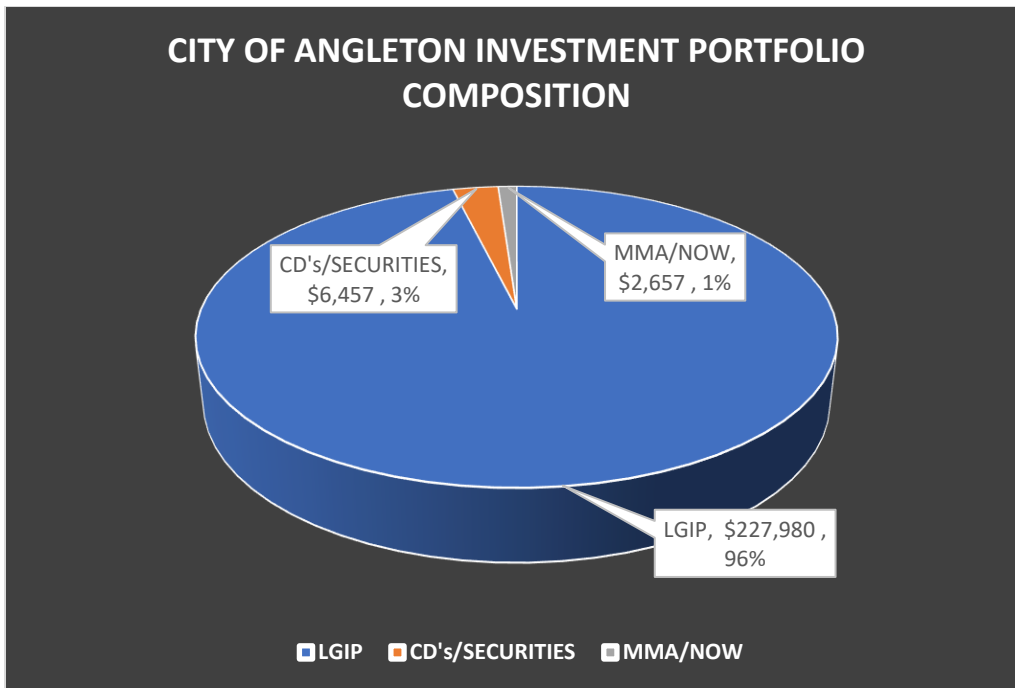




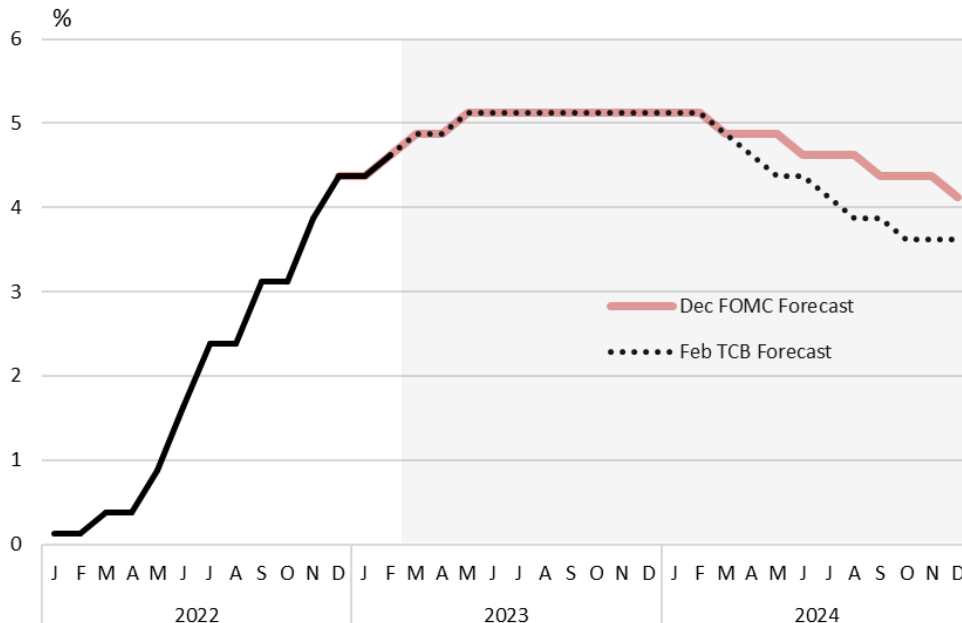
## CITY OF ANGLETON INVESTMENT PORTFOLIO COMPOSITION



The City of Angleton holds a majority of its bank accounts with First State Bank Louise and has the option to renegotiate interest earnings annually. The interest rate in all public funds interest bearing checking accounts (9 accounts total) was consistently 0.5%, and it is recommended that the City act to renegotiate the interest rate while rates are still relatively high. Presently, the City has accounts with FSBL earning 0.5%, with Texas Gulf Bank earning 0.05%, and Chase Bank (business checking) earning 0%. The Chase Bank account is currently receiving 0% interest in lieu of a \$95/month service fee.

Interest rates are declining and are expected to continue a downward trend through 2026. By the end of 2025, interest rates are conservatively expected to be around 2.5% - 3.0%

### Fed Funds Forecast



(The Conference Board [Fed hikes by 25 bps, but indicates terminal rate is close](#))

**RECOMMENDATION:**

Staff recommends review and approval of the attached quarterly investment reports for Fiscal Year 2023-2024. Going forward, these reports will be presented at the regular council meeting following the end of each fiscal quarter.

Staff recommends renegotiating the bank services terms with First State Bank Louise, Texas Gulf Bank, and Chase Bank to earn a higher percentage of interest before rates decrease.