

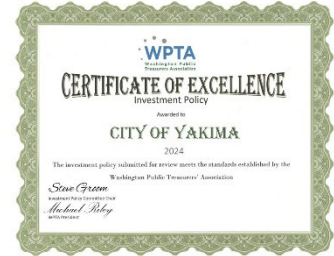


Date: July 1, 2024

To: Mayor and City Council

Thru: Dave Zabell, Interim City Manager

From: Rosylen Oglesby, Assistant City Manager/Interim Director of Finance and Budget
Kimberly Dominé Financial Services Manager

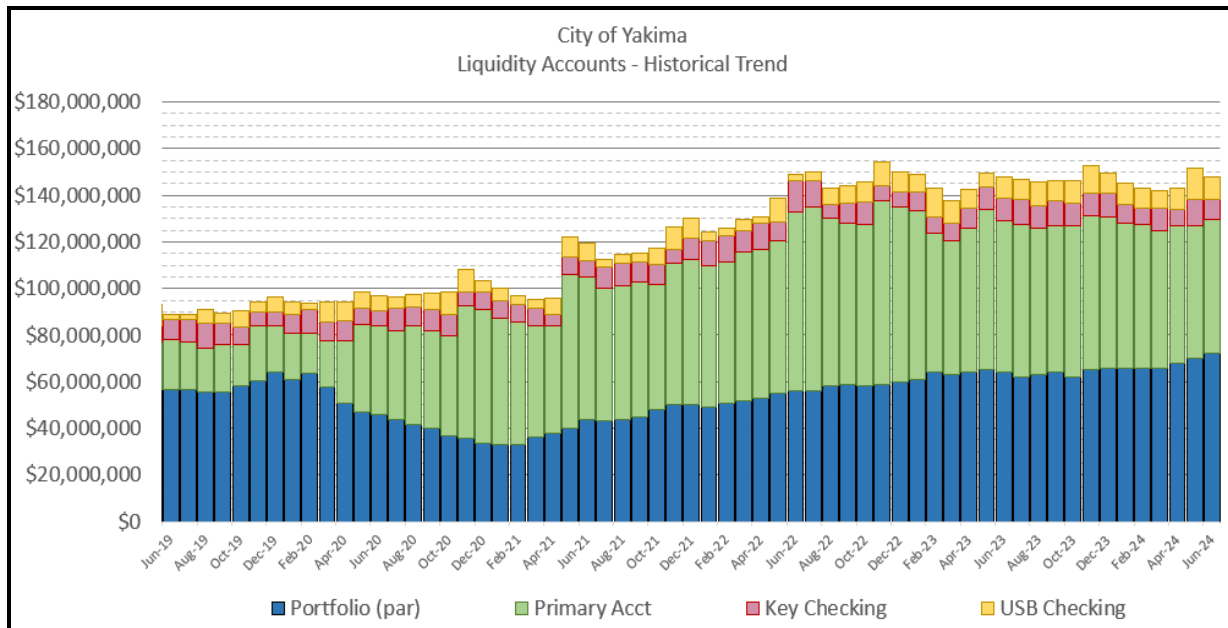


Re: 2024 – 2nd Quarter Treasury Report

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 Statutes 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 and again in April 2024.

Total Cash and Investments at Quarter-end total \$150.6 million: \$21.2 million in depository banks, \$57.4 million in the State Pool, and \$72.0 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:

- 1565 \$1,000,000 US Treasury matured 04/15/2024
- 1553 \$1,000,000 US Treasury matured 04/30/2024
- 1562 \$2,000,000 US Treasury matured 05/31/2024
- 1533 \$1,000,000 FAMCA matured 06/5/2024
- 1566 \$1,000,000 US Treasury matured 06/15/2024

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

- 1599 \$2,000,000 FAMCA to mature 04/16/2027
- 1600 \$2,000,000 US Treasury to mature 05/31/2027
- 1601 \$1,000,000 US Treasury to mature 11/14/2024
- 1602 \$1,010,000 FNMA to mature 01/07/2025
- 1603 \$2,000,000 FHLB to mature 06/11/2027
- 1604 \$1,000,000 FHLB to mature 09/12/2025
- 1605 \$1,000,000 FAMCA to mature 06/09/25
- 1606 \$2,000,000 US Treasury to mature 07/31/2027

Portfolio and Benchmark Yield and Maturity:

Avg. weighted yield of City investments, excluding LGIP:	3.76%
LGIP State Pool 30-day yield:	5.43%
Weighted average maturity of City investments, excluding LGIP:	318 days
Weighted average maturity of LGIP State Pool 30-day yield:	17 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, 2024, the fixed income market still shows an inverted market with the 1-year Treasury currently at 76 basis points higher than the 5-year Treasury, yielding 5.09% and 4.33% respectively. The 30-day yield of the State Pool remained unchanged from last quarter at 5.43%, with the Weighted Average to maturity decreasing from a 23-day avg. to a 17-day average over last quarter.

Economic Outlook. After the Federal Reserve’s June meeting, it was decided to hold interest rates steady. The federal funds target rate has remained at 5.25% to 5.5% since July 2023. The Personal Consumer Expenditures (PCE) Index is projected to fall to 2.1% by fourth-quarter 2024, averaging 2.3% for the year.

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	57,390,103	44%
Treasuries	36,000,000	28%
Agencies	36,010,000	28%
	129,400,103	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 and is due to be paid in full September 2025.

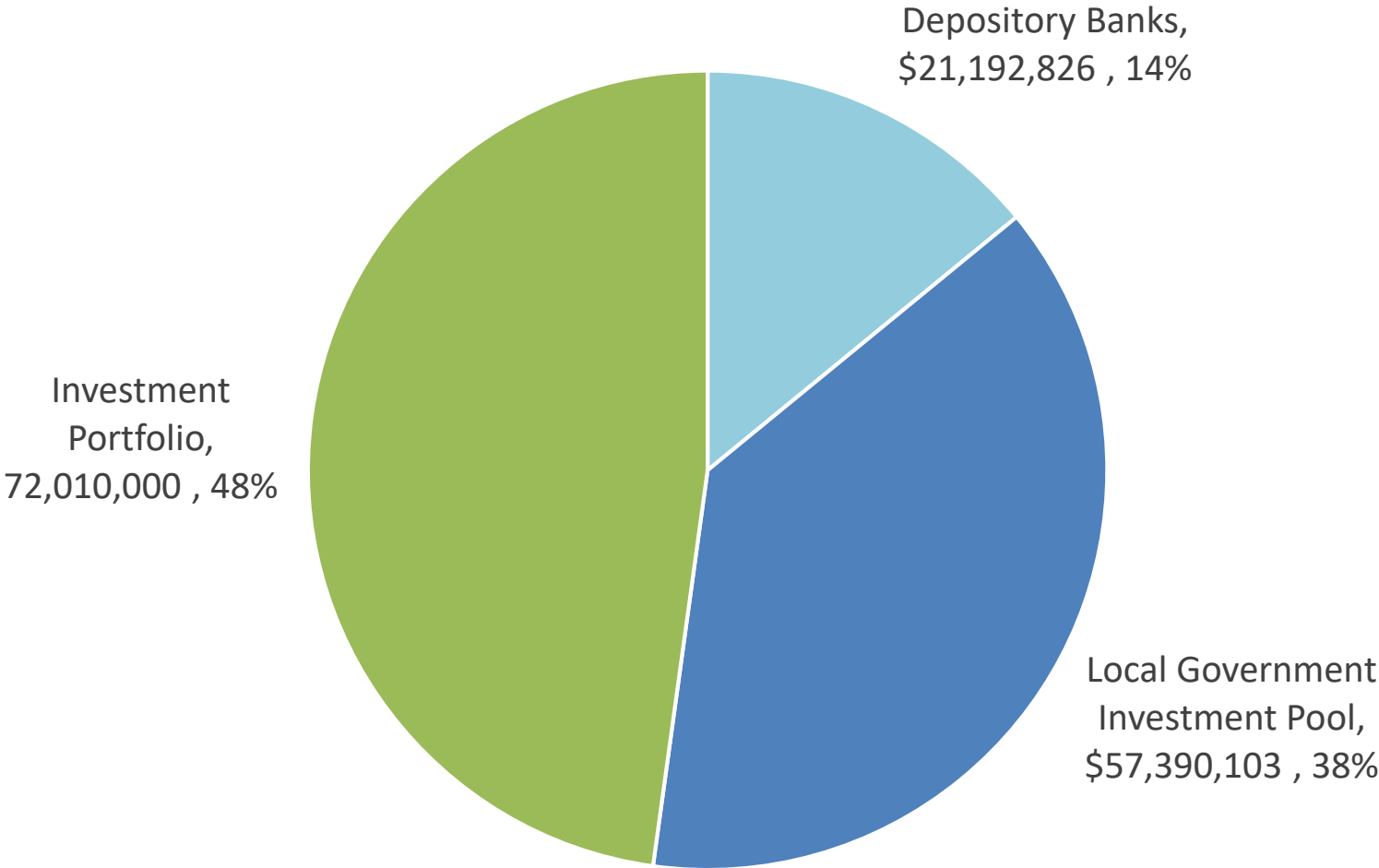
City of Yakima
Cash and Investment Summary
June 30, 2024

Description	Current 6/30/2024	Prior Quarter 3/31/2024	Prior Year 6/30/2023
Cash Balances on Hand in Banks	21,192,826.13	\$ 20,579,918	\$ 20,577,896
Local Government Investment Pool (LGIP)	57,390,103	58,606,106	57,714,422
Investment Portfolio	72,010,000	66,000,000	63,000,000
Total Investments	129,400,103	124,606,106	120,714,422
Total Cash and Investments	\$ 150,592,929	\$ 145,186,024	\$ 141,292,318

Summary of Investment Activity	Beg Balance 3/31/2024	Purchases & Deposits	Interest Reinvested	Maturities, Calls & Withdrawals	End Balance 6/30/2024
Local Government Investment Pool (LGIP)	\$ 58,606,106	\$ 4,000,000	\$ 783,997	\$ (6,000,000)	\$ 57,390,103
Investment Portfolio	66,000,000	12,010,000	-	(6,000,000)	72,010,000
Total Investments	\$ 124,606,106	\$ 16,010,000	\$ 783,997	\$ (12,000,000)	\$ 129,400,103

City of Yakima

Distribution of Cash and Investments as of 06/30/2024

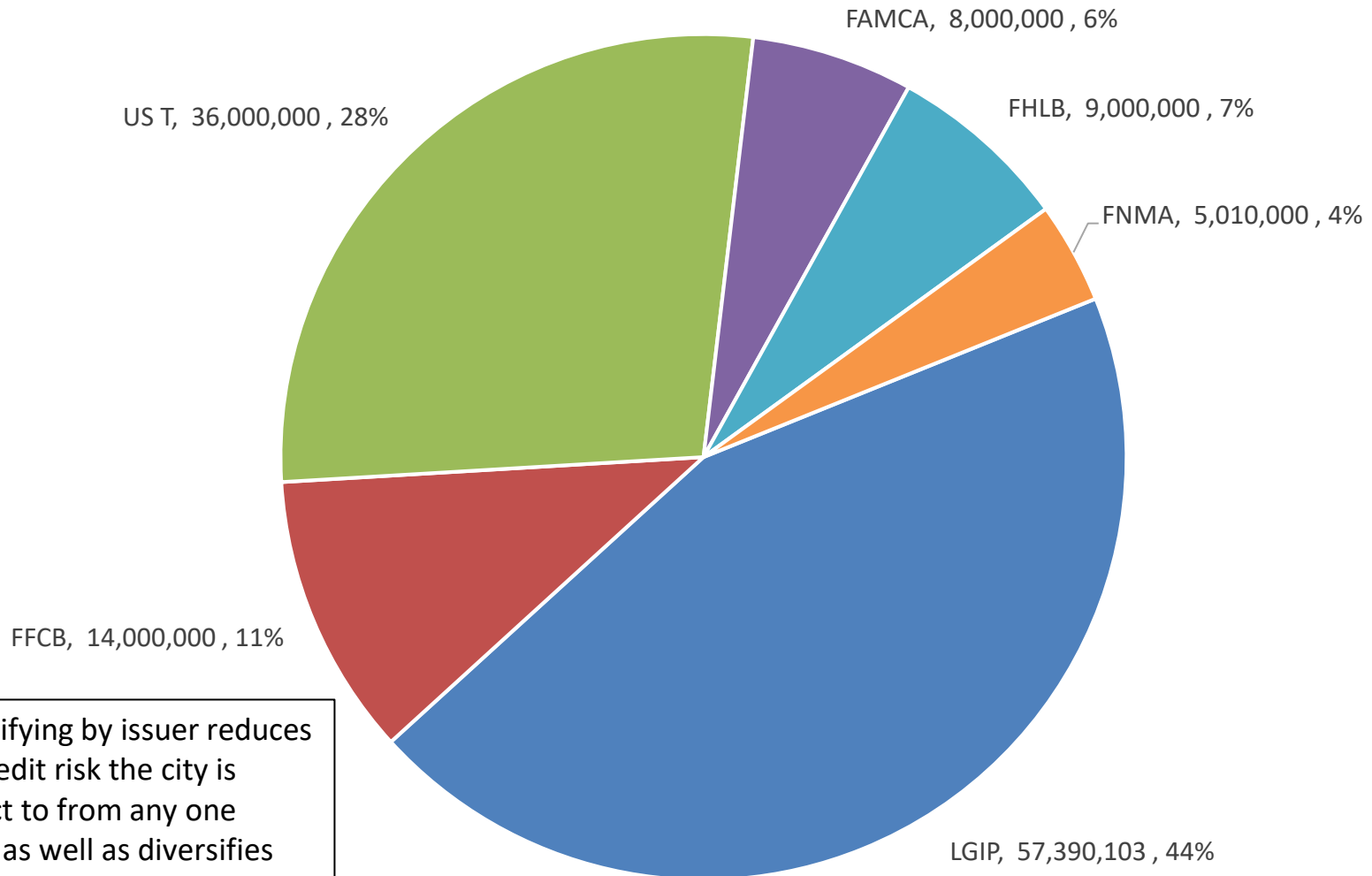


City of Yakima
Investment Portfolio - Inventory by Agency
 June 30, 2024

Agency	Inv#	CUSIP	Face Value	Price	Coupon	Expected		Days to Maturity	Market	Call				Next Call	Most Likely Call	
						Yield	Settle			Type	Moody's	S&P	Fitch			
US T	1563	9128282N9	2,000,000	2,112,813	2.125	0.352	5/16/21	7/31/24	31	1,994,128	NC	Aaa	NA	AAAu	NC	7/31/24
FFCB	1585	3133ENG20	1,000,000	985,011	3.300	4.320	2/3/23	8/15/24	46	996,973	NC	Aaa	AA+	AA+	NC	8/15/24
US T	1546	9128282U3	1,000,000	1,008,789	1.875	1.660	12/11/19	8/31/24	62	993,620	NC	Aaa	NA	AAAu	NC	8/31/24
US T	1564	912828YH7	2,000,000	2,074,922	1.500	0.361	6/8/21	9/30/24	92	1,980,286	NC	Aaa	NA	AAAu	NC	9/30/24
US T	1567	912828YM6	2,000,000	2,074,531	1.500	0.343	8/3/21	10/31/24	123	1,973,672	NC	Aaa	NA	AAAu	NC	10/31/24
FFCB	1538	3133EK6J0	1,000,000	994,700	1.625	1.736	11/8/19	11/8/24	131	986,107	NC	Aaa	AA+	AA+	NC	11/8/24
US T	1601	912797LD7	1,000,000	974,253	0.000	5.300	5/16/24	11/14/24	137	980,115	NC	Aaa	NA	AAAu	NC	11/14/24
FHLB	1554	3130A3GE8	1,000,000	1,058,979	2.750	1.480	2/14/20	12/13/24	166	988,246	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	187	982,721	NC	NA	NA	NA	NC	1/3/25
FNMA	1602	3135G0X24	1,010,000	987,355	1.625	5.220	5/16/24	1/7/25	191	990,605	NC	NA	NA	NA	NC	1/7/25
US T	1572	912828ZC7	2,000,000	2,015,156	1.125	0.890	11/16/21	2/28/25	243	1,945,996	NC	Aaa	NA	AAAu	NC	2/28/25
US T	1574	912828ZF0	2,000,000	1,946,797	0.500	1.365	2/3/22	3/31/25	274	1,930,879	NC	Aaa	NA	AAAu	NC	3/31/25
US T	1568	912828ZL7	1,000,000	995,467	0.375	0.500	9/1/21	4/30/25	304	960,898	NC	Aaa	NA	AAAu	NC	4/30/25
US T	1568	912828ZL7	1,000,000	995,467	0.375	0.500	9/1/21	4/30/25	304	960,898	NC	Aaa	NA	AAAu	NC	4/30/25
US T	1575	912828ZT0	2,000,000	1,925,992	0.250	1.420	3/2/22	5/31/25	335	1,911,563	NC	Aaa	NA	AAAu	NC	5/31/25
FAMCA	1605	31422X3X8	1,000,000	995,789	4.650	5.100	6/21/24	6/9/25	344	995,488	NC	NA	NA	NA	NC	6/9/25
US T	1571	912828ZW3	1,000,000	979,531	0.250	0.813	10/18/21	6/30/25	365	952,734	NC	Aaa	NA	AAAu	NC	6/30/25
US T	1576	91282CAB7	2,000,000	1,843,472	0.250	2.780	4/29/22	7/31/25	396	1,898,750	NC	Aaa	NA	AAAu	NC	7/31/25
FNMA	1578	3135G05X7	2,000,000	1,844,334	0.375	2.870	5/12/22	8/25/25	421	1,895,637	NC	Aaa	AA+	AAA	NC	8/25/25
FHLB	1604	3130B0Z44	1,000,000	1,001,445	5.125	5.000	6/21/24	9/12/25	439	1,000,597	NC	Aaa	AA+	NA	NC	9/12/25
US T	1569	91282CAM3	1,000,000	980,735	0.250	0.740	10/1/21	9/30/25	457	942,578	NC	Aaa	NA	AAAu	NC	9/30/25
US T	1580	91282CAT8	2,000,000	1,818,516	0.250	3.273	8/24/22	10/31/25	488	1,878,906	NC	Aaa	NA	AAAu	NC	10/31/25
FFCB	1579	3133ENXQ8	2,000,000	1,992,128	2.800	2.920	6/7/2022	11/25/25	513	1,941,017	NC	Aaa	AA+	AA+	NC	11/25/25
US T	1581	91282CBC4	2,000,000	1,807,440	0.375	3.490	9/12/22	12/31/25	549	1,869,844	NC	Aaa	NA	AAAu	NC	12/31/25
US T	1582	9128286A3	2,000,000	1,891,374	2.625	4.450	11/9/22	1/31/26	580	1,931,484	NC	Aaa	NA	AAAu	NC	1/31/26
US T	1584	912828P46	2,000,000	1,877,584	1.625	3.750	1/18/23	2/15/26	595	1,899,219	NC	Aaa	NA	AAAu	NC	2/15/26
FHLB	1587	3130AUU36	2,000,000	1,984,286	4.125	4.400	2/22/2023	3/13/26	621	1,976,841	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	663	1,908,311	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	700	1,854,219	NC	Aaa	NA	AAAu	NC	5/31/26
FHLB	1589	3130AVVW5	2,000,000	2,014,500	3.750	3.500	5/5/23	6/12/26	712	1,962,491	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	736	1,984,063	NC	Aaa	AA+	AA+	NC	7/6/26
US T	1592	91282CHU8	2,000,000	1,987,798	4.375	4.610	11/9/23	8/15/26	776	1,986,797	NC	Aaa	NA	AAAu	NC	8/15/26
FAMCA	1591	31422X6U1	2,000,000	1,987,142	4.625	4.860	9/22/23	9/8/26	800	1,996,615	NC	NA	NA	NA	NC	9/8/26
FFCB	1593	3133EJM97	2,000,000	1,917,609	3.350	4.860	11/14/23	10/30/26	852	1,941,021	NC	Aaa	AA+	AA+	NC	10/30/26
FHLB	1594	3130AXU63	1,000,000	1,008,210	4.625	4.322	12/14/23	11/17/26	870	999,087	NC	Aaa	AA+	NA	NC	11/17/26
FAMCA	1595	31424WCQ3	2,000,000	2,024,358	4.500	4.060	12/15/23	12/4/26	887	1,991,406	NC	NA	NA	NA	NC	12/4/26
FFCB	1596	3133EPW76	2,000,000	1,995,234	3.875	3.960	1/19/24	1/19/27	933	1,962,885	NC	Aaa	AA+	AA+	NC	1/19/27
FFCB	1597	3133EP2T1	2,000,000	2,000,000	4.125	4.125	2/12/24	2/12/27	957	1,976,061	NC	Aaa	AA+	AA+	NC	2/12/27
FFCB	1598	3133EJGF0	2,000,000	1,928,336	3.125	4.420	3/21/24	3/15/27	988	1,925,165	NC	Aaa	AA+	AA+	NC	3/15/27
FAMCA	1599	31424WHG0	2,000,000	1,996,686	4.800	4.860	4/17/24	4/16/27	1,020	2,011,819	NC	Aaa	NA	AAAu	NC	4/16/27
US T	1600	91282CET4	2,000,000	1,878,000	2.625	4.751	4/17/24	5/31/27	1,065	1,897,266	NC	Aaa	NA	AAAu	NC	5/31/27
FHLB	1603	3130B1EF0	2,000,000	2,007,569	4.625	4.490	5/16/24	6/11/27	1,076	2,003,960	NC	Aaa	NA	AAAu	NC	6/11/27
US T	1606	91282CFB2	2,000,000	1,902,188	2.750	4.450	6/21/24	7/31/27	1,126	1,900,078	NC	Aaa	NA	AA+u	NC	7/31/27
Subtotal	43		72,010,000	70,504,787	Avg.					70,061,044						
LGIP	LGIP	NA	57,390,103	57,390,103	5.440	5.428	NA	NA	1	57,390,103	NC				NA	NA
Grand Totals			\$ 129,400,103	\$ 127,894,890		3.77%			318	\$ 127,451,148						

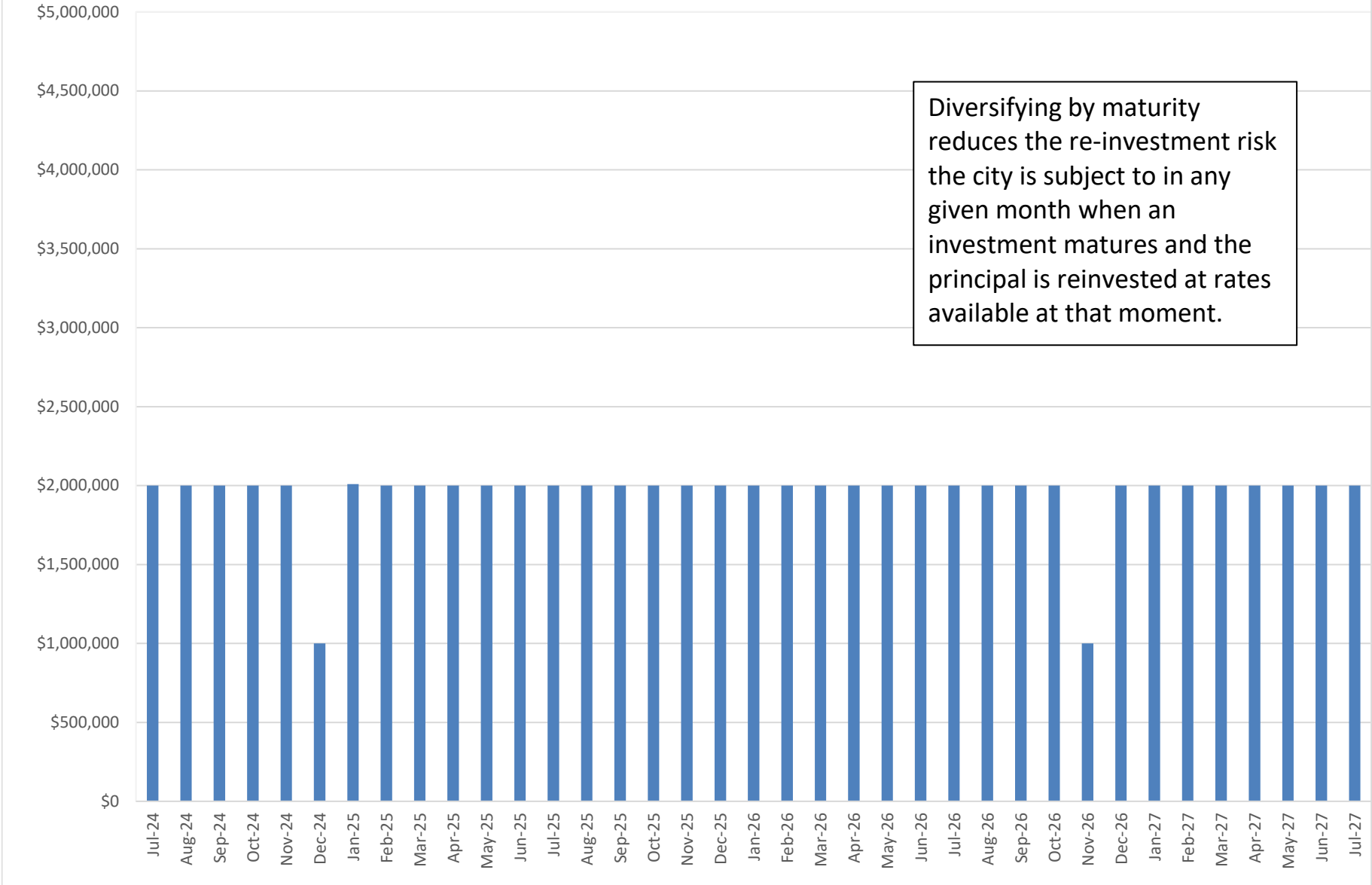
City of Yakima

Investment Portfolio by Issuer at 06/30/2024



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 06/30/2024



Diversifying by maturity reduces the re-investment risk the city is subject to in any given month when an investment matures and the principal is reinvested at rates available at that moment.

City of Yakima
Investment Portfolio - Detail of Activity
June 30, 2024

Agency	Inv#	Beginning Face Value	Additions and Purchases	Calls and Maturities	Ending Face Value
Farmer Mac					
FAMCA	1533	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	1599		2,000,000		2,000,000
FAMCA	1605		1,000,000		1,000,000
FAMCA Total		6,000,000	3,000,000	(1,000,000)	8,000,000
Federal Farm Credit Bureau					
FFCB	1538	1,000,000	-		1,000,000
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	1596	2,000,000			2,000,000
FFCB	1597	2,000,000			2,000,000
FFCB	1598	2,000,000			2,000,000
FFCB Total		14,000,000	-	-	14,000,000
Federal Home Loan Bank					
FHLB	1554	1,000,000	-	-	1,000,000
FHLB	1587	2,000,000			2,000,000
FHLB	1589	2,000,000			2,000,000
FHLB	1594	1,000,000			1,000,000
FHLB	1603		2,000,000		2,000,000
FHLB	1604		1,000,000		1,000,000
FHLB Total		6,000,000	3,000,000	-	9,000,000
Federal National Management Association					
FNMA	1578	2,000,000			2,000,000
FNMA	1583	2,000,000			2,000,000
FNMA	1602		1,010,000		1,010,000
FNMA Total		4,000,000	1,010,000	-	5,010,000
US Treasury	1546	1,000,000	-	-	1,000,000
US Treasury	1553	1,000,000	-	(1,000,000)	-
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	1600		2,000,000		2,000,000
US Treasury	1601		1,000,000		1,000,000
US Treasury	1606		2,000,000		2,000,000
US Treasury		36,000,000	5,000,000	(5,000,000)	36,000,000
Subtotal		66,000,000	12,010,000	(6,000,000)	72,010,000
Other Investments		-	-	-	-
LGIP (State Pool)	LGIP	58,606,106	4,783,997	(6,000,000)	57,390,103
Other Investment Totals		58,606,106	4,783,997	(6,000,000)	57,390,103
Grand Totals		\$ 124,606,106	\$ 16,793,997	\$ (12,000,000)	\$ 129,400,103

City of Yakima
Long Term Debt Schedule - by Project Group
June 30, 2024

Date Issued	Maturity	Description	Note	Amount of Issue	Current Balance
General Obligation Bonds					
6/20/2013	12/1/2028	Street Project Demonstration (Refunded)	Various City street improvements	3,500,000	1,636,929
6/9/2014	6/1/2024	Street Resurfacing Project	Streets improvements	13,140,000	-
9/24/2018	6/1/2035	Soccer Complex (Refunded)	City portion of SOZO Sports Complex	4,440,127	3,362,845
9/24/2018	12/1/1942	2018 Aquatic Center YMCA	City portion of Aquatic Center	8,009,873	7,755,337
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
Subtotal General Obligation Bonds				49,115,000	29,855,110
Certificate of Participation - State of Washington					
9/28/2017	6/1/2027	Energy Project	2017 Energy Project (lighting)	921,683	326,304
7/21/2020	6/1/2035	Energy Project	2020 Energy Efficiency Project (lighting)	1,415,000	1,135,000
9/28/2017	6/1/2027	Fire Aerial & Pump App	Fire Aerial	1,268,053	448,930
Subtotal Certificates of Participation				3,604,736	1,910,234
Revenue Bonds					
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
Subtotal Revenue Bonds				5,850,000	3,955,000
Intergovernmental Loans					
8/14/2009	7/1/2028	PC-08-951-052	2009 Railroad Grade Separation	3,000,000	660,401
5/6/2010	6/1/2034	L1000030-0	2010 Railroad Grade Separation	1,229,295	727,881
6/17/2014	5/1/2034	Comm Center Move	City portion of County GO Bonds	1,716,500	1,005,000
6/1/2016	6/1/2027	'16 Yak Co SIED - SOZO	2016 Yakima Co SIED Loan - SOZO	900,000	302,569
11/21/2017	6/1/2024	'17 Yak Co SIED - YV Brewing Project	2017 Yakima Co SIED Loan - YV Brewing Project	61,580	-
7/17/2018	6/1/2029	'18 Yak Co SIED - River Rd.	2018 Yakima Co SIED - River Rd Improvements/Aquatics Center	500,000	281,549
3/2/2021	6/1/2032	21 Yak Co Seid - SOZO	2021 Yakima Co SEID Loan SOZO	1,000,000	843,131
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
6/27/2005	10/1/2025	SRF-04-65104-037	2005 Naches River WTP Filter Rehab	894,380	94,145
12/30/2005	6/1/2025	PW-05-691-064	2005 River Road Sewer	2,307,000	124,246
4/30/2007	6/1/2027	PW-07-962-019	2007 Ultra Violet Disinfection	2,300,000	364,167
4/15/2009	6/1/2028	PC-08-951-051	2009 New Water Well	2,257,200	484,595
10/10/2011	3/31/2033	L1100008	2011 Energy Efficiency	516,192	275,164
8/1/2011	7/1/2034	L1200019	2012 Industrial Waste Anaerobic	587,173	359,821
6/1/2012	6/1/2031	PC-12-951-065	2012 Wastewater Treatment Plan	5,000,000	1,883,554
10/11/2012	6/1/2037	PC-13-961-059	2012 Industrial Sewer Extensions	2,000,000	1,057,416
8/5/2013	6/1/2032	PC-13-961-074	2013 Automated Reading System	5,000,000	2,105,263
12/31/2021	6/1/2039	PC20-96103-044	2020 Waterline Improvements	1,737,906	1,448,255
12/12/2013	10/1/2034	DM-11-952-038	2013 Design WTP Lagoons	3,514,800	1,933,140
Subtotal Intergovernmental Loans				35,250,527	14,678,798

City of Yakima
Interfund Borrowing
 June 30, 2024

Description	Original Balance	Beginning Balance	Issued	Retired	Ending Balance
Millsite	1,800,000.00	752,015.53			752,015.53
Nelson Dam	3,299,691.00	1,799,831.40		299,971.92	1,499,859.48
Total across all funds	5,099,691.00	2,551,846.93	-	299,971.92	2,251,875.01

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



Committee Review of Investment Rationale

Date: April 16, 2024

Investment # 2024-1599 is a 3-year Farmer Mac, face value \$2,000,000, maturing April 16, 2027, 4.80% coupon purchased at 99.8343 to yield 4.86. This trade settles April 17, 2024 with Wedbush Securities, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

Liquidity: At March 31st, month-end, Key Bank checking account balance was \$9.8 million (target minimum is \$3 Million), US Bank checking balance was \$7.7 million and an investment portfolio was \$66.0 million (target is \$72 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$58.6 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 4.86. This investment is 56 basis points under LGIP and 8 bases point over the 3-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4243%	www.secureaccess.wa.gov
5year Treasury	4.6500 %	Treasury.gov
3-year Treasury	4.7800%	Treasury.gov

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

Diversification. This purchase brings this issuer to 6.3% of total portfolio.

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

Outlook. Most US Treasury yields climbed to new year-to-date highs, with the 2-year note's approaching 5%, after hot retail sales data further eroded investor confidence that the Federal Reserve will start cutting interest rates this year. We are also still seeing an inverted yield curve, meaning that the rate goes lower the longer the term, currently the 1-year Treasury is at 5.16%, the 2-year at 4.93%, the 3-year at 4.78%, and the 5-year at 4.65%.

Investment Committee review:

Finance Director: [Signature]

Date 4/17/2024

City Manager: [Signature]

Date 4/17/2024



Committee Review of Investment Rationale

Date: April 16, 2024

Investment # 2024-1600 is a 5-year US Treasury, face value \$2,000,000, maturing May 31, 2027, 2.62% coupon purchased at a deep discount of 93.9000 to yield 4.75. This trade settles April 17, 2024 with Hilltop Securities, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

Liquidity: At March 31st, month-end, Key Bank checking account balance was \$9.8 million (target minimum is \$3 Million), US Bank checking balance was \$7.7 million and an investment portfolio was \$66.0 million (target is \$72 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$58.6 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 4.75. This investment is 67 basis points under LGIP and 3 bases point under the 3-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4243%	www.secureaccess.wa.gov
5year Treasury	4.6500 %	Treasury.gov
3-year Treasury	4.7800%	Treasury.gov

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

Diversification. This purchase brings this issuer to 29% of total portfolio.

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

Outlook. Most US Treasury yields climbed to new year-to-date highs, with the 2-year note's approaching 5%, after hot retail sales data further eroded investor confidence that the Federal Reserve will start cutting interest rates this year. We are also still seeing an inverted yield curve, meaning that the rate goes lower the longer the term, currently the 1-year Treasury is at 5.16%, the 2-year at 4.93%, the 3-year at 4.78%, and the 5-year at 4.65%.

Investment Committee review:

Finance Director: 

Date 4/17/2024

City Manager: 

Date 4/17/2024



Committee Review of Investment Rationale

Date: May 15, 2024

Investment # 2024-1601 is a 6-month US Treasury, face value \$1,000,000, maturing November 14, 2024, no coupon, purchased at a discount of 97.4253 to yield 5.30. This trade settles May 16, 2024 with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

Liquidity: At April 30th, month-end, Key Bank checking account balance was \$7.2 million (target minimum is \$3 Million), US Bank checking balance was \$9.2 million and an investment portfolio was \$68.0 million (target is \$72 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$58.9 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 5.30. This investment is 12 basis points under LGIP and 68 bases point over the 3-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4163%	www.secureaccess.wa.gov
5year Treasury	4.4600 %	Treasury.gov
3-year Treasury	4.6200%	Treasury.gov

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

Diversification. This purchase brings this issuer to 28.3% of total portfolio.

This investment added to an existing maturity date in the City's ladder portfolio to take advantage of the higher rates that are a result of this inverted market .

Outlook. As recently as their last meeting on March 20, the officials had projected three rate reductions in 2024, likely starting in June. But given the persistence of elevated inflation, financial markets now expect just one rate cut this year, in November, according to futures prices tracked by CME FedWatch. We are also still seeing an inverted yield curve, meaning that the rate goes lower the longer the term, currently the 1-year Treasury is at 5.16%, the 2-year at 4.81%, the 3-year at 4.62%, and the 5-year at 4.46%.

Investment Committee review:

Finance Director: [Signature]

Date 5-15-2024

City Manager: [Signature]

Date 5/16/2024



Committee Review of Investment Rationale

Date: May 15, 2024

Investment # 2024-1602 is a 5-year Fannie Mae, face value \$1,010,000, maturing January 07, 2025, 1.68% coupon, purchased at a discount of 97.7579 to yield 5.22. This trade settles May 16, 2024 with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

Liquidity: At April 30th, month-end, Key Bank checking account balance was \$7.2 million (target minimum is \$3 Million), US Bank checking balance was \$9.2 million and an investment portfolio was \$68.0 million (target is \$72 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$58.9 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 5.22. This investment is 20 basis points under LGIP and 60 bases point over the 3-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4163%	www.secureaccess.wa.gov
5year Treasury	4.4600 %	Treasury.gov
3-year Treasury	4.6200%	Treasury.gov

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

Diversification. This purchase brings this issuer to 3.8% of total portfolio.

This investment added to an existing maturity date in the City's laddered portfolio to take advantage of the higher rates that are a result of this inverted market.

Outlook. As recently as their last meeting on March 20, the officials had projected three rate reductions in 2024, likely starting in June. But given the persistence of elevated inflation, financial markets now expect just one rate cut this year, in November, according to futures prices tracked by CME FedWatch. We are also still seeing an inverted yield curve, meaning that the rate goes lower the longer the term, currently the 1-year Treasury is at 5.16%, the 2-year at 4.81%, the 3-year at 4.62%, and the 5-year at 4.46%.

Investment Committee review:

Finance Director: [Signature]

Date 5-15-2024

City Manager: [Signature]

Date 5/16/2024



Committee Review of Investment Rationale

Date: May 15, 2024

Investment # 2024-1603 is a 3-year Federal Home Loan Bank, face value \$2,000,000, maturing June 11, 2027, 4.62% coupon, purchased at a Premium of 100.3785 to yield 4.49. This trade settles May 16, 2024 with Hilltop Securities, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

Liquidity: At April 30th, month-end, Key Bank checking account balance was \$7.2 million (target minimum is \$3 Million), US Bank checking balance was \$9.2 million and an investment portfolio was \$68.0 million (target is \$72 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$58.9 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 4.49. This investment is 93 basis points under LGIP and 3 bases point over the 5-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4163%	www.secureaccess.wa.gov
5-year Treasury	4.4600 %	Treasury.gov
3-year Treasury	4.6200%	Treasury.gov

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

Diversification. This purchase brings this issuer to 6.1% of total portfolio.

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

Outlook. As recently as their last meeting on March 20, the officials had projected three rate reductions in 2024, likely starting in June. But given the persistence of elevated inflation, financial markets now expect just one rate cut this year, in November, according to futures prices tracked by CME FedWatch. We are also still seeing an inverted yield curve, meaning that the rate goes lower the longer the term, currently the 1-year Treasury is at 5.16%, the 2-year at 4.81%, the 3-year at 4.62%, and the 5-year at 4.46%.

Investment Committee review:

Finance Director Ray Longley

Date 5-15-2024

City Manager: Dan Zamm

Date 5/16/2024



Committee Review of Investment Rationale

Date: June 20, 2024

Investment # 2024-1604 is a 1-Year Federal Home Loan Bank, face value \$1,000,000, maturing September 12, 2025, 5.20% coupon, purchased at 100.1445 to yield 5.000. This trade settles June 21, 2024 with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

Liquidity: At May 31st month-end, Key Bank checking account balance was \$11.1 million (target minimum is \$3 Million), US Bank checking balance was \$13.6 million and an investment portfolio was \$70.0 million (target is \$72 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$57.1 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 5.00. This investment is 42 basis points under LGIP and is 55 basis points over the 3-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4249%	www.secureaccess.wa.gov
5year Treasury	4.2600 %	Treasury.gov
3-year Treasury	4.4500%	Treasury.gov

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

Diversification. This purchase brings this issuer to 7.0% of total portfolio.

This investment added to an existing maturity date in the City's laddered portfolio to take advantage of the higher rates that are a result of this inverted market .

Outlook. Economic growth is projected to slow from 3.1 percent in calendar year 2023 to 2.0 percent in 2024 amid higher unemployment and slightly lower inflation. Congressional Budget Office expects the Federal Reserve to respond by reducing interest rates, starting in early 2025.

Investment Committee review:

Finance Director: [Signature]

Date 6/25/2024

City Manager: [Signature]

Date 6/26/2024



Committee Review of Investment Rationale

Date: June 20, 2024

Investment # 2024-1605 is a 2-Year Farmer Mac, face value \$1,000,000, maturing June 9, 2025, 4.65% coupon, purchased at a discount of 99.5789 to yield 5.10. This trade settles June 21, 2024 with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

Liquidity: At May 31st month-end, Key Bank checking account balance was \$11.1 million (target minimum is \$3 Million), US Bank checking balance was \$13.6 million and an investment portfolio was \$70.0 million (target is \$72 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$57.1 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 5.10. This investment is 32 basis points under LGIP and is 65 basis points over the 3-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4249%	www.secureaccess.wa.gov
5year Treasury	4.2600 %	Treasury.gov
3-year Treasury	4.4500%	Treasury.gov

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

Diversification. This purchase brings this issuer to 6.2% of total portfolio.

This investment added to an existing maturity date in the City's ladder portfolio to take advantage of the higher rates that are a result of this inverted market .

Outlook. Economic growth is projected to slow from 3.1 percent in calendar year 2023 to 2.0 percent in 2024 amid higher unemployment and slightly lower inflation. Congressional Budget Office expects the Federal Reserve to respond by reducing interest rates, starting in early 2025.

Investment Committee review:

Finance Director: [Signature]

Date 6/25/2024

City Manager: [Signature]

Date 6/26/2024



Committee Review of Investment Rationale

Date: June 20, 2024

Investment # 2024-1606 is a 5 Year US Treasury, face value \$2,000,000, maturing July 31, 2027, 2.75% coupon, purchased at a discount of 95.109375 to yield 4.450. This trade settles June 21, 2024 with Wedbush Securities, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

Liquidity: At May 31st month-end, Key Bank checking account balance was \$11.1 million (target minimum is \$3 Million), US Bank checking balance was \$13.6 million and an investment portfolio was \$70.0 million (target is \$72 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$57.1 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 4.45. This investment is 97 basis points under LGIP and is equal to the 3-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4249%	www.secureaccess.wa.gov
5year Treasury	4.2600 %	Treasury.gov
3-year Treasury	4.4500%	Treasury.gov

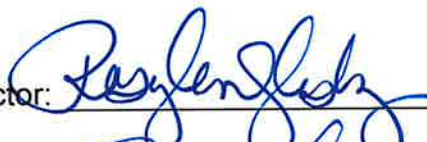
Callability. This investment is not callable (a bullet).

Diversification. This purchase brings this issuer to 27.9% of total portfolio.

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

Outlook Economic growth is projected to slow from 3.1 percent in calendar year 2023 to 2.0 percent in 2024 amid higher unemployment and slightly lower inflation. Congressional Budget Office expects the Federal Reserve to respond by reducing interest rates, starting in early 2025.

Investment Committee review:

Finance Director: 

Date 6/25/2024

City Manager: 

Date 6/26/2024