



MONTHLY FINANCIAL REPORT

PERFORMANCE SUMMARY

April 2018

	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	NEGATIVE	C
Sales Tax Collection Analysis	POSITIVE	POSITIVE	D
Expenditure Analysis	POSITIVE	POSITIVE	E
ENTERPRISE FUND			
Water Billing Analysis	POSITIVE	POSITIVE	F
Sewer Billing Analysis	POSITIVE	POSITIVE	G
Expense Analysis	POSITIVE	POSITIVE	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	NEGATIVE	NEGATIVE	K
CRIME DISTRICT			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	L
Expenditure Analysis	POSITIVE	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 APRIL 2018

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	5,123,473	4,915,233	95.94%	97.17%
Penalties & Interest	39,000	25,185	64.58%	50.21%
Sales Tax	1,789,038	1,055,160	58.98%	55.21%
Franchise Tax	750,000	428,470	57.13%	57.68%
Other Tax	133,500	75,320	56.42%	41.82%
License & Permits	300,000	179,836	59.95%	47.38%
Charges for Services	65,500	3,182	4.86%	21.49%
DOT Fines	90,000	43,407	48.23%	49.95%
Other Municipal Court Fees	414,000	216,940	52.40%	54.72%
Interest Income	58,656	59,693	101.77%	46.28%
Intergovernmental	378,604	202,186	53.40%	53.60%
Other Revenue	619,173	608,005	98.20%	74.43%
Transfers from Enterprise Fund	1,822,415	1,063,075	58.33%	58.33%
Payment for Services-EDC	<u>227,542</u>	<u>132,733</u>	<u>58.33%</u>	<u>58.33%</u>
Total Revenues	11,810,901	9,008,425	76.27%	73.01%

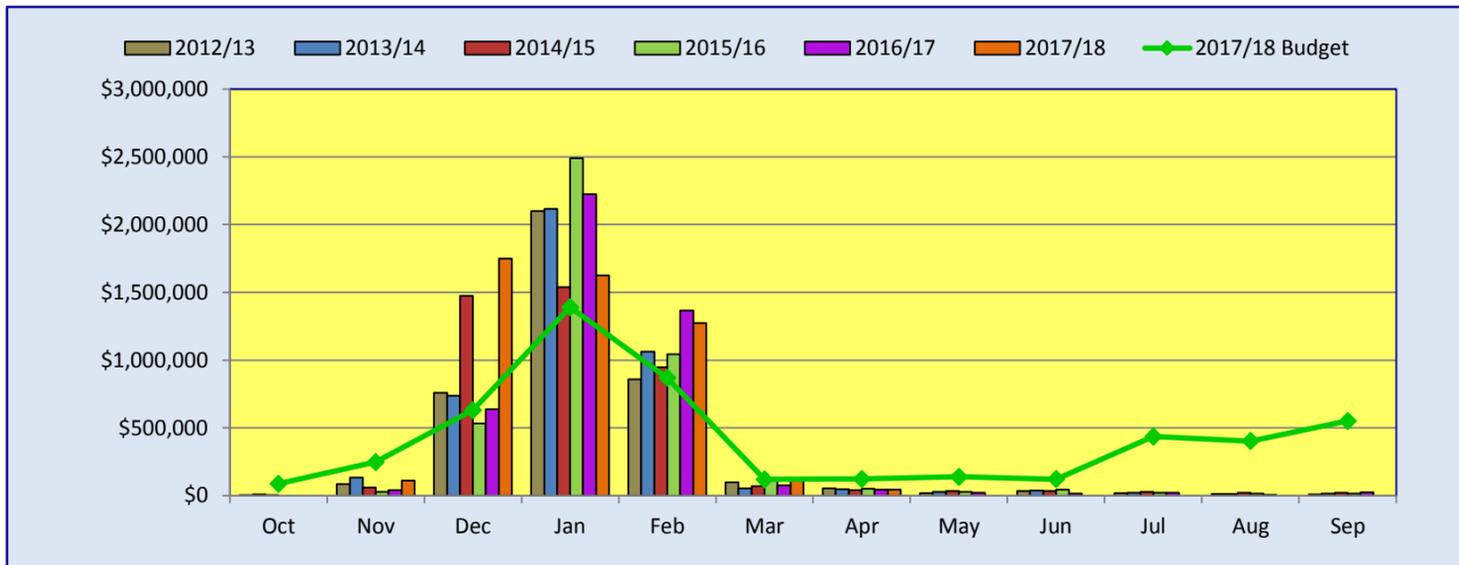
CHART B

TOTAL EXPENDITURES THROUGH APRIL 2018

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	7,565,275	4,143,170	54.77%	56.94%
Supplies	294,300	110,048	37.39%	40.34%
Services	2,774,207	1,540,020	55.51%	60.05%
Capital	<u>662,435</u>	<u>337,531</u>	<u>50.95%</u>	<u>23.40%</u>
Total Expenditures	11,296,217	6,130,769	54.27%	56.05%

CHART C

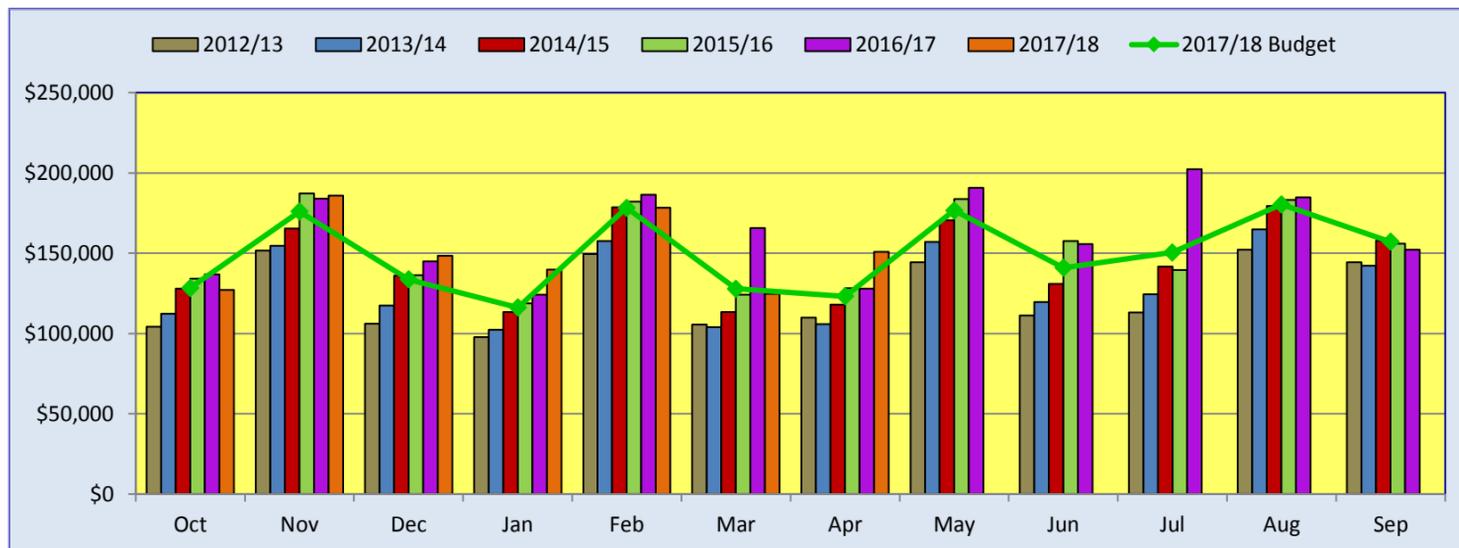
PROPERTY TAX ANALYSIS



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

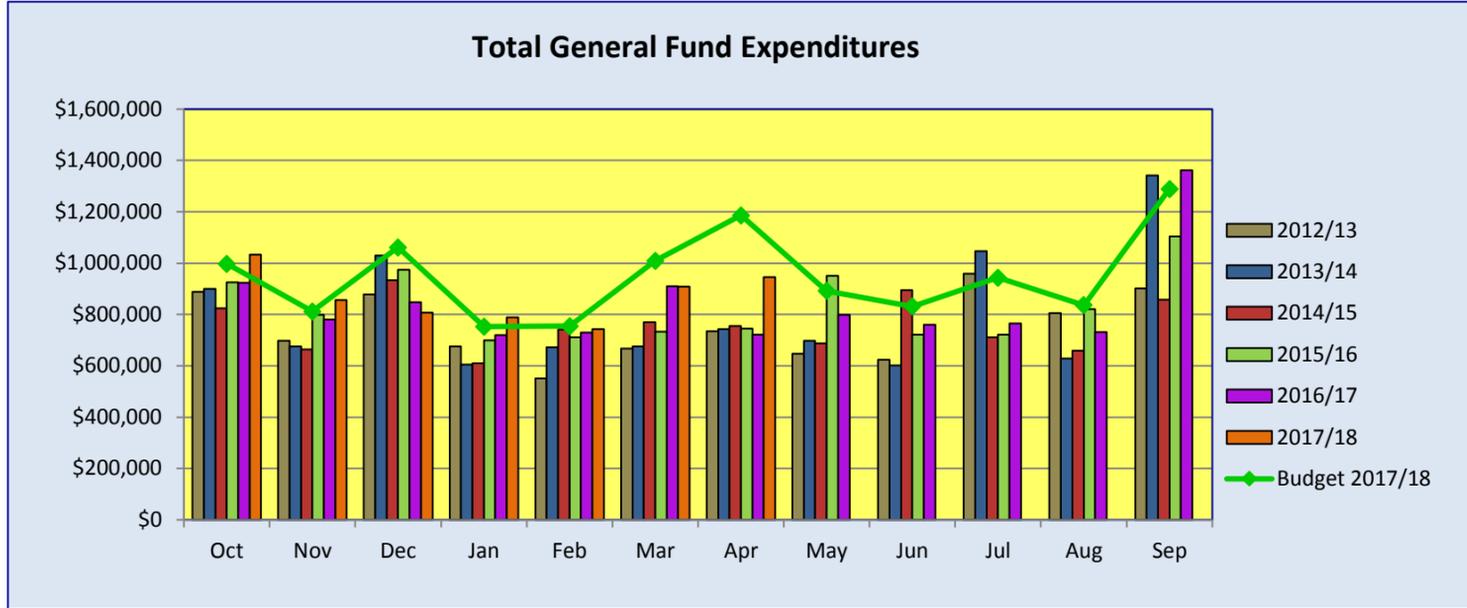
CHART D

SALES TAX ANALYSIS



2017/18 Budget is divided into months based on the monthly percentages of the last 5 years' activity of sales tax revenue.

EXPENDITURE ANALYSIS



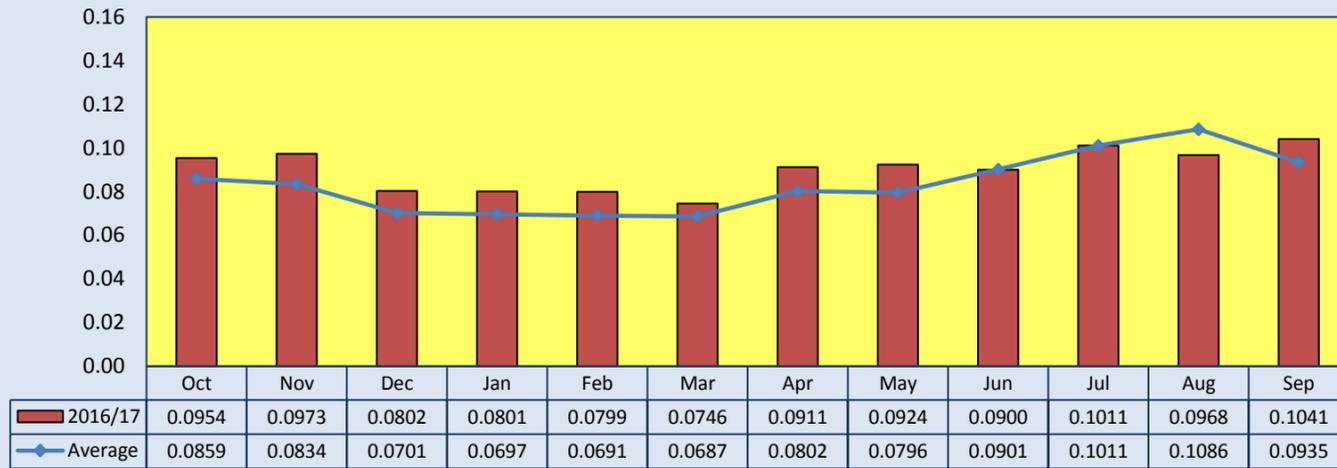
High expenditures in September 2010 are due to city hall A/C replacement.
High expenditures in September 2014 are due to Seascape road construction



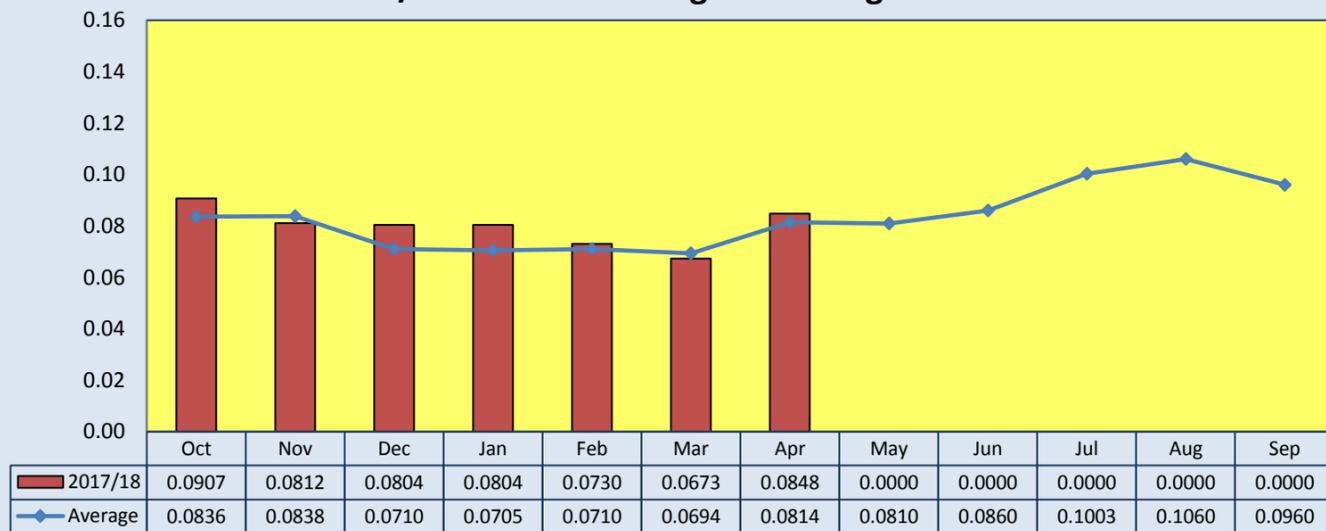
WATER BILLING ANALYSIS

CHART F

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

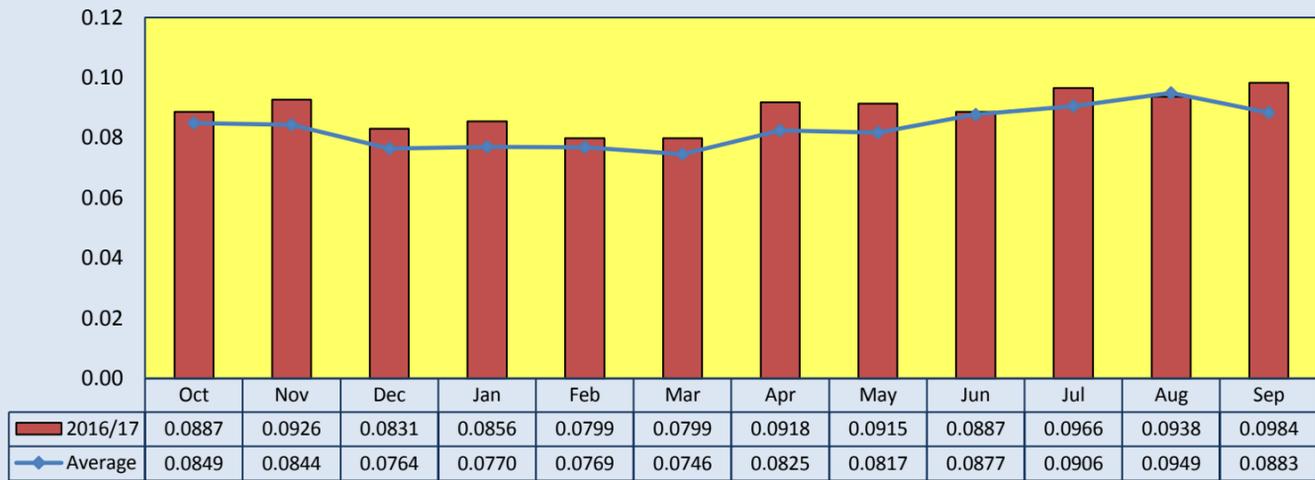


Average Percent of Water Billings by Month vs. 2017/18 Percent of Budgeted Billings

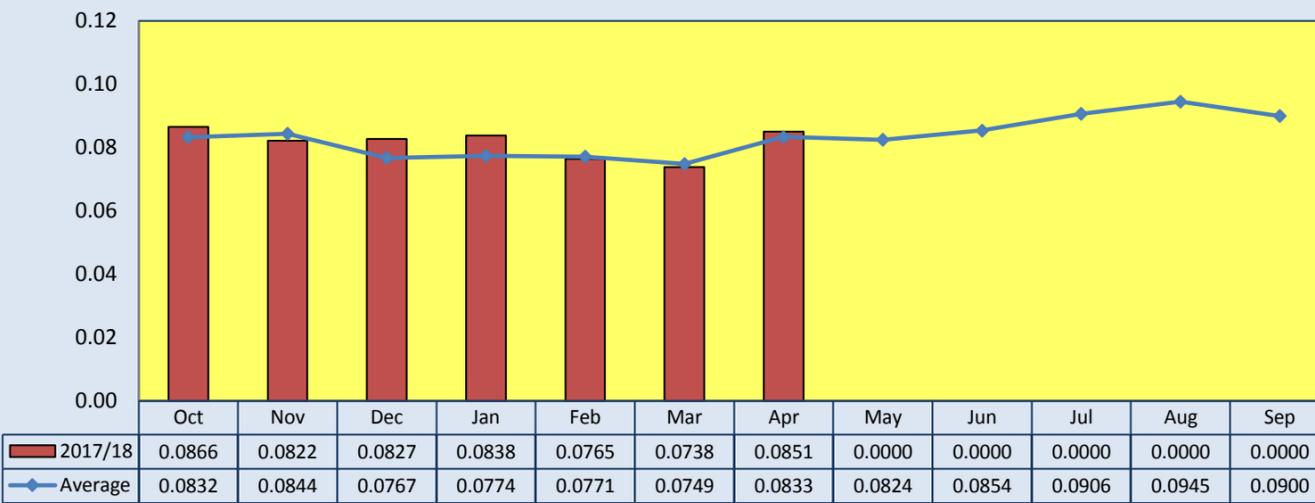


WASTEWATER BILLING ANALYSIS

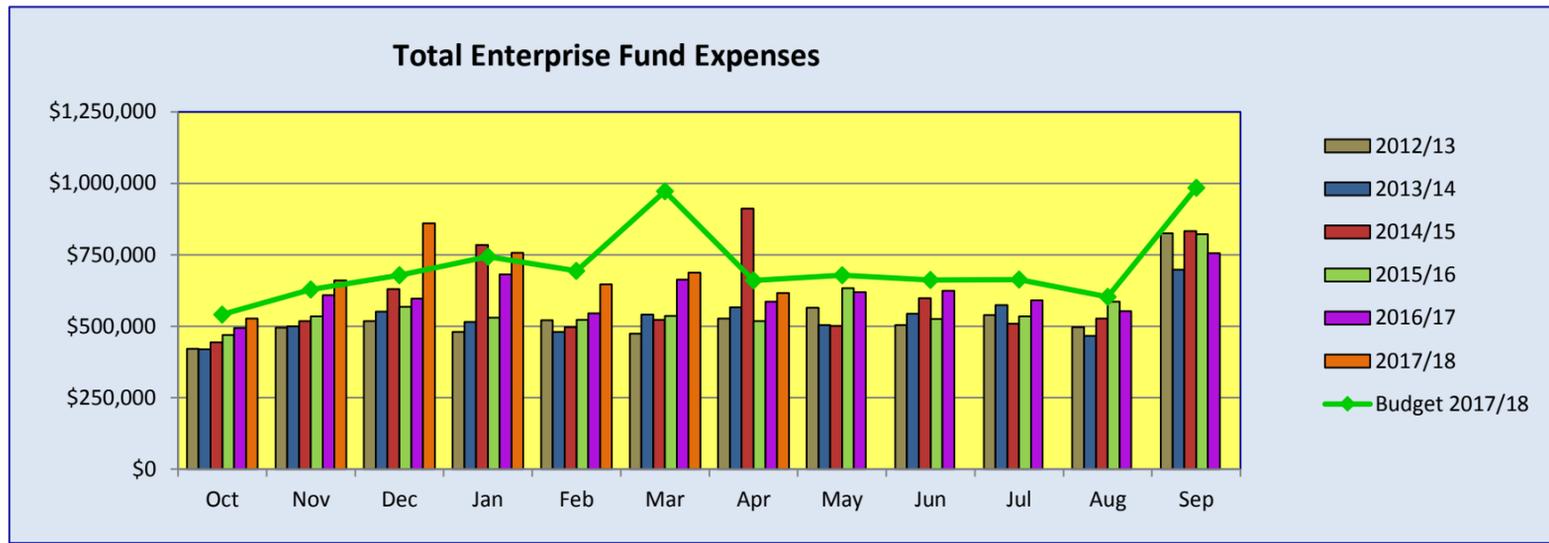
Average Percent of Wastewater Billings by Month vs. 2016/17 Percent of Budgeted Billings



Average Percent of Wastewater Billings by Month vs. 2017/18 Percent of Budgeted Billings



EXPENDITURE ANALYSIS



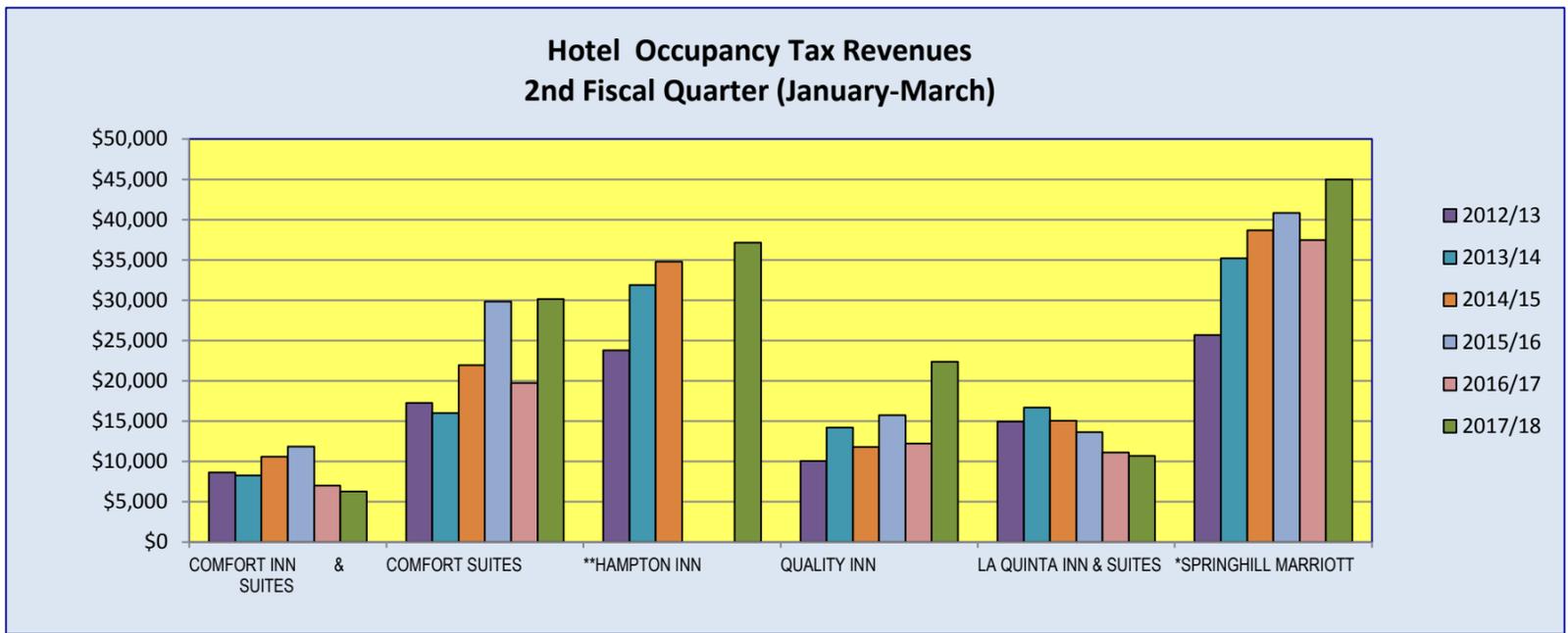
Sept 2013 and Nov 2013 EXCLUDE property acquisition
 December 2014 & January 2015 expenses much higher than budgeted due to Lakeside lift station repairs
 April 2015 expenses due to wastewater treatment plant upgrades

HOTEL TAX FUND



CHART I

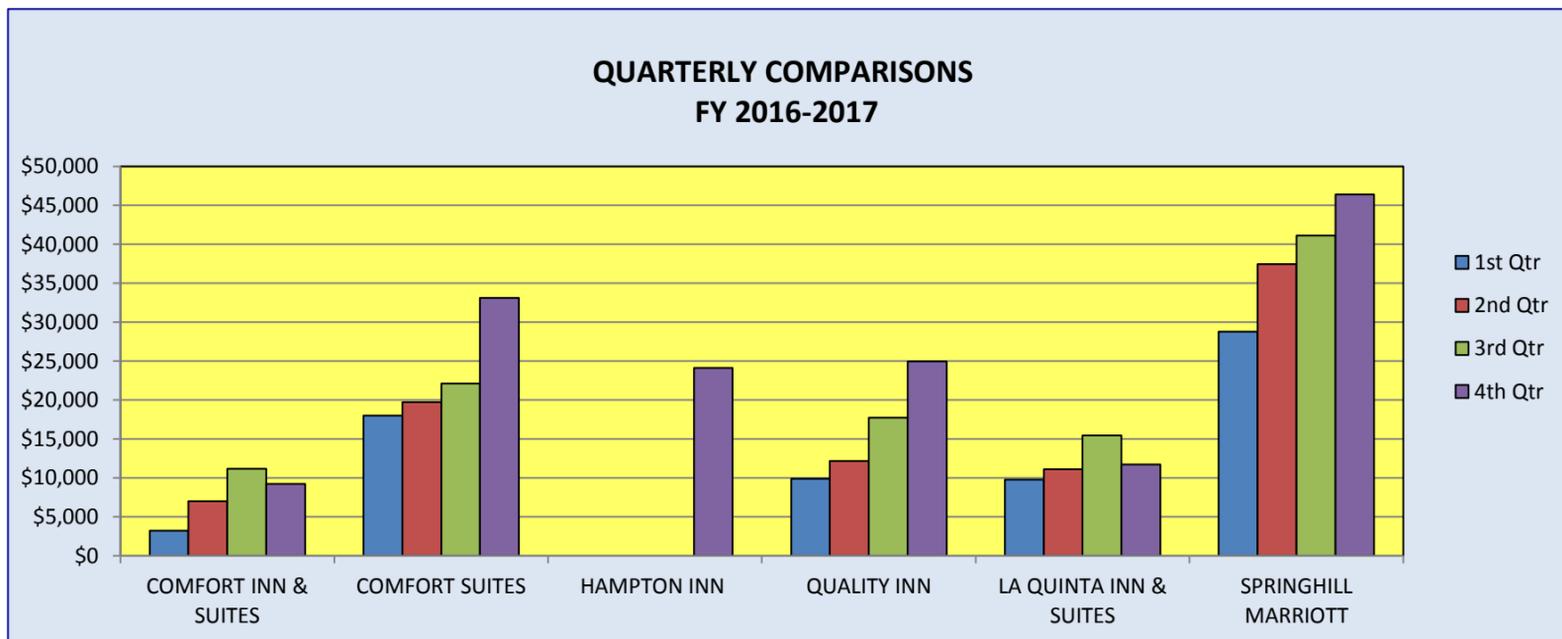
HOTEL TAX REVENUE ANALYSIS



*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 reopened In 4th quarter 2017

SEABROOK EDC



CHART K

SALES TAX REVENUE ANALYSIS

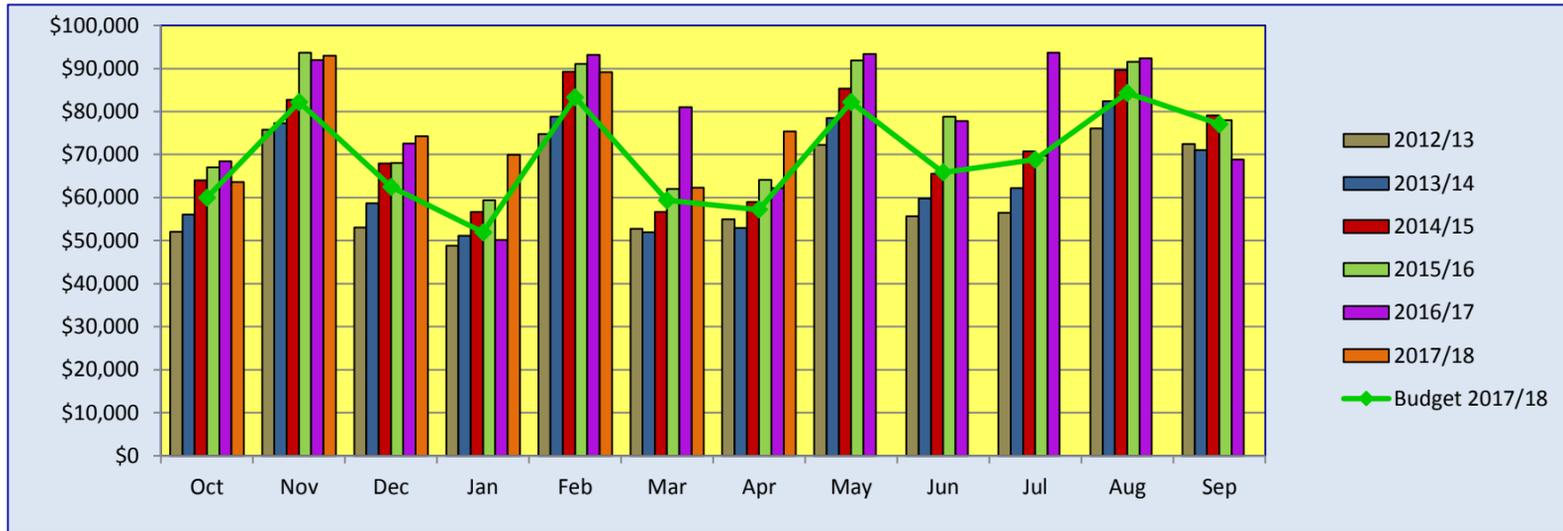
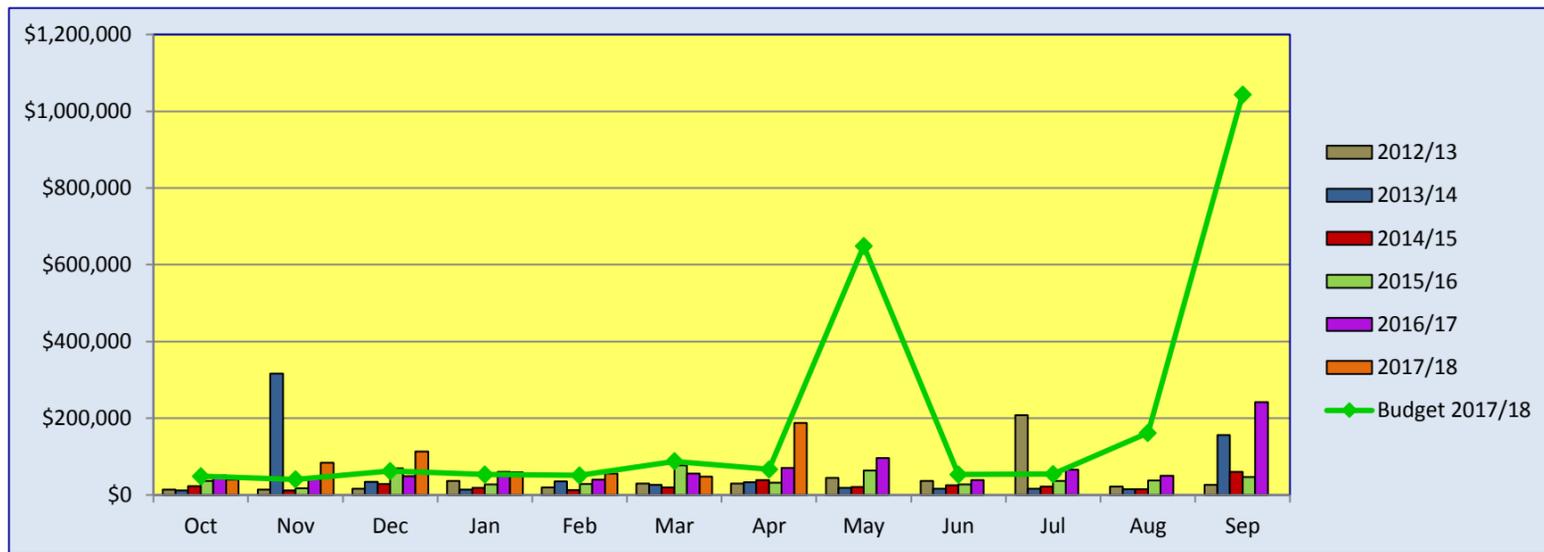


CHART L

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

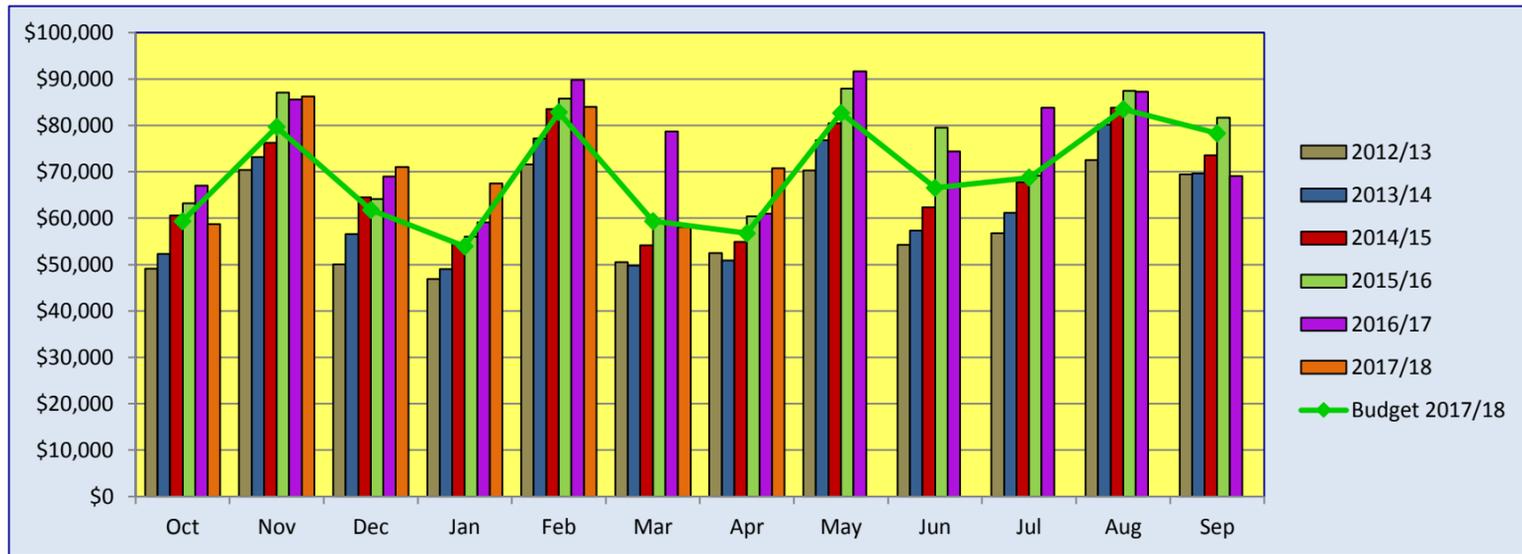
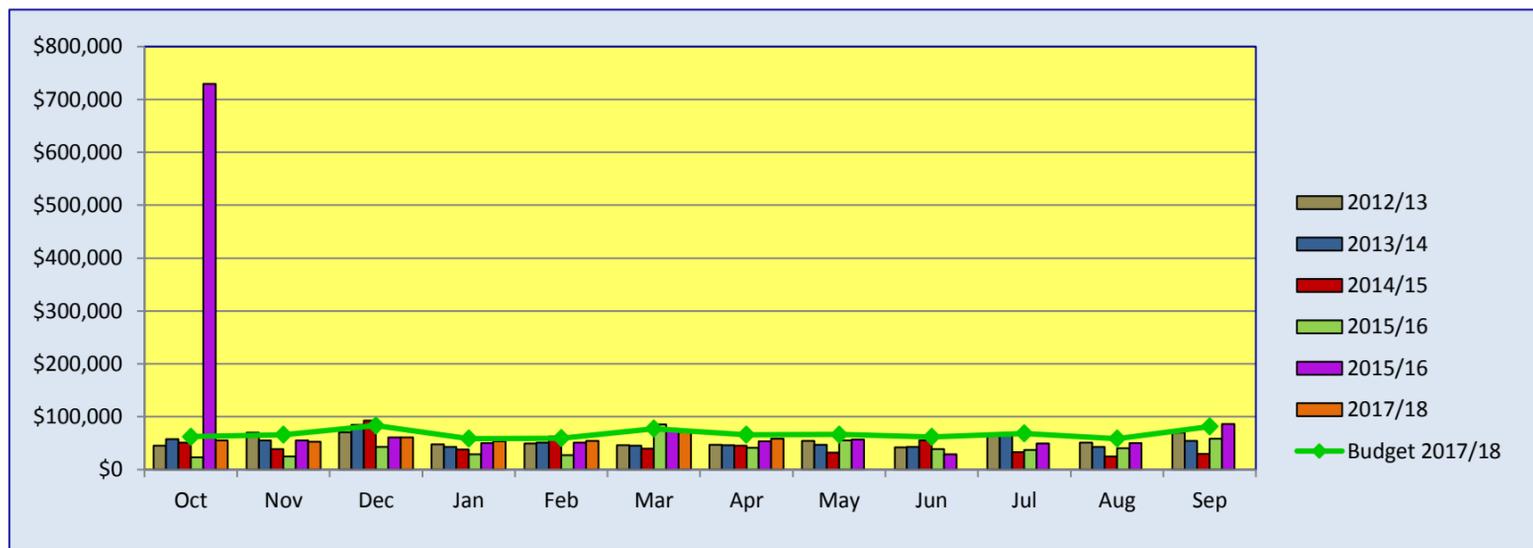


CHART N

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 APRIL 2018
1.6704%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted Dec)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	7,078,729.00	786,560.24	13,675.64	7,878,964.88	Working capital
GENERAL FUND - RESTRICTED	1,600,000.00	0.00	incl in above	1,600,000.00	Committed
ENTERPRISE FUND - UNRESTRICT	2,294,968.68	466,395.59	3,404.78	2,764,769.05	Working capital
ENTERPRISE FUND - RESTRICTED	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,702,987.20	185,000.00	3,719.75	2,891,706.95	Water & sewer lines extensions & expansions
PARK FEES	79,635.97	0.00	109.34	79,745.31	Reserved for acquisition & development of park land
SEIZURE	34,006.43	0.00	46.69	34,053.12	Solely to purchase equipment for Law Enforcement
CHILD SAFETY PROGRAMS	31,657.27	0.00	43.46	31,700.73	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	15,256.15	0.00	20.95	15,277.10	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	1,095,584.85	0.00	1,504.20	1,097,089.05	Restricted for promotion of tourism
DEBT SERVICE FUND	3,365,706.12	(42,751.50)	4,615.14	3,327,569.76	Restricted for General fund reserves & yearly debt service
CAPITAL PROJECT BONDS	6,322,891.55	(91,000.00)	8,676.83	6,240,568.38	2016A CO WW Plant, Clarifier & Todville 2016 Sewer
WTR/SWR BONDS	1,031,146.67	(2,000.00)	1,415.63	1,030,562.30	Funds transferred from Bond Mkt Acct to allow liquidity
IT BONDS	48,420.85	0.00	66.48	48,487.33	Fiber Optics
PD & GF BONDS	0.00	0.00	0.00	0.00	Public Wokrks Facility
PD & GF BONDS (GEN FUND Reserve)	82,813.21	0.00	113.70	82,926.91	Public Wokrks Facility funds provided by GF Reserve
FIRE BONDS	25,566.25	0.00	35.10	25,601.35	Fire Engine
LAKESIDE DRIVE CERT DEP	0.00	0.00	0.00	(0.00)	
CAROTHERS	77,646.95	0.00	106.61	77,753.56	Carother Facility & Park
ANIMAL	759.64	0.00	1.04	760.68	Animal Shelter Needs - Donation
CRIME DISTRICT	640,638.71	26,593.42	863.04	668,095.17	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - UNRESTRICTED	3,308,612.38	(102,204.33)	4,673.92	3,211,081.97	Seabrook Economic Development Corporation II
SEDC II - RESTRICT FOR EMERGENC	180,000.00	0.00	incl in above	180,000.00	Emergency Reserve
STEP FUND	13,531.89	0.00	18.58	13,550.47	STEP
PUBLIC SAFETY	268,718.14	(40,000.00)	367.07	229,085.21	Public Safety Needs
MUNI COURT - SECURITY FUND	27,274.38	0.00	37.45	27,311.83	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	15,186.96	0.00	20.85	15,207.81	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUND	6,787.06	0.00	9.32	6,796.38	Fund court on technology
PUBLIC SAFETY VERF	506,721.89	13,406.58	714.12	520,842.59	Public Safety Vehicle Equipment Replacement
PEG Fund	114,352.10	0.00	157.00	114,509.10	Public Education and Government Access
STABILIZATION FUND	814,880.83	0.00	1,118.80	815,999.63	Highway 146 Project
WATER RATE STABILIZATION	176,207.54	0.00	241.93	176,449.47	
TOTAL TEXPOOL FUND	32,260,688.67	1,200,000.00	45,777.42	\$33,506,466.09	

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: May 2018

ANNOUNCEMENTS

We welcome the following entities who joined TexPool in April 2018:

TexPool
 Sour Lake Economic Development Corporation
 Jubilee Academic Center Inc., BOK Financial Trust
 Harris County ESD 4
 Mustang Special Utility District
 Fort Bend-Waller Counties MUD 2
 Denton County FWSD 4-A
 Martin County Appraisal District
 Harris County MUD 457, MUD 500, MUD 502
 Fort Bend County MUD 173
 Travis County MUD 23, MUD 24
 Montgomery County MUD 138
 Permian Basin Regional Planning Commission
 Fort Bend County MUD 152

TexPool Prime
 Calallen ISD
 Jubilee Academic Center Inc., BOK Financial Trust
 Mustang Special Utility District
 Martin County Appraisal District
 North Hays County ESD 1
 Belton ISD
 Permian Basin Regional Planning Commission

Upcoming Events

Jun 12, 2018 - Jun 15, 2018,
 Woodlands Waterway Marriott and
 Convention Center, The Woodlands
 2018 TACCBO Annual Meeting
 and Conference

Jun 18, 2018 - Jun 20, 2018,
 American Bank Center, Corpus Christi
 2018 TASBO Summer Conference

TexPool Advisory Board Members

Jose Elizondo, Jr.	Vivian Wood
Belinda Weaver	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: Fed starting to fill up

May 1, 2018

The Federal Open Market Committee (FOMC) gained some ground in April from a membership perspective. The Fed has had only three of seven governors for some time now, counting new Chair Jerome Powell. But President Trump nominated Richard Clarida as vice chair and Michelle Bowman as the governor representing community banks. While it is unlikely the Senate will confirm floundering nominee Marvin Goodfriend, the expectation is that the other two will be approved, possibly in time for the June FOMC meeting. June is likely to produce the next rate hike; expectations for this week's policy-setting meeting are for no move.

Regarding the bird question, it seems Clarida, a scholar of monetary policy, leans hawkish, while less is known about Bowman. The profile of the Fed is probably not going to be that different in the end. With inflation slowly picking up, even the doves are getting somewhat hawkish. By the way, the transfer of John Williams from the San Francisco Fed to the New York Fed does not need Senate confirmation. Of course, the Fed must fill the vacancy created.

(continued page 6)

Performance as of April 30, 2018

	TexPool	TexPool Prime
Current Invested Balance	\$19,658,939,074.44	\$5,853,568,223.83
Weighted Average Maturity	29	31
Weighted Average Life	77	61
Net Asset Value	0.99992	0.99995
Total Number of Participants	2472	312
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$26,790,110.61	\$9,093,230.64
Management Fee Collected	\$709,752.54	\$272,127.09
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$19,549,766,252.88	\$5,750,081,493.12
Average Monthly Rate	1.6704	1.9264%
Average Weighted Average Maturity	31	34
Average Weighted Average Life	84	65

*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.

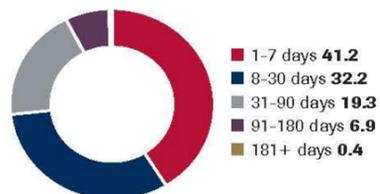
Past performance is no guarantee of future results.

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

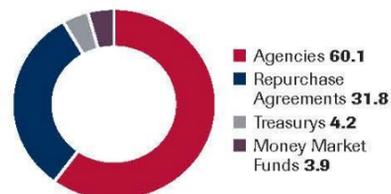
Managed and
 Serviced by **Federated**
 G35884-24 (5/18)



Portfolio by Maturity (%)
As of April 30, 2018



Portfolio by Type of Investment (%)
As of April 30, 2018



Portfolio Asset Summary as of April 30, 2018

	Book Value	Market Value
Uninvested Balance	\$68.93	\$68.93
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	7,624,464.07	7,624,464.07
Interest and Management Fees Payable	-26,790,215.11	-26,790,215.11
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-24,083.78	-24,083.78
Repurchase Agreements	6,249,563,000.00	6,249,563,000.00
Mutual Fund Investments	776,022,103.88	776,022,103.88
Government Securities	11,825,684,772.42	11,824,413,797.92
U.S. Treasury Inflation Protected Securities	0.00	0.00
US Treasury Bills	527,092,046.38	527,047,809.66
US Treasury Notes	299,766,917.65	299,410,302.50
Total	\$19,658,939,074.44	\$19,657,267,248.07

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	584	\$6,568,047,146.03
Higher Education	57	\$1,039,367,459.74
Healthcare	82	\$1,037,139,295.81
Utility District	785	\$2,788,305,501.76
City	458	\$4,489,423,752.47
County	185	\$2,247,892,055.68
Other	321	\$1,487,443,003.53

****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.



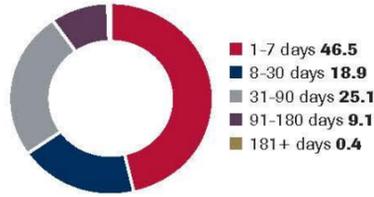
Daily Summary						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
4/1	1.6444%	0.000045053	\$19,272,850,011.55	0.99981	35	90
4/2	1.6527%	0.000045279	\$19,446,183,265.83	0.99981	32	87
4/3	1.6566%	0.000045387	\$19,599,302,310.67	0.99983	31	87
4/4	1.6439%	0.000045037	\$19,597,683,910.12	0.99983	31	86
4/5	1.6424%	0.000044996	\$19,532,990,967.07	0.99984	32	87
4/6	1.6497%	0.000045196	\$19,492,069,874.21	0.99987	32	89
4/7	1.6497%	0.000045196	\$19,492,069,874.21	0.99987	32	89
4/8	1.6497%	0.000045196	\$19,492,069,874.21	0.99987	32	89
4/9	1.6642%	0.000045594	\$19,501,286,682.81	0.99986	31	87
4/10	1.6645%	0.000045602	\$19,470,994,925.22	0.99985	31	85
4/11	1.6679%	0.000045695	\$19,432,407,574.24	0.99986	31	86
4/12	1.6654%	0.000045627	\$19,613,887,046.35	0.99986	31	85
4/13	1.6669%	0.000045668	\$19,665,270,513.31	0.99990	31	85
4/14	1.6669%	0.000045668	\$19,665,270,513.31	0.99990	31	85
4/15	1.6669%	0.000045668	\$19,665,270,513.31	0.99990	31	85
4/16	1.6790%	0.000046000	\$19,573,432,717.49	0.99989	29	84
4/17	1.6863%	0.000046201	\$19,547,473,595.73	0.99990	29	84
4/18	1.6758%	0.000045911	\$19,591,385,523.23	0.99990	29	83
4/19	1.6724%	0.000045818	\$19,473,951,896.04	0.99989	29	83
4/20	1.6737%	0.000045856	\$19,459,462,710.01	0.99991	30	83
4/21	1.6737%	0.000045856	\$19,459,462,710.01	0.99991	30	83
4/22	1.6737%	0.000045856	\$19,459,462,710.01	0.99991	30	83
4/23	1.6777%	0.000045965	\$19,427,331,031.83	0.99991	29	82
4/24	1.6846%	0.000046153	\$19,393,515,081.13	0.99990	30	82
4/25	1.6883%	0.000046256	\$19,682,988,450.64	0.99989	30	82
4/26	1.6893%	0.000046282	\$19,780,438,957.16	0.99991	30	79
4/27	1.6932%	0.000046389	\$19,681,845,090.74	0.99991	32	83
4/28	1.6932%	0.000046389	\$19,681,845,090.74	0.99991	32	83
4/29	1.6932%	0.000046389	\$19,681,845,090.74	0.99991	32	83
4/30	1.7075%	0.000046780	\$19,658,939,074.44	0.99992	29	77
Average	1.6704%	0.000045765	\$19,549,766,252.88	0.99988	31	84



TEXPOOL PRIME

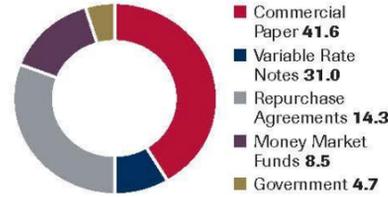
Portfolio by Maturity (%)

As of April 30, 2018



Portfolio by Type of Investment (%)

As of April 30, 2018



Portfolio Asset Summary as of April 30, 2018

	Book Value	Market Value
Uninvested Balance	-\$31.74	-\$31.74
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	2,775,606.83	2,775,606.83
Interest and Management Fees Payable	-9,093,230.74	-9,093,230.74
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-9,361.40	-9,361.40
Repurchase Agreements	839,610,000.00	839,610,000.00
Commercial Paper	2,435,379,868.72	2,435,151,193.74
Bank Instruments	0.00	0.00
Mutual Fund Investments	497,099,999.35	497,052,003.75
Government Securities	274,106,488.84	274,112,198.75
Variable Rate Notes	1,813,698,883.97	1,813,651,288.00
Total	\$5,853,568,223.83	\$5,853,249,667.19

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	108	\$2,551,570,254.67
Higher Education	15	\$736,216,002.47
Healthcare	12	\$417,395,188.80
Utility District	26	\$354,096,733.13
City	62	\$606,496,028.89
County	34	\$546,393,430.51
Other	55	\$641,377,779.83



TEXPOOL PRIME

Daily Summary						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
4/1	1.8236%	0.000049962	\$5,721,562,120.63	0.99970	36	69
4/2	1.8519%	0.000050738	\$5,743,705,803.26	0.99977	36	67
4/3	1.8706%	0.000051250	\$5,742,668,110.50	0.99977	36	66
4/4	1.8706%	0.000051249	\$5,755,865,415.60	0.99978	36	65
4/5	1.8794%	0.000051491	\$5,791,361,822.12	0.99978	36	65
4/6	1.8803%	0.000051514	\$5,733,650,638.84	0.99974	36	65
4/7	1.8803%	0.000051514	\$5,733,650,638.84	0.99974	36	65
4/8	1.8803%	0.000051514	\$5,733,650,638.84	0.99974	36	65
4/9	1.9123%	0.000052393	\$5,746,747,383.05	0.99979	36	65
4/10	1.9120%	0.000052384	\$5,726,093,536.43	0.99979	35	66
4/11	1.9147%	0.000052458	\$5,727,152,584.98	0.99980	35	66
4/12	1.9216%	0.000052646	\$5,711,121,913.30	0.99982	34	65
4/13	1.9317%	0.000052922	\$5,699,922,629.57	0.99979	35	67
4/14	1.9317%	0.000052922	\$5,699,922,629.57	0.99979	35	67
4/15	1.9317%	0.000052922	\$5,699,922,629.57	0.99979	35	67
4/16	1.9402%	0.000053155	\$5,744,543,851.48	0.99985	32	64
4/17	1.9385%	0.000053110	\$5,778,569,401.03	0.99986	33	65
4/18	1.9461%	0.000053318	\$5,790,354,609.69	0.99986	33	64
4/19	1.9503%	0.000053432	\$5,768,203,320.92	0.99986	33	65
4/20	1.9559%	0.000053587	\$5,743,140,154.24	0.99983	33	66
4/21	1.9559%	0.000053587	\$5,743,140,154.24	0.99983	33	66
4/22	1.9559%	0.000053587	\$5,743,140,154.24	0.99983	33	66
4/23	1.9572%	0.000053623	\$5,721,197,836.11	0.99989	31	64
4/24	1.9590%	0.000053671	\$5,717,511,454.67	0.99990	32	64
4/25	1.9699%	0.000053970	\$5,714,612,344.06	0.99991	32	64
4/26	1.9680%	0.000053917	\$5,711,577,141.67	0.99992	32	63
4/27	1.9730%	0.000054056	\$5,835,295,884.14	0.99988	33	64
4/28	1.9730%	0.000054056	\$5,835,295,884.14	0.99988	33	64
4/29	1.9730%	0.000054056	\$5,835,295,884.14	0.99988	33	64
4/30	1.9847%	0.000054376	\$5,853,568,223.83	0.99995	31	61
Average	1.9264%	0.000052779	\$5,750,081,493.12	0.99982	34	65



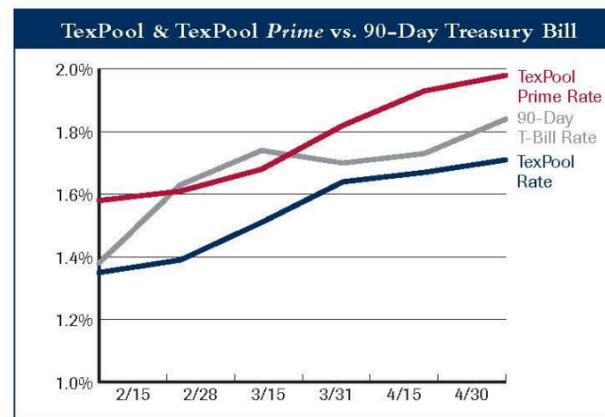
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The large spread between the 3-month London interbank offered rate (Libor) and the Overnight Index Swap (OIS) continues to get a lot of press, but the story remains a benign one. The widening is not due to any bad credit of European banks, but with the excess Treasury supply and repatriation of overseas cash. The excess bill supply issued by the Treasury Department and the Fed's quantitative taper (now \$30 billion-a-month) has flooded the market with short-term Treasuries, pushing rates up. Nothing to worry about.

Lastly, another issue that should not be a concern is the Secured Overnight Financing Rate (SOFR), proposed by the Fed to replace Libor. It might someday, but as of now it is a risk-free rate (collateralized by Treasuries) and not a credit rate. Another possibility is the Overnight Bank Funding Rate (OBFR). For your own health, let this all play out on its own; they have until 2021 to figure it out.

One more thing. With the 3% 10-year Treasury getting attention, remember that comes with a loss in net asset value (NAV) for products in that area. In contrast, money market products and their cousins Local Government Investment Pools (LGIPs), such as TexPool and TexPool Prime, however, can see a rise in yield without deterioration in principal. That should continue in the near future if the Fed continues on its path. Cash is an asset class again, not just a liquidity provision.

We continued to purchase Treasuries because of the spike in yields due to the aforementioned glut of supply. Libor rose over the month



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.

as it anticipates June rate action. One-month Libor increased from 1.88% to 1.91%; 3-month from 2.31% to 2.36%; and 6-month from 2.45% to 2.52%.

The weighted average maturity (WAM) of TexPool was 29 days, compared to that of TexPool Prime at 31.