Weatherford City Council

AGENDA REPORT

Meeting Date:	July 28, 2026	**Staff Contact:**	Dawn Brooks, Assistant City Manager/CFO
Item Number:	2026-961-AR	**Phone:**	817-598-4130

SUBJECT: Consider acceptance of the FY26 3rd Quarter Investment Report for quarter ending June 30, 2026 of fiscal year ending September 30, 2026.

BACKGROUND/DISCUSSION

As required by the Public Funds Investment Act, a quarterly investment report must be accepted by the governing body. This report provides a brief overview of the compliance and performance of the City's cash and investments. Chapter 2256 of the Texas Government Code outlines the primary investment objectives for public funds: safety, liquidity, diversification, and yield, in that order. Despite yield being the fourth priority, we aim to maximize it while ensuring safety and liquidity. We competitively bid our investments and maintain internal controls to safeguard our assets.

Our cash balances totaled $236,139,587 for all funds, compared to $135,372,583 at this time last year, representing an increase of $100.8 million. This increase is primarily due to bond proceeds received for public facilities, transportation, water and wastewater capital projects. Additionally, the City is holding impact investments, such as land purchases, amounting to $42,755,262.

The City's investment income for the third quarter was $2,421,982, compared to $1,803,674 in the same period last fiscal year and $1,654,575 two years ago.

Our portfolio's overall yield was 3.775%, slightly under performing the one-year US Treasury Bill benchmark of 3.81%. The benchmark yield increased by 2.8% during the quarter. Our Weighted Average Maturity (WAM) increased from 278 days to 286 days this quarter, reflecting the strategic positioning of bond proceeds in long-term investments until capital projects are ready to move forward.

We follow a buy-and-hold investment strategy, focusing more on the reinvestment rate at maturity than current market rates. We ladder maturities based on cash flow needs, maintaining a simple approach that balances liquidity and yield. The Finance Department constantly monitors our cash flow requirements to ensure we can meet the City's goals and obligations while seeking better yields in the market.

This report complies with the investment policy adopted by the Council on August 26, 2025.

FINANCIAL IMPACT

The City earned $2,421,982 across all funds in the third quarter of the fiscal year.

SUGGESTED ACTION

Staff recommends acceptance of the report.

ATTACHMENTS

- FY26 Q3 Investment Report