

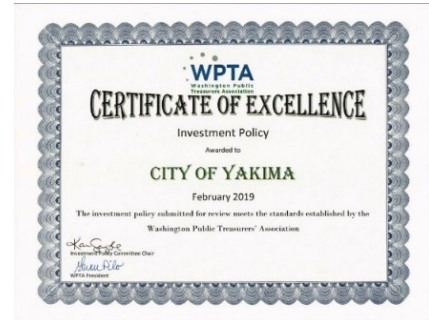


Date: July 7, 2023

To: Mayor and City Council
Bob Harrison, City Manager

From: Jennifer Ferrer-Santa Ines, Director of Finance and Budget
Kimberly Dominé, Financial Services Manager

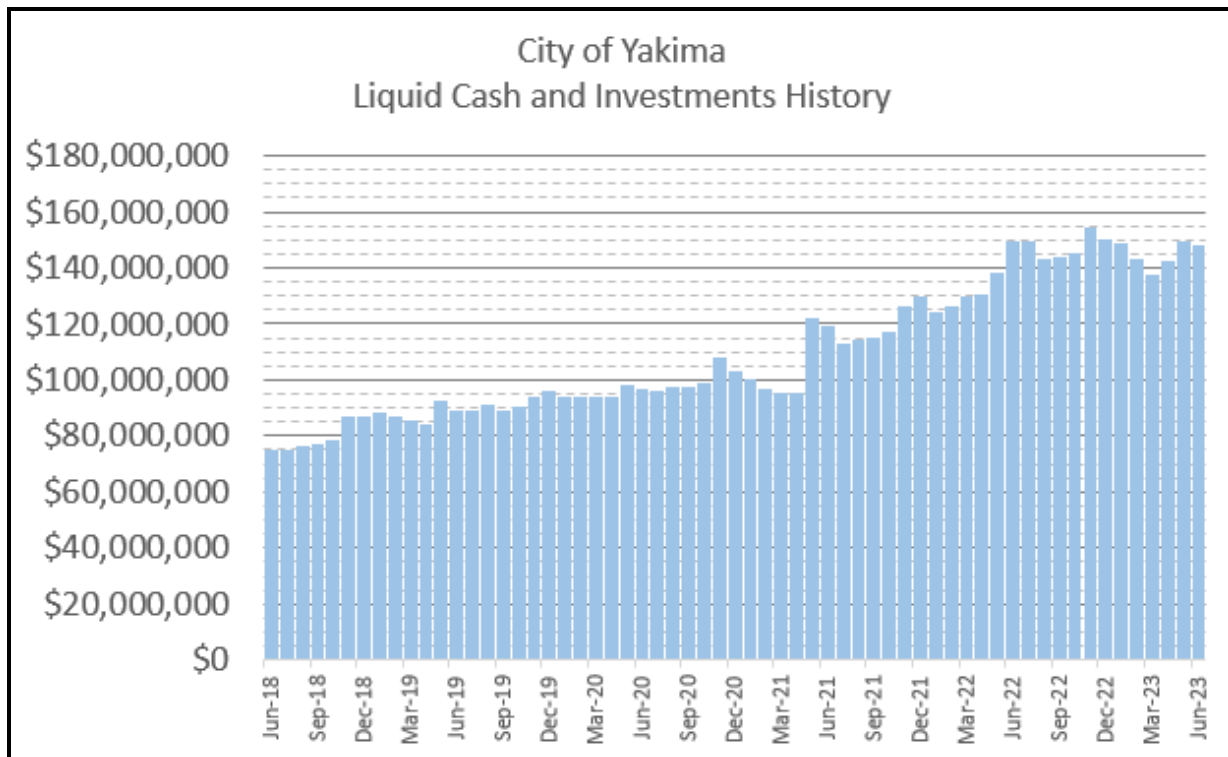
Re: 2023 – 2nd Quarter Treasury Report



This report is to transparently report the City’s cash position and investment activity for the quarter just ended. Each investment is in compliance with the City’s Investment Policy, State Statues and City Municipal Code. The City’s investment policy was reviewed and approved by City Council on March 5, 2019 and adopted by ordinance on February 1, 2022; and the policy received a Certification of Excellence from the Washington Public Treasurer’s Association in February 2019.

Total Cash and Investments at Quarter-end total \$149.6 million: \$20.6 million in depository banks, \$65.0 million in the State Pool, and \$64.0 million invested.

The following chart shows the 5-year trend of total cash and investments month by month (showing only permanent accounts comparable year over year).



The City's Investment Portfolio

The City's investment activities are governed by State regulations and the City of Yakima's Investment Policy. All investments are in full compliance with the City's Investment Policy, State Statutes and City Municipal Code.

Calls or Maturities. During last quarter, the following matured or were called at full value:

- 1570 \$1,000,000 FFCB matured 04/13/2023
- 1516 \$1,000,000 APPLE matured 05/03/2023
- 1513 \$1,000,000 WALMART matured 06/26/2023

Purchases: During the last quarter, the following were purchased:

- 1588 \$2,000,000 US Treasury to mature 05/31/2026
- 1589 \$2,000,000 FHLB to mature 06/12/2026

Portfolio and Benchmark Yield and Maturity:

Avg. weighted yield of City investments, excluding LGIP:	3.45%
LGIP State Pool 30-day yield:	5.18%

Weighted average maturity of City investments, excluding LGIP:	284 days
Weighted average maturity of LGIP State Pool 30-day yield:	33 days

Execution of each investment transaction contemplated ongoing cash flows from city operations, debt obligations, liquid and maturing securities, and contingencies to meet the City's future cash flow requirements.

The City's Investment Portfolio consists of three general tiers which coincide with the primary considerations of prudent investing:

- 1) The **Safety** portion of the Portfolio consists of funds invested in the Local Government Investment Pool (LGIP, or State Pool) managed by the State Treasurer, available same-day. This allows for seasonal fluctuations, primarily the April/October inflows of Property Tax and the outflows of debt service and capital projects.
- 2) The **Liquidity** portion of the Portfolio consist of demand deposit (checking) accounts at banks which are qualified public depositories, protected above FDIC-insured balances through the actions of the Washington State Public Deposit Protection Commission (PDPC).
- 3) The **Yield** portion of the Portfolio consists of a diversified portfolio of Agencies, Treasuries and/or other authorized investments with staggered maturities of up to five years. Based on analysis of historical cash reserves and budgetary planning, this segment will not be subject to seasonal spending and continues to be safely invested long-term.

Current Rates. As of June 30, 2023, the fixed income market does not show future confidence with the 1-year Treasury currently at 127 basis points higher than the 5-year Treasury, yielding 5.40% and 4.13% respectively. The 30-day yield of the State Pool Jumped from 4.74% to 5.18%, with a 33-day avg. maturity over last quarter.

Economic Outlook. A solid employment report with stronger-than-expected wage growth for June keeps the Federal Reserve on track to raise interest rates this month and mull another hike as soon as September.

Strategy Notes. The City of Yakima's investments are not typically actively traded, meaning that no attempt to "buy low and sell high" or "time the market" is made. Investments purchased with the intent of providing investment income are intended to be held to maturity, relying on following a prudent course of action for income rather than predicting market direction.

		Actual %
LGIP	65,017,513	50%
Treasuries	37,000,000	29%
Agencies	27,000,000	21%
	129,017,513	100%

Debt Activity

All debt payments were paid out as scheduled. A comprehensive city-wide debt report is attached with current balances.

Interfund Borrowings and Investments

Borrowing between funds is temporary in nature, reviewed periodically by staff and Council, amended as circumstances change. Currently there are two Interfund Loans.

The first loan is to help cash flow the Mill Site Project that is waiting for the receipt of grant reimbursements. It was determined that the Mill Site needed more than the original amount loaned so an increase was given with the payment schedule extended out to three years and aligned with the LIFT revenues that are received annually.

The second loan is to help cash flow the Nelson Dam Project. This interfund loan is for three years with monthly payments starting January 2023.

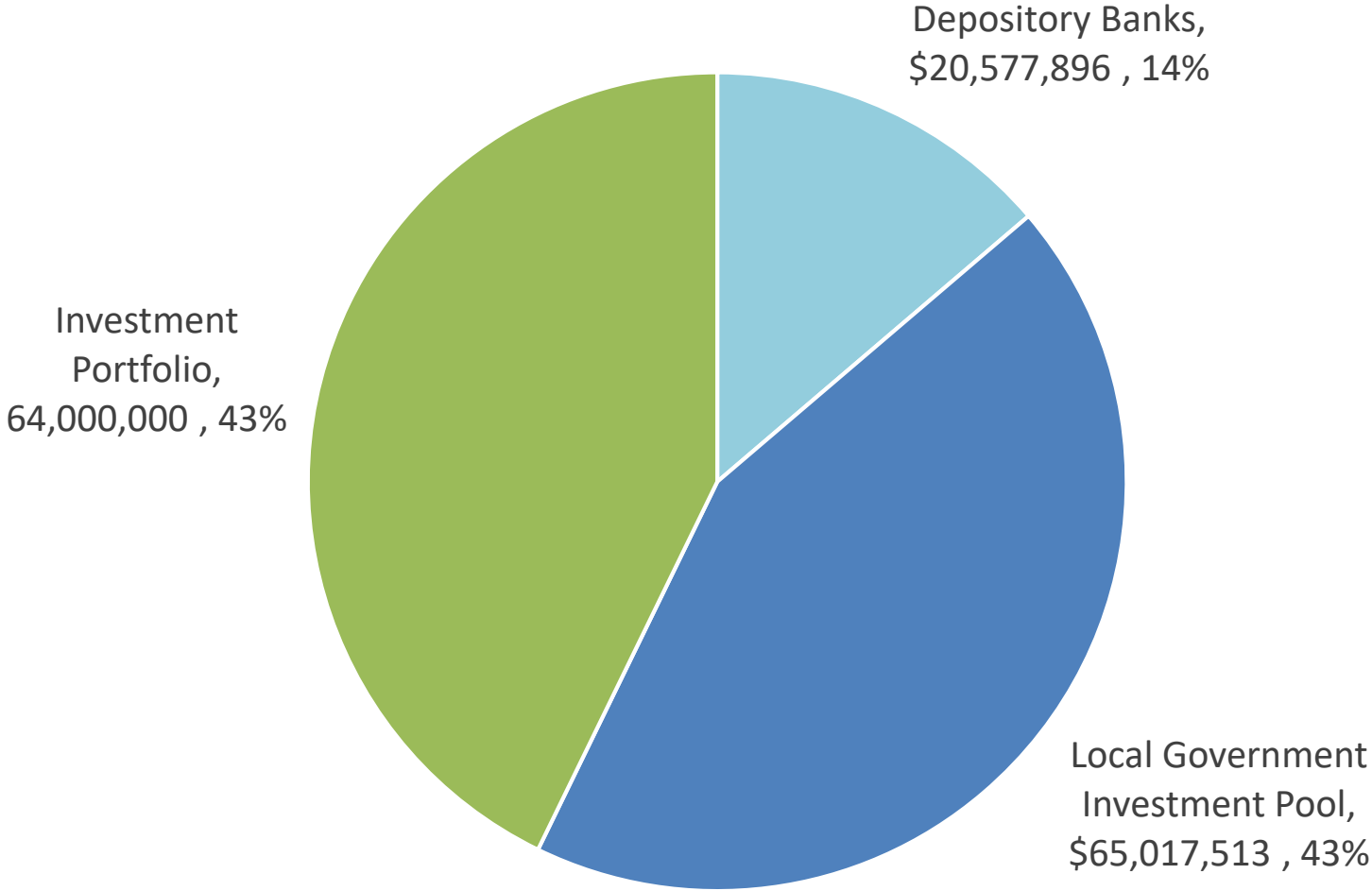
City of Yakima
Cash and Investment Summary
June 30, 2023

Description	Current 6/30/2023	Prior Quarter 3/31/2023	Prior Year 6/30/2022
Cash Balances on Hand in Banks	20,577,895.89	\$ 19,401,453	\$ 18,573,295
Local Government Investment Pool (LGIP)	65,017,513	57,714,422	76,874,505
Investment Portfolio	64,000,000	63,000,000	56,000,000
Total Investments	129,017,513	120,714,422	132,874,505
Total Cash and Investments	\$ 149,595,409	\$ 140,115,875	\$ 151,447,800

Summary of Investment Activity	Beg Balance 3/31/2023	Purchases & Deposits	Interest Reinvested	Maturities, Calls & Withdrawals	End Balance 6/30/2023
Local Government Investment Pool (LGIP)	\$ 57,714,422	\$ 16,500,000	\$ 803,092	\$ (10,000,000)	\$ 65,017,513
Investment Portfolio	63,000,000	4,000,000	-	(3,000,000)	64,000,000
Total Investments	\$ 120,714,422	\$ 20,500,000	\$ 803,092	\$ (13,000,000)	\$ 129,017,513

City of Yakima

Distribution of Cash and Investments as of 06/30/2023

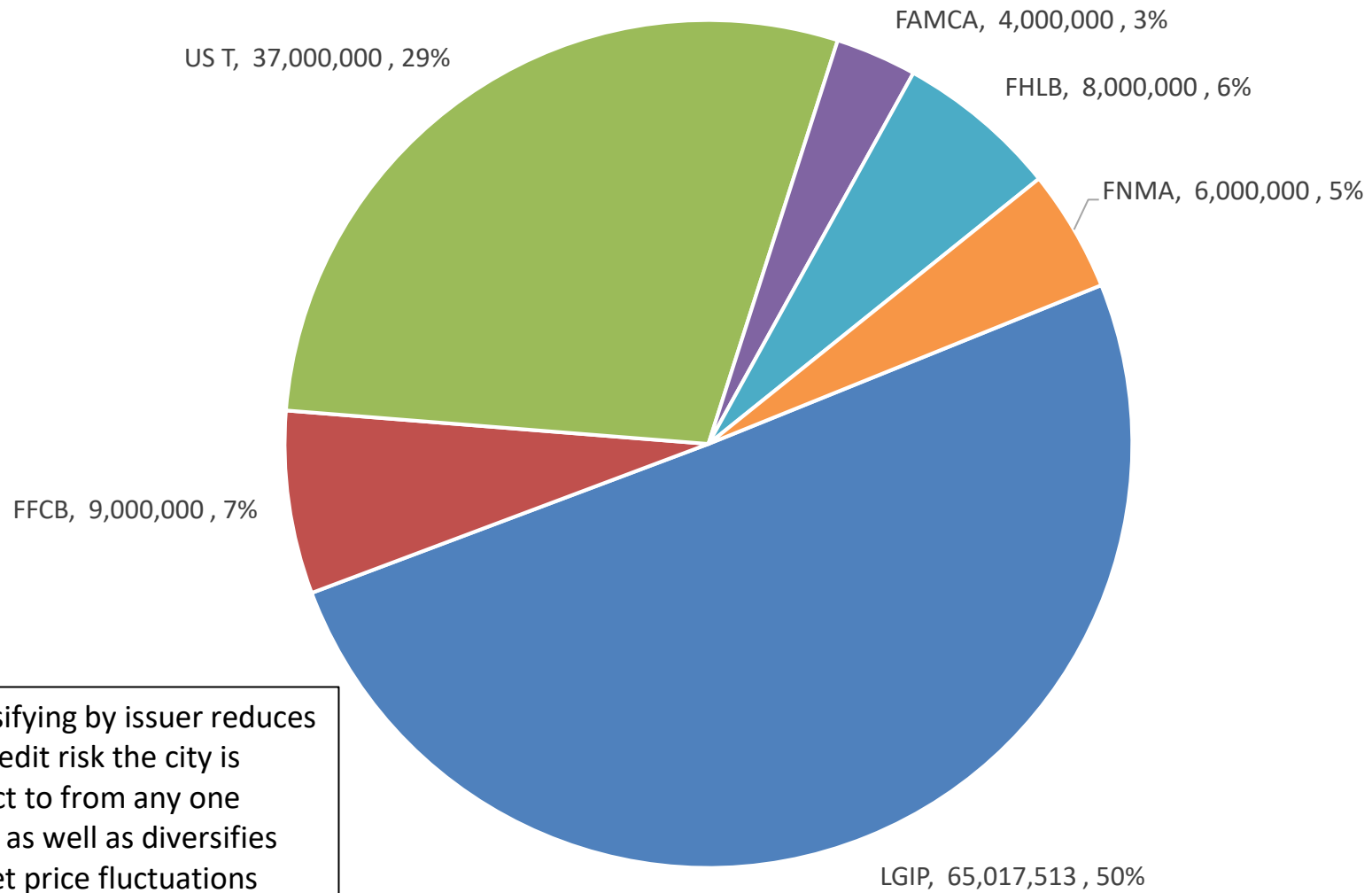


City of Yakima
Investment Portfolio - Inventory by Agency
 June 30, 2023

Agency	Inv#	CUSIP	Face Value	Price	Coupon	Expected		Maturity	Days to Maturity	Market	Call Type	Moody's	S&P	Fitch	Next Call	Most Likely Call
						Yield	Settle									
FHLB	1589	3130AVVWS7	2,000,000	2,014,500	3.750	3.500	5/5/23	6/12/26	1,078	1,944,568	NC	Aaa	AA+	NA	NC	6/26/23
FFCB	1561	3133EMWL2	2,000,000	2,000,314	0.200	0.193	4/19/21	7/19/23	19	1,994,760	NC	Aaa	AA+	AAA	NC	7/19/23
US T	1545	9128284X5	1,000,000	1,039,063	2.750	1.660	12/11/19	8/31/23	62	995,704	NC	Aaa	AA+	AAA	NC	8/31/23
FAMCA	1508	3132X06C0	1,000,000	1,010,972	3.050	2.801	12/19/18	9/19/23	81	994,817	NC	Aaa	AA+	AAA	NC	9/19/23
FHLB	1558	313375ZL4	2,000,000	2,143,690	2.795	0.200	1/7/21	10/17/23	109	1,984,340	NC	Aaa	AA+	AAA	NC	10/17/23
FFCB	1537	3133EK4X1	1,000,000	997,924	1.600	1.654	11/6/19	11/1/23	124	986,879	NC	Aaa	AA+	AAA	NC	11/1/23
FFCB	1560	3133EJ2B4	2,000,000	2,147,340	3.000	0.260	3/24/21	12/6/23	159	1,978,132	NC	Aaa	AA+	AAA	NC	12/6/23
FAMCA	1552	31422BSD3	1,000,000	1,004,430	1.590	1.470	2/14/20	1/10/24	194	979,384	NC	NA	NA	NA	NC	1/10/24
FHLB	1585	3130AUQC1	1,000,000	1,000,904	4.875	4.780	2/3/23	1/30/24	214	996,227	NC	NA	NA	NA	NC	1/30/24
FNMA	1540	3135G0V34	1,000,000	1,032,055	2.500	1.710	11/14/19	2/5/24	220	982,445	NC	Aaa	AA+	AAA	NC	2/5/24
FNMA	1573	3135G0V34	1,000,000	1,035,991	2.500	0.771	12/28/21	2/5/24	220	982,445	NC	Aaa	AA+	AAA	NC	2/5/24
US T	1559	912828W71	2,000,000	2,112,188	2.125	0.290	3/4/21	3/31/24	275	1,951,563	NC	Aaa	AA+	AAA	NC	3/31/24
US T	1565	91282CBV2	1,000,000	999,023	0.380	0.410	6/30/21	4/14/24	289	960,781	NC	Aaa	NA	AAA	NC	4/14/24
US T	1553	9128286R6	1,000,000	1,034,063	2.250	1.413	2/14/20	4/30/24	305	973,828	NC	Aaa	NA	AAA	NC	4/30/24
US T	1562	912828XT2	2,000,000	2,103,125	2.000	0.325	4/26/21	5/31/24	336	1,937,891	NC	Aaa	NA	AAA	NC	5/31/24
FAMCA	1533	31422BGA2	1,000,000	1,022,900	2.150	1.634	10/18/19	6/5/24	341	969,299	NC	NA	NA	NA	NC	6/5/24
FFCB	1585	3133ENG20	1,000,000	985,011	3.300	4.320	2/3/23	8/15/24	412	977,199	NC	Aaa	AA+	AAA	NC	8/15/24
US T	1566	91282CCG4	1,000,000	994,102	0.250	0.451	6/30/21	6/15/24	351	951,680	NC	Aaa	NA	AAA	NC	6/15/24
US T	1563	912828N9	2,000,000	2,112,813	2.125	0.352	5/16/21	7/31/24	397	1,930,313	NC	Aaa	NA	AAA	NC	7/31/24
US T	1546	9128282U3	1,000,000	1,008,789	1.875	1.660	12/11/19	8/31/24	428	960,117	NC	Aaa	NA	AAA	NC	8/31/24
US T	1564	912828YH7	2,000,000	2,074,922	1.500	0.361	6/8/21	9/30/24	458	1,906,875	NC	Aaa	NA	AAA	NC	9/30/24
US T	1567	912828YM6	2,000,000	2,074,531	1.500	0.343	8/3/21	10/31/24	489	1,901,953	NC	Aaa	NA	AAA	NC	10/31/24
FFCB	1538	3133EK6J0	1,000,000	994,700	1.625	1.736	11/8/19	11/8/24	497	950,811	NC	Aaa	AA+	AAA	NC	11/8/24
FHLB	1554	3130A3GE8	1,000,000	1,058,979	2.750	1.480	2/14/20	12/13/24	532	964,065	NC	Aaa	AA+	NA	NC	12/13/24
FAMCA	1555	31422BRT9	1,000,000	1,011,943	1.750	1.495	2/14/20	1/3/25	553	950,520	NC	NA	NA	NA	NC	1/3/25
US T	1572	912828ZC7	2,000,000	2,015,156	1.125	0.890	11/16/21	2/28/25	609	1,873,750	NC	Aaa	NA	AAA	NC	2/28/25
US T	1574	912828ZF0	2,000,000	1,946,797	0.500	1.365	2/3/22	3/31/25	640	1,848,906	NC	Aaa	NA	AAA	NC	3/31/25
US T	1568	912828ZL7	1,000,000	995,467	0.375	0.500	9/1/21	4/30/25	670	919,531	NC	NA	NA	NA	NC	4/30/25
US T	1568	912828ZL7	1,000,000	995,467	0.375	0.500	9/1/21	4/30/25	670	919,531	NC	NA	NA	NA	NC	4/30/25
US T	1575	912828ZT0	2,000,000	1,925,992	0.250	1.420	3/2/22	5/31/25	701	1,829,219	NC	Aaa	NA	AAA	NC	5/31/25
US T	1571	912828ZW3	1,000,000	979,531	0.250	0.813	10/18/21	6/30/25	731	912,773	NC	Aaa	AA+	AAA	NC	6/30/25
US T	1576	91282CAB7	2,000,000	1,843,472	0.250	2.780	4/29/22	7/31/25	762	1,818,984	NC	Aaa	NA	AAA	NC	7/31/25
US T	1569	91282CAM3	1,000,000	980,735	0.250	0.740	10/1/21	9/30/25	823	905,352	NC	NA	NA	NA	NC	9/30/25
US T	1580	91282CAT8	2,000,000	1,818,516	0.250	3.273	8/24/22	10/31/25	854	1,804,297	NC	Aaa	NA	AAA	NC	10/31/25
US T	1581	91282CBC4	2,000,000	1,807,440	0.375	3.490	9/12/22	12/31/25	915	1,802,109	NC	Aaa	NA	AAA	NC	12/31/25
US T	1582	9128286A3	2,000,000	1,891,374	2.625	4.450	11/9/22	1/31/26	946	1,902,891	NC	Aaa	NA	AAA	NC	1/31/26
US T	1584	912828P46	2,000,000	1,877,584	1.625	3.750	1/18/23	2/15/26	961	1,852,656	NC	Aaa	NA	AAA	NC	2/15/26
US T	1588	91282CCF6	2,000,000	1,822,350	0.750	3.800	4/19/23	5/31/26	1,066	1,795,313	NC	Aaa	NA	AAA	NC	5/31/26
FNMA	1578	3135G05X7	2,000,000	1,844,334	0.375	2.870	5/12/22	8/25/25	787	1,819,023	NC	Aaa	AA+	AAA	NC	8/25/25
FFCB	1579	3133ENXQ8	2,000,000	1,992,128	2.800	2.920	6/7/2022	11/25/25	879	1,907,308	NC	Aaa	AA+	NA	NC	11/25/25
FHLB	1587	3130AUU36	2,000,000	1,984,286	4.125	4.400	2/22/2023	3/13/26	987	1,964,612	NC	Aaa	AA+	NA	NC	3/13/26
FNMA	1583	3135G0K36	2,000,000	1,880,612	2.125	4.040	12/13/22	4/24/26	1,029	1,872,007	NC	Aaa	AA+	AAA	NC	4/24/26
Subtotal	42		64,000,000	63,615,512	Avg.					60,854,860						
LGIP	LGIP	NA	65,017,513	65,017,513	5.180	5.180	NA	NA	1	65,017,513	NC				NA	NA
Grand Totals			\$ 129,017,513	\$ 128,633,025		3.45%			284	\$ 125,872,373						

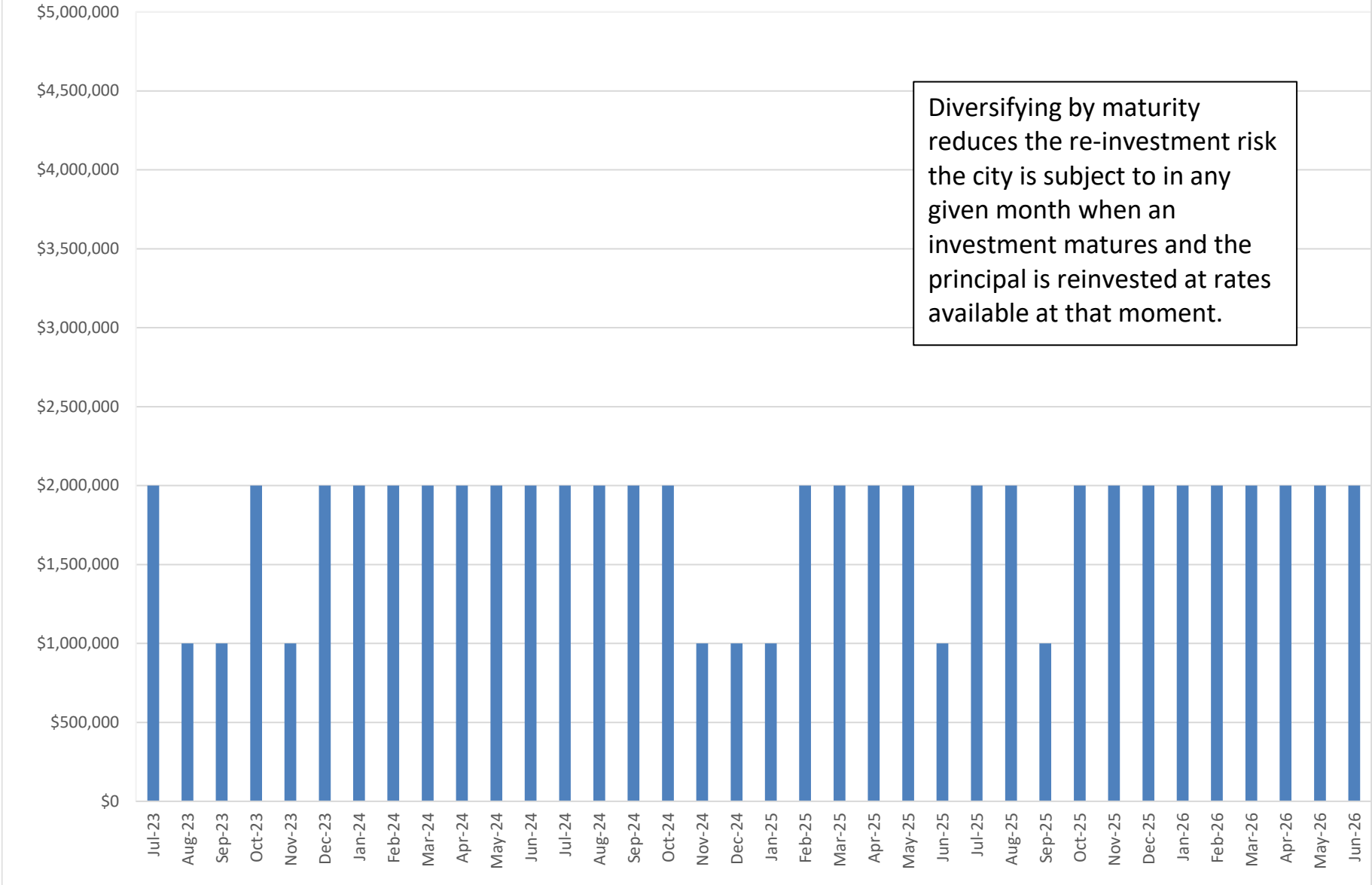
City of Yakima

Investment Portfolio by Issuer at 06/30/2023



Diversifying by issuer reduces the credit risk the city is subject to from any one issuer as well as diversifies market price fluctuations which can vary by issuer.

City of Yakima Investment Portfolio Maturity Distribution at 06/30/2023



City of Yakima
Investment Portfolio - Detail of Activity
June 30, 2023

Agency	Inv#	Beginning Face Value	Additions and Purchases	Calls and Maturities	Ending Face Value
Farmer Mac					
FAMCA	1508	1,000,000	-		1,000,000
FAMCA	1533	1,000,000	-	-	1,000,000
FAMCA	1552	1,000,000	-		1,000,000
FAMCA	1555	1,000,000	-	-	1,000,000
FAMCA Total		4,000,000	-	-	4,000,000
Federal Farm Credit Bureau					
FFCB	1537	1,000,000	-	-	1,000,000
FFCB	1538	1,000,000	-	-	1,000,000
FFCB	1557	-			-
FFCB	1560	2,000,000			2,000,000
FFCB	1561	2,000,000			2,000,000
FFCB	1570	1,000,000		(1,000,000)	-
FFCB	1579	2,000,000			2,000,000
FFCB	1586	1,000,000			1,000,000
FFCB Total		10,000,000	-	(1,000,000)	9,000,000
Federal Home Loan Bank					
FHLB	1554	1,000,000	-	-	1,000,000
FHLB	1558	2,000,000		-	2,000,000
FHLB	1585	1,000,000			1,000,000
FHLB	1587	2,000,000			2,000,000
FHLB	1589	-	2,000,000		2,000,000
FHLB Total		6,000,000	2,000,000	-	8,000,000
Federal National Management Association					
FNMA	1540	1,000,000	-		1,000,000
FNMA	1541				-
FNMA	1573	1,000,000			1,000,000
FNMA	1578	2,000,000			2,000,000
FNMA	1583	2,000,000			2,000,000
FNMA Total		6,000,000	-	-	6,000,000
US Treasury	1545	1,000,000	-	-	1,000,000
US Treasury	1546	1,000,000	-	-	1,000,000
US Treasury	1553	1,000,000	-	-	1,000,000
US Treasury	1559	2,000,000		-	2,000,000
US Treasury	1562	2,000,000		-	2,000,000
US Treasury	1563	2,000,000		-	2,000,000
US Treasury	1564	2,000,000			2,000,000
US Treasury	1565	1,000,000			1,000,000
US Treasury	1566	1,000,000			1,000,000
US Treasury	1567	2,000,000			2,000,000
US Treasury	1568	2,000,000			2,000,000
US Treasury	1569	1,000,000			1,000,000
US Treasury	1571	1,000,000			1,000,000
US Treasury	1572	2,000,000			2,000,000
US Treasury	1574	2,000,000			2,000,000
US Treasury	1575	2,000,000			2,000,000
US Treasury	1576	2,000,000			2,000,000
US Treasury	1580	2,000,000			2,000,000
US Treasury	1581	2,000,000			2,000,000
US Treasury	1582	2,000,000			2,000,000
US Treasury	1584	2,000,000			2,000,000
US Treasury	1588	-	2,000,000		2,000,000
US Treasury		35,000,000	2,000,000	-	37,000,000
Corporate Notes					
AAPL	1516	1,000,000	-	(1,000,000)	-
WMT	1513	1,000,000	-	(1,000,000)	-
Corporate Total		2,000,000	-	(2,000,000)	-
Subtotal		63,000,000	4,000,000	(3,000,000)	64,000,000
Other Investments					
LGIP (State Pool)	LGIP	57,714,422	17,303,092	(10,000,000)	65,017,513
Other Investment Totals		57,714,422	17,303,092	(10,000,000)	65,017,513
Grand Totals		\$ 120,714,422	\$ 21,303,092	\$ (13,000,000)	\$ 129,017,513

City of Yakima
Long Term Debt Schedule - by Project Group
June 30, 2023

Date Issued	Maturity	Description	Note	Amount of Issue	Current Balance
General Obligation Bonds					
6/17/2003	12/1/2023	Sundome Expansion	Deferred Interest-Maturity \$2.5M	1,430,528	57,762.00
6/20/2013	12/1/2028	Street Project Demonstration (Refunded)	Various City street improvements	3,500,000	1,969,597.95
6/9/2014	6/1/2024	Street Resurfacing Project	Streets improvements	13,140,000	1,610,000.00
9/24/2018	6/1/2035	Soccer Complex (Refunded)	City portion of SOZO Sports Complex	4,440,127	3,588,182.66
9/24/2018	12/1/1942	2018 Aquatic Center YMCA	City portion of Aquatic Center	8,009,873	7,830,147.96
4/21/2020	12/1/2032	2020B Capital Theatre 09 Refunded	2020B Capital Theatre 09 Refunded	4,910,000	3,890,000.00
4/21/2020	12/1/2044	2020B Convention Center Addition	2020B Convention Center Addition	12,620,000	11,685,000.00
4/21/2020	12/1/2044	2020B Convention Center Addition III Refu	2020B Convention Center Addition III Refunded	2,495,000	2,310,000.00
Subtotal General Obligation Bonds				50,545,528	32,940,690.57
Certificate of Participation - State of Washington					
3/19/2013	6/1/2023	Fire Apparatus	One truck	310,414	-
9/28/2017	6/1/2027	Energy Project	2017 Energy Project (lighting)	921,863	427,182.85
7/21/2020	6/1/2035	Energy Project	2020 Energy Efficiency Project (lighting)	1,415,000	1,210,000.00
9/28/2017	6/1/2027	Fire Aerial & Pump App	Fire Aerial	1,268,053	587,718.53
Subtotal Certificates of Participation				3,915,330	2,224,901.38
Revenue Bonds					
43942	12/1/2034	2020 Ref 04 Irrigation	2020 Ref 04 Irrigation	3,260,000	2,720,000.00
43942	12/1/2027	2020 Ref 08 WS Rev	2020 Ref 08 WS Rev	2,590,000	1,760,000.00
5/31/2012	11/1/2023	Wastewater	Refunded 2003 \$10,155,000 issue	9,400,000	1,120,000.00
Subtotal Revenue Bonds				15,250,000	5,600,000.00
Intergovernmental Loans					
8/14/2009	7/1/2028	PC-08-951-052	2009 Railroad Grade Separation	3,000,000	825,501.26
5/6/2010	6/1/2034	L1000030-0	2010 Railroad Grade Separation	1,149,841	789,735.37
6/17/2014	5/1/2034	Comm Center Move	City portion of County GO Bonds	1,716,500	1,090,000.00
9/30/2015	6/1/2023	'15 Yak Co SIED - 21st Ave/Airport	2015 Yakima Co SIED Loan - 21st Ave/Airport	307,000	-
6/1/2016	6/1/2027	'16 Yak Co SIED - SOZO	2016 Yakima Co SIED Loan - SOZO	900,000	398,310.45
11/21/2017	6/1/2024	'17 Yak Co SIED - YV Brewing Project	2017 Yakima Co SIED Loan - YV Brewing Project	61,580	13,720.49
7/17/2018	6/1/2029	'18 Yak Co SIED - River Rd.	2018 Yakima Co SIED - River Rd Improvements/Aquatics Center	500,000	331,902.57
3/2/2021	6/1/1932	21 Yak Co Seid - SOZO	2021 Yakima Co SEID Loan SOZO	1,000,000	937,543.61
9/1/2003	6/1/2023	PW-03-691-027	2003 Naches WTP Improvements	2,694,500	-
6/27/2005	10/1/2025	SRF-04-65104-037	2005 Naches River WTP Filter Rehab	966,772	141,217.94
12/30/2005	6/1/2025	PW-05-691-064	2005 River Road Sewer	2,307,000	248,491.55
4/30/2007	6/1/2027	PW-07-962-019	2007 Ultra Violet Disinfection	2,300,000	485,555.54
4/15/2009	6/1/2028	PC-08-951-051	2009 New Water Well	2,257,200	605,744.13
10/10/2011	3/31/2033	L1100008	2011 Energy Efficiency	503,558	301,678.47
8/1/2011	7/1/2034	L1200019	2012 Industrial Waste Anaerobic	590,350	389,245.51
6/1/2012	6/1/2031	PC-12-951-065	2012 Wastewater Treatment Plan	5,000,000	2,152,633.12
10/11/2012	6/1/2037	PC-13-961-059	2012 Industrial Sewer Extensions	2,000,000	1,138,756.01
8/5/2013	6/1/2032	PC-13-961-074	2013 Automated Reading System	5,000,000	2,368,421.05
12/31/2021	6/1/2039	PC20-96103-044	2020 Waterline Improvements	1,737,906	1,544,805.64
12/12/2013	10/1/2034	DM-11-952-038	2013 Design WTP Lagoons	3,514,800	2,108,880.02
Subtotal Intergovernmental Loans				37,507,007	15,872,142.73
Grand Total				107,217,865	56,637,734.68

City of Yakima
Interfund Borrowing
 June 30, 2023

Description	Original Balance	Beginning Balance	Issued	Retired	Ending Balance
Millsite	1,800,000	1,317,796.16			1,317,796.16
Nelson Dam	3,299,691	2,999,719.08		299,971.92	2,699,747.16
Total across all funds	5,099,691	4,317,515.24	-	299,971.92	4,017,543.32

Per Ordinance #2013-011 Temporary Interfund Loans to help with cash flow.