



City of Palestine,
Texas Quarterly Investment Report
July 1, 2018 – September 30, 2018

October 15, 2018

Honorable Mayor Presley and City Council Members:

The Quarterly Investment Report for the City of Palestine, Texas, for the quarter ended September 30, 2018, is hereby submitted.

Throughout the quarter, the City's investments in TxSTAR earned \$21,001.53 at an interest rate ranging from 1.8771% - 2.1244%. TxSTAR interest rates have continued to increase during the fourth 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 TxSTAR. 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 three CDs maturing this quarter. All three were sent to consolidated cash upon maturity in an attempt to increase liquidity and decrease the need to withdraw funds from TxSTAR this has proven successful in both parts. As CDs mature we will continue to move the proceeds to either consolidated cash or TxSTAR.

The City did not invest any additional funds into new CDs during the quarter because, as previously noted, the interest rate at TxSTAR ranged from 1.8771% - 2.1244% 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.

The bank account and the CDs are insured by a combination of FDIC insurance and pledged securities which are maintained by J.P. Morgan Investment Management Inc. TxSTAR'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 Palestine's investment policy, the Public Funds Investment Act, and generally accepted accounting principles.



Jim Mahoney
Senior Accountant

CITY OF PALESTINE LIST OF INVESTMENTS AS OF 9/30/2018

Mat	T	SK	CUSIP	\$	Issuer	%
10/30/2018	A	MS	3130AARE0	\$ 149,904.00	FHLB	1.19%
11/9/2018	TCD	PB	182001544	\$ 150,000.00	Prosperity Bank	0.70%
12/13/2018	TCD	PB	182001554	\$ 150,000.00	Prosperity Bank	0.70%
1/24/2019	TCD	PB	182001556	\$ 150,000.00	Prosperity Bank	0.70%
2/8/2019	NCD	FNC	140420W22	\$ 150,000.00	CapitalOne Bank	1.55%
3/15/2019	A	MS	3132X0QR5	\$ 150,000.00	FAMCA	1.43%
4/25/2019	A	MS	88283MAR5	\$ 149,454.00	FNMA	1.38%
5/29/2019	NCD	FNC	88283MAR5	\$ 150,000.00	Texas Trust CU	1.60%
6/14/2019	NCD	FNC	84485EAC1	\$ 150,000.00	Southwest FCU	1.50%
7/26/2019	A	MS	88283MAR5	\$ 148,989.00	FNMA	1.44%
8/23/2019	TCD	PB	182001536	\$ 150,000.00	Prosperity Bank	0.80%
9/20/2019	TCD	PB	182001541	\$ 150,000.00	Prosperity Bank	0.80%
10/3/2019	A	MS	3134G3N30	\$ 149,775.00	FHLMC	1.56%
11/9/2019	TCD	PB	182001545	\$ 150,000.00	Prosperity Bank	0.80%
12/13/2019	TCD	PB	182001553	\$ 150,000.00	Prosperity Bank	0.80%
1/24/2020	TCD	PB	182001557	\$ 150,000.00	Prosperity Bank	0.80%
2/10/2020	NCD	FNC	58733ADW6	\$ 150,000.00	Mercantile	1.80%
3/16/2020	NCD	FNC	48126XD77	\$ 150,000.00	JPMorgan Chase QC	1.80%
4/13/2020	NCD	FNC	02006L2A0	\$ 150,000.00	Ally Bank	1.80%
5/4/2020	NCD	FNC	381848PJQ1	\$ 150,000.00	Goldman Sachs	1.85%
6/1/2020	NCD	FNC	02587CFK1	\$ 150,000.00	AmEx Bank	1.90%
7/13/2020	NCD	FNC	59805FAA7	\$ 200,000.00	MidSouth Bank	1.85%
8/3/2020	NCD	MS	79545OB87	\$ 200,000.00	SallieMae Bank	1.90%
9/8/2020	NCD	FNC	02587DY69	\$ 200,000.00	AmEx Centurion	1.95%
9/20/2020	TCD	PB	182001540	\$ 150,000.00	Prosperity Bank	0.70%
10/13/2020	NCD	MS	14042RJH5	\$ 100,000.00	CapitalOne NA	2.00%
11/16/2020	NCD	FNC	254673GQ3	\$ 150,000.00	Discover Bank	2.00%
12/15/2020	A	MS	3130ACVY7	\$ 150,000.00	FHLB	2.05%
1/11/2021	NCD	FNC	61747MF97	\$ 150,000.00	Morgan Stanley Bk	2.30%
2/1/2021	A	MS	3133EJBL2	\$ 150,000.00	FFCB	2.35%
3/15/2021	NCD	FNC	949763PF7	\$ 150,000.00	Wells Fargo Bank	2.70%
4/12/2021	NCD	FNC	02007GCA9	\$ 75,000.00	Ally Bank	2.75%
4/12/2021	NCD	FNC	61747MT35	\$ 75,000.00	Morgan Stanley Bk	2.80%
5/11/2021	NCD	MS	05580AMN1	\$ 150,000.00	BMW Bank	2.85%
6/15/2021		FNC	17312QN47	\$ 150,000.00	Citibank	3.00%
N/A		TS	10502200	\$ 3,922,819.31	TxSTAR	2.12%
			TOTAL	\$ 9,120,941.31		

