

# MONTHLY FINANCIAL REPORT

## PERFORMANCE SUMMARY

March 2018

	Current Month	Year to Date	Chart
<b>GENERAL FUND</b>			
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	NEUTRAL	B
Property Tax Collection Analysis	NEGATIVE	POSITIVE	C
Sales Tax Collection Analysis	NEGATIVE	POSITIVE	D
Expenditure Analysis	POSITIVE	POSITIVE	E
<b>ENTERPRISE FUND</b>			
Water Billing Analysis	NEGATIVE	POSITIVE	F
Sewer Billing Analysis	NEGATIVE	POSITIVE	G
Expense Analysis	POSITIVE	POSITIVE	H
<b>HOTEL OCCUPANCY TAX REVENUE</b>			
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
<b>SEDC</b>			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	J
Expenditure Analysis	POSITIVE	NEGATIVE	K
<b>CRIME DISTRICT</b>			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	L
Expenditure Analysis	POSITIVE	POSITIVE	M
<b>INVESTMENTS</b>			
Investment Report	N/A	N/A	N

**PERFORMANCE INDICATORS:**

<b>POSITIVE</b>
<b>NEGATIVE</b>
<b>NEUTRAL</b>

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 2018

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	5,123,473	4,869,074	95.03%	95.99%
Penalties & Interest	39,000	18,639	47.79%	35.07%
Sales Tax	1,789,038	904,448	50.55%	48.20%
Franchise Tax	750,000	416,988	55.60%	49.33%
Other Tax	133,500	42,070	31.51%	20.42%
License & Permits	300,000	141,088	47.03%	38.23%
Charges for Services	65,500	3,182	4.86%	20.02%
DOT Fines	90,000	41,747	46.39%	41.57%
Other Municipal Court Fees	414,000	177,858	42.96%	46.96%
Interest Income	58,656	46,017	78.45%	35.01%
Intergovernmental	378,604	173,302	45.77%	46.07%
Other Revenue	619,173	606,876	98.01%	66.49%
Transfers from Enterprise Fund	1,822,415	911,208	50.00%	50.00%
Payment for Services-EDC	<u>227,542</u>	<u>113,771</u>	<u>50.00%</u>	<u>50.00%</u>
Total Revenues	11,810,901	8,466,268	71.68%	67.74%

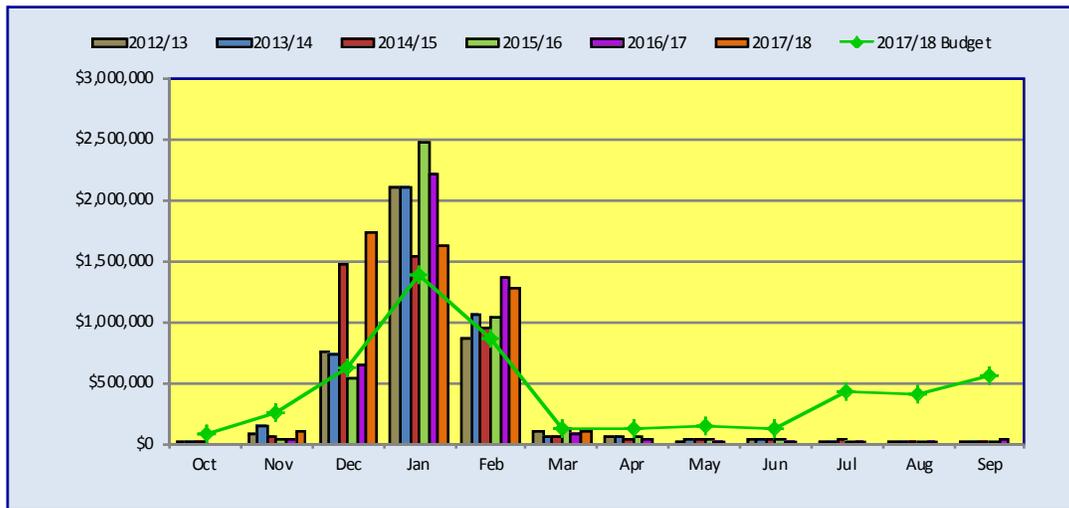
CHART B

## TOTAL EXPENDITURES THROUGH MARCH 2018

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	7,565,275	3,506,565	46.35%	49.69%
Supplies	294,300	310,614	105.54%	34.27%
Services	2,774,207	1,393,154	50.22%	51.83%
Capital	<u>662,435</u>	<u>169,235</u>	<u>25.55%</u>	<u>23.40%</u>
Total Expenditures	11,296,217	5,379,568	47.62%	48.86%

CHART C

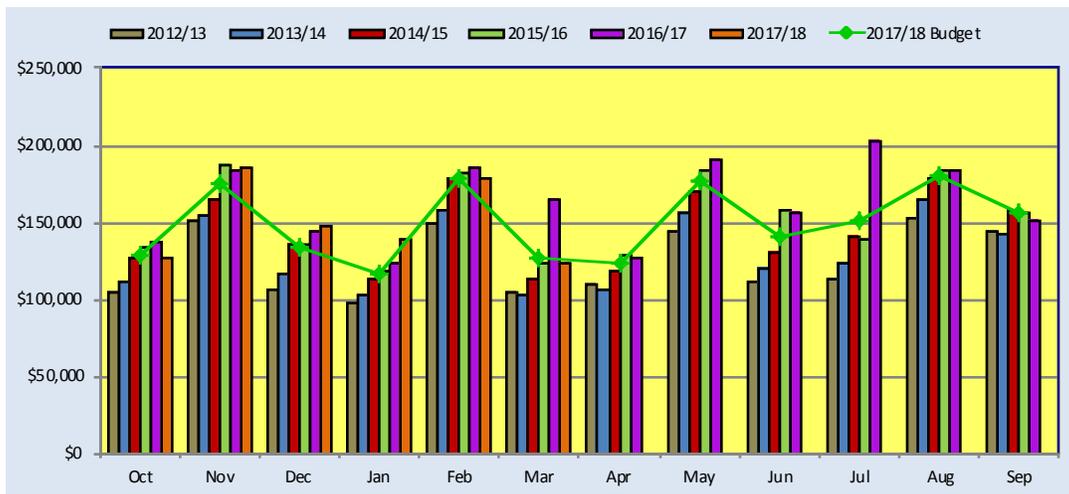
PROPERTY TAX ANALYSIS



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

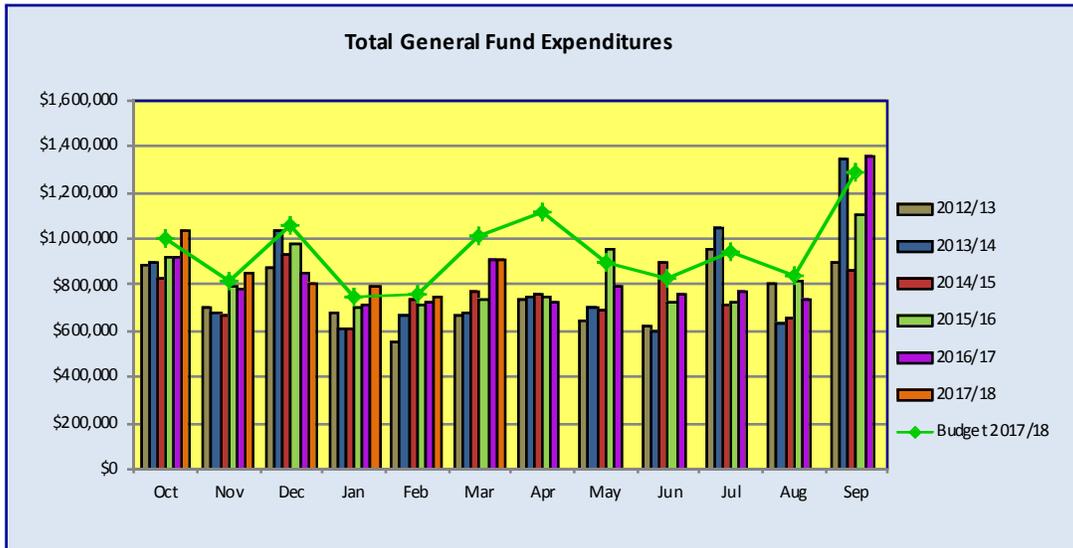
CHART D

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



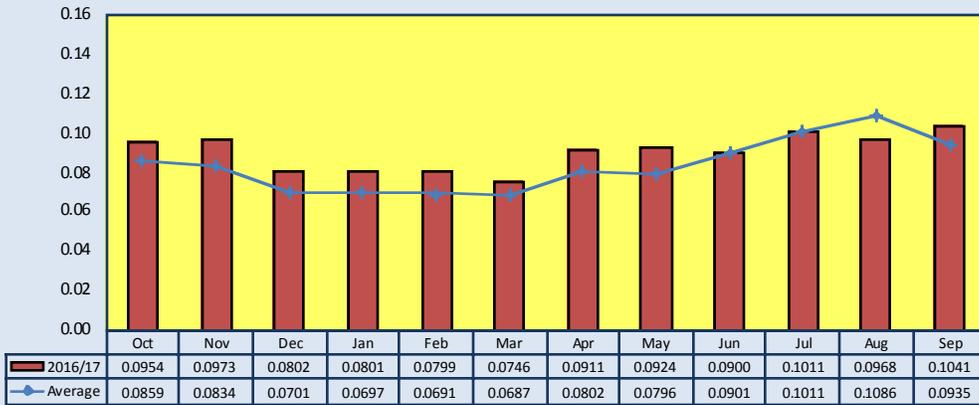
High expenditures in September 2010 are due to city hall A/C replacement.  
 High expenditures in September 2014 are due to Seascape road construction



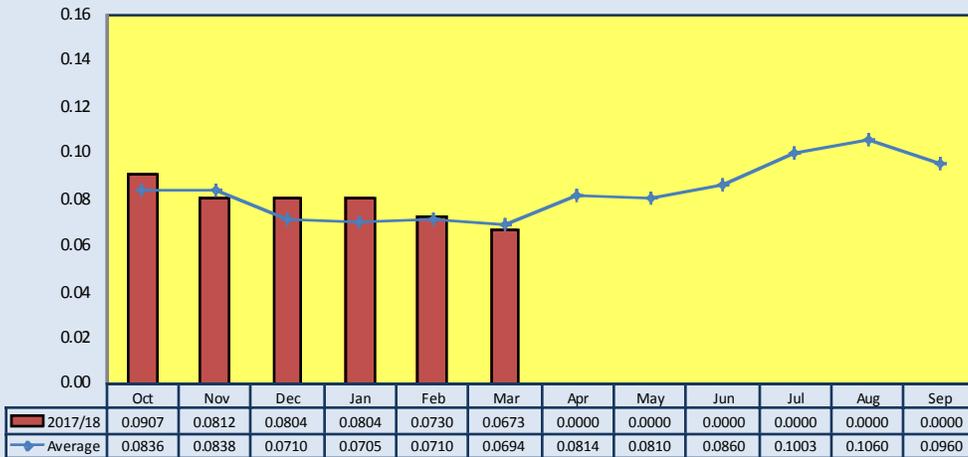
CHART F

WATER BILLING ANALYSIS

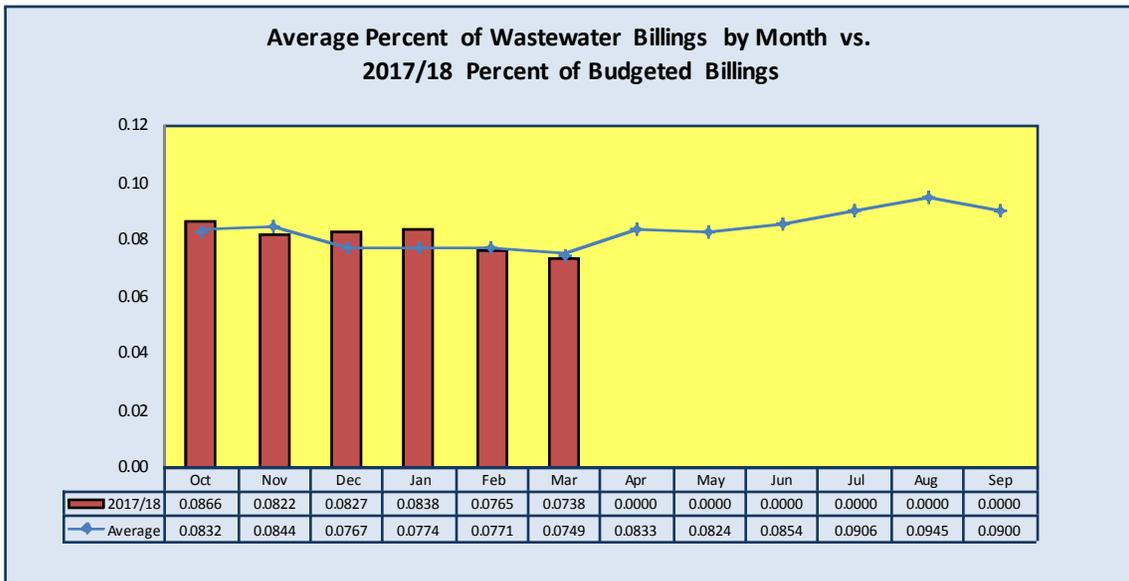
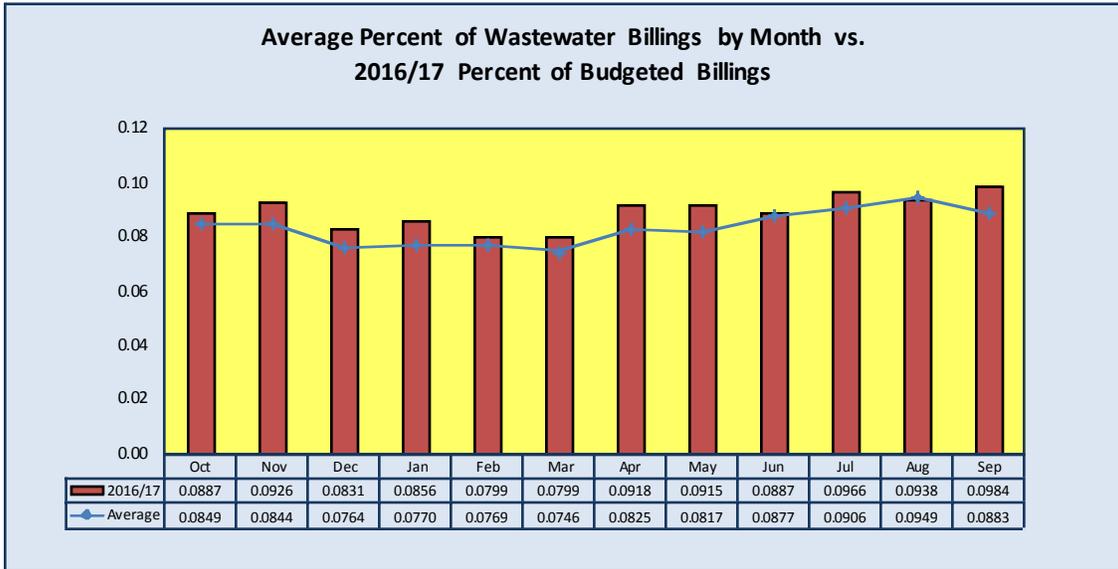
Average Percent of Water Billings by Month vs.  
2016/17 Percent of Budgeted Billings



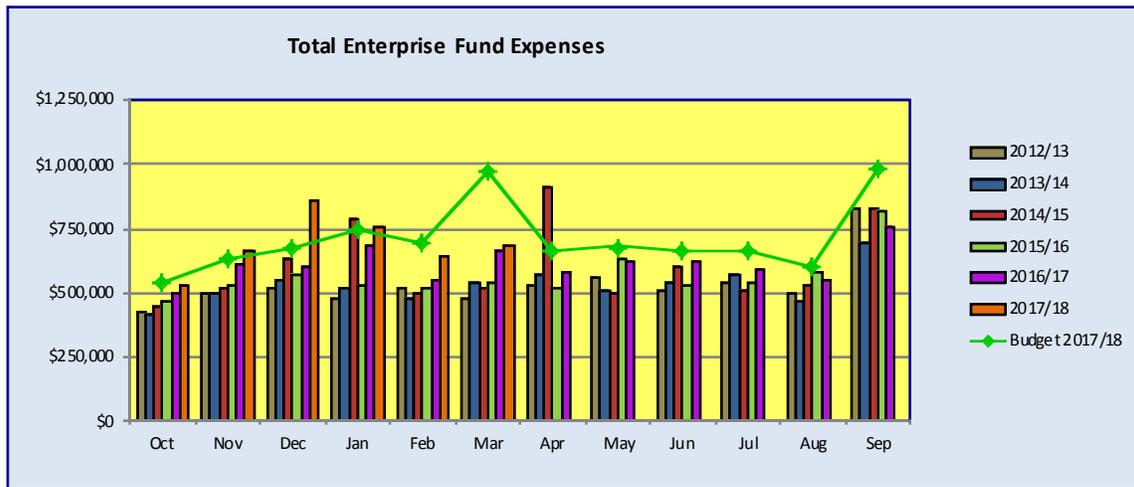
Average Percent of Water Billings by Month vs.  
2017/18 Percent of Budgeted Billings



WASTEWATER BILLING ANALYSIS



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

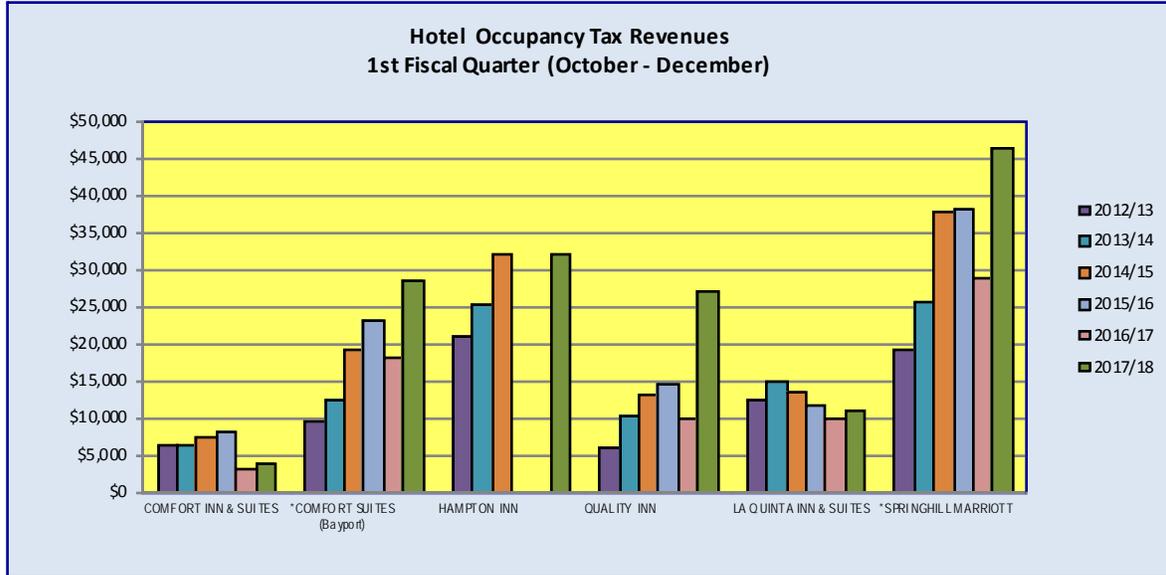
April 2015 expenses due to wastewater treatment plant upgrades

# HOTEL TAX FUND



## HOTEL TAX REVENUE ANALYSIS

CHART I

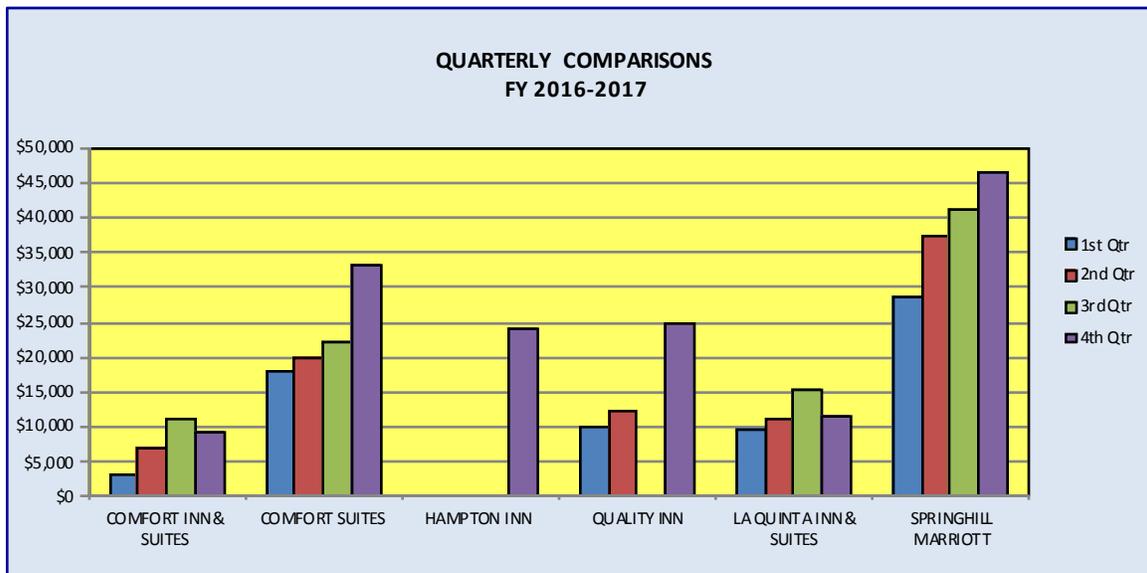


\*Springhill Marriott opened last quarter 2010

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

## HOTEL TAX REVENUE

CHART J



\*\* Hampton Inn closed 3rd quarter 2015 due to fire reopened in 4th quarter 2017

# SEABROOK EDC



CHART K

## SALES TAX REVENUE ANALYSIS

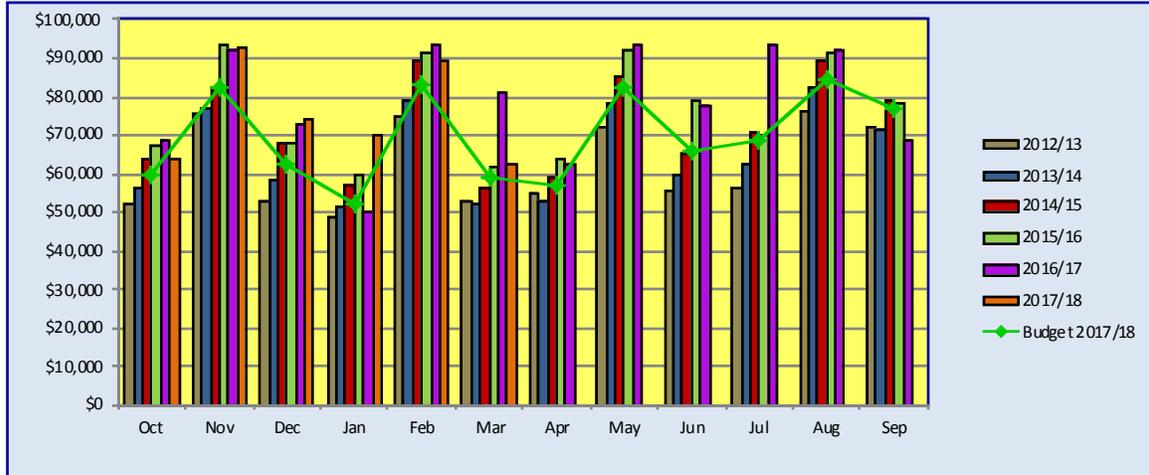
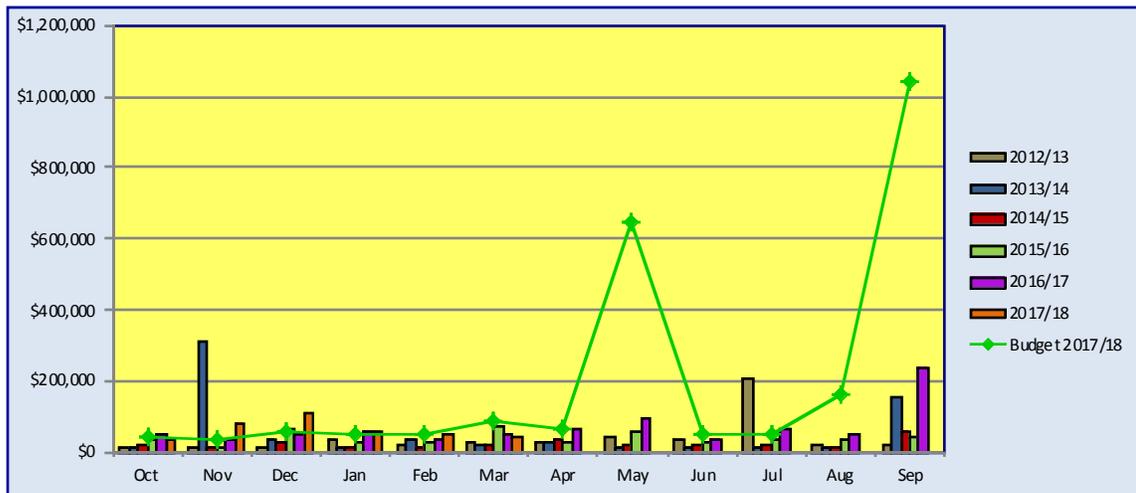


CHART L

## EXPENDITURE ANALYSIS



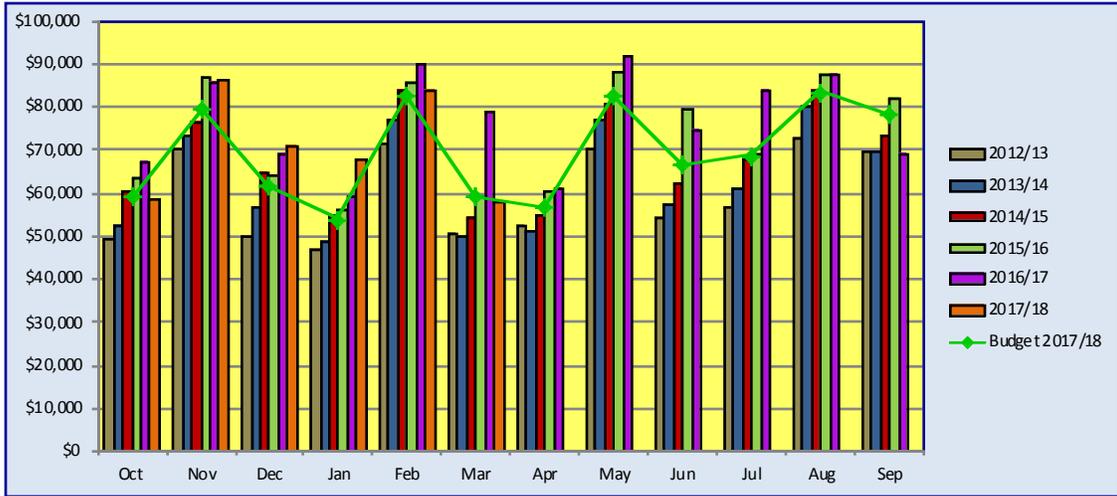
2015/16 September budget reflects appropriations for incentives and Business relocation off HWY 146  
 High exp in Nov 2011 was due to Gateway sign. High exp Nov 2014 was for the waterfront project July expenditures prior to 2013/14 included debt service payments.

# CRIME DISTRICT



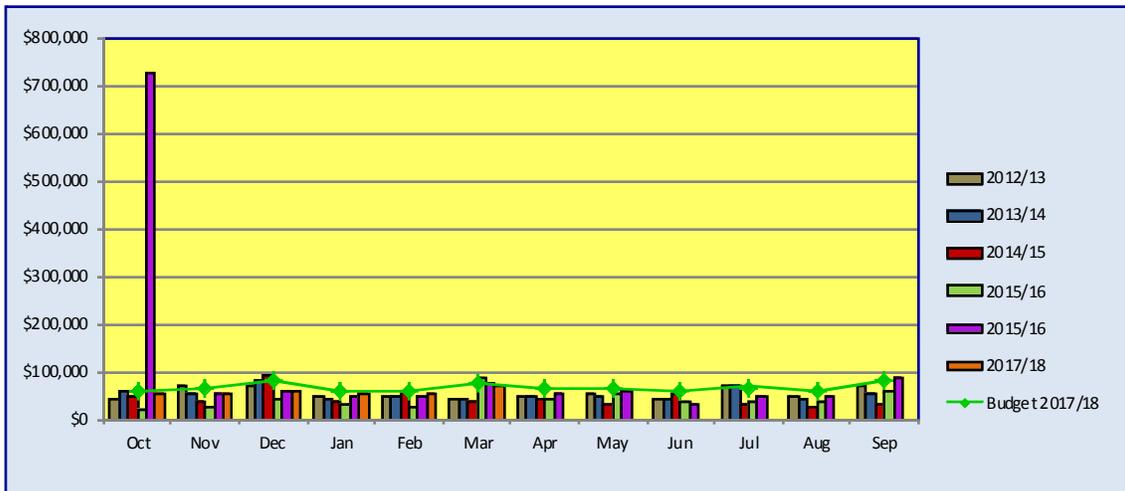
## SALES TAX REVENUE ANALYSIS

CHART M



## EXPENDITURE ANALYSIS

CHART N



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 2018  
1.5156%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted Dec)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	6,979,477.90	88,047.45	11,203.65	7,078,729.00	Working capital
GENERAL FUND - RESTRICTED	1,600,000.00	0.00	incl in above	1,600,000.00	
ENTERPRISE FUND - UNRESTRIC	2,427,237.20	(135,604.41)	3,335.89	2,294,968.68	Working capital
ENTERPRISE FUND - RESTRICTE	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,699,512.44	0.00	3,474.76	2,702,987.20	Water & sewer lines extensions & expansions
PARK FEES	79,533.60	0.00	102.37	79,635.97	Reserved for acquisition & development of park land
SEIZURE	33,962.71	0.00	43.72	34,006.43	Solely to purchase equipment for Law Enforcement
CHILD SAFETY PROGRAMS	31,616.57	0.00	40.70	31,657.27	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	15,236.54	0.00	19.61	15,256.15	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	1,109,157.84	(15,000.00)	1,427.01	1,095,584.85	Restricted for promotion of tourism
DEBT SERVICE FUND	3,314,333.01	47,104.84	4,268.27	3,365,706.12	Restricted for General fund reserves & yearly debt service
CAPITAL PROJECT BONDS	6,369,695.08	(55,000.00)	8,196.47	6,322,891.55	2016A CO WW Plant, Clarifier & Todville 2016 Sewer
WTR/SWR BONDS	1,034,814.90	(5,000.00)	1,331.77	1,031,146.67	Funds transferred from Bond Mkt Acct to allow liquidity
IT BONDS	48,358.60	0.00	62.25	48,420.85	Fiber Optics
PD & GF BONDS	0.00	0.00	0.00	0.00	Public Wokrks Facility
PD & GF BONDS (GEN FUND Reser	92,694.35	(10,000.00)	118.86	82,813.21	Public Wokrks Facility funds provided by GF Reserve
FIRE BONDS	25,533.38	0.00	32.87	25,566.25	Fire Engine
LAKESIDE DRIVE CERT DEP	(0.00)	0.00	0.00	(0.00)	
CAROTHERS	77,547.13	0.00	99.82	77,646.95	Carother Facility & Park
ANIMAL	758.66	0.00	0.98	759.64	Animal Shelter Needs - Donation
CRIME DISTRICT	493,420.22	146,593.42	625.07	640,638.71	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - RESTRICTED FOR BONI	0.00	0.00	incl in above	0.00	SEDC II - Reserve for revenue bond debt service
SEDC II - RESTRICT FOR EMERG	180,000.00	0.00	incl in above	180,000.00	Emergency Reserve
STEP FUND	13,514.49	0.00	17.40	13,531.89	
PUBLIC SAFETY	293,341.68	(25,000.00)	376.46	268,718.14	Public Safety Needs
MUNI COURT - SECURITY FUND	27,239.32	0.00	35.06	27,274.38	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	15,167.44	0.00	19.52	15,186.96	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	6,778.34	0.00	8.72	6,787.06	Fund court on technology
PUBLIC SAFETY VERF	542,601.88	(36,593.42)	713.43	506,721.89	Public Safety Vehicle Equipment Replacement
PEG Fund	114,205.10	0.00	147.00	114,352.10	Public Education and Government Access
STABILIZATION FUND	813,833.28	0.00	1,047.55	814,880.83	Highway 146 Project
WATER RATE STABILIZATION	175,981.02	0.00	226.52	176,207.54	
<b>TOTAL TEXPOOL FUND</b>	<b>32,219,216.73</b>	<b>0.00</b>	<b>41,471.94</b>	<b>\$32,260,688.67</b>	

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 2018

## ANNOUNCEMENTS

**We welcome the following entities who joined TexPool in March 2018:**

**TexPool**  
Eastland Memorial Hospital District

**TexPool Prime**  
Eastland Memorial Hospital District  
Pearland ISD

### Upcoming Events

Apr 15, 2018 - Apr 17, 2018,  
Renaissance, Austin  
GFOAT 2018 Spring Conference

Apr 16, 2018 - Apr 19, 2018,  
Embassy Suites Hotel, Spa and  
Convention Center, San Marcos  
2018 46th Annual County Treasurers  
Continuing Education

### 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: Return voyage

April 1, 2018

Jerome Powell is not only the new chair of the Federal Reserve, he also essentially has a different job than its last two leaders. While Ben Bernanke had to bail water and Janet Yellen had to right the ship, Chair Powell is charged with steering the economy back into harbor. In the statement and projections from last month's Federal Open Market Committee (FOMC) meeting, the first led by Powell, policymakers saw employment firming, inflation building—not ballooning—and economic activity increasing over the next few years. They seem to be dropping “cautiously” from “cautiously optimistic” about the next couple of years. With rates normalizing and the Fed's balance sheet declining, monetary policy is getting more straightforward. In its place, however, is choppy water of a different sort, political and unpredictable: tariffs, taxes, walls, global relations, deficits and more.

What the U.S. economy needs now is a Fed that provides stability amid the uncertainty. Keeping things steady will be difficult, but if Powell can do it with the calm, confident and concise communication he showed in the press conference (only 43 minutes long!), it would be a major accomplishment. This is not a gender issue—both Ben Bernanke and Janet Yellen spoke in a stiff, academic style that was sometimes off-putting. Powell cut to the point in an

*(continued page 6)*

### Performance as of March 31, 2018

	TexPool	TexPool Prime
Current Invested Balance	\$19,272,850,011.55	\$5,721,562,120.63
Weighted Average Maturity	35	36
Weighted Average Life	90	69
Net Asset Value	0.99981	0.99970
Total Number of Participants	2,456	305
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$25,586,096.21	\$8,462,097.82
Management Fee Collected	\$747,255.87	\$289,727.00
Standard & Poor's Current Rating	AAAm	AAAm
<b>Month Averages</b>		
Average Invested Balance	\$19,901,625,057.91	\$5,841,092,146.71
Average Monthly Rate	1.5156%	1.7066%
Average Weighted Average Maturity	31	33
Average Weighted Average Life	87	67

\*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.

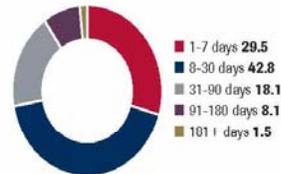
TexPool Participant Services  
1001 Texas Avenue, Suite 1400 · Houston, TX 77002  
Phone: 1-866-TEXPOOL (839-7665) · Fax: 1-866-839-3291 · TexPool.com

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Served by **Federated**  
G35884-24 (4/18)



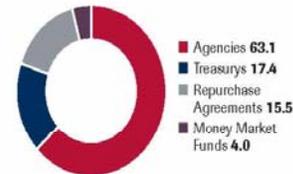
**Portfolio by Maturity (%)**

As of March 31, 2018



**Portfolio by Type of Investment (%)**

As of March 31, 2018



**Portfolio Asset Summary as of March 31, 2018**

	Book Value	Market Value
Uninvested Balance	-585.79	-585.79
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	9,719,142.02	9,719,142.02
Interest and Management Fees Payable	-25,586,089.71	-25,586,089.71
Payable for Investments Purchased	-249,374,305.55	-249,374,305.55
Accrued Expenses & Taxes	-70,614.78	-70,614.78
Repurchase Agreements	3,039,473,000.00	3,039,473,000.00
Mutual Fund Investments	776,022,103.88	776,022,103.88
Government Securities	12,321,414,957.04	12,319,290,132.33
U.S. Treasury Inflation Protected Securities	2,140,257,848.46	2,138,067,897.71
U.S. Treasury Bills	961,250,443.26	961,277,165.98
U.S. Treasury Notes	299,743,611.72	299,337,793.00
<b>Total</b>	<b>\$19,272,850,011.55</b>	<b>\$19,269,156,239.09</b>

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	583	\$6,679,889,963.80
Higher Education	57	\$943,504,730.32
Healthcare	82	\$909,464,288.61
Utility District	774	\$2,719,667,587.71
City	458	\$4,420,238,490.83
County	185	\$2,186,235,095.28
Other	317	\$1,513,662,701.81

**\*\*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	1.3978%	0.000038296	\$20,190,258,391.58	0.99990	28	86
3/2	1.4052%	0.000038498	\$20,171,968,304.73	0.99990	28	86
3/3	1.4052%	0.000038498	\$20,171,968,304.73	0.99990	28	86
3/4	1.4052%	0.000038498	\$20,171,968,304.73	0.99990	28	86
3/5	1.4056%	0.000038510	\$20,148,257,721.67	0.99987	26	84
3/6	1.4179%	0.000038847	\$20,037,307,263.81	0.99986	29	84
3/7	1.4194%	0.000038888	\$20,060,713,416.71	0.99986	29	83
3/8	1.4469%	0.000039641	\$20,115,330,275.19	0.99986	30	99
3/9	1.4490%	0.000039699	\$20,187,984,847.39	0.99986	30	88
3/10	1.4490%	0.000039699	\$20,187,984,847.39	0.99986	30	88
3/11	1.4490%	0.000039699	\$20,187,984,847.39	0.99986	30	88
3/12	1.4509%	0.000039751	\$20,121,928,362.03	0.99986	28	86
3/13	1.4634%	0.000040092	\$20,105,408,615.08	0.99982	28	80
3/14	1.5986%	0.000043798	\$20,020,481,542.57	0.99979	30	88
3/15	1.5120%	0.000041424	\$19,973,968,400.84	0.99977	30	88
3/16	1.5109%	0.000041392	\$19,980,687,206.34	0.99977	30	87
3/17	1.5109%	0.000041392	\$19,980,687,206.34	0.99977	30	87
3/18	1.5109%	0.000041392	\$19,980,687,206.34	0.99977	30	87
3/19	1.5229%	0.000041724	\$19,969,088,380.47	0.99976	30	86
3/20	1.5313%	0.000041953	\$19,985,516,221.77	0.99976	30	84
3/21	1.5444%	0.000042312	\$19,898,069,240.04	0.99977	31	87
3/22	1.5805%	0.000043302	\$19,816,205,578.22	0.99977	32	85
3/23	1.6017%	0.000043881	\$19,669,988,021.59	0.99979	34	90
3/24	1.6017%	0.000043881	\$19,669,988,021.59	0.99979	34	90
3/25	1.6017%	0.000043881	\$19,669,988,021.59	0.99979	34	90
3/26	1.6177%	0.000044320	\$19,620,270,605.64	0.99978	32	87
3/27	1.6208%	0.000044405	\$19,538,939,107.68	0.99979	35	88
3/28	1.6187%	0.000044348	\$19,498,198,497.09	0.99981	34	89
3/29	1.6444%	0.000045053	\$19,272,850,011.55	0.99981	35	90
3/30	1.6444%	0.000045053	\$19,272,850,011.55	0.99981	35	90
3/31	1.6444%	0.000045053	\$19,272,850,011.55	0.99981	35	90
<b>Average:</b>	<b>1.5156%</b>	<b>0.000041522</b>	<b>\$19,901,625,057.91</b>	<b>0.99982</b>	<b>31</b>	<b>87</b>



## TEXPOOL PRIME

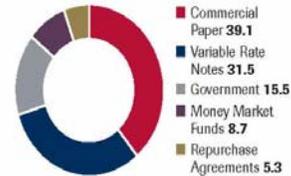
### Portfolio by Maturity (%)

As of March 31, 2018



### Portfolio by Type of Investment (%)

As of March 31, 2018



### Portfolio Asset Summary as of March 31, 2018

	Book Value	Market Value
Uninvested Balance	\$81,907.18	\$81,907.18
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	2,558,243.91	2,558,243.91
Interest and Management Fees Payable	-8,462,697.75	-8,462,697.75
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-27,416.43	-27,416.43
Repurchase Agreements	301,054,000.00	301,054,000.00
Commercial Paper	2,240,702,845.48	2,239,587,322.80
Bank Instruments	0.00	0.00
Mutual Fund Investments	497,099,999.35	497,052,003.75
Government Securities	885,859,405.12	885,845,010.87
Variable Rate Notes	1,802,695,833.77	1,802,145,772.00
<b>Total</b>	<b>\$5,721,562,120.63</b>	<b>\$5,719,834,146.33</b>

*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	105	\$2,629,880,411.46
Higher Education	15	\$778,672,902.25
Healthcare	12	\$294,606,414.63
Utility District	25	\$335,550,036.18
City	62	\$531,955,890.84
County	34	\$572,693,156.01
Other	52	\$574,180,875.38



## TEXPOOL PRIME

### Daily Summary

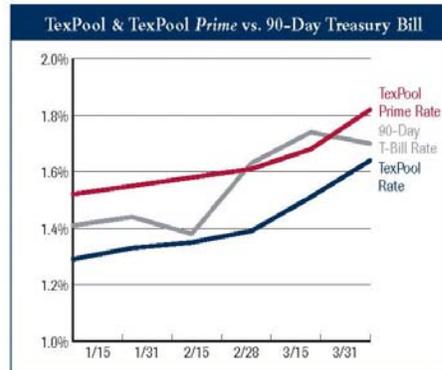
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
3/1	1.6148%	0.000044244	\$5,887,873,330.69	0.99989	32	67
3/2	1.6220%	0.000044437	\$5,948,841,911.40	0.99983	34	69
3/3	1.6220%	0.000044437	\$5,948,841,911.40	0.99983	34	69
3/4	1.6220%	0.000044437	\$5,948,841,911.40	0.99983	34	69
3/5	1.6366%	0.000044837	\$5,908,675,724.19	0.99988	33	67
3/6	1.6408%	0.000044953	\$5,937,265,872.56	0.99989	32	65
3/7	1.6366%	0.000044839	\$5,947,290,505.68	0.99989	32	64
3/8	1.6533%	0.000045295	\$5,872,937,063.84	0.99991	33	67
3/9	1.6588%	0.000045446	\$5,838,223,758.84	0.99985	33	68
3/10	1.6588%	0.000045446	\$5,838,223,758.84	0.99985	33	68
3/11	1.6588%	0.000045446	\$5,838,223,758.84	0.99985	33	68
3/12	1.6538%	0.000045309	\$5,858,724,897.83	0.99989	30	65
3/13	1.6653%	0.000045626	\$5,811,822,110.88	0.99988	30	65
3/14	1.6847%	0.000046430	\$5,784,303,277.69	0.99986	30	66
3/15	1.6766%	0.000045933	\$5,827,975,885.02	0.99988	30	65
3/16	1.6957%	0.000046458	\$5,817,763,818.09	0.99985	31	66
3/17	1.6957%	0.000046458	\$5,817,763,818.09	0.99985	31	66
3/18	1.6957%	0.000046458	\$5,817,763,818.09	0.99985	31	66
3/19	1.7035%	0.000046670	\$5,824,491,714.70	0.99986	29	64
3/20	1.7105%	0.000046863	\$5,829,955,285.44	0.99985	29	63
3/21	1.7286%	0.000047358	\$5,828,057,898.61	0.99983	31	64
3/22	1.7477%	0.000047881	\$5,815,188,540.79	0.99982	33	66
3/23	1.7765%	0.000048670	\$5,817,532,980.37	0.99974	35	67
3/24	1.7765%	0.000048670	\$5,817,532,980.37	0.99974	35	67
3/25	1.7765%	0.000048670	\$5,817,532,980.37	0.99974	35	67
3/26	1.7824%	0.000049106	\$5,816,892,747.12	0.99976	33	65
3/27	1.7855%	0.000048919	\$5,792,004,507.48	0.99974	35	67
3/28	1.8328%	0.000050215	\$5,794,623,417.59	0.99975	34	68
3/29	1.8236%	0.000049962	\$5,721,562,120.63	0.99970	36	69
3/30	1.8236%	0.000049962	\$5,721,562,120.63	0.99970	36	69
3/31	1.8236%	0.000049962	\$5,721,562,120.63	0.99970	36	69
<b>Average:</b>	<b>1.7066%</b>	<b>0.000046755</b>	<b>\$5,841,092,146.71</b>	<b>0.99982</b>	<b>33</b>	<b>67</b>



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almost casual way. Of course, the real test will be if Powell can gather consensus within the Fed board—still largely unfilled—and with regional presidents. The FOMC vote to raise the fed funds target range from 1.25-1.50% to 1.50-1.75% was unanimous, but that isn't likely to continue. But for now, we'll take slow and steady.

For cash managers, it was particularly helpful that the March hike and the projections for two more this year and three in 2019 were in line with expectations because we have our hands full with the remarkable amount of short-term Treasury supply in the market. Ever since the suspension of the debt ceiling, the Treasury Department has been borrowing at an accelerated rate to fund increased government spending with less revenue from taxes and also to build up a cash balance. In fact, short Treasury yields were so elevated that overnight repo rates didn't rise much following the announcement of the hike because they already were nearly there. The London interbank offered rate (Libor) also spiked over the month due to a section of the tax overhaul requiring U.S.-based companies to repatriate overseas cash. That has slashed the demand for the short-term securities these companies traditionally buy with this money, driving up yields. Libor's vault over the month had 1-month closing at 1.88%, from 1.65% at the end of February; 3-month at 2.31%, from 1.99%; and 6-month at 2.45%, from 2.20%. The short end of the Treasury yield curve also increased over the quarter, with 1-month and 3-month Treasury yields rising from 1.50% to 1.71% and 1.65% to 1.76%, respectively.



*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.*

The weighted average maturity (WAM) of TexPool was 35 days, not quite matching that of TexPool Prime at 36 days.