10/10	09/13/10	7,741,486.26	64.51	.10000 %	Repo	
09/13/10	09/14/10	7,008,563.51	19.47	.10000 %	Repo	
09/14/10	09/15/10	6,188,844.35	17.19	.10000 %	Repo	
09/15/10	09/16/10	6,727,010.24	18.69	.10000 %	Repo	
09/16/10	09/17/10	5,444,875.26	15.12	.10000 %	Repo	
09/17/10	09/20/10	4,350,079.98	36.25	.10000 %	Repo	
09/20/10	09/21/10	4,085,785.02	11.35	.10000 %	Repo	
09/21/10	09/22/10	4,614,179.17	12.82	.10000 %	Repo	
09/22/10	09/23/10	5,143,147.67	14.29	.10000 %	Repo	
09/23/10	09/24/10	4,308,962.98	11.97	.10000 %	Repo	
09/24/10	09/27/10	4,472,266.76	37.27	.10000 %	Repo	
09/27/10	09/28/10	4,270,260.38	11.86	.10000 %	Repo	
09/28/10	09/29/10	5,751,005.51	15.98	.10000 %	Repo	
09/29/10	09/30/10	8,034,745.75	22.32	.10000 %	Repo	
09/30/10	10/01/10	6,144,470.12	17.07	.10000 %	Repo	
Averages :	$	5,923,014.78		0.10005 %		

INVESTMENTS NOT FDIC INSURED

6 - PURCHASING

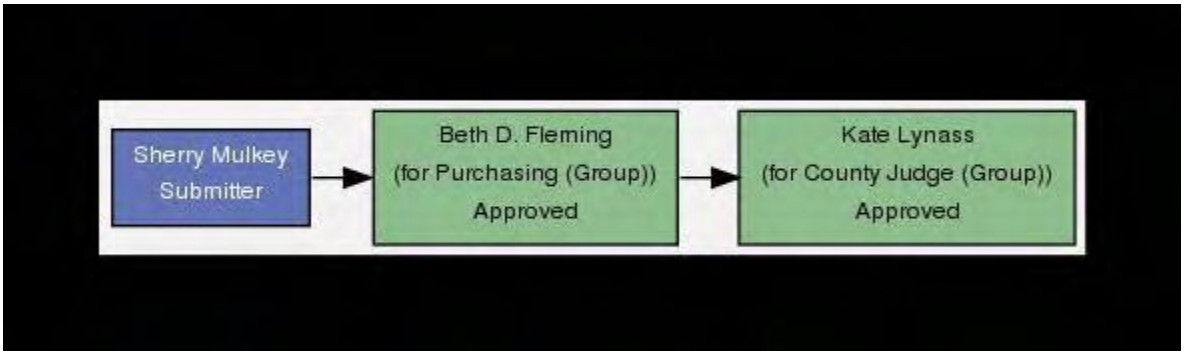
Denton County
Commissioners Court

Request For Agenda Placement

Submitted By:	**Beth D. Fleming**	**Requested Agenda Date:**	**Jan 18, 2011**
Department:	**Purchasing**	**Grouping:**	**PURCHASING**

Specific Agenda Wording:

Approval of award for RFP #10-10-2063, Temporary Personnel Services, to ProFlex Personnel, LLC as the primary agency, and OnTrack Staffing as the secondary agency; and any appropriate action. (CONFIDENTIAL UNTIL AFTER AWARD, 262.030 LGC)

APPROVAL FLOW

6 - A - RFP #10-10-2063, Temporary Personnel Service, Award