

MONTHLY FINANCIAL REPORT

PERFORMANCE SUMMARY

March 2017

	Current Month	Year to Date	Chart
GENERAL FUND			
Total Revenues as a % of Budget Compared to Prior Year	N/A	POSITIVE	A
Total Expenditures as a % Budget Compared to Prior Year	N/A	POSITIVE	B
Property Tax Collection Analysis	NEGATIVE	NEUTRAL	C
Sales Tax Collection Analysis	POSITIVE	POSITIVE	D
Expenditure Analysis	NEGATIVE	POSITIVE	E
ENTERPRISE FUND			
Water Billing Analysis	POSITIVE	POSITIVE	F
Sewer Billing Analysis	POSITIVE	POSITIVE	G
Expense Analysis	NEGATIVE	NEGATIVE	H
HOTEL OCCUPANCY TAX REVENUE			
Hotel Tax Revenue Analysis (most recent quarter)	N/A	N/A	I
Hotel Tax Revenue Analysis (quarterly comparison for year)	N/A	N/A	J
SEDC			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	J
Expenditure Analysis	POSITIVE	POSITIVE	K
CRIME DISTRICT			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	L
Expenditure Analysis	NEGATIVE	POSITIVE	M
INVESTMENTS			
Investment Report	N/A	N/A	N

PERFORMANCE INDICATORS:

POSITIVE
NEGATIVE
NEUTRAL

Positive = Positive variance as compared to seasonal trend.

Negative = Negative variance as compared to seasonal trend.

Neutral = Variance is less than 1%

GENERAL FUND



CHART A

TOTAL REVENUE THROUGH MARCH 2017

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	4,531,199	4,346,242	95.92%	95.99%
Penalties & Interest	39,000	24,184	62.01%	35.07%
Sales Tax	1,661,792	941,741	56.67%	48.20%
Franchise Tax	725,000	409,319	56.46%	49.33%
Other Tax	133,500	41,549	31.12%	20.42%
License & Permits	220,000	240,243	109.20%	38.23%
Charges for Services	60,500	11,781	19.47%	20.02%
DOT Fines	75,000	47,575	63.43%	41.57%
Other Municipal Court Fees	379,100	227,933	60.12%	46.96%
Interest Income	21,622	17,053	78.87%	35.01%
Intergovernmental	382,184	215,313	56.34%	46.07%
Other Revenue	46,800	22,277	47.60%	2.03%
Transfers from Enterprise Fund	1,767,320	883,660	50.00%	50.00%
Payment for Services-EDC	<u>200,000</u>	<u>100,000</u>	<u>50.00%</u>	<u>50.00%</u>
Total Revenues	10,243,017	7,528,868	73.50%	67.74%

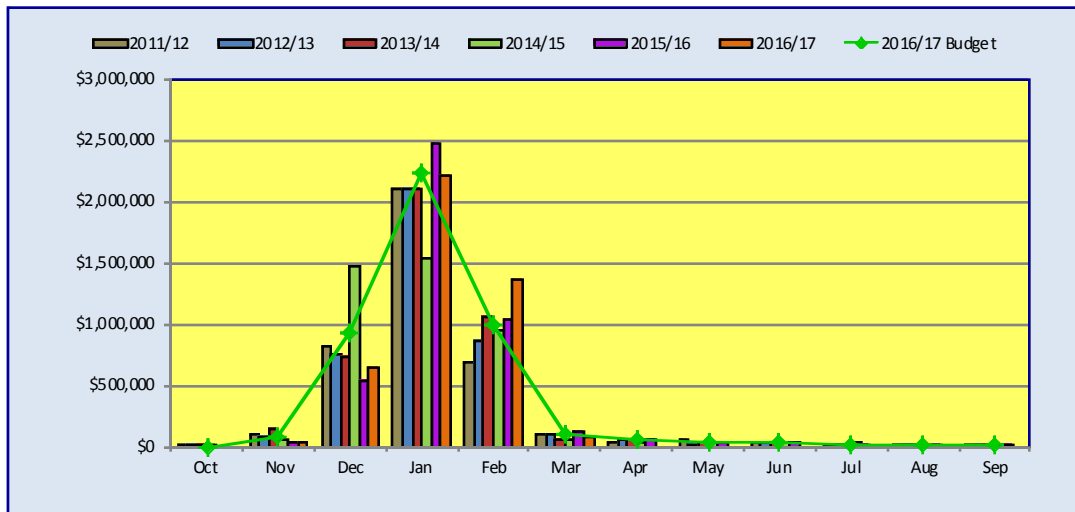
CHART B

TOTAL EXPENDITURES THROUGH MARCH 2017

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	6,726,025	3,428,965	50.98%	49.03%
Supplies	286,850	75,791	26.42%	44.40%
Services	2,607,862	1,313,146	50.35%	50.19%
Capital	<u>260,013</u>	<u>91,807</u>	<u>35.31%</u>	<u>43.16%</u>
Total Expenditures	9,880,750	4,909,709	49.69%	41.50%

CHART C

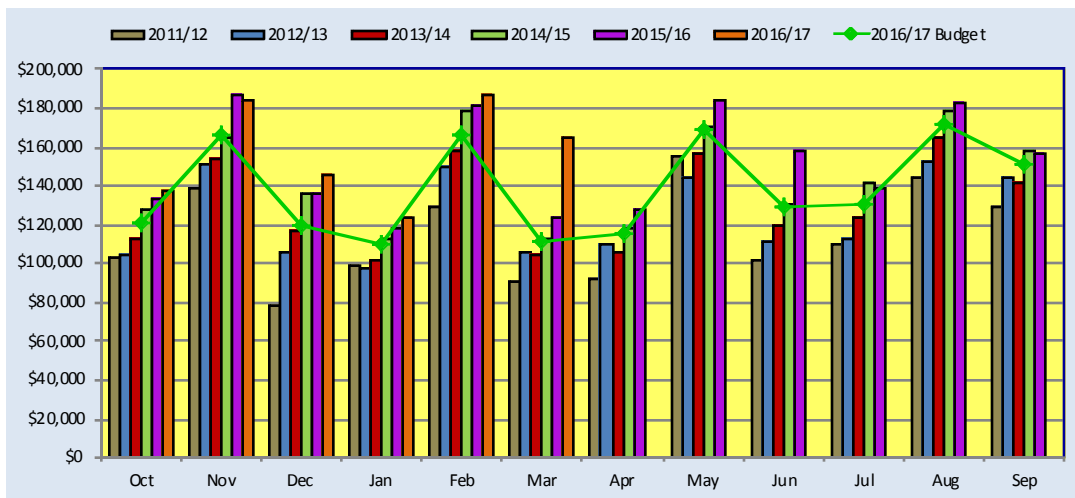
PROPERTY TAX ANALYSIS



Budget is divided into months based on the monthly percentages of the last 5 years' collections.
 2014/15 December collections were higher than the trend but were offset by lower collections in January

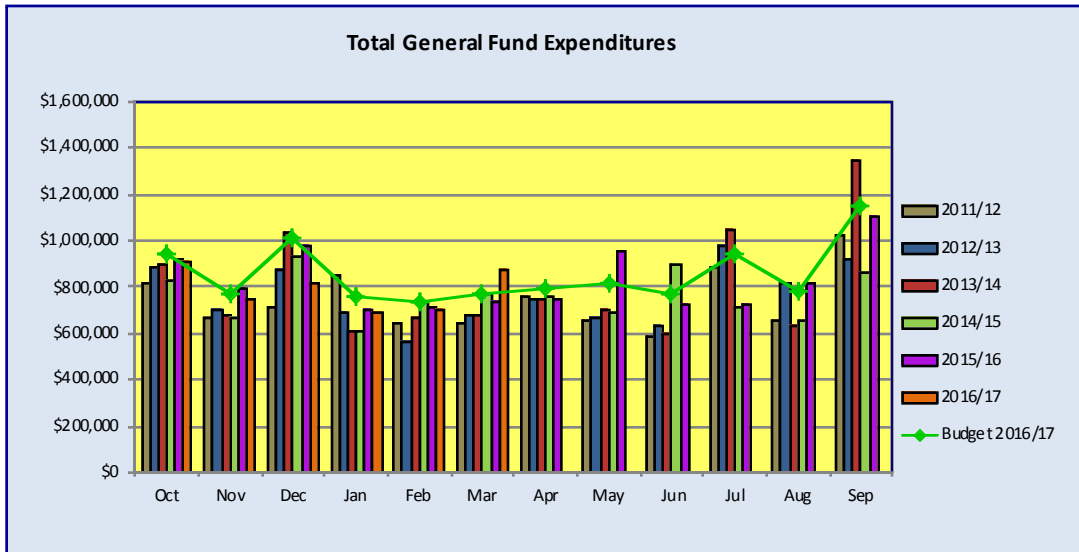
CHART D

SALES TAX ANALYSIS



2013/14 Budget is divided into months based on the monthly percentages of the last 5 years' activity of sales tax revenue.

EXPENDITURE ANALYSIS



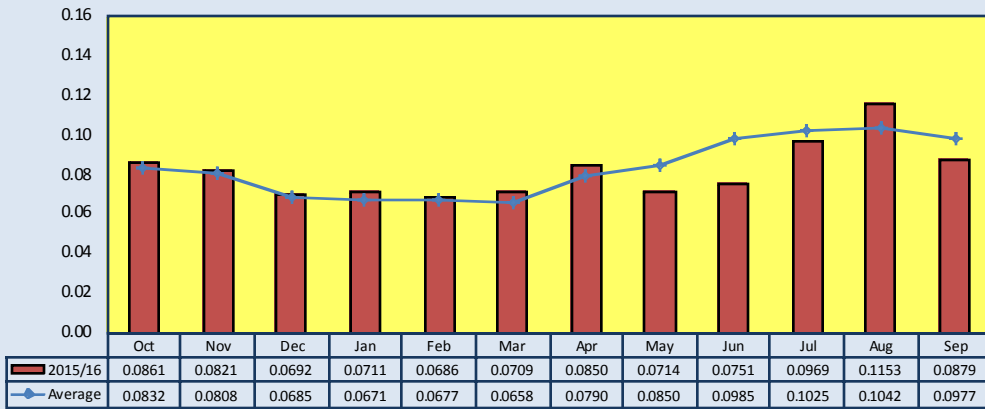
High expenditures in September 2010 are due to city hall A/C replacement.
 High expenditures in September 2014 are due to Seascape road construction



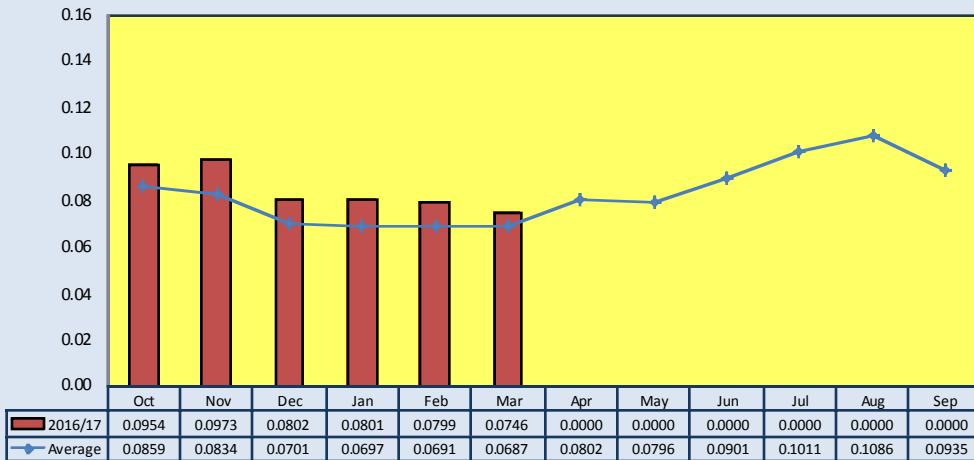
CHART F

WATER BILLING ANALYSIS

Average Percent of Water Billings by Month vs.
2015/16 Percent of Budgeted Billings



Average Percent of Water Billings by Month vs.
2016/17 Percent of Budgeted Billings

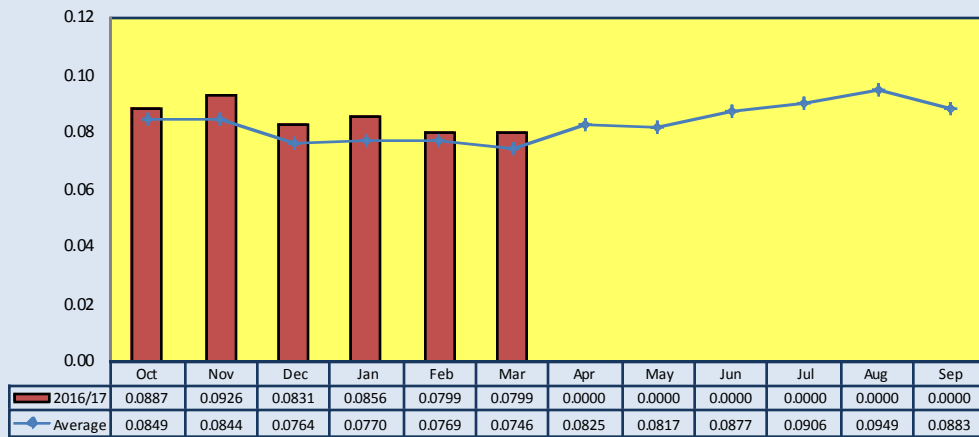


WASTEWATER BILLING ANALYSIS

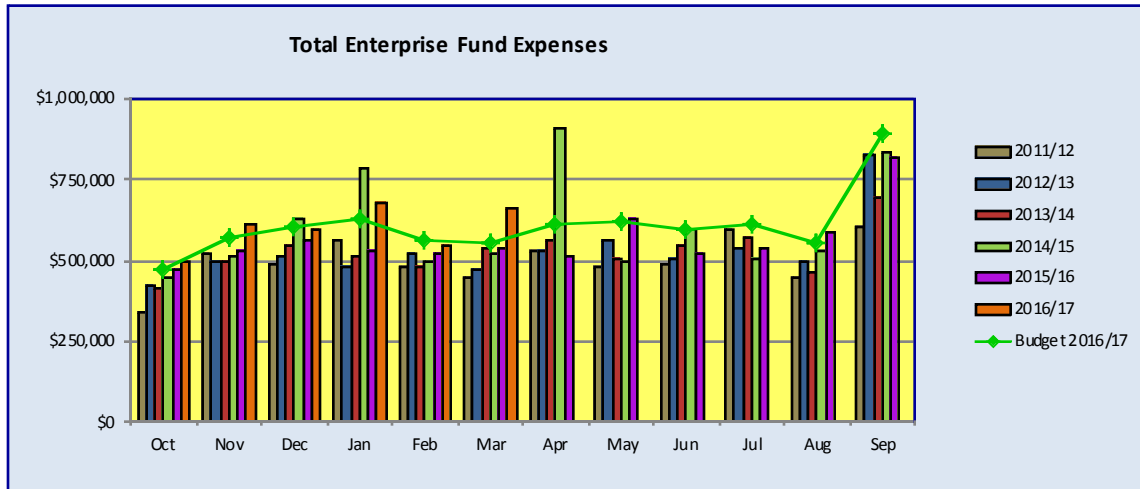
Average Percent of Wastewater Billings by Month vs. 2015/16 Percent of Budgeted Billings



Average Percent of Wastewater Billings by Month vs. 2016/17 Percent of Budgeted Billings



EXPENDITURE ANALYSIS



Sept 2013 and Nov 2013 EXCLUDE property acquisition

December 2014 & January 2015 expenses much higher than budgeted due to Lakeside lift station repairs

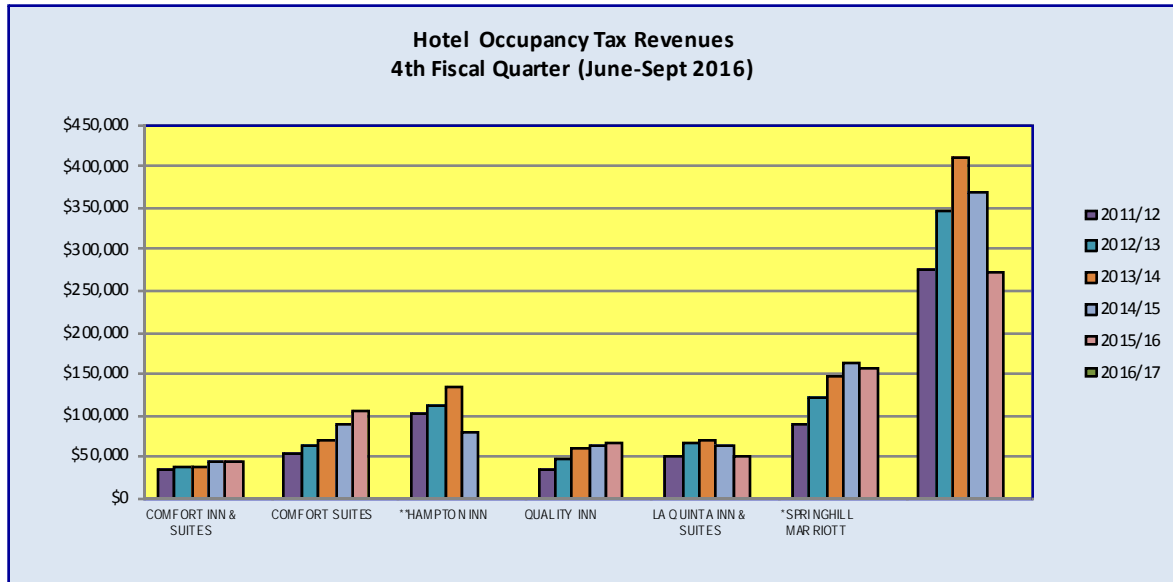
April 2015 expenses due to wastewater treatment plant upgrades

HOTEL TAX FUND



CHART I

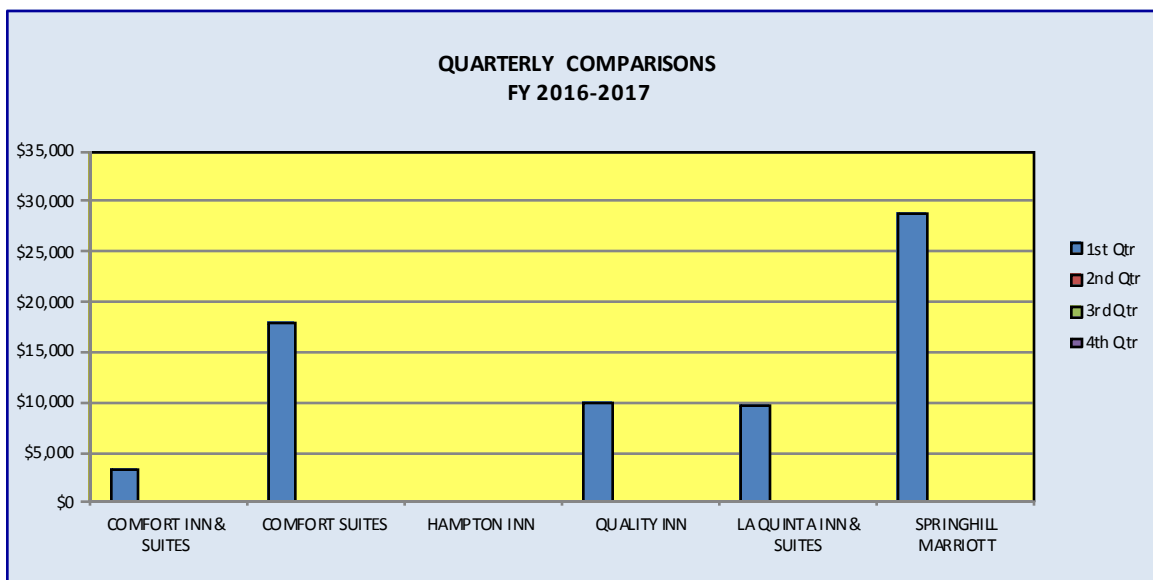
HOTEL TAX REVENUE ANALYSIS



*Springhill Marriott opened last quarter 2010
 ** Hampton Inn closed 3rd quarter 2015 due to fire

CHART J

HOTEL TAX REVENUE



** Hampton Inn closed 3rd quarter 2015 due to fire

SEABROOK EDC



CHART K

SALES TAX REVENUE ANALYSIS

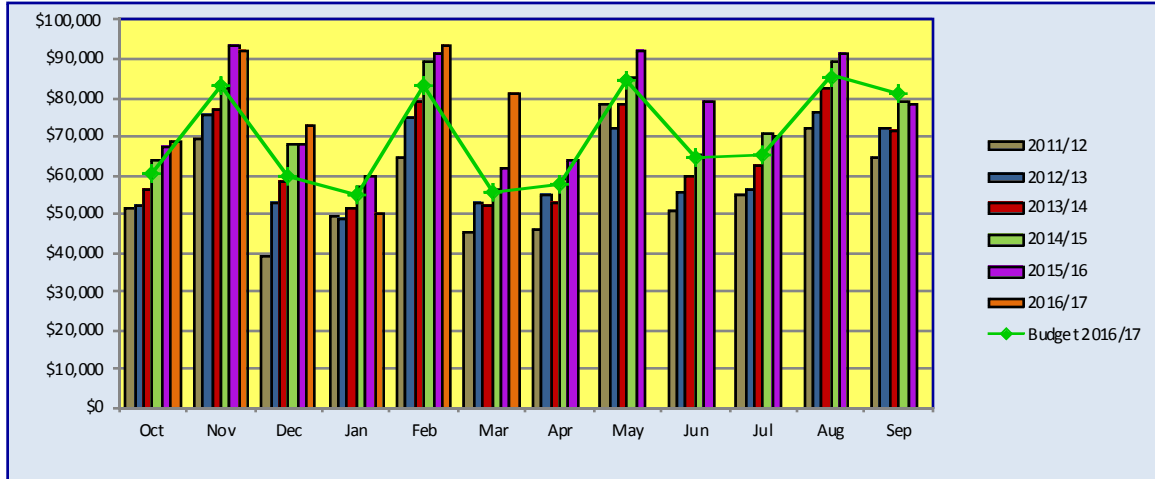
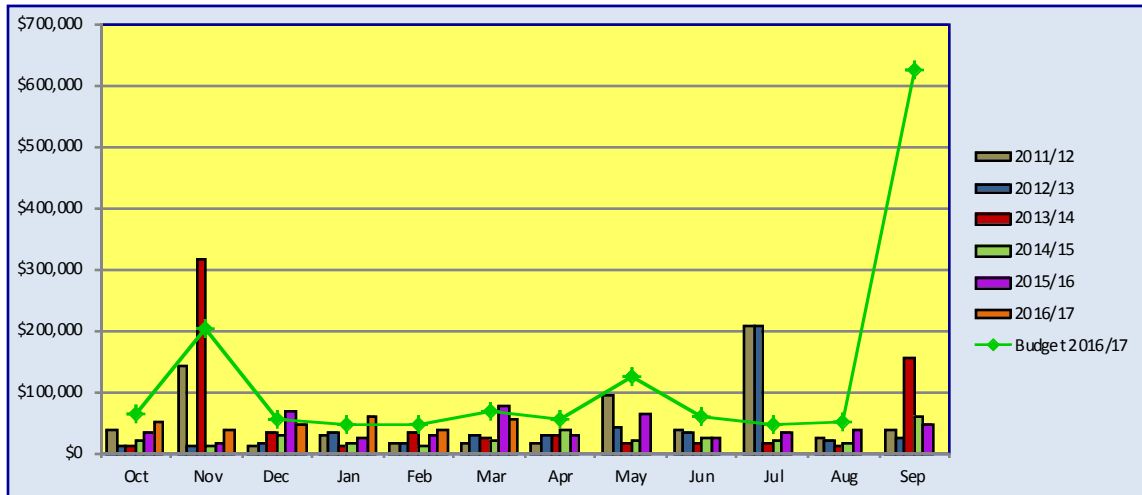


CHART L

EXPENDITURE ANALYSIS



2015/16 September budget reflects appropriations for incentives and Business relocation off HWY 146
 High exp in Nov 2011 was due to Gateway sign. High exp Nov 2014 was for the waterfront project July expenditures prior to 2013/14 included debt service payments.

CRIME DISTRICT



CHART M

SALES TAX REVENUE ANALYSIS

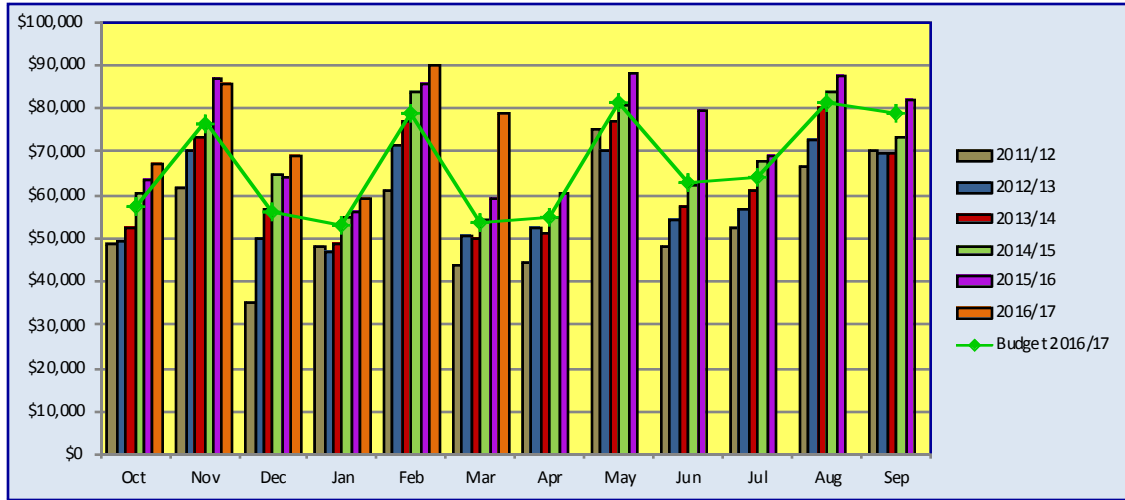
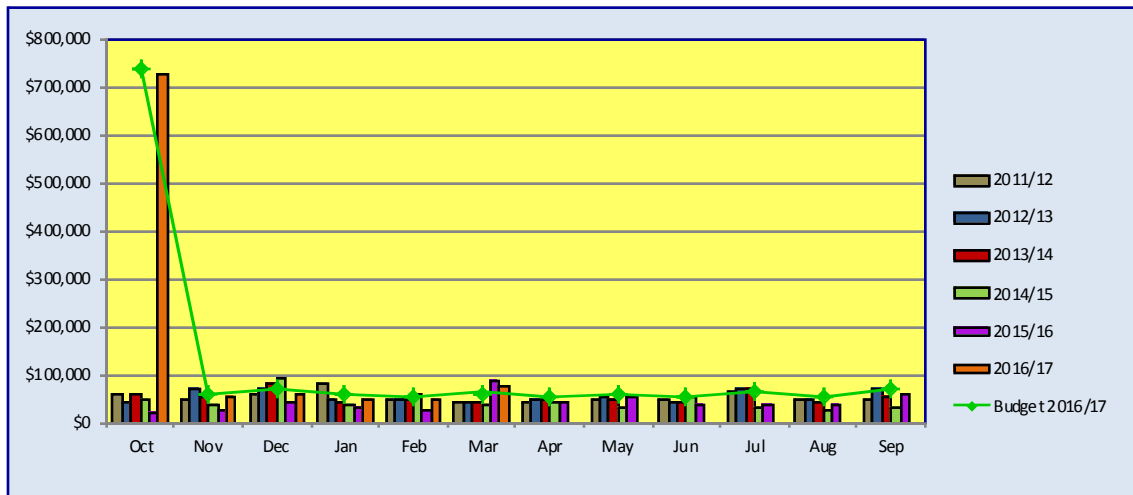


CHART N

EXPENDITURE ANALYSIS



Large December expenditures included vehicles. March 2016 includes reallocation of personnel expense.
 Large October expenditure includes initial payment to PSVERF.

INVESTMENTS



CHART O

MONTHLY INVESTMENT REPORT

TEXPOOL REPORT

MONTH OF MARCH 2017
0.6222%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted Mar)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	6,675,440.28	814,298.83	4,835.10	7,494,574.21	Working capital
GENERAL FUND - RESTRICTED	1,600,000.00	0.00	incl in above	1,600,000.00	
ENTERPRISE FUND - UNRESTRIC	1,607,172.57	730,940.91	1,220.24	2,339,333.72	Working capital
ENTERPRISE FUND - RESTRICTEI	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,433,493.12	140,000.00	1,298.93	2,574,792.05	Water & sewer lines extensions & expansions
PARK FEES	64,905.79	0.00	34.30	64,940.09	Reserved for acquisition & development of park land
SEIZURE	33,629.21	0.00	17.77	33,646.98	Solely to purchase equipment for Law Enforcement
CHILD SAFETY PROGRAMS	32,297.36	0.00	17.07	32,314.43	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	15,086.93	0.00	7.97	15,094.90	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	1,149,957.24	(165.18)	607.59	1,150,399.65	Restricted for promotion of tourism
DEBT SERVICE FUND	3,286,936.51	35,772.70	1,737.59	3,324,446.80	Restricted for General fund reserves & yearly debt service
CAPITAL PROJECT BONDS	6,963,861.38	(40,000.00)	3,676.21	6,927,537.59	2016A CO WW Plant, Clarifier & Todville 2016 Sewer
WTR/SWR BONDS	2,519,107.83	(360,000.00)	1,297.76	2,160,405.59	Funds transferred from Bond Mkt Acct to allow liquidity
IT BONDS	57,816.89	0.00	30.55	57,847.44	Fiber Optics
PD & GF BONDS	2,609,275.17	(740,000.00)	1,310.13	1,870,585.30	Public Wokrks Facility
PD & GF BONDS (GEN FUND Reser	777,986.20	0.00	411.11	778,397.31	Public Wokrks Facility funds provided by GF Reserve
FIRE BONDS	25,282.66	0.00	13.36	25,296.02	Fire Engine
CAROTHERS	77,285.37	0.00	40.84	77,326.21	
ANIMAL	751.20	0.00	0.40	751.60	Animal Shelter Needs - Donation
CRIME DISTRICT	361,007.04	(22,732.60)	178.80	338,453.24	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - UNRESTRICTED	3,271,763.31	28,416.42	1,825.38	3,302,005.11	Seabrook Economic Development Corporation II
SEDC II - RESTRICT FOR EMERG	180,000.00	0.00	incl in above	180,000.00	Emergency Reserve
STEP FUND	13,381.78	0.00	7.07	13,388.85	
PUBLIC SAFETY	234,403.18	0.00	123.87	234,527.05	Public Safety Needs
MUNI COURT - SECURITY FUND	34,464.25	0.00	18.21	34,482.46	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	15,018.50	0.00	7.94	15,026.44	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	18,114.21	0.00	9.57	18,123.78	
PUBLIC SAFETY VERF	596,114.85	13,468.92	321.78	609,905.55	Public Safety Vehicle Equipment Replacement
PEG Fund	94,341.11	0.00	49.85	94,390.96	
STABILIZATION FUND	805,841.88	0.00	425.83	806,267.71	
WATER RATE STABILIZATION	70,062.04	0.00	37.02	70,099.06	
TOTAL TEXPOOL FUND	35,924,932.25	600,000.00	19,562.31	\$36,544,494.56	

The investment portfolio of the City of Seabrook is in compliance with the investment strategies expressed in the City's Investment Policy and relevant provisions of Chapter 2256 of the Local Government Code.

Michael Gibbs

Finance Director



Monthly Newsletter: April 2017

ANNOUNCEMENTS

We would like to recognize and welcome the following entities who joined the TexPool program in March 2017:

- TexPool**
 Johnson Ranch MUD
 Harris County MUD 501
 Fayette County WCID – Monument Hill
 CPS Energy
 Floresville ISD
 Brazoria County MUD 61
 North Texas Tollway Authority
 Poth ISD
 San Antonio Water System

- TexPool Prime**
 CPS Energy
 City of Galveston
 City of Meadows Place
 Poth ISD
 City of College Station
 Lower Rio Grande Valley
 Development Council
 Southeast Texas Groundwater
 Conservation District
 Canyon Lake Community Library District
 San Antonio Water System

Upcoming Events

- Apr 17, 2017 - Apr 20, 2017 | Bastrop
 County Treasurers' Education Seminar
 May 1, 2017 - May 5, 2017 | Austin
 59th Annual TACA/LBJ Institute

TexPool Advisory Board Members

- | | |
|--------------------|-----------------|
| Jose Elizondo, Jr. | Vivian Wood |
| Georgia Sanchez | Jerry Dale |
| Patrick Krishock | Sharon Matthews |
| Michele Tuttle | David Landeros |

Overseen by the State of Texas Comptroller of Public Accounts Glenn Hegar.

Operated under the supervision of the Texas Treasury Safekeeping Trust Company

Economic and Market Commentary: Inflection point in Fed policy?

April 1, 2017

If you could predict swings in the markets, you would, of course, be very rich. But inflection points only get determined after the fact. For cash managers, the crucial question these days is whether or not the Federal Reserve has shifted monetary policy. Does the Fed still view its rate hikes as normalization—raising rates from extraordinary accommodation—or as tightening, i.e., adjusting rates to check inflation?

We are taking the position that March was the tipping point for policymakers (save Minneapolis Fed's Neel Kashkari), when their mindset changed from keeping the economy on life support to shepherding it to prosperity. This is not just because the Federal Open Market Committee (FOMC) voted to raise rates by 25 basis points to a range of 0.75-1% at its mid-March meeting, but because its summary of economic projections and Chair Janet Yellen's press conference suggested two more hikes could come in 2017. And in the weeks since the FOMC meeting, some Fed officials are leaving the door open for even more moves if economic conditions don't surprise to the negative. That's a far cry from the last two years, when the Fed led the markets to expect multiple hikes, only to offer one each year.

Yellen frequently reminds us that her Fed makes decisions based on data, and, well, the data is looking good. The labor market is strong; perhaps the only thing holding it back from full

(continued page 6)

Performance as of March 31, 2017

	TexPool	TexPool Prime
Current Invested Balance	\$18,953,206,363.73	\$4,154,599,627.90
Weighted Average Maturity**	40 Days	36 Days
Weighted Average Life**	108 Days	52 Days
Net Asset Value	1.00008	1.00014
Total Number of Participants	2,398	242
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$10,405,184.48	\$3,313,548.45
Management Fee Collected	\$754,214.65	\$189,198.75
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$19,752,937,134.00	\$4,036,787,737.42
Average Monthly Rate*	0.62%	0.97%
Average Weighted Average Maturity**	44	43
Average Weighted Average Life**	107	58

*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

**See page 2 for definitions.

Past performance is no guarantee of future results.

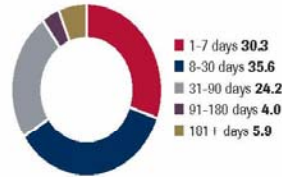
TexPool Participant Services
 1001 Texas Avenue, Suite 1400 · Houston, TX 77002
 Phone: 1-866-TEXPOOL (839-7665) · Fax: 1-866-839-3291 · TexPool.com

Managed and
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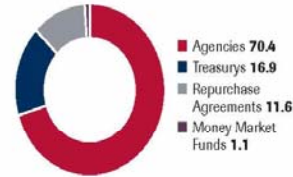
Portfolio by Maturity (%)

As of March 31, 2017



Portfolio by Type of Investment (%)

As of March 31, 2017



Portfolio Asset Summary as of March 31, 2017

	Book Value	Market Value
Uninvested Balance	-\$269,333.33	-\$269,333.33
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	10,433,918.16	10,433,918.16
Interest and Management Fees Payable	-10,405,291.23	10,405,291.23
Payable for Investments Purchased	-799,518,749.93	799,518,749.93
Accrued Expenses & Taxes	-24,213.54	24,213.54
Repurchase Agreements	2,293,104,000.00	2,293,104,000.00
Mutual Fund Investments	215,022,103.88	215,022,103.88
Government Securities	13,903,372,186.23	13,905,496,742.86
U.S. Treasury Inflation Protected Securities	728,174,761.83	727,612,423.87
US Treasury Bills	1,499,317,499.80	1,499,412,500.00
US Treasury Notes	1,113,999,481.66	1,113,504,505.22
Total	\$18,953,206,363.73	\$18,954,368,605.97

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

Participant Summary

	Number of Participants	Balance
School District	592	\$6,097,120,987.71
Higher Education	57	\$1,602,400,974.38
Healthcare	81	\$816,855,517.93
Utility District	755	\$2,474,226,382.99
City	455	\$4,437,265,060.07
County	182	\$1,887,856,249.22
Other	286	\$1,623,895,821.81

****Definition of Weighted Average Maturity and Weighted Average Life**

WAM is the mean average of the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid, (b) would be repaid upon a demand by TexPool, or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates set forth in (b) and (c) if their scheduled maturity is 397 days or less; and the later of the two dates set forth in (b) and (c) if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

WAL is calculated in the same manner as WAM, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool are scheduled to be readjusted.

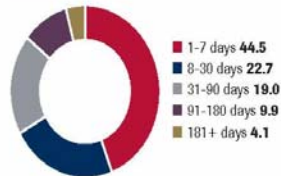


Daily Summary						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
3/1	0.5642%	0.000015458	\$19,740,127,082.50	1.00017	48	105
3/2	0.5619%	0.000015394	\$20,178,860,973.85	1.00013	47	102
3/3	0.5650%	0.000015479	\$20,107,931,152.54	1.00010	47	105
3/4	0.5650%	0.000015479	\$20,107,931,152.54	1.00010	47	105
3/5	0.5650%	0.000015479	\$20,107,931,152.54	1.00010	47	105
3/6	0.5667%	0.000015526	\$20,064,593,224.65	1.00009	45	103
3/7	0.5725%	0.000015685	\$20,053,294,054.01	1.00008	46	107
3/8	0.5726%	0.000015687	\$20,100,913,392.29	1.00004	46	106
3/9	0.5726%	0.000015687	\$20,061,480,742.71	1.00000	45	105
3/10	0.5729%	0.000015697	\$20,100,147,579.29	0.99997	45	105
3/11	0.5729%	0.000015697	\$20,100,147,579.29	0.99997	45	105
3/12	0.5729%	0.000015697	\$20,100,147,579.29	0.99997	45	105
3/13	0.5758%	0.000015775	\$20,140,868,500.99	0.99994	43	104
3/14	0.5783%	0.000015845	\$20,021,016,129.59	0.99995	42	102
3/15	0.5799%	0.000015889	\$19,965,884,394.07	0.99996	41	101
3/16	0.6509%	0.000017834	\$19,875,611,940.29	0.99998	44	109
3/17	0.6624%	0.000018149	\$19,824,397,872.48	0.99997	45	112
3/18	0.6624%	0.000018149	\$19,824,397,872.48	0.99997	45	112
3/19	0.6624%	0.000018149	\$19,824,397,872.48	0.99997	45	112
3/20	0.6665%	0.000018260	\$19,785,114,338.85	0.99996	43	109
3/21	0.6677%	0.000018292	\$19,490,599,811.15	0.99997	44	108
3/22	0.6749%	0.000018490	\$19,452,456,356.51	0.99996	45	112
3/23	0.6729%	0.000018435	\$19,363,930,350.04	0.99997	45	112
3/24	0.6737%	0.000018458	\$19,409,896,811.79	1.00002	44	111
3/25	0.6737%	0.000018458	\$19,409,896,811.79	1.00002	44	111
3/26	0.6737%	0.000018458	\$19,409,896,811.79	1.00002	44	111
3/27	0.6847%	0.000018759	\$19,348,364,622.65	1.00001	41	107
3/28	0.6753%	0.000018500	\$19,196,580,421.02	1.00000	41	107
3/29	0.6751%	0.000018495	\$19,131,208,335.89	1.00004	40	107
3/30	0.6764%	0.000018532	\$19,089,819,870.76	1.00006	40	105
3/31	0.6767%	0.000018540	\$18,953,206,363.73	1.00009	40	108
Average:	0.6222%	0.000017046	\$19,752,937,134.00	1.00002	44	107

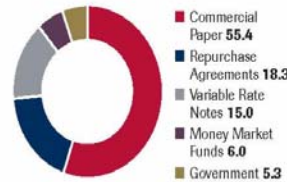


TEXPOOL PRIME

Portfolio by Maturity (%)
As of March 31, 2017



Portfolio by Type of Investment (%)
As of March 31, 2017



Portfolio Asset Summary as of March 31, 2017

	Book Value	Market Value
Uninvested Balance	\$302,988.92	\$302,988.92
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	1,667,294.42	1,667,294.42
Interest and Management Fees Payable	-3,313,547.89	-3,313,547.89
Payable for Investments Purchased	-25,000,000.00	-25,000,000.00
Accrued Expenses & Taxes	(6,505.03)	(6,505.03)
Repurchase Agreements	766,258,000.00	766,258,000.00
Commercial Paper	2,315,216,896.39	2,315,547,078.68
Bank Instruments	0.00	0.00
Mutual Fund Investments	252,099,922.15	252,091,990.80
Government Securities	221,720,081.52	221,588,541.28
Variable Rate Notes	625,654,737.42	626,015,681.36
Total	\$4,154,599,827.90	\$4,155,151,522.54

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool Prime. The assets of TexPool Prime are the only source of payments to the Participants. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services

Participant Summary

	Number of Participants	Balance
School District	96	\$2,231,587,548.77
Higher Education	11	\$255,112,778.30
Healthcare	11	\$310,464,811.46
Utility District	10	\$233,424,487.26
City	51	\$429,878,376.60
County	28	\$380,075,055.54
Other	35	\$314,488,535.67



TEXPOOL PRIME

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
3/1	0.9329%	0.000025558	\$4,034,214,962.30	1.00024	47	62
3/2	0.9285%	0.000025437	\$4,018,134,500.92	1.00024	47	61
3/3	0.9301%	0.000025482	\$3,996,056,705.24	1.00021	47	62
3/4	0.9301%	0.000025482	\$3,996,056,705.24	1.00021	47	62
3/5	0.9301%	0.000025482	\$3,996,056,705.24	1.00021	47	62
3/6	0.9262%	0.000025376	\$3,989,777,245.22	1.00025	45	61
3/7	0.9313%	0.000025515	\$3,980,878,253.40	1.00025	45	62
3/8	0.9343%	0.000025598	\$4,047,490,611.09	1.00024	44	61
3/9	0.9245%	0.000025330	\$4,023,363,989.27	1.00023	45	62
3/10	0.9166%	0.000025111	\$4,070,355,477.87	1.00018	44	61
3/11	0.9166%	0.000025111	\$4,070,355,477.87	1.00018	44	61
3/12	0.9166%	0.000025111	\$4,070,355,477.87	1.00018	44	61
3/13	0.9189%	0.000025176	\$4,050,023,058.22	1.00021	44	59
3/14	0.9379%	0.000025696	\$4,006,401,763.05	1.00020	44	60
3/15	0.9350%	0.000025616	\$4,019,087,039.65	1.00020	43	58
3/16	0.9996%	0.000027385	\$4,019,373,699.54	1.00017	44	59
3/17	1.0041%	0.000027509	\$4,020,671,280.71	1.00012	44	60
3/18	1.0041%	0.000027509	\$4,020,671,280.71	1.00012	44	60
3/19	1.0041%	0.000027509	\$4,020,671,280.71	1.00012	44	60
3/20	1.0083%	0.000027624	\$3,999,606,792.85	1.00014	42	57
3/21	1.0037%	0.000027498	\$4,044,229,822.36	1.00015	41	56
3/22	1.0056%	0.000027552	\$4,049,118,344.25	1.00015	41	56
3/23	1.0099%	0.000027667	\$4,006,509,852.06	1.00014	41	57
3/24	1.0029%	0.000027478	\$4,037,885,392.82	1.00011	41	57
3/25	1.0029%	0.000027478	\$4,037,885,392.82	1.00011	41	57
3/26	1.0029%	0.000027478	\$4,037,885,392.82	1.00011	41	57
3/27	1.0058%	0.000027556	\$4,036,859,155.67	1.00014	38	54
3/28	1.0016%	0.000027440	\$4,035,582,642.02	1.00013	38	54
3/29	0.9984%	0.000027354	\$4,098,490,457.59	1.00014	36	52
3/30	0.9991%	0.000027372	\$4,151,781,272.88	1.00014	36	52
3/31	0.9975%	0.000027328	\$4,154,599,827.90	1.00014	36	52
Average:	0.9665%	0.000026478	\$4,036,787,737.42	1.00017	43	58

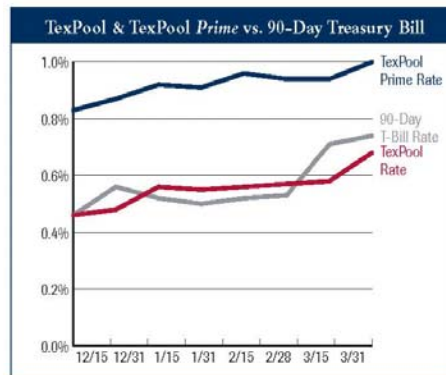


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employment is that some companies are having a hard time finding workers with the required skills. Inflation, as measured by the personal consumption expenditures index (PCE), is approaching the Fed's target of 2%, and consumer and producer price indexes already are above that level. Manufacturing is in the midst of a remarkable turnaround, the housing market is robust and consumer and business confidence is high.

It wasn't long ago that some Fed officials suggested they would risk the economy running hot in an effort to jump start inflation. They seem to be less comfortable with that approach these days. They also do not appear to be overly concerned with the potential fiscal policy of the Trump administration, a wise position considering the likelihood of sweeping changes to the tax code has diminished following the collapse of the GOP plan to repeal the Affordable Care Act.

However things turn out, money fund managers should have a clear path to reacting to them. Supply of issuance should not be a problem. The U.S. reached its legal borrowing limit in March, although the U.S. Treasury says it could employ extraordinary measures into autumn if needed to avoid an actual debt-ceiling crisis. The Treasury has been good about communicating to the market, and the Fed's management of the federal funds range (with reverse repo and interest on excess reserves as bounds) has been working well, with the benchmark rate itself in the mid-80s. The London interbank offered rate (Libor) continued to rise over March.



90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to collect immediate cash to meet outstanding obligations.

Any private investor can invest in a Treasury bill. The 90-Day Treasury Bill is a weighted average rate of the weekly auctions of 90-Day Treasury Bills.

Past performance is no guarantee of future results.