

MONTHLY FINANCIAL REPORT

PERFORMANCE SUMMARY

February 2016

	Current Month	Year to Date	Chart
GENERAL FUND			
Total Revenues as a % of Budget Compared to Prior Year	N/A	POSITIVE	A
Total Expenditures as a % Budget Compared to Prior Year	N/A	NEGATIVE	B
Property Tax Collection Analysis	POSITIVE	POSITIVE	C
Sales Tax Collection Analysis	POSITIVE	POSITIVE	D
Expenditure Analysis	NEGATIVE	NEGATIVE	E
ENTERPRISE FUND			
Water Billing Analysis	POSITIVE	POSITIVE	F
Sewer Billing Analysis	NEGATIVE	NEUTRAL	G
Expense Analysis	POSITIVE	NEUTRAL	H
HOTEL OCCUPANCY TAX REVENUE			
Hotel Tax Revenue Analysis (most recent quarter)	N/A	N/A	I
Hotel Tax Revenue Analysis (quarterly comparison for year)	N/A	N/A	J
SEDC			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	J
Expenditure Analysis	POSITIVE	POSITIVE	K
CRIME DISTRICT			
Sales Tax Collection Analysis	POSITIVE	POSITIVE	L
Expenditure Analysis	POSITIVE	POSITIVE	M
INVESTMENTS			
Investment Report	N/A	N/A	N

PERFORMANCE INDICATORS:

POSITIVE
NEGATIVE
NEUTRAL

Positive = Positive variance as compared to seasonal trend.

Negative = Negative variance as compared to seasonal trend.

Neutral = Variance is less than 1%

GENERAL FUND



CHART A

TOTAL REVENUE THROUGH FEBRUARY 2016

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	4,358,162	4,118,533	94.50%	94.10%
Penalties & Interest	40,000	7,813	19.53%	30.06%
Sales Tax	1,600,000	758,324	47.40%	54.97%
Franchise Tax	725,000	359,813	49.63%	52.91%
Other Tax	150,000	38,621	25.75%	21.35%
License & Permits	225,000	50,401	22.40%	48.39%
Charges for Services	56,000	6,020	10.75%	8.93%
DOT Fines	30,000	28,061	93.54%	27.06%
Other Municipal Court Fees	369,100	157,724	42.73%	36.08%
Interest Income	750	5,252	700.32%	16.55%
Intergovernmental	368,184	242,730	65.93%	40.43%
Other Revenue	32,500	31,961	98.34%	34.11%
Transfers from Enterprise Fund	1,756,685	731,953	41.67%	41.67%
Payment for Services-EDC	<u>200,000</u>	<u>83,333</u>	<u>41.67%</u>	<u>41.67%</u>
Total Revenues	9,911,381	6,620,540	66.80%	63.31%

\$1,600,000 unbudgeted payment from PHA not included for comparison purposes

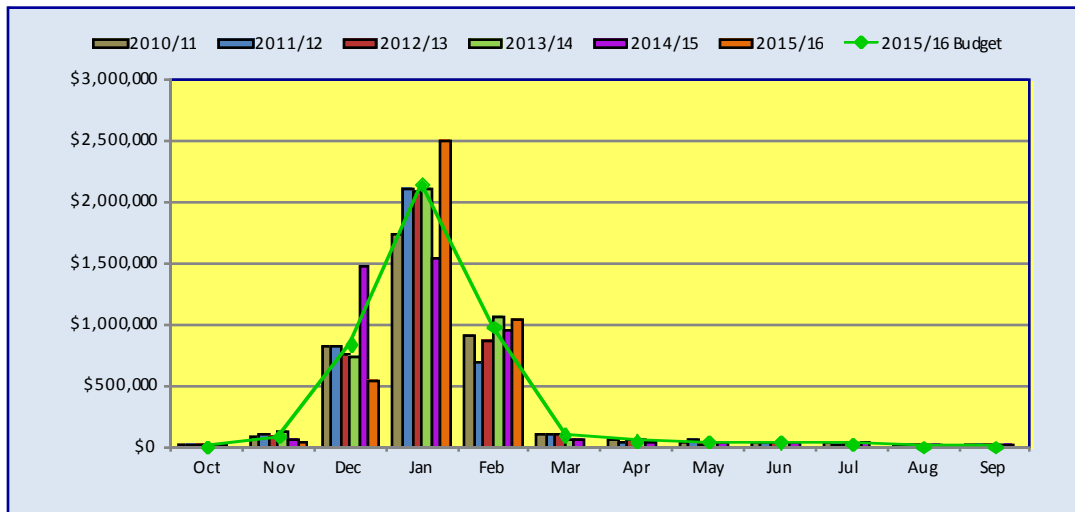
CHART B

TOTAL EXPENDITURES THROUGH FEBRUARY 2016

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	6,576,490	2,625,899	39.93%	34.81%
Supplies	314,240	88,494	28.16%	22.26%
Services	2,652,709	1,192,653	44.96%	30.81%
Capital	247,680	202,561	81.78%	37.08%
Oper Transfer to Other Funds	0	0	0.00%	0.00%
Total Expenditures	9,791,119	4,109,606	41.97%	33.28%

CHART C

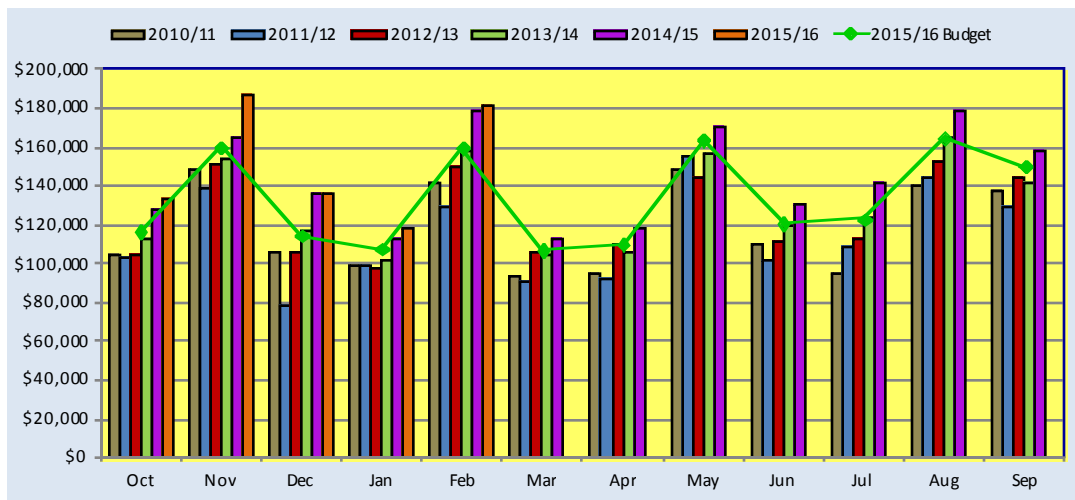
PROPERTY TAX ANALYSIS



Budget is divided into months based on the monthly percentages of the last 5 years' collections.
 December collections were higher than the trend but were offset by lower collections in January

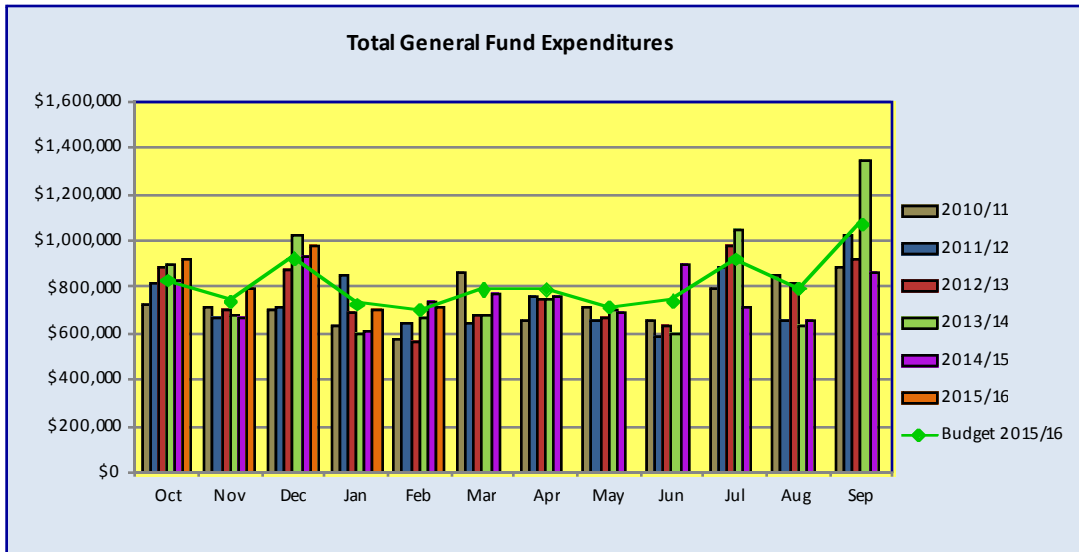
CHART D

SALES TAX ANALYSIS



2013/14 Budget is divided into months based on the monthly percentages of the last 5 years' activity of sales tax revenue.

EXPENDITURE ANALYSIS



High expenditures in September 2010 are due to city hall A/C replacement.

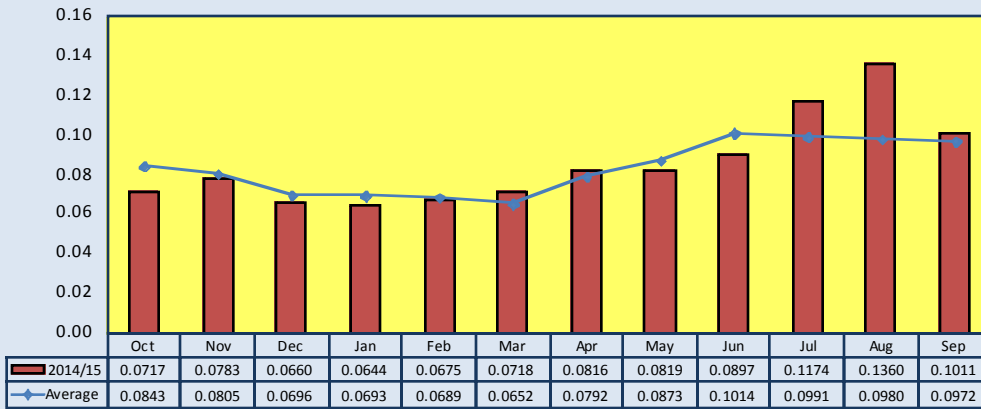
High expenditures in September 2014 are due to Seascapes road construction



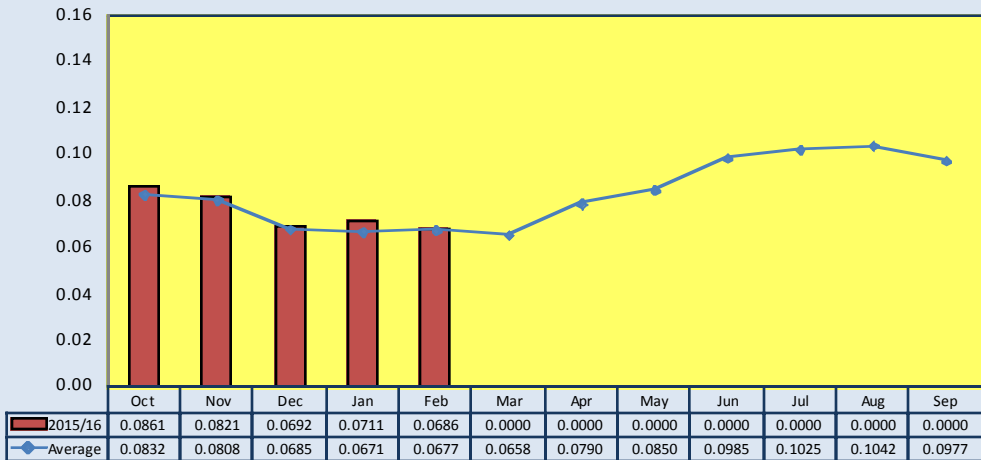
CHART F

WATER BILLING ANALYSIS

Average Percent of Water Billings by Month vs.
2014/15 Percent of Budgeted Billings

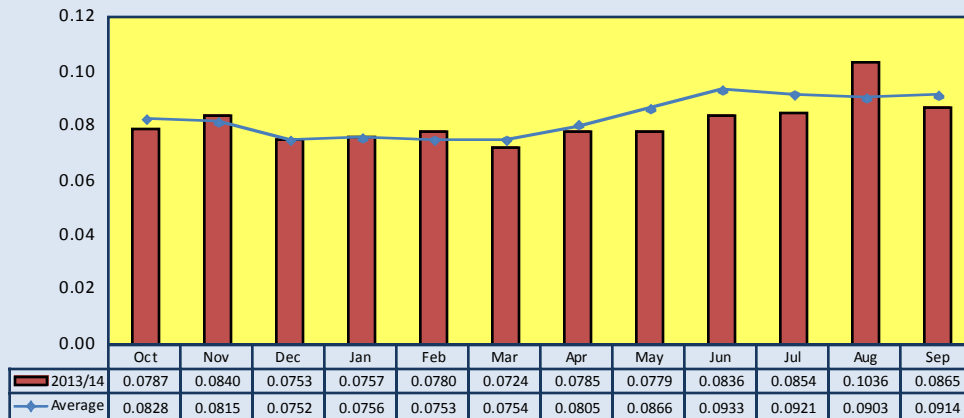


Average Percent of Water Billings by Month vs.
2015/16 Percent of Budgeted Billings

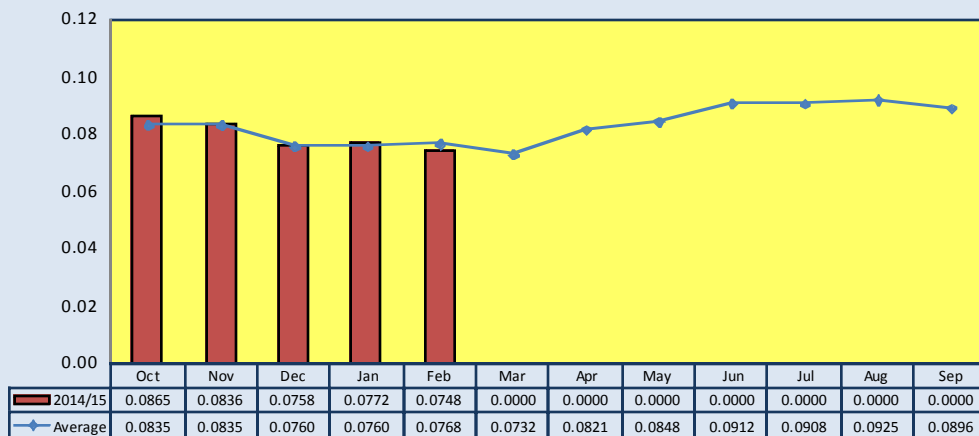


WASTEWATER BILLING ANALYSIS

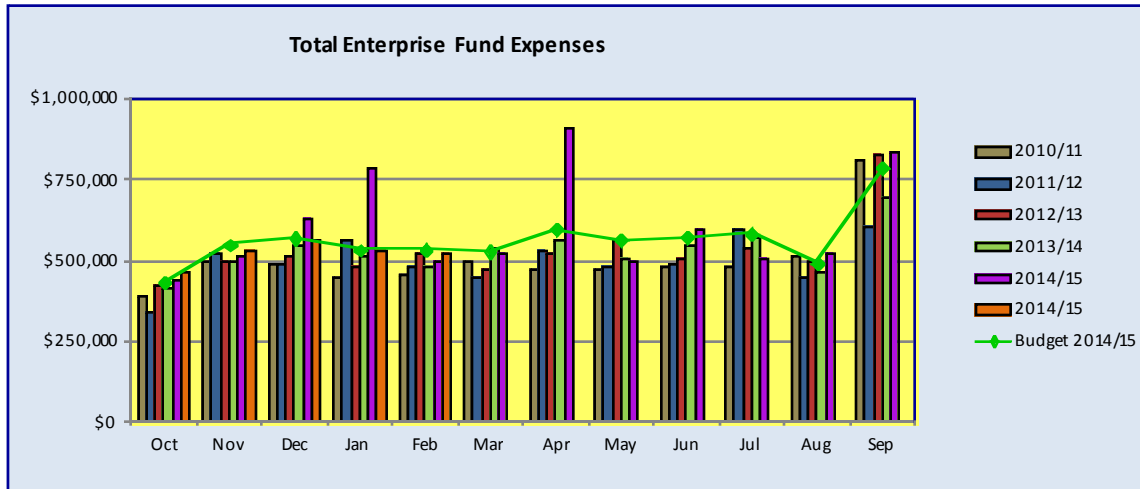
Average Percent of Wastewater Billings by Month vs. 2014/15 Percent of Budgeted Billings



Average Percent of Wastewater Billings by Month vs. 2015/16 Percent of Budgeted Billings



EXPENDITURE ANALYSIS



Sept 2013 and Nov 2013 EXCLUDE property acquisition

December 2014 & January 2015 expenses much higher than budgeted due to Lakeside lift station repairs

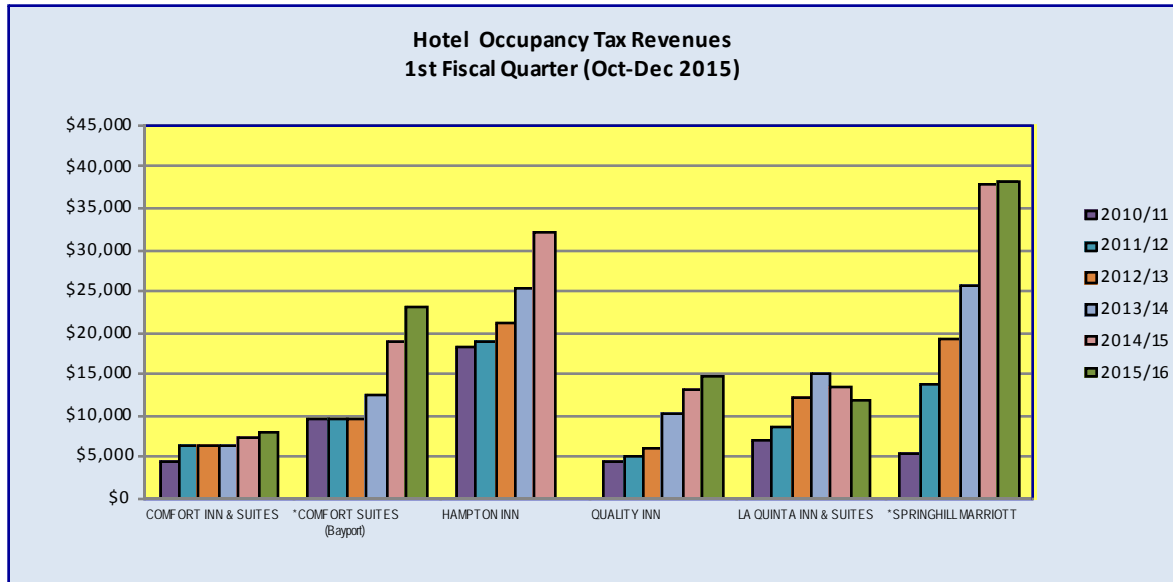
April 2015 expenses due to wastewater treatment plant upgrades

HOTEL TAX FUND



CHART I

HOTEL TAX REVENUE ANALYSIS

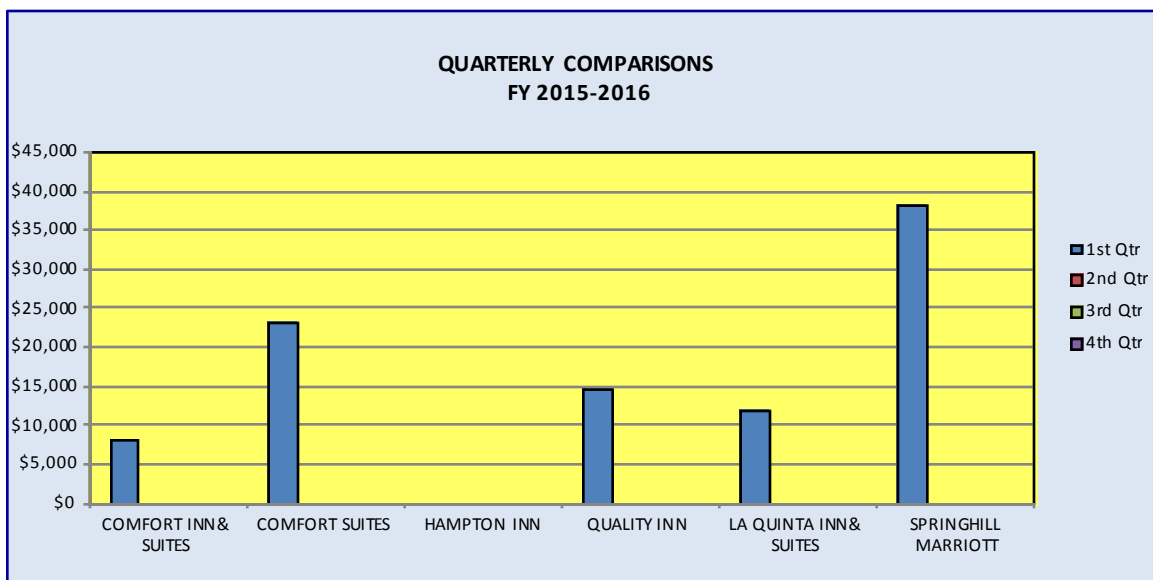


*Springhill Marriott opened last quarter 2010

** Hampton Inn closed 3rd quarter 2015 due to fire

CHART J

HOTEL TAX REVENUE



** Hampton Inn closed 3rd quarter 2015 due to fire



CHART K

SALES TAX REVENUE ANALYSIS

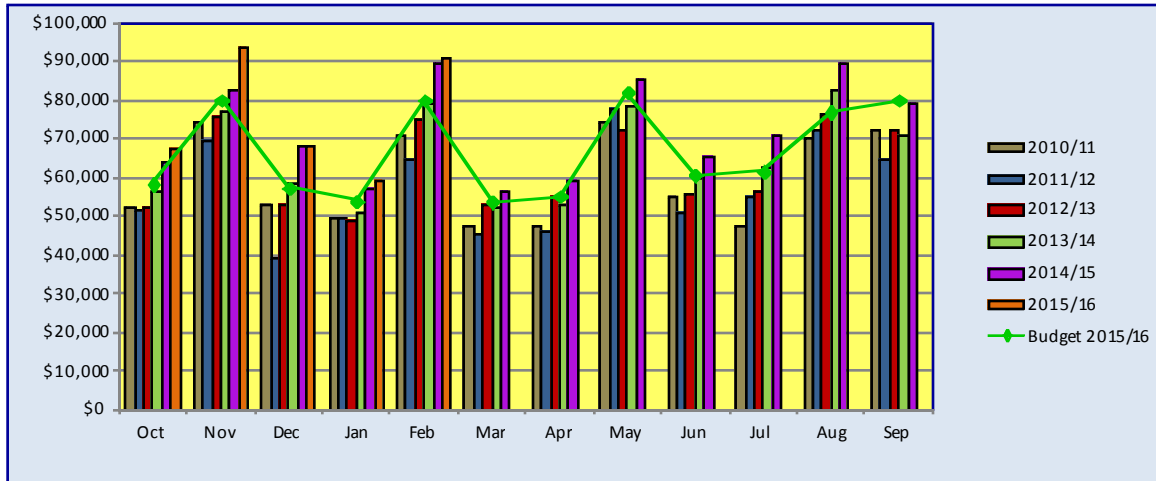
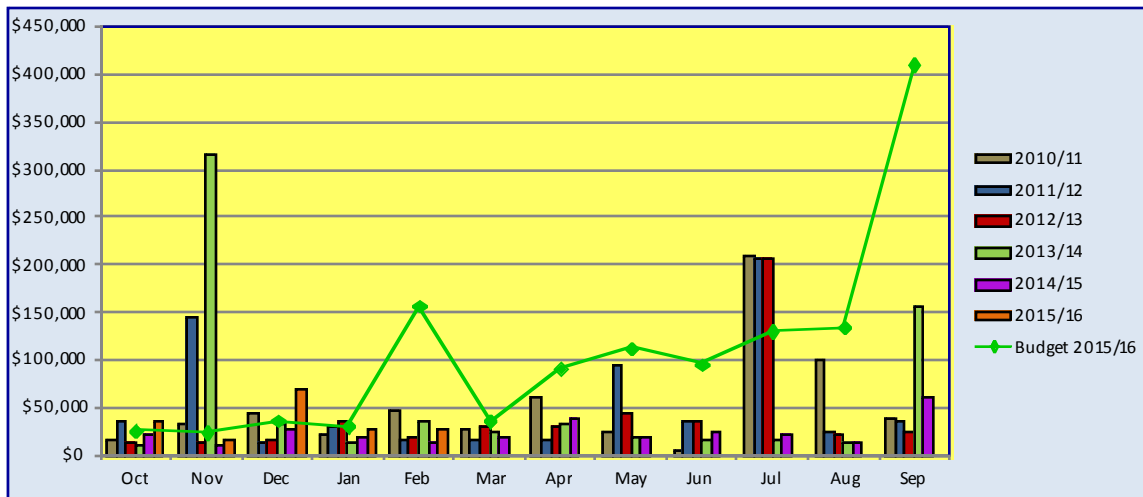


CHART L

EXPENDITURE ANALYSIS



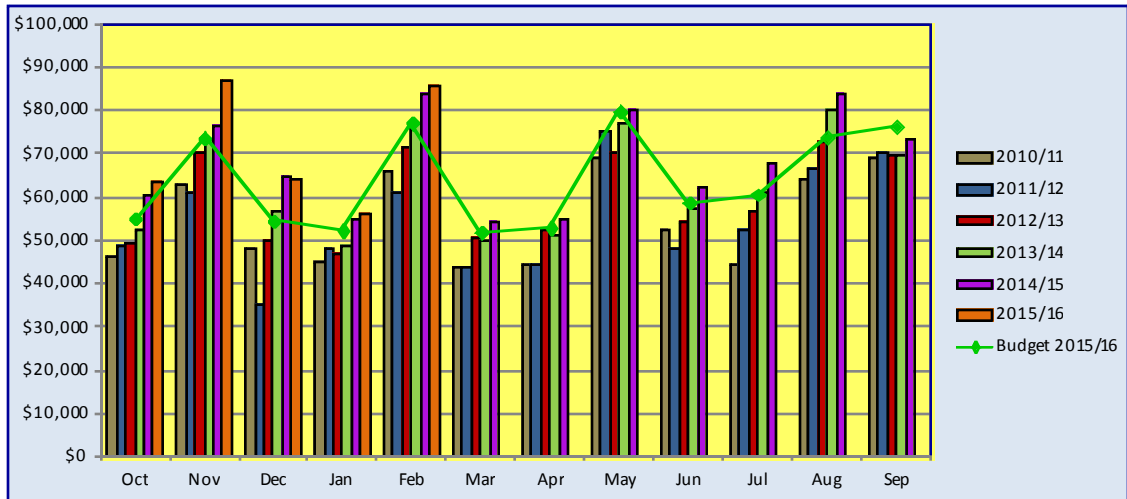
2015/16 September budget reflects appropriations for incentives and Business relocation off HWY 146
 High exp in Nov 2011 was due to Gateway sign. High exp Nov 2014 was for the waterfront project July expenditures prior to 2013/14 included debt service payments.

CRIME DISTRICT



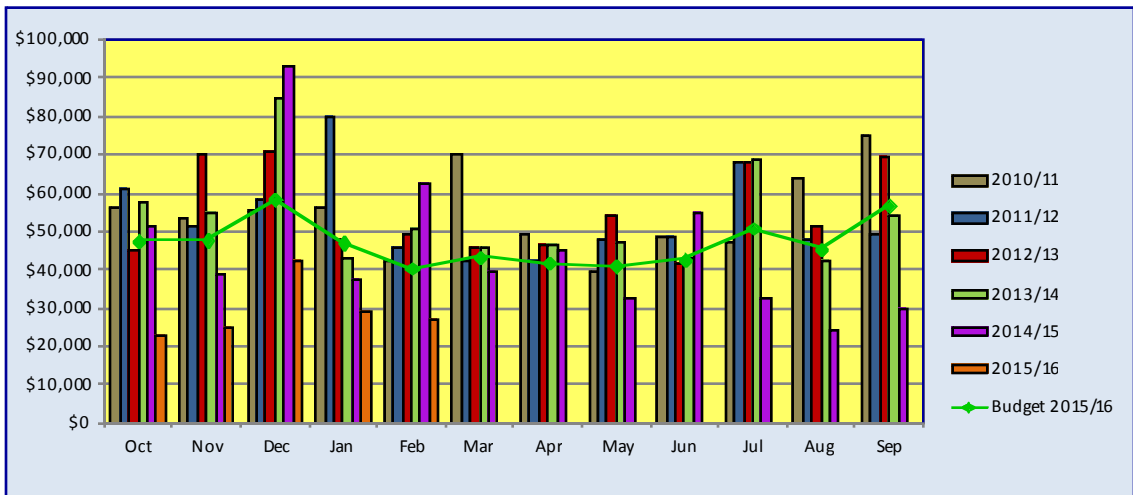
SALES TAX REVENUE ANALYSIS

CHART M



EXPENDITURE ANALYSIS

CHART N



Large December expenditures included vehicles

INVESTMENTS



CHART O

MONTHLY INVESTMENT REPORT

TEXPOOL REPORT

MONTH OF FEBRUARY 2016

0.3010%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted Fe)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	4,707,732.71	2,522,977.24	1,985.03	7,232,694.98	Working capital
GENERAL FUND - RESTRICTED	1,600,000.00	0.00	incl in above	1,600,000.00	
ENTERPRISE FUND - UNRESTRIC	1,385,990.53	265,027.05	408.44	1,651,426.02	Working capital
ENTERPRISE FUND - RESTRICTEI	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,478,367.57	0.00	592.81	2,478,960.38	Water & sewer lines extensions & expansions
PARK FEES	110,333.33	0.00	26.39	110,359.72	Reserved for acquisition & development of park land
SEIZURE	70,079.94	0.00	16.76	70,096.70	Solely to purchase equipment for Law Enforcement
CHILD SAFETY PROGRAMS	32,160.33	0.00	7.30	32,167.63	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	15,022.91	0.00	3.41	15,026.32	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	1,249,358.85	(410.16)	283.68	1,249,232.37	Restricted for promotion of tourism
DEBT SERVICE FUND	2,985,870.64	361,234.81	704.71	3,347,810.16	Restricted for General fund reserves & yearly debt service
WTR/SWR BONDS	292,156.67	0.00	69.89	292,226.56	Funds transferred from Bond Mkt Acct to allow liquidity
IT BONDS	362,431.98	(140,000.00)	77.17	222,509.15	Fiber Optics
PD & GF BONDS	6,624,314.04	0.00	1,584.49	6,625,898.53	Public Wokrks Facility
FIRE BONDS	23,597.88	0.00	5.64	23,603.52	Fire Engine
PARK BONDS	80,282.07	0.00	19.20	80,301.27	Splash Pad
LIBRARY BONDS	70.59	0.00	0.02	70.61	Funds transferred from Bond Mkt Acct to allow liquidity
LAKESIDE DRIVE CERT DEP	258,023.97	(20,000.00)	60.36	238,084.33	
CAROTHERS	85,385.88	0.00	20.42	85,406.30	
CRIME DISTRICT	678,375.79	137,715.47	171.25	816,262.51	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - UNRESTRICTED	2,843,310.27	64,289.62	731.82	2,908,331.71	Seabrook Economic Development Corporation II
SEDC II - RESTRICT FOR EMERG	180,000.00	0.00	incl in above	180,000.00	Emergency Reserve
STEP FUND	70,534.84	0.00	16.87	70,551.71	
PUBLIC SAFETY	213,467.95	0.00	51.06	213,519.01	
MUNI COURT - SECURITY FUND	21,685.64	0.00	5.19	21,690.83	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	14,954.79	0.00	3.58	14,958.37	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	6,352.54	0.00	1.52	6,354.06	
PEG Fund	70,477.12	9,165.97	18.54	79,661.63	
STABILIZATION FUND	802,423.10	0.00	191.93	802,615.03	
TOTAL TEXPOOL FUND	27,562,761.93	3,200,000.00	7,057.48	\$30,769,819.41	

The investment portfolio of the City of Seabrook is in compliance with the investment strategies expressed in the City's Investment Policy and relevant provisions of Chapter 2256 of the Local Government Code.

Pam Lab

Finance Director



Monthly Newsletter: March 2016

ANNOUNCEMENTS

We would like to recognize and welcome the following entity who joined the TexPool program in February 2016:

TexPool
 Bastrop Economic Development Corporation

Upcoming Events

- 04/17/2016 – 04/20/2016
GFOAT Spring Conference
Austin
- 04/18/16 – 04/21/16
County Treasurer's Education Seminar
Austin

TexPool Advisory Board Members

- | | |
|--------------------|-----------------|
| Jose Elizondo, Jr. | Vivian Wood |
| Georgia Sanchez | Jerry Dale |
| Patrick Krishock | Sharon Matthews |
| Michele Tuttle | David Landeros |

Overseen by the State of Texas Comptroller of Public Accounts Glenn Hegar.

Operated under the supervision of the Texas Treasury Safekeeping Trust Company

For more information visit www.texpool.com.

Economic and Market Commentary: Market predicting instead of listening to Fed

March 1, 2016

Divining the future monetary policy maneuvers of the Federal Reserve can be frustration personified, but that doesn't stop the market from trying. I suppose few of us would work in this field if we didn't like thinking about expectations. But as futures go, the market's predictions for the fed funds rate are not particularly reliable. We think they are off now and that the market is underestimating the Fed's willingness to hike.

The prevailing view is that there's only around a 50% chance of one rate hike this year. One! That is almost disregarding what the Fed is telling us. More than a few Fed officials have said not to assume the hike in December was a one-and-done move (the minutes of the January policy-setting meeting were balanced—not dovish or hawkish). The Fed has gone to considerable length for several years now to let the market know it is data dependent and if anything, the U.S. economy has been steady to slightly positive. Housing, employment, retail sales and even CPI have been ticking up. We are not saying the U.S. is running on all cylinders, but we are certainly not in any way, shape or form close to a situation that would indicate negative rates.

Let's not forget that the Fed is the global leader. While the world's central banks don't have to follow it, the Fed certainly doesn't have to follow them. This divergence applies

(continued page 6)

Performance as of February 29, 2016

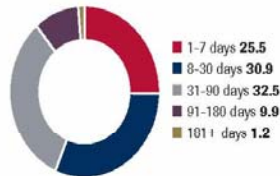
	TexPool	TexPool Prime
Current Invested Balance	\$16,950,461,798.42	\$2,293,271,396.33
Weighted Average Maturity**	37 Days	35 Days
Weighted Average Life**	66 Days	44 Days
Net Asset Value	1.00000	1.00007
Total Number of Participants	2,348	196
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$4,162,402.43	\$874,493.51
Management Fee Collected	\$606,402.10	\$92,137.93
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$17,420,363,237.57	\$2,354,682,809.91
Average Monthly Rate*	0.30%	0.47%
Average Weighted Average Maturity**	39 Days	38 Days
Average Weighted Average Life**	67 Days	46 Days

*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.
 **See page 2 for definitions.



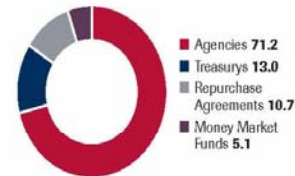
Portfolio by Maturity (%)

As of February 29, 2016



Portfolio by Type of Investment (%)

As of February 29, 2016



Portfolio Asset Summary as of February 29, 2016

	Book Value	Market Value
Uninvested Balance	\$82,790,955.12	\$82,790,955.12
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	9,774,012.09	9,774,012.09
Interest and Management Fees Payable	-4,162,404.57	-4,162,404.57
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-20,279.85	-20,279.85
Repurchase Agreements	1,819,597,000.00	1,819,546,435.00
Mutual Fund Investments	855,022,103.88	855,022,103.88
Government Securities	11,525,250,675.64	11,525,333,153.21
US Treasury Bills	538,910,905.54	538,924,580.00
US Treasury Notes	2,122,298,830.57	2,122,265,900.90
Total	\$16,950,461,798.42	\$16,950,474,455.78

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

Participant Summary

	Number of Participants	Balance
School District	575	\$5,812,015,461.70
Higher Education	57	\$1,499,061,962.37
Healthcare	81	\$750,864,062.28
Utility District	730	\$2,016,638,263.64
City	453	\$4,222,080,144.56
County	180	\$1,428,428,593.98
Other	272	\$1,221,262,667.44

**Definition of Weighted Average Maturity and Weighted Average Life

WAM is the mean average of the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid, (b) would be repaid upon a demand by TexPool, or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates set forth in (b) and (c) if their scheduled maturity is 397 days or less; and the later of the two dates set forth in (b) and (c) if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

WAL is calculated in the same manner as WAM, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool are scheduled to be readjusted.



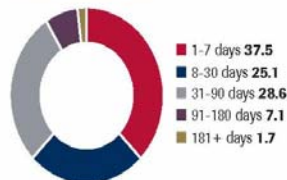
Daily Summary						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
2/1	0.2855%	0.000007822	\$16,984,265,895.27	0.99998	36	62
2/2	0.2886%	0.000007908	\$17,144,844,962.32	0.99998	38	65
2/3	0.2890%	0.000007919	\$17,377,217,546.18	0.99998	38	64
2/4	0.2902%	0.000007952	\$17,534,623,010.05	0.99999	38	64
2/5	0.2932%	0.000008032	\$17,630,097,407.51	1.00000	39	65
2/6	0.2932%	0.000008032	\$17,630,097,407.51	1.00000	39	65
2/7	0.2932%	0.000008032	\$17,630,097,407.51	1.00000	39	65
2/8	0.2939%	0.000008052	\$17,686,770,101.57	1.00001	37	64
2/9	0.2952%	0.000008088	\$17,834,676,867.94	1.00000	36	62
2/10	0.2950%	0.000008083	\$17,903,683,028.22	1.00001	35	62
2/11	0.2959%	0.000008108	\$17,751,381,971.32	1.00002	38	65
2/12	0.2994%	0.000008203	\$17,111,009,501.88	1.00001	43	72
2/13	0.2994%	0.000008203	\$17,111,009,501.88	1.00001	43	72
2/14	0.2994%	0.000008203	\$17,111,009,501.88	1.00001	43	72
2/15	0.2994%	0.000008203	\$17,111,009,501.88	1.00001	43	72
2/16	0.3004%	0.000008229	\$17,214,573,431.29	1.00000	40	68
2/17	0.3078%	0.000008432	\$17,405,621,281.85	1.00002	40	69
2/18	0.3030%	0.000008302	\$17,680,487,731.76	1.00000	40	67
2/19	0.3087%	0.000008457	\$17,682,995,798.36	0.99999	41	69
2/20	0.3087%	0.000008457	\$17,682,995,798.36	0.99999	41	69
2/21	0.3087%	0.000008457	\$17,682,995,798.36	0.99999	41	69
2/22	0.3084%	0.000008450	\$17,700,349,891.01	0.99999	39	66
2/23	0.3159%	0.000008654	\$17,588,224,582.50	0.99999	39	66
2/24	0.3111%	0.000008524	\$17,506,395,606.16	0.99999	39	67
2/25	0.3125%	0.000008562	\$17,389,986,814.60	1.00000	39	67
2/26	0.3098%	0.000008489	\$17,047,883,911.35	1.00000	40	68
2/27	0.3099%	0.000008489	\$17,047,883,911.35	1.00000	40	68
2/28	0.3099%	0.000008489	\$17,047,883,911.35	1.00000	40	68
2/29	0.3052%	0.000008362	\$16,950,461,798.42	1.00000	37	66
Average:	0.3010%	0.000008248	\$17,420,363,237.57	1.00000	39	67



TEXPOOL PRIME

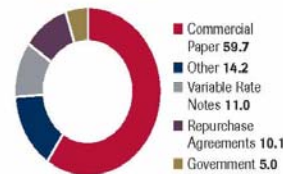
Portfolio by Maturity (%)

As of February 29, 2016



Portfolio by Type of Investment (%)

As of February 29, 2016



Portfolio Asset Summary as of February 29, 2016

	Book Value	Market Value
Uninvested Balance	\$3,641.90	\$3,641.90
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	249,417.63	249,417.63
Interest and Management Fees Payable	-874,404.00	-874,404.00
Payable for Investments Purchased	-24,991,038.19	-24,991,038.19
Accrued Expenses & Taxes	-3,008.80	-3,008.80
Repurchase Agreements	234,370,000.00	234,370,000.00
Commercial Paper	1,385,011,852.77	1,385,197,775.25
Bank Instruments	90,088,320.74	90,086,070.00
Mutual Fund Investments	329,018,802.03	329,018,802.03
Government Securities	24,998,277.78	24,998,450.00
Variable Rate Notes	255,398,624.47	255,378,383.00
Total	\$2,293,271,396.33	\$2,293,434,008.82

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool Prime. The assets of TexPool Prime are the only source of payments to the Participants. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

Participant Summary

	Number of Participants	Balance
School District	85	\$1,442,607,387.48
Higher Education	8	\$61,256,230.11
Healthcare	10	\$32,961,169.30
Utility District	8	\$88,662,502.90
City	39	\$327,557,964.22
County	23	\$188,124,749.69
Other	23	\$152,007,534.16



TEXPOOL *PRIME*

Daily Summary

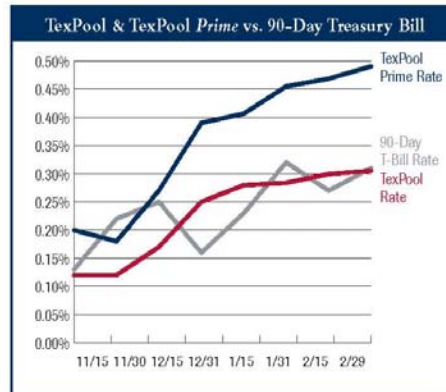
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
2/1	0.4396%	0.000012044	\$2,090,232,765.46	1.00007	39	45
2/2	0.4425%	0.000012124	\$2,116,949,813.07	1.00006	40	46
2/3	0.4519%	0.000012381	\$2,198,863,189.60	1.00007	40	49
2/4	0.4466%	0.000012236	\$2,313,539,342.21	1.00006	38	46
2/5	0.4607%	0.000012621	\$2,330,881,713.54	1.00004	41	48
2/6	0.4607%	0.000012621	\$2,330,881,713.54	1.00004	41	48
2/7	0.4607%	0.000012621	\$2,330,881,713.54	1.00004	41	48
2/8	0.4527%	0.000012402	\$2,425,651,520.90	1.00007	38	44
2/9	0.4507%	0.000012349	\$2,461,596,899.84	1.00007	37	46
2/10	0.4519%	0.000012379	\$2,476,058,451.51	1.00008	37	45
2/11	0.4681%	0.000012824	\$2,413,092,369.15	1.00008	40	48
2/12	0.4685%	0.000012836	\$2,391,711,316.20	1.00006	40	48
2/13	0.4685%	0.000012836	\$2,391,711,316.20	1.00006	40	48
2/14	0.4685%	0.000012836	\$2,391,711,316.20	1.00006	40	48
2/15	0.4685%	0.000012836	\$2,391,711,316.20	1.00006	40	48
2/16	0.4672%	0.000012901	\$2,416,414,301.73	1.00009	36	44
2/17	0.4616%	0.000012646	\$2,441,968,275.81	1.00008	35	43
2/18	0.4691%	0.000012851	\$2,440,524,808.83	1.00008	35	43
2/19	0.4730%	0.000012958	\$2,434,644,229.39	1.00006	36	44
2/20	0.4730%	0.000012958	\$2,434,644,229.39	1.00006	36	44
2/21	0.4730%	0.000012958	\$2,434,644,229.39	1.00006	36	44
2/22	0.4692%	0.000012855	\$2,435,534,139.96	1.00008	34	41
2/23	0.4729%	0.000012955	\$2,427,367,407.29	1.00007	35	42
2/24	0.4947%	0.000013554	\$2,269,532,292.54	1.00008	37	45
2/25	0.4801%	0.000013154	\$2,337,825,425.65	1.00008	35	43
2/26	0.4894%	0.000013407	\$2,307,985,331.48	1.00006	37	46
2/27	0.4894%	0.000013407	\$2,307,985,331.48	1.00006	37	46
2/28	0.4894%	0.000013407	\$2,307,985,331.48	1.00006	37	46
2/29	0.4906%	0.000013440	\$2,293,271,396.33	1.00007	35	44
Average:	0.4673%	0.000012803	\$2,354,682,809.91	1.00007	38	46



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to that issue of negative rates, which also have been getting much too much attention. With the Bank of Japan's recent move to negative rates, the question was bound to be raised when Fed Chair Janet Yellen had her semiannual Humphrey-Hawkins testimony last month. While the Chair acknowledged that as a matter of prudent planning a negative rate policy could not be ruled out entirely, she did not give any indication that the Fed was contemplating such a drastic move. Yellen does not shy away from addressing issues that are concerning to the markets, so it is telling that she didn't have any mention of negative rates in her prepared remarks. The media has given this much more attention than it ever deserved.

Another reason for our confidence is more technical. As firms have been preparing for the upcoming SEC money fund rules by converting some products to government funds, there's been concern that the additional demand will drive rates negative. But a substantial portion of the shift has already occurred and we have not seen any impact on rates. Even though the government money fund assets have passed prime money fund assets for the first time, there is plenty of supply. And just as significant, the Reverse Repo Program's floor of 25 basis points has hardly been used and market repo rates haven't been below 30 basis points more than a handful of times this whole year. While it is good that investors and media are more engaged on monetary policy, it is unfortunate that negative rates have unnecessarily colored the discourse.



90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to collect immediate cash to meet outstanding obligations.

Any private investor can invest in a Treasury bill. The 90-Day Treasury Bill is a weighted average rate of the weekly auctions of 90-Day Treasury Bills.

Libor has pretty much been holding steady and pretty attractive. We continue to maintain a neutral Weighted Average Maturity (WAM) stance and keep the long end of our barbell shorter, just to be flexible.