

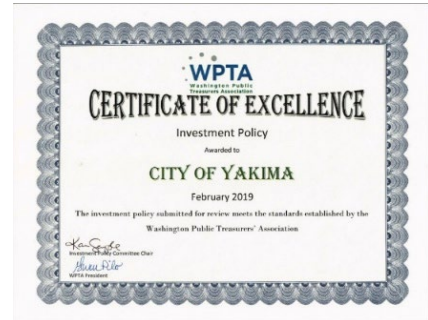


**Date:** January 2, 2024

**To:** Mayor and City Council  
Bob Harrison, City Manager

**From:** Kimberly Dominé, Financial Services Manager

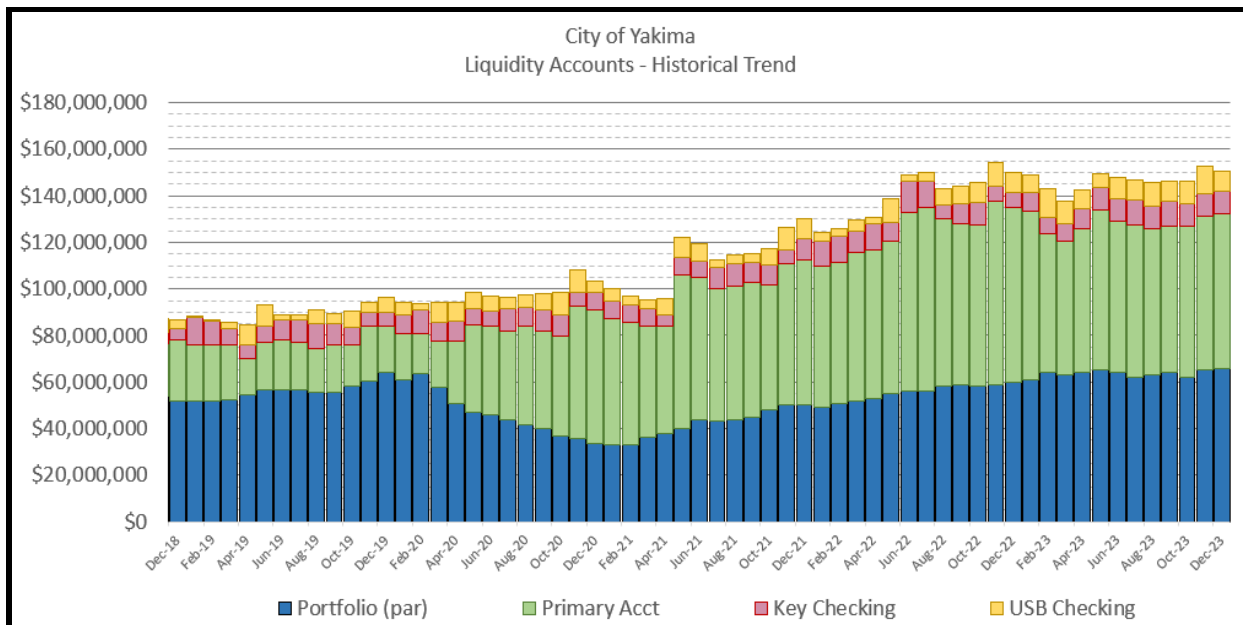
**Re:** 2023 – 4<sup>th</sup> Quarter Treasury Report



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 \$152.4 million: \$21.6 million in depository banks, \$64.8 million in the State Pool, and \$66.0 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:

- 1558 \$2,000,000 FHLB matured 10/17/2023
- 1537 \$1,000,000 FFCB matured 11/01/2023
- 1560 \$2,000,000 FFCB matured 12/06/2023

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

- 1592 \$2,000,000 US Treasury to mature 08/15/2026
- 1593 \$2,000,000 FFCB to mature 10/30/2026
- 1594 \$1,000,000 FHLB to mature 11/17/2026
- 1595 \$2,000,000 FAMCA to mature 12/4/2026

### **Portfolio and Benchmark Yield and Maturity:**

Avg. weighted yield of <b>City</b> investments, excluding LGIP:	3.74%
LGIP State Pool 30-day yield:	5.44%

Weighted average maturity of <b>City</b> investments, excluding LGIP:	281 days
Weighted average maturity of LGIP State Pool 30-day yield:	15 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 December 31, 2023, the fixed income market still shows an inverted market with the 1-year Treasury currently at 95 basis points higher than the 5-year Treasury, yielding 4.79% and 3.84% respectively. The 30-day yield of the State Pool Jumped from 5.39% to 5.44%, with a 15-day avg. maturity over last quarter.

**Economic Outlook.** With inflation falling and the job market buoyant, Goldman Sachs Research forecasts that the Fed will keep rates steady until a rate cut in the last quarter of 2024.

**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	64,779,877	50%
Treasuries	38,000,000	29%
Agencies	28,000,000	21%
	130,779,877	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 that started January 2023.

City of Yakima  
Cash and Investment Summary  
December 31, 2023

Description	Current 12/31/2023	Prior Quarter 9/30/2023	Prior Year 12/31/2022
Cash Balances on Hand in Banks	21,585,812.80	\$ 21,250,973	\$ 16,733,699
Local Government Investment Pool (LGIP)	64,779,877	62,890,167	74,964,080
Investment Portfolio	66,000,000	64,000,000	60,000,000
Total Investments	130,779,877	126,890,167	134,964,080
Total Cash and Investments	\$ 152,365,690	\$ 148,141,140	\$ 151,697,779

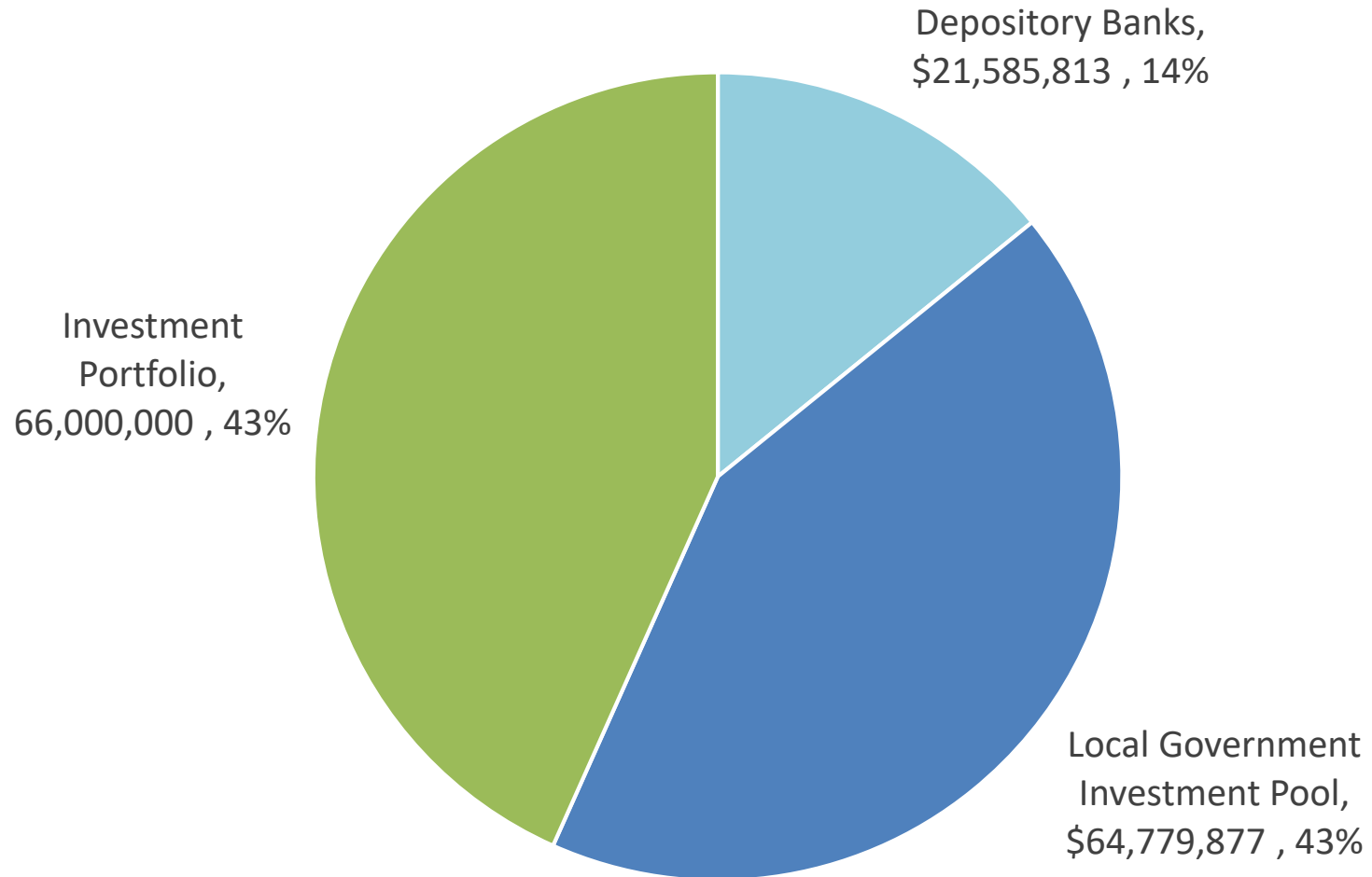
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Summary of Investment Activity	Beg Balance 9/30/2023	Purchases & Deposits	Interest Reinvested	Maturities, Calls & Withdrawals	End Balance 12/31/2023
Local Government Investment Pool (LGIP)	\$ 62,890,167	\$ 5,000,000	\$ 889,710	\$ (4,000,000)	\$ 64,779,877
Investment Portfolio	64,000,000	7,000,000	-	(5,000,000)	66,000,000
Total Investments	\$ 126,890,167	\$ 12,000,000	\$ 889,710	\$ (9,000,000)	\$ 130,779,877

# City of Yakima

## Distribution of Cash and Investments as of 12/31/23

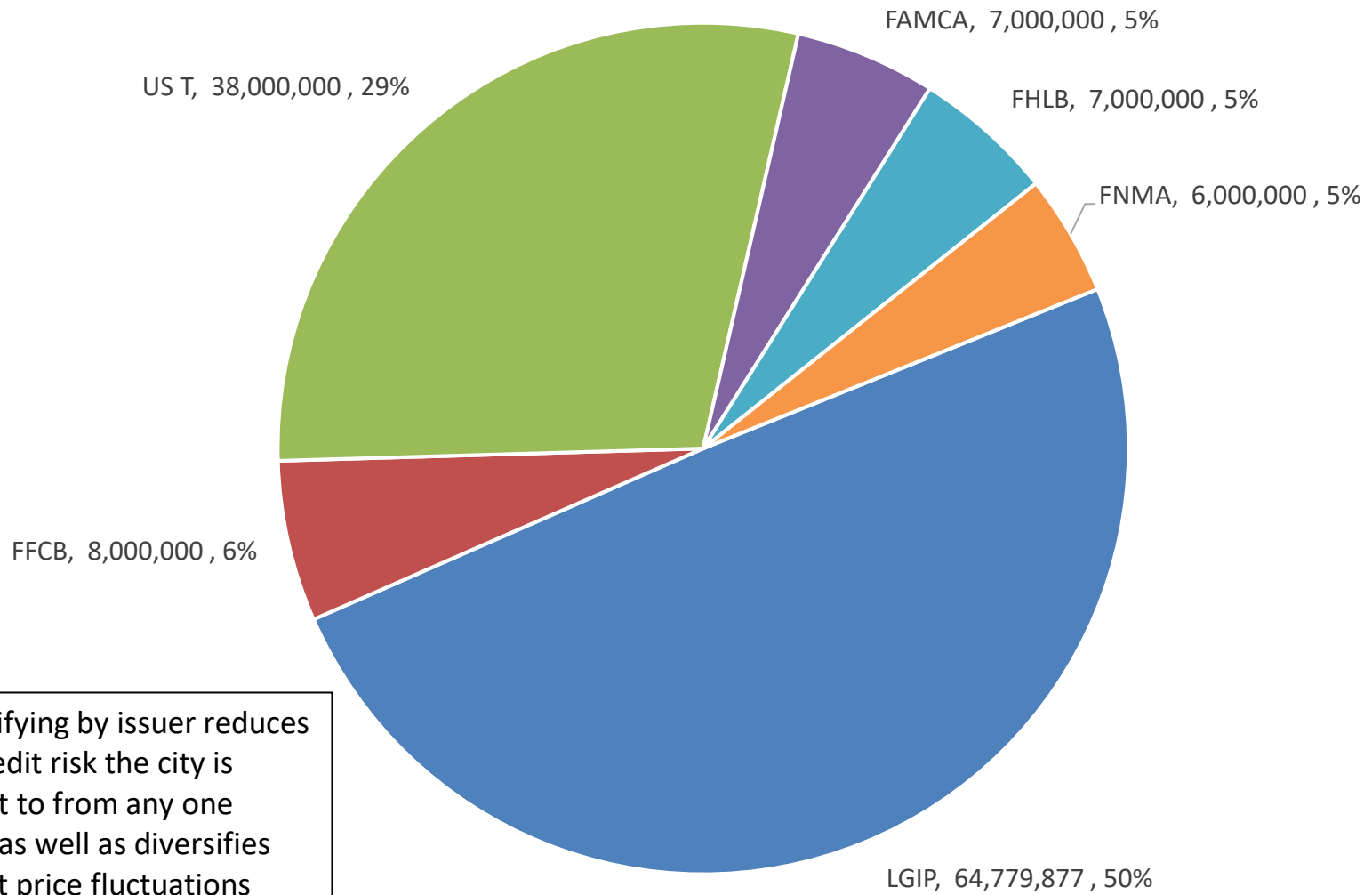


City of Yakima  
**Investment Portfolio - Inventory by Agency**  
 December 31, 2023

Agency	Inv#	CUSIP	Face Value	Price	Coupon	Expected Yield	Settle	Maturity	Days to Maturity	Market	Call Type	Moody's	S&P	Fitch	Next Call	Most Likely Call
FAMCA	1552	31422BSD3	1,000,000	1,004,430	1.590	1.470	2/14/20	1/10/24	10	998,695	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	30	999,374	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	36	996,943	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	36	996,943	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	91	1,983,828	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	105	985,586	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	121	989,688	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	152	1,972,266	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	157	985,611	NC	NA	NA	NA	NC	6/5/24
US T	1566	91282CCG4	1,000,000	994,102	0.250	0.451	6/30/21	6/15/24	167	977,500	NC	Aaa	NA	AAA	NC	6/15/24
US T	1563	9128282N9	2,000,000	2,112,813	2.125	0.352	5/16/21	7/31/24	213	1,965,000	NC	Aaa	NA	AAA	NC	7/31/24
FFCB	1585	3133ENG20	1,000,000	985,011	3.300	4.320	2/3/23	8/15/24	228	988,226	NC	Aaa	AA+	AAA	NC	8/15/24
US T	1546	9128282U3	1,000,000	1,008,789	1.875	1.660	12/11/19	8/31/24	244	978,789	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	274	1,948,516	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	305	1,943,828	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	313	972,732	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	348	980,451	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	369	971,567	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	425	1,920,078	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	456	1,900,156	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	486	945,625	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	486	945,625	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	517	1,881,953	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	547	938,398	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	578	1,871,563	NC	Aaa	NA	AAA	NC	7/31/25
FNMA	1578	3135G05X7	2,000,000	1,844,334	0.375	2.870	5/12/22	8/25/25	603	1,870,415	NC	Aaa	AA+	AAA	NC	8/25/25
US T	1569	91282CAM3	1,000,000	980,735	0.250	0.740	10/1/21	9/30/25	639	930,430	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	670	1,855,938	NC	Aaa	NA	AAA	NC	10/31/25
FFCB	1579	3133ENXQ8	2,000,000	1,992,128	2.800	2.920	6/7/2022	11/25/25	695	1,942,738	NC	Aaa	AA+	NA	NC	11/25/25
US T	1581	91282CBC4	2,000,000	1,807,440	0.375	3.490	9/12/22	12/31/25	731	1,851,406	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	762	1,935,391	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	777	1,893,750	NC	Aaa	NA	AAA	NC	2/15/26
FHLB	1587	3130AUU36	2,000,000	1,984,286	4.125	4.400	2/22/2023	3/13/26	803	1,992,636	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	845	1,906,647	NC	Aaa	AA+	AAA	NC	4/24/26
US T	1588	91282CCF6	2,000,000	1,822,350	0.750	3.800	4/19/23	5/31/26	882	1,844,375	NC	Aaa	NA	AAA	NC	5/31/26
FHLB	1589	3130AVWS7	2,000,000	2,014,500	3.750	3.500	5/5/23	6/12/26	894	1,980,828	NC	Aaa	AA+	NA	NC	6/12/26
FFCB	1590	3133EPPE9	2,000,000	1,975,386	4.375	4.840	8/29/23	7/6/26	918	2,008,253	NC	Aaa	AA+	NC	NC	7/6/26
US T	1592	91282CHU8	2,000,000	1,987,798	4.375	4.610	11/9/23	8/15/26	958	2,012,891	NC	Aaa	AA+	NC	NC	8/15/26
FAMCA	1591	31422X6U1	2,000,000	1,987,142	4.625	4.860	9/22/23	9/8/26	982	2,023,135	NC	Aaa	AA+	AAA	NC	9/8/26
FFCB	1593	3133EJM97	2,000,000	1,917,609	3.350	4.860	11/14/23	10/30/26	1,034	1,962,366	NC	Aaa	AA+	AAA	NC	10/30/26
FHLB	1594	3130AXU63	1,000,000	1,008,210	4.625	4.322	12/14/23	11/17/26	1,052	1,014,044	NC	Aaa	AA+	AAA	NC	11/17/26
FAMCA	1595	31424WCQ3	2,000,000	2,024,358	4.500	4.060	12/15/23	12/4/26	1,069	2,020,148	NC	NA	NA	NA	NC	12/4/26
Subtotal	42		66,000,000	65,176,712	Avg.					64,084,330						
LGIP	LGIP	NA	64,779,877	64,779,877	5.440	5.440	NA	NA	1	64,779,877	NC				NA	NA
<b>Grand Totals</b>			<b>\$ 130,779,877</b>	<b>\$ 129,956,589</b>		3.74%			<b>281</b>	<b>\$ 128,864,207</b>						

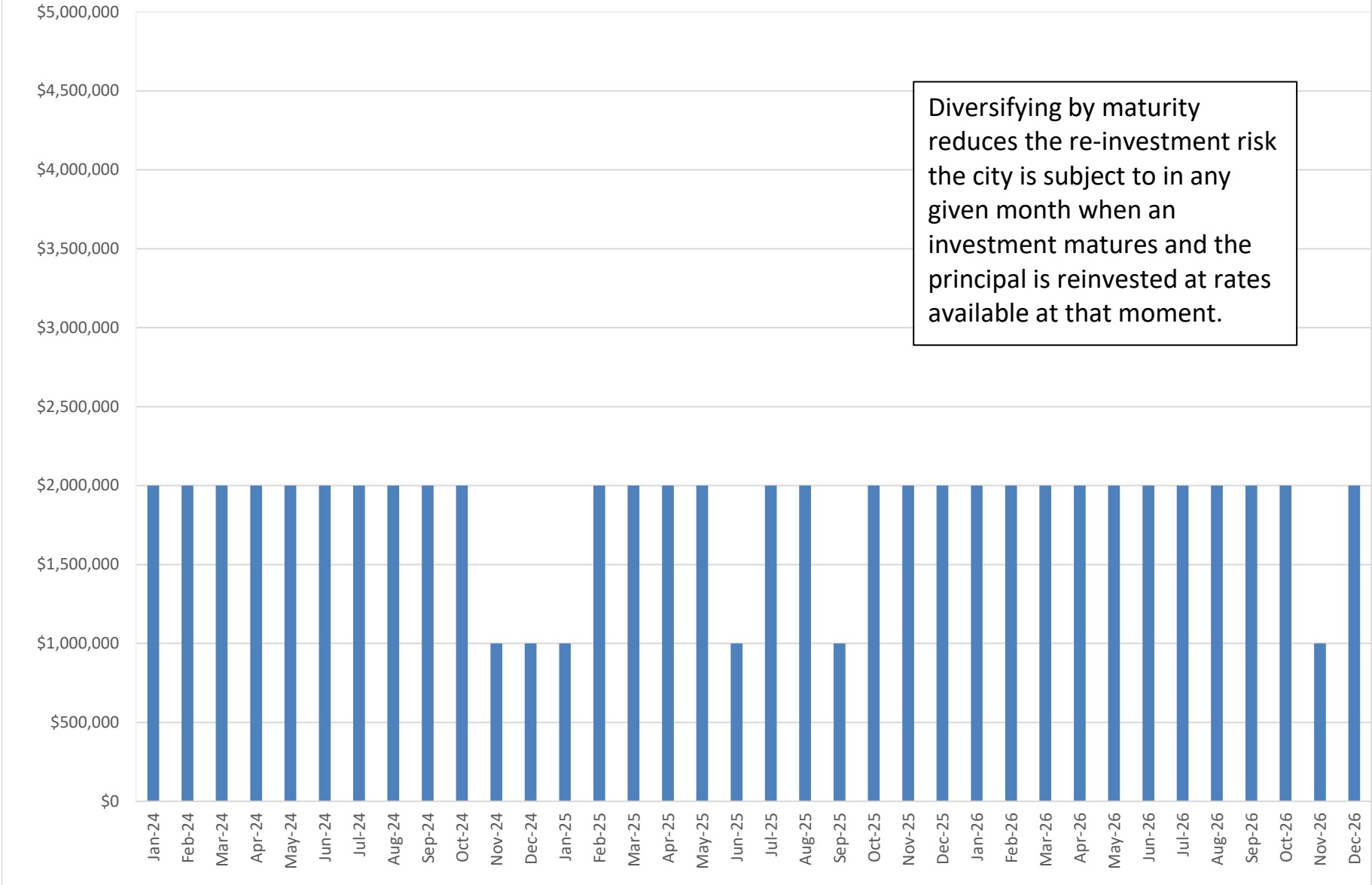
# City of Yakima

## Investment Portfolio by Issuer at 12/31/2023



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 12/31/2023





City of Yakima  
Investment Portfolio - Detail of Activity  
December 31, 2023

Agency	Inv#	Beginning Face Value	Additions and Purchases	Calls and Maturities	Ending Face Value
<b>Farmer Mac</b>					
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	1591	2,000,000			2,000,000
FAMCA	1595		2,000,000		2,000,000
FAMCA Total		5,000,000	2,000,000	-	7,000,000
<b>Federal Farm Credit Bureau</b>					
FFCB	1537	1,000,000	-	(1,000,000)	-
FFCB	1538	1,000,000	-	-	1,000,000
FFCB	1560	2,000,000		(2,000,000)	-
FFCB	1579	2,000,000			2,000,000
FFCB	1586	1,000,000			1,000,000
FFCB	1590	2,000,000			2,000,000
FFCB	1593		2,000,000		2,000,000
FFCB Total		9,000,000	2,000,000	(3,000,000)	8,000,000
<b>Federal Home Loan Bank</b>					
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	1594		1,000,000		1,000,000
FHLB	1589	2,000,000			2,000,000
FHLB Total		8,000,000	1,000,000	(2,000,000)	7,000,000
<b>Federal National Management Association</b>					
FNMA	1540	1,000,000	-		1,000,000
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	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	1592		2,000,000		2,000,000
US Treasury		36,000,000	2,000,000	-	38,000,000
Subtotal		64,000,000	7,000,000	(5,000,000)	66,000,000
Other Investments		-	-	-	-
LGIP (State Pool)	LGIP	62,890,167	5,889,710	(4,000,000)	64,779,877
Other Investment Totals		62,890,167	5,889,710	(4,000,000)	64,779,877
<b>Grand Totals</b>		<b>\$ 126,890,167</b>	<b>\$ 12,889,710</b>	<b>\$ (9,000,000)</b>	<b>\$ 130,779,877</b>

City of Yakima  
**Long Term Debt Schedule - by Project Group**  
December 31, 2023

Date Issued	Maturity	Description	Note	Amount of Issue	Current Balance
<b>General Obligation Bonds</b>					
6/17/2003	12/1/2023	Sundome Expansion	Deferred Interest-Maturity \$2.5M	1,430,528	-
6/20/2013	12/1/2028	Street Project Demonstration (Refunded)	Various City street improvements	3,500,000	1,804,726
6/9/2014	6/1/2024	Street Resurfacing Project	Streets improvements	13,140,000	1,610,000
9/24/2018	6/1/2035	Soccer Complex (Refunded)	City portion of SOZO Sports Complex	4,440,127	3,488,579
9/24/2018	12/1/1942	2018 Aquatic Center YMCA	City portion of Aquatic Center	8,009,873	7,801,261
4/21/2020	12/1/2032	2020B Capital Theatre 09 Refunded	2020B Capital Theatre 09 Refunded	4,910,000	3,555,000
4/21/2020	12/1/2044	2020B Convention Center Addition	2020B Convention Center Addition	12,620,000	11,310,000
4/21/2020	12/1/2044	2020B Convention Center Addition III Refu	2020B Convention Center Addition III Refunded	2,495,000	2,235,000
<b>Subtotal General Obligation Bonds</b>				50,545,528	31,804,567
<b>Certificate of Participation - State of Washington</b>					
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	427,183
7/21/2020	6/1/2035	Energy Project	2020 Energy Efficiency Project (lighting)	1,415,000	1,210,000
9/28/2017	6/1/2027	Fire Aerial & Pump App	Fire Aerial	1,268,053	587,719
<b>Subtotal Certificates of Participation</b>				3,915,330	2,224,901
<b>Revenue Bonds</b>					
4/21/2020	12/1/2034	2020 Ref 04 Irrigation	2020 Ref 04 Irrigation	3,260,000	2,525,000
4/21/2020	12/1/2027	2020 Ref 08 WS Rev	2020 Ref 08 WS Rev	2,590,000	1,430,000
5/31/2012	11/1/2023	Wastewater	Refunded 2003 \$10,155,000 issue	9,400,000	-
<b>Subtotal Revenue Bonds</b>				15,250,000	3,955,000
<b>Intergovernmental Loans</b>					
8/14/2009	7/1/2028	PC-08-951-052	2009 Railroad Grade Separation	3,000,000	825,501
5/6/2010	6/1/2034	L1000030-0	2010 Railroad Grade Separation	1,149,841	759,032
6/17/2014	5/1/2034	Comm Center Move	City portion of County GO Bonds	1,716,500	1,090,000
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
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
7/17/2018	6/1/2029	'18 Yak Co SIED - River Rd.	2018 Yakima Co SIED - River Rd Improvements/Aquatics Center	500,000	331,903
3/2/2021	6/1/2032	21 Yak Co Seid - SOZO	2021 Yakima Co SEID Loan SOZO	1,000,000	937,544
3/14/2023	6/1/2035	22 Yak Co Seid - Russell Lane	2023 Yak Co Seid - Russell Lane	416,000	416,000
12/15/2023	6/1/2036	23 Yak Co Seid - Chief Hops	2023 Yak Co Seid - Chief Hops	312,500	312,500
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	94,145
12/30/2005	6/1/2025	PW-05-691-064	2005 River Road Sewer	2,307,000	248,492
4/30/2007	6/1/2027	PW-07-962-019	2007 Ultra Violet Disinfection	2,300,000	485,556
4/15/2009	6/1/2028	PC-08-951-051	2009 New Water Well	2,257,200	605,744
10/10/2011	3/31/2033	L1100008	2011 Energy Efficiency	503,558	288,514
8/1/2011	7/1/2034	L1200019	2012 Industrial Waste Anaerobic	590,350	374,629
6/1/2012	6/1/2031	PC-12-951-065	2012 Wastewater Treatment Plan	5,000,000	2,152,633
10/11/2012	6/1/2037	PC-13-961-059	2012 Industrial Sewer Extensions	2,000,000	1,138,756
8/5/2013	6/1/2032	PC-13-961-074	2013 Automated Reading System	5,000,000	2,368,421
12/31/2021	6/1/2039	PC20-96103-044	2020 Waterline Improvements	1,737,906	1,544,806
12/12/2013	10/1/2034	DM-11-952-038	2013 Design WTP Lagoons	3,514,800	1,933,140
<b>Subtotal Intergovernmental Loans</b>				38,235,507	16,319,345

City of Yakima  
**Interfund Borrowing**  
 December 31, 2023

Description	Original Balance	Beginning Balance	Issued	Retired	Ending Balance
Millsite	1,800,000.00	1,036,018.85		284,003.32	752,015.53
Nelson Dam	3,299,691.00	2,399,775.24		299,971.92	2,099,803.32
<b>Total across all funds</b>	<b>5,099,691.00</b>	<b>3,435,794.09</b>	-	<b>583,975.24</b>	<b>2,851,818.85</b>

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



Committee Review of Investment Rationale

Date: November 8, 2023

**Investment # 2023-1592 is a 3-year US Treasury, face value \$2,000,000, maturing August 15 2026, 4.37% coupon purchased at 99.389900 to yield 4.61%. This trade settles November 09, 2023 with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2023.**

**Liquidity:** At October 31<sup>st</sup>, month-end, Key Bank checking account balance was \$9.4 million (target minimum is \$3 Million), US Bank checking balance was \$9.7 million and an investment portfolio was \$62.0 million (target is \$64 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$65.2 million (target minimum is \$5 million).

**Safety:** This purchase is a debt issue of the Federal Government, equivalent to Aaa/AA+ rating by Moody's and Fitch.

**Yield.** Yield is 4.6100%. This investment is 79 basis points under LGIP and 03 basis points under a 3-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4075%	www.secureaccess.wa.gov
5-year Treasury	4.5300%	Treasury.gov
3-year Treasury	4.6400%	Treasury.gov

**Callability.** This investment is not callable (a bullet).

**Diversification.** This purchase brings this issuer to 29.6% of total portfolio.

This investment adds a maturity date not previously covered in the City's ladder portfolio.

**Outlook.** The yield curve is currently still high and still moving in an upward trend; the 1-year Treasury at 5.33%, the 2-year at 4.91%, the 3-year at 4.64%, and the 5-year at 4.53%. We are also seeing an inverted yield curve, meaning that the rate goes lower the longer the term.

**Investment Committee review:**

Finance Director: Mark Rater

Date 11/9/23

City Manager: Robert Hill

Date 11/13/2023



Committee Review of Investment Rationale

Date: November 13, 2023

**Investment # 2023-1593 is an 8-year Federal Farm Credit Bank, face value \$2,000,000, maturing October 30 2026, 3.35% coupon purchased at 95.880458 to yield 4.86%. This trade settles November 14, 2023 with Hilltop Securities, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2023.**

**Liquidity:** At October 31<sup>st</sup>, month-end, Key Bank checking account balance was \$9.4 million (target minimum is \$3 Million), US Bank checking balance was \$9.7 million and an investment portfolio was \$62.0 million (target is \$64 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$65.2 million (target minimum is \$5 million).

**Safety:** This purchase is a debt issue of a government-sponsored enterprise (GSE), that carries an explicit Federal guarantee, equivalent to Aaa/AA+ rating by Moody's and S&P.

**Yield.** Yield is 4.8600%. This investment is 55 basis points under LGIP and 06 basis points over a 3-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4112%	www.secureaccess.wa.gov
5year Treasury	4.6500%	Treasury.gov
3-year Treasury	4.8000%	Treasury.gov

**Callability.** This investment is not callable (a bullet).

**Diversification.** This purchase brings this issuer to 7.7% of total portfolio.

This investment adds a maturity date not previously covered in the City's ladder portfolio.

**Outlook.** The yield curve is currently still high and still moving in an upward trend; the 1-year Treasury at 5.38%, the 2-year at 5.04%, the 3-year at 4.80%, and the 5-year at 4.65%. We are also seeing an inverted yield curve, meaning that the rate goes lower the longer the term.

**Investment Committee review:**

Finance Director: Mark Putz

Date 11/14/23

City Manager: Bob Hill

Date 11/14/2023



Committee Review of Investment Rationale

Date: December 14, 2023

Investment # 2023-1594 is a 3-year Federal Home Loan Bank, face value \$1,000,000, maturing November 17 2026, 4.625% coupon purchased at 100.821 to yield 4.322%. This trade settles November 14, 2023 with Wedbush Securities, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2023.

Liquidity: At November 30th, month-end, Key Bank checking account balance was \$9.6 million (target minimum is \$3 Million), US Bank checking balance was \$11.4 million and an investment portfolio was \$65.0 million (target is \$72 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$66.4 million (target minimum is \$5 million).

Safety: This purchase is a debt issue of a government-sponsored enterprise (GSE), that carries an explicit Federal guarantee, equivalent to Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is 4.322%. This investment is 111 basis points under LGIP and 14 basis points over a 3-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4319%	www.secureaccess.wa.gov
5year Treasury	4.0000%	Treasury.gov
3-year Treasury	4.1800%	Treasury.gov

Callability. This investment is not callable (a bullet).

Diversification. This purchase brings this issuer to 5.4% of total portfolio.

This investment adds a maturity date not previously covered in the City's laddered portfolio.

Outlook. The yield curve is currently still high but is starting to move in a downward trend; the 1-year Treasury at 4.94%, the 2-year at 4.46%, the 3-year at 4.18%, and the 5-year at 4.00%. We are also seeing an inverted yield curve, meaning that the rate goes lower the longer the term.

Investment Committee review:

Finance Director: Mark Rabent

Date 12/19/23

City Manager: Robert H. ...

Date 12/20/23



Committee Review of Investment Rationale

Date: December 14, 2023

Investment # 2023-1595 is a 3-year Farmer Mac, face value \$2,000,000, maturing December 04 2026, 4.50% coupon purchased at 101.2179 to yield 4.06%. This trade settles November 15, 2023 with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2023.

Liquidity: At November 30th, month-end, Key Bank checking account balance was \$9.6 million (target minimum is \$3 Million), US Bank checking balance was \$11.4 million and an investment portfolio was \$65.0 million (target is \$72 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$66.4 million (target minimum is \$5 million).

Safety: This purchase is a debt issue of a government-sponsored enterprise (GSE), that carries an explicit Federal guarantee, equivalent to Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is 4.06%. This investment is 137 basis points under LGIP and 12 basis points over a 3-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4319%	www.secureaccess.wa.gov
5year Treasury	4.0000%	Treasury.gov
3-year Treasury	4.1800%	Treasury.gov

Callability. This investment is not callable (a bullet).

Diversification. This purchase brings this issuer to 5.3% of total portfolio.

This investment adds a maturity date not previously covered in the City's laddered portfolio.

Outlook. The yield curve is currently still high but is starting to move in a downward trend; the 1-year Treasury at 4.94%, the 2-year at 4.46%, the 3-year at 4.18%, and the 5-year at 4.00%. We are also seeing an inverted yield curve, meaning that the rate goes lower the longer the term.

Investment Committee review:

Finance Director: Male Ratat

Date 12/18/23

City Manager: Robert H. ...

Date 12/20/23