

City of Lakeway, Texas
Quarterly Investment Report
April 1, 2018 – June 30, 2018

July 16, 2018

Honorable Mayor Cox and City Council Members:

The Quarterly Investment Report for the City of Lakeway, Texas, for the quarter ended March 31, 2018, is hereby submitted.

Throughout the quarter, the City's investments in TexPool earned \$142,124 at an interest rate ranging from 1.5156% - 1.9206%. TexPool interest rates have continued to increase during the third quarter of fiscal year 2018 further exceeding the depository rate at Prosperity Bank of 0.50%. As a result of the rising interest rates, the City has utilized these higher rates for fully liquid cash balances and transferred funds to TexPool. Additionally, the deposits at Prosperity Bank are a demand deposit checking account and thus not considered an investment. As a result, the interest earned on the checking account is not included in the accompanying schedules.

There were no CD maturities this quarter. The City did not invest funds into new CDs during the quarter because, as previously noted, the interest rate at TexPool ranged from 1.5156 - 1.9206% and exceeded the CD rates surveyed at local banks for 12 – 18 month duration periods. The City will continue to monitor interest rates on CDs along with other allowable investments and will invest funds appropriately based on market conditions. The sole CD maintained by the City earned \$903 in interest during the third quarter.

The bank account and the CDs are insured by a combination of FDIC insurance and pledged securities which are maintained at the Federal Home Loan Bank of Dallas. TexPool's liquid asset portfolio seeks to maintain a net asset value of \$1.00 per unit invested to preserve the principal of all pool participants.

This report is in full compliance with the investment strategies as established by the City of Lakeway's investment policy, the Public Funds Investment Act, and generally accepted accounting principles.

Steve Jones
City Manager

Julia Oakley, CPA
Assistant City Manager

Don Goff
Assistant City Treasurer