



AGENDA MEMO

Business of the City Council City of Sweeny, Texas

Meeting Date	01.16.2024	Agenda Item	
Approved by City Manager	Yes	Presenter(s)	Lindsay Koskiniemi, City Manager
Reviewed by City Attorney	No	Department	Treasury / Investment
Subject	Discussion and possible action on Fiscal Year 2023 - 2024 Quarterly Investment Report, First Quarter.		
Attachments	Q1 Investment Report		
Financial Information	Expenditure Required:	N/A	
	Amount Budgeted:	N/A	
	Account Number:		
	Additional Appropriation Required:		
	Additional Account Number:		

Executive Summary

Public Funds Investment Act (PFIA) under Local Government Code (TX) Chapter 2256 requires municipalities and other public entities participating in investments to report on investment accounts and quarterly earnings.

In the month of October 2023, City staff renegotiated the City's interest earnings rate with First State Bank and began earning approximately three times as much from the prior year. Per the City's banking agreement, the City can renegotiate interest annually. The City was earning .49% and is now earning 1.51% in checking accounts. Savings accounts have remained the same at .25%

City staff has been monitoring the interest rates closely, as we reasonably anticipate a decline in interest yields in calendar year 2024. TexPool average daily net yield percentage decreased by 0.003% between November and December 2023. Logic average monthly rate decreased by 0.0187% between November and December 2023, although still carrying the highest average monthly rate at 5.5411%. TexStar's monthly average yield increased slightly by 0.0071% between November and December 2023.

Total FY24 Q1 interest earnings from investment pool accounts and banking accounts totaled \$85,865.79, of which \$78,364.83 is from City-owned accounts. Accounts belonging to other city-supported entities such as SEDC, Beautification, Veterans Memorial Fund, and Fire Department Donations comprised \$7500.96 of the total FY24 Q1 interest earnings.

Recommended Action

Staff recommends accepting the FY24 Q1 Investment Report.