



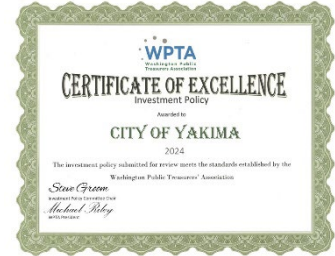
**Date:** October 1, 2024

**To:** Mayor and City Council

**Thru:** Victoria Baker, City Manager

**From:** Viren Mayani, Director of Finance and Budget  
Kimberly Dominé, Financial Services Manager

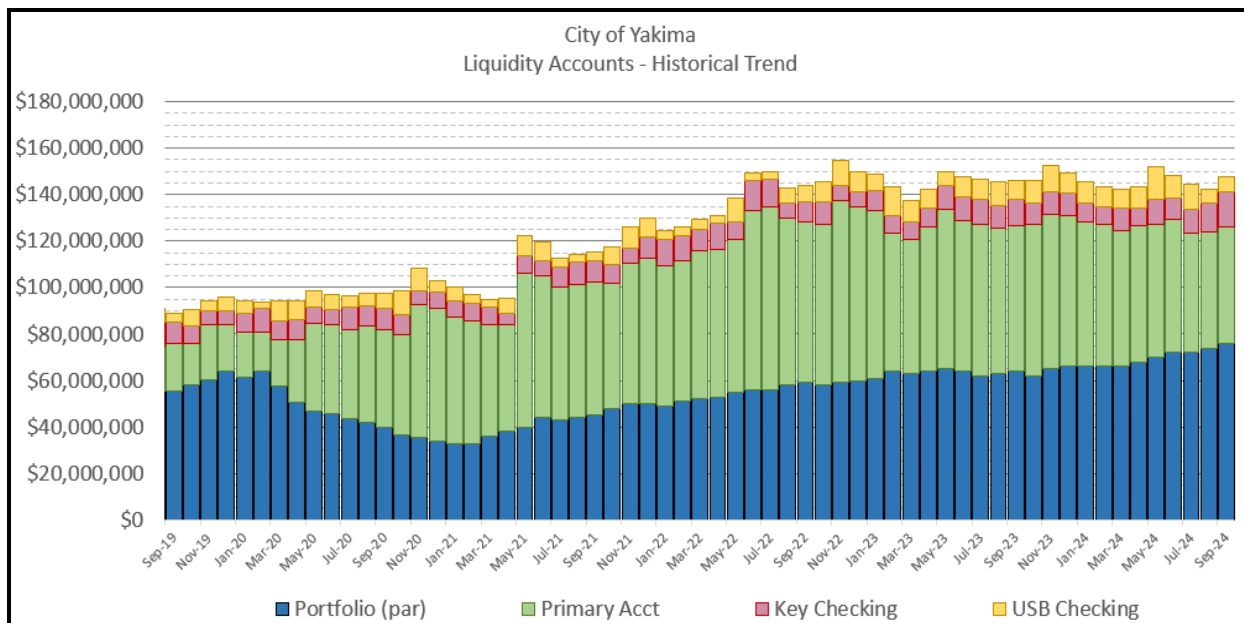
**Re:** 2024 – 3<sup>rd</sup> Quarter Treasury Report



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 and again in April 2024.

**Total Cash and Investments** at Quarter-end total \$149.6 million: \$23.5 million in depository banks, \$50.1 million in the State Pool, and \$76.0 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:

- 1563 \$2,000,000 US Treasury matured 07/31/2024
- 1586 \$1,000,000 FFCB matured 08/15/2024
- 1546 \$1,000,000 US Treasury matured 08/31/2024
- 1564 \$2,000,000 US Treasury matured 09/30/2024

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

- 1607 \$2,000,000 US Treasury to mature 08/15/2027
- 1608 \$2,000,000 FHLB to mature 09/10/2027
- 1609 \$2,000,000 FNMA to mature 10/08/2027
- 1610 \$2,000,000 FHLB to mature 11/18/2027
- 1611 \$2,000,000 US Treasury to mature 12/31/2027

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

Avg. weighted yield of <b>City</b> investments, excluding LGIP:	3.59%
LGIP State Pool 30-day yield:	5.25%

Weighted average maturity of <b>City</b> investments, excluding LGIP:	364 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 September 30, 2024, the fixed income market still shows an inverted market with the 1-year Treasury currently at 45 basis points higher than the 5-year Treasury, yielding 3.96% and 3.51% respectively. The 30-day yield of the State Pool dropped slightly from last quarter from 5.43% to 5.24% with the Weighted Average to maturity decreasing from a 17-day avg. to a 14-day average over last quarter.

**Economic Outlook.** The Federal Reserve made its biggest cut to the benchmark rate in 16 years last week, reducing the benchmark rate by 50 basis points. The first rate cut in 4 years brings the benchmark rate to a range of 4.75% to 5%. A decreasing interest-rate environment will, eventually, help change the landscape for stocks and, hopefully, real estate. Fed officials have predicted that the benchmark rate will continue to be lowered before the end of 2024. Some expect the federal funds target rate to fall to 4.5% by the end of 2024, 3.5% by the end of 2025, and 3.0% by June 2026.

**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	50,087,911	40%
Treasuries	35,000,000	28%
Agencies	41,010,000	33%
	126,097,911	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. It was determined that the Nelson Project needed more than the original amount loaned so an increase was given with payment schedule extended out an additional two years.

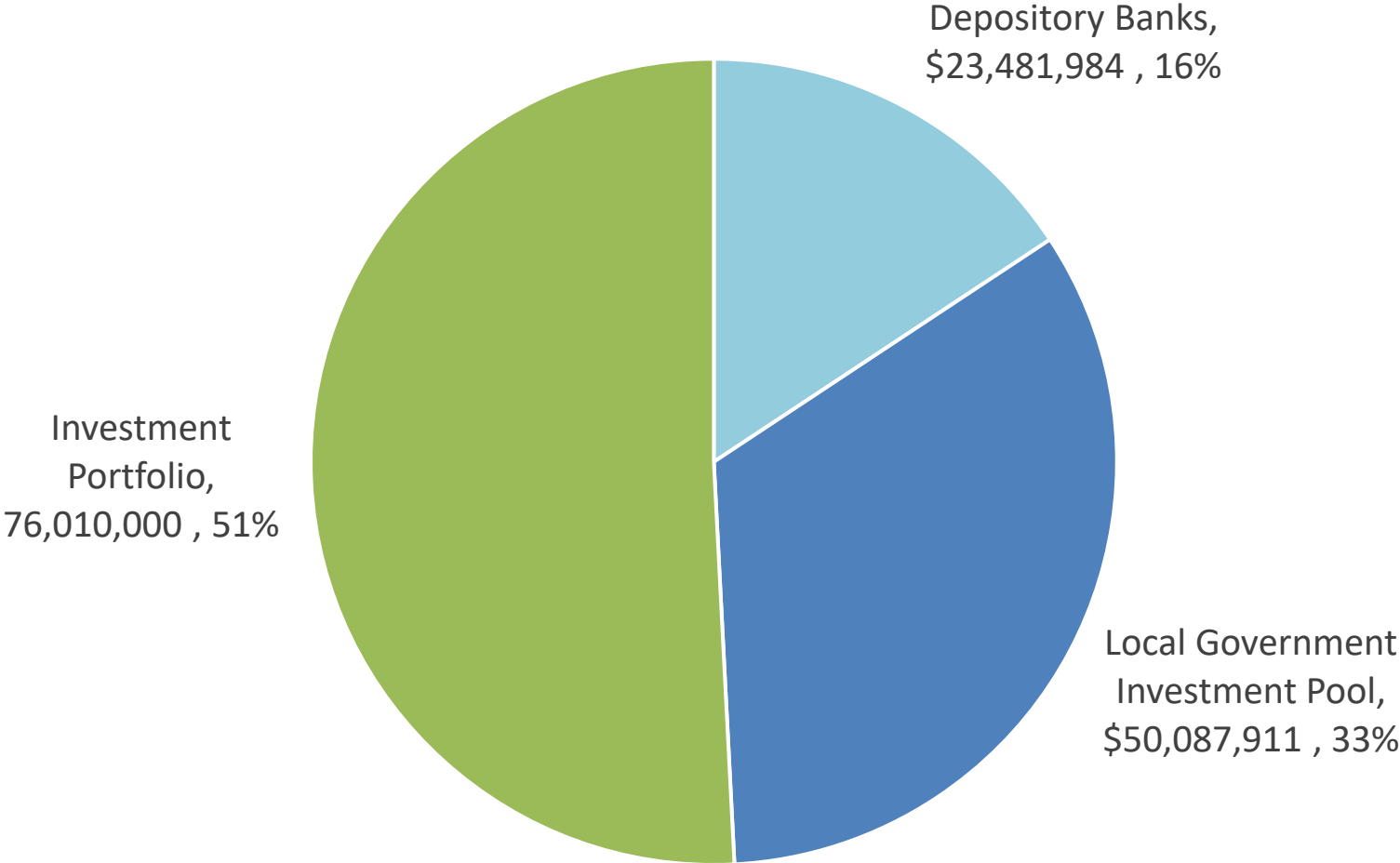
City of Yakima  
Cash and Investment Summary  
September 30, 2024

Description	Current 9/30/2024	Prior Quarter 6/30/2024	Prior Year 9/30/2023
Cash Balances on Hand in Banks	23,481,983.60	\$ 21,192,826	\$ 21,250,973
Local Government Investment Pool (LGIP)	50,087,911	57,390,103	62,890,167
Investment Portfolio	76,010,000	72,010,000	64,000,000
Total Investments	126,097,911	129,400,103	126,890,167
Total Cash and Investments	\$ 149,579,895	\$ 150,592,929	\$ 148,141,140

Summary of Investment Activity	Beg Balance 6/30/2024	Purchases & Deposits	Interest Reinvested	Maturities, Calls & Withdrawals	End Balance 9/30/2024
Local Government Investment Pool (LGIP)	\$ 57,390,103	\$ -	\$ 697,808	\$ (8,000,000)	\$ 50,087,911
Investment Portfolio	72,010,000	10,000,000	-	(6,000,000)	76,010,000
Total Investments	\$ 129,400,103	\$ 10,000,000	\$ 697,808	\$ (14,000,000)	\$ 126,097,911

# City of Yakima

## Distribution of Cash and Investments as of 09/30/2024

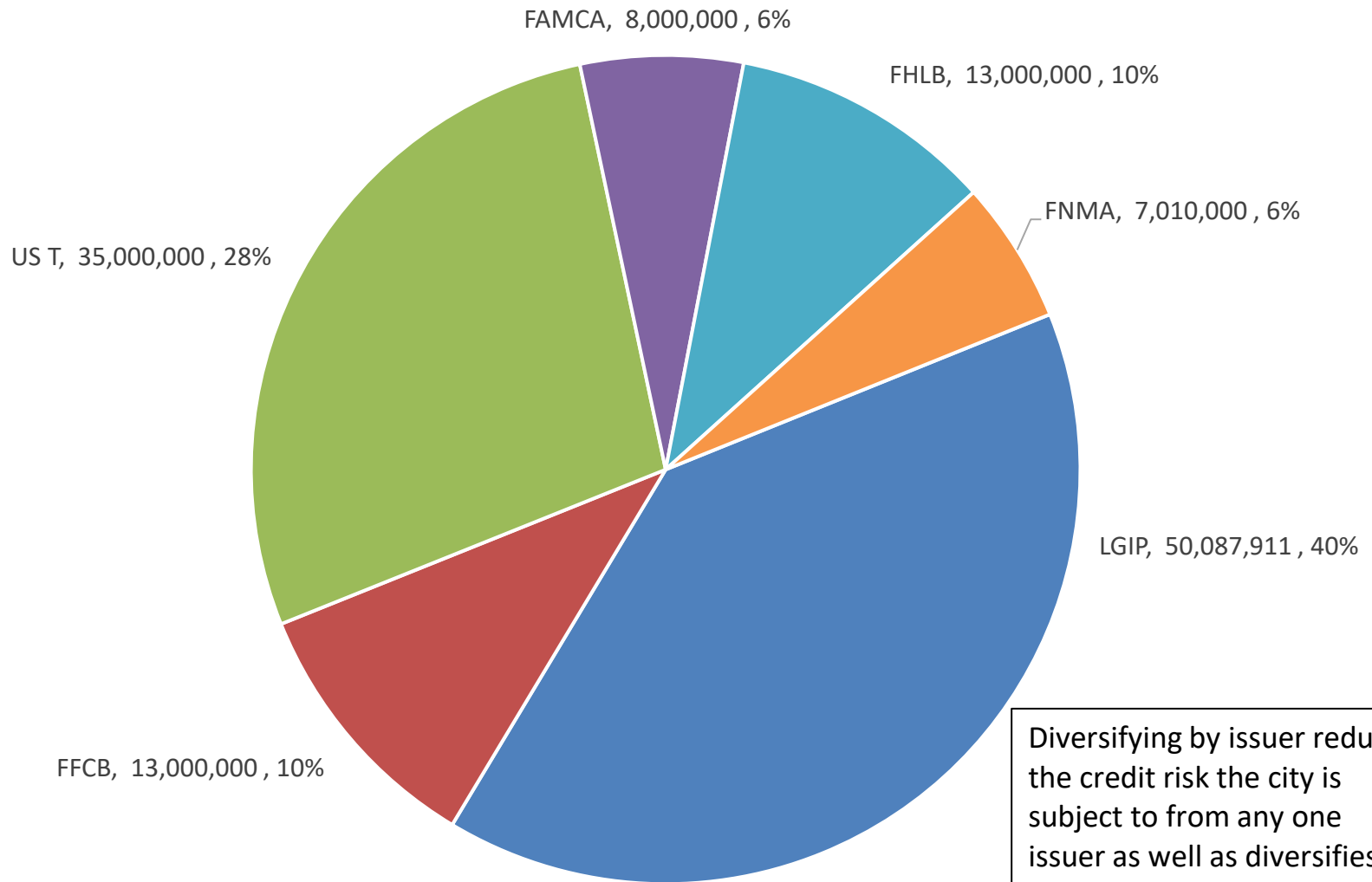


City of Yakima  
Investment Portfolio - Inventory by Agency  
September 30, 2024

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
US T	1567	912828YM6	2,000,000	2,074,531	1.500	0.343	8/3/21	10/31/24	31	1,994,388	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	39	996,579	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	45	994,226	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	74	995,904	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	95	992,639	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	99	1,002,004	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	151	1,972,813	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	182	1,962,531	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	212	977,715	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	212	977,715	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	243	1,948,828	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	252	1,002,523	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	273	972,102	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	304	1,939,234	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	329	1,936,858	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	347	1,010,491	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	365	964,461	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	396	1,923,828	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	421	1,981,713	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	457	1,917,813	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	488	1,971,484	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	503	1,944,141	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	529	2,011,279	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	571	1,952,843	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	608	1,907,500	NC	Aaa	NA	AAAu	NC	5/31/26
FHLB	1589	3130AVWS7	2,000,000	2,014,500	3.750	3.500	5/5/23	6/12/26	620	2,004,122	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	644	2,026,582	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	684	2,027,969	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	708	2,037,610	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	760	1,986,015	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	778	1,021,810	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	795	2,036,703	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	841	2,012,103	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	865	2,029,052	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	896	1,983,419	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	928	2,060,258	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	973	1,955,078	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	984	2,055,870	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	1,034	1,959,297	NC	Aaa	NA	AA+u	NC	7/31/27
US T	1607	9128282R0	2,000,000	1,885,781	2.250	4.260	7/24/24	8/15/27	1,049	1,931,719	NC	Aaa	NA	AA+u	NC	8/15/27
FHLB	1608	3130ATS40	2,000,000	2,031,865	4.375	3.820	8/13/24	9/10/27	1,075	2,046,972	NC	Aaa	AA+	AA+	NC	9/10/27
FNMA	1609	3135G05Y5	2,000,000	1,820,340	0.750	3.800	8/13/24	10/8/27	1,103	1,843,836	NC	Aaa	NA	AAAu	NC	10/8/27
FHLB	1610	3130AMHV7	2,000,000	1,885,600	1.500	3.433	9/25/24	11/18/27	1,144	1,876,373	NC	Aaa	NA	AAAu	NC	11/18/27
US T	1611	91282CBB6	2,000,000	1,829,908	0.625	3.400	9/25/25	12/31/27	1,187	1,824,688	NC	Aaa	NA	AA+u	NC	12/31/27
Subtotal	44		76,010,000	73,776,746	Avg.					74,971,086						
LGIP	LGIP	NA	50,087,911	50,087,911	5.247	5.25%	NA	NA	14	50,087,911	NC	NA	NA	NA	NA	NA
<b>Grand Totals</b>			<b>\$ 126,097,911</b>	<b>\$ 123,864,658</b>		3.52%			<b>369</b>	<b>\$ 125,058,997</b>						

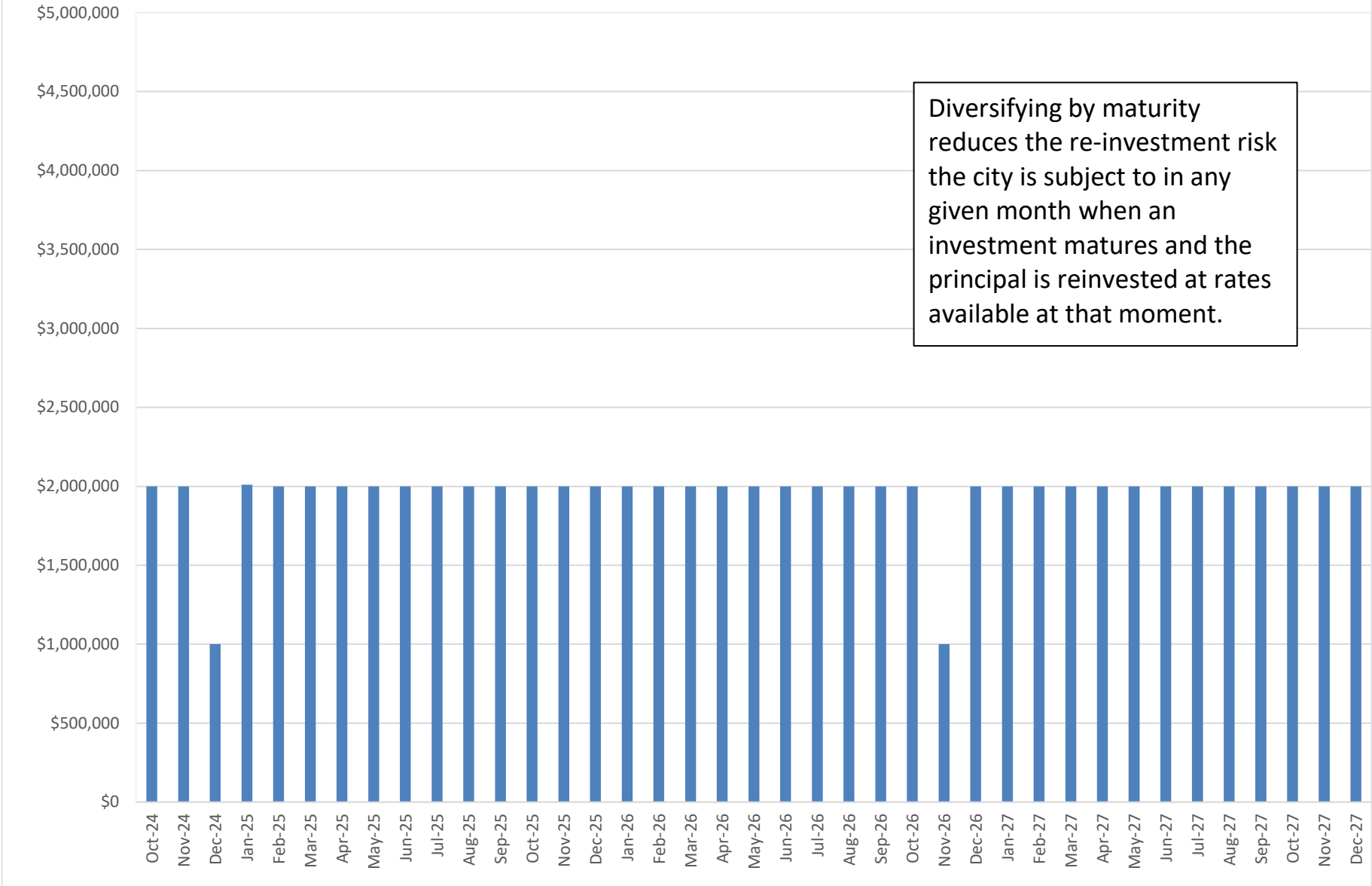
# City of Yakima

## Investment Portfolio by Issuer at 09/30/2024



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 09/30/2024





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

Agency	Inv#	Beginning Face Value	Additions and Purchases	Calls and Maturities	Ending Face Value
<b>Farmer Mac</b>					
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		8,000,000	-	-	8,000,000
<b>Federal Farm Credit Bureau</b>					
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	-	(1,000,000)	13,000,000
<b>Federal Home Loan Bank</b>					
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	1608		2,000,000		2,000,000
FHLB	1610		2,000,000		2,000,000
FHLB Total		9,000,000	4,000,000	-	13,000,000
<b>Federal National Management Association</b>					
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	1609		2,000,000		2,000,000
FNMA Total		5,010,000	2,000,000	-	7,010,000
<b>US Treasury</b>					
US Treasury	1546	1,000,000	-	(1,000,000)	-
US Treasury	1563	2,000,000		(2,000,000)	-
US Treasury	1564	2,000,000		(2,000,000)	-
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	1607	-	2,000,000		2,000,000
US Treasury	1611	-	2,000,000		2,000,000
US Treasury		36,000,000	4,000,000	(5,000,000)	35,000,000
Subtotal		72,010,000	10,000,000	(6,000,000)	76,010,000
Other Investments		-	-	-	-
LGIP (State Pool)	LGIP	57,390,103	697,808	(8,000,000)	50,087,911
Other Investment Totals		57,390,103	697,808	(8,000,000)	50,087,911
<b>Grand Totals</b>		<b>\$ 129,400,103</b>	<b>\$ 10,697,808</b>	<b>\$ (14,000,000)</b>	<b>\$ 126,097,911</b>

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

Date Issued	Maturity	Description	Note	Amount of Issue	Current Balance
<b>General Obligation Bonds</b>					
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
<b>Subtotal General Obligation Bonds</b>				<b>49,115,000</b>	<b>29,855,110</b>
<b>Certificate of Participation - State of Washington</b>					
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
<b>Subtotal Certificates of Participation</b>				<b>3,604,736</b>	<b>1,910,234</b>
<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
<b>Subtotal Revenue Bonds</b>				<b>5,850,000</b>	<b>3,955,000</b>
<b>Intergovernmental Loans</b>					
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	261,626
8/1/2011	7/1/2034	L1200019	2012 Industrial Waste Anaerobic	587,173	344,820
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
<b>Subtotal Intergovernmental Loans</b>				<b>35,250,527</b>	<b>14,650,258</b>

City of Yakima  
**Interfund Borrowing**  
September 30, 2024

Description	Original Balance	Beginning Balance	Issued	Retired	Ending Balance
Millsite	1,800,000.00	752,015.53		288,755.95	463,259.58
Nelson Dam	3,299,691.00	1,499,859.48	3,000,000.00	383,305.26	4,116,554.22
<b>Total across all funds</b>	<b>5,099,691.00</b>	<b>2,251,875.01</b>	<b>3,000,000.00</b>	<b>672,061.21</b>	<b>4,579,813.80</b>

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



Committee Review of Investment Rationale

Date: July 23, 2024

**Investment # 2024-1607 is a 7 Year US Treasury, face value \$2,000,000, maturing August 15, 2027, 2.25% coupon, purchased at a discount of 94.2890625 to yield 4.259.** This trade settles July 24, 2024 with Wedbush Securities, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

**Liquidity:** At June 30th month-end, Key Bank checking account balance was \$8.9 million (target minimum is \$3 Million), US Bank checking balance was \$9.6 million and an investment portfolio was \$72.0 million (target is \$72 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$57.4 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 4.26. This investment is 117 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	5.4261%	www.secureaccess.wa.gov
5year Treasury	4.1500 %	Treasury.gov
3-year Treasury	4.2600%	Treasury.gov

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

**Diversification.** This purchase brings this issuer to 28.9% of total portfolio.

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

**Outlook.** The Bureau of Labor Statistics reported that median weekly real earnings rose in the second quarter of this year by 0.8 percent, or 3.3 percent at an annual rate. This solid increase continues to reflect an improvement in the purchasing power for the median worker since before the pandemic and is good news for American households.

**Investment Committee review:**

Finance Director: *Perfor Jesty*

Date 7/24/2024

City Manager: *David B...*

Date 7/26/2024



Committee Review of Investment Rationale

Date: August 12, 2024

**Investment # 2024-1608 is a 5-year Federal Home Loan Bank, face value \$2,000,000, maturing September 10, 2027, 4.38% coupon, purchased at a Premium of 101.593241 to yield 3.82.** This trade settles August 13, 2024 with Hilltop Securities, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

**Liquidity:** At July 31st, month-end, Key Bank checking account balance was \$10.2 million, US Bank checking balance was \$10.7 million, and the investment portfolio was \$72.0 million (Treasuries, Corporates and Agencies). Current LGIP balance was \$51.6 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 3.82. This investment is 160 basis points under LGIP and 7 bases point over the 5-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4237%	<a href="http://www.secureaccess.wa.gov">www.secureaccess.wa.gov</a>
5-year Treasury	3.7500 %	Treasury.gov
3-year Treasury	3.8200%	Treasury.gov

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

**Diversification.** This purchase brings this issuer to 8.6% of total portfolio.

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

**Outlook.** Growth, inflation and hiring are all cooling in the United States, which will most likely define the second half of the year as the Federal Reserve gets ready to reduce its restrictive policy rate. According to economists Joe Brusuelas, growth will ease to a more sustainable 1.8%, unemployment will edge up to 4.2% and the Fed's preferred measure of inflation will ease to 2.3%. It will all set the stage for the Fed to pivot away from its restrictive monetary policy to one that encourages growth.

**Investment Committee review:**

Finance Director: *Roylen Glesby*

Date 8/14/2024

City Manager: *Christina G. R.*

Date 8/14/2024



Committee Review of Investment Rationale

Date: August 12, 2024

**Investment # 2024-1609 is a 7-year Fannie Mae, face value \$2,000,000, maturing October 08, 2027, .75% coupon, purchased at a Discount of 91.017 to yield 3.80.** This trade settles August 13, 2024 with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

**Liquidity:** At July 31st, month-end, Key Bank checking account balance was \$10.2 million, US Bank checking balance was \$10.7 million, and the investment portfolio was \$72.0 million (Treasuries, Corporates and Agencies). Current LGIP balance was \$51.6 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 3.80. This investment is 162 basis points under LGIP and 5 bases point over the 5-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.4237%	<a href="http://www.secureaccess.wa.gov">www.secureaccess.wa.gov</a>
5-year Treasury	3.7500 %	<a href="http://Treasury.gov">Treasury.gov</a>
3-year Treasury	3.8200%	<a href="http://Treasury.gov">Treasury.gov</a>

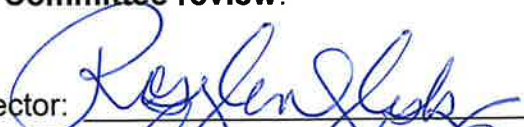
**Callability.** This investment is not callable (a bullet).

**Diversification.** This purchase brings this issuer to 5.5% of total portfolio.


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

**Outlook.** Growth, inflation and hiring are all cooling in the United States, which will most likely define the second half of the year as the Federal Reserve gets ready to reduce its restrictive policy rate. According to economists Joe Brusuelas, growth will ease to a more sustainable 1.8%, unemployment will edge up to 4.2% and the Fed's preferred measure of inflation will ease to 2.3%. It will all set the stage for the Fed to pivot away from its restrictive monetary policy to one that encourages growth.

**Investment Committee review:**

Finance Director: 

Date 8/14/2024

City Manager: 

Date 8/14/2024



Committee Review of Investment Rationale

Date: September 24, 2024

**Investment # 2024-1610 is a 6-year Federal Home Loan Bank, face value \$2,000,000, maturing November 18, 2027, 1.50% coupon, purchased at a Discount of 94.28 to yield 3.4325.** This trade settles September 25, 2024, with Hilltop Securities, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

**Liquidity:** At August 31st, month-end, Key Bank checking account balance was \$12.5 million, US Bank checking balance was \$6.1 million, and the investment portfolio was \$74.0 million (Treasuries, Corporates and Agencies). Current LGIP balance was \$49.9 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 3.43. This investment is 191 basis points under LGIP and 8 bases point under the 5-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.3452%	www.secureaccess.wa.gov
5-year Treasury	3.5100%	Treasury.gov
3-year Treasury	3.4700%	Treasury.gov

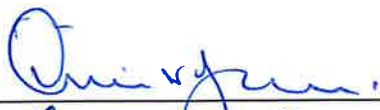
**Callability.** This investment is not callable (a bullet).

**Diversification.** This purchase brings this issuer to 10.2% of total portfolio.

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

**Outlook.** The Federal Reserve made its biggest cut to the benchmark rate in 16 years on Wednesday, reducing the benchmark rate by 50 basis points. The first rate cut in 4 years brings the benchmark rate to a range of 4.75% to 5%. A decreasing interest-rate environment will, eventually, help change the landscape for stocks and, hopefully, real estate. Fed officials have predicted that the benchmark rate will continue to be lowered before the end of 2024. Some expect the federal funds target rate to fall to 4.5% by the end of 2024, 3.5% by the end of 2025, and 3.0% by June 2026.

**Investment Committee review:**

Finance Director: 

Date 9/24/2024

City Manager: 

Date 9/24/2024



Committee Review of Investment Rationale

Date: September 24, 2024

**Investment # 2024-1611 is a 7-year US Treasury, face value \$2,000,000, maturing December 31, 2027, 0.62% coupon, purchased at a Discount of 91.4954 to yield 3.40.** This trade settles September 25, 2024, with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

**Liquidity:** At August 31st, month-end, Key Bank checking account balance was \$12.5 million, US Bank checking balance was \$6.1 million, and the investment portfolio was \$74.0 million (Treasuries, Corporates and Agencies). Current LGIP balance was \$49.9 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 3.40. This investment is 194 basis points under LGIP and 11 bases point under the 5-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	5.3452%	www.secureaccess.wa.gov
5-year Treasury	3.5100%	Treasury.gov
3-year Treasury	3.4700%	Treasury.gov

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

**Diversification.** This purchase brings this issuer to 28.9% of total portfolio.

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

**Outlook.** The Federal Reserve made its biggest cut to the benchmark rate in 16 years on Wednesday, reducing the benchmark rate by 50 basis points. The first rate cut in 4 years brings the benchmark rate to a range of 4.75% to 5%. A decreasing interest-rate environment will, eventually, help change the landscape for stocks and, hopefully, real estate. Fed officials have predicted that the benchmark rate will continue to be lowered before the end of 2024. Some expect the federal funds target rate to fall to 4.5% by the end of 2024, 3.5% by the end of 2025, and 3.0% by June 2026.

**Investment Committee review:**

Finance Director: 

Date 9/24/2024

City Manager: 

Date 9/24/2024