



AGENDA ITEM SUMMARY FORM

MEETING DATE: February 24,2026

PREPARED BY: SUSIE J HERNANDEZ and ANTHONY MADRIGAL

Discussion and possible action to approve the Quarterly Investment Reports for December 31, 2025.

AGENDA ITEM SECTION: Consent Agenda

BUDGETED AMOUNT: N/A

FUNDS REQUESTED: N/A

FUND: N/A

EXECUTIVE SUMMARY:

Attached is the Quarterly Investment Report for the 1st Quarter of 2026 fiscal year. City funds are divided between six financial institutions (Texas Gulf Bank, JP Morgan Chase Bank, First State Bank-Louise, TexPool, Lone Star and TexSTAR). The City also has certificates of deposit through First State Bank which matures in September of 2025. The overall total of the portfolio increased by \$ 2,073,611.06 K due to Property Tax collected before the end of the year and Sales tax recorded for November and December. Reduction to the Bonds were done for the projects and the purchase of emergency equipment.

The City's current Investment Policy sets an interest rate goal equal to that of the 91-day treasury bill which was approximately 4.24%. Some of the City's accounts with fixed interest rates did not reach this benchmark since the rates have recently changed from .05% last QE to 4.3700% this quarter. We should expect to see the rates increase that are provided on our pool accounts to reflect this change by next quarter. Police Seizure account earns no interest by state law, but no service charges are being incurred. Transfers may be needed to maximize returns. However, safety of principal, diversity of funds and the financial contract with First State bank will limit some movement of funds.

RECOMMENDATION:

Staff recommends Council approve the Quarterly Investment Reports for December 31, 2025.