

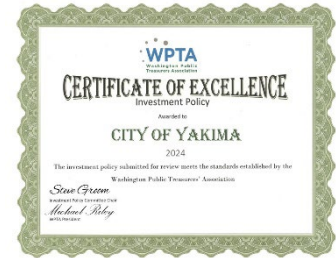


**Date:** April 4, 2025

**To:** Mayor and City Council

**Thru:** Victoria Baker, City Manager

**From:** Michael Bailey, Interim Director of Finance and Budget  
Kimberly Dominé, Financial Services Manager

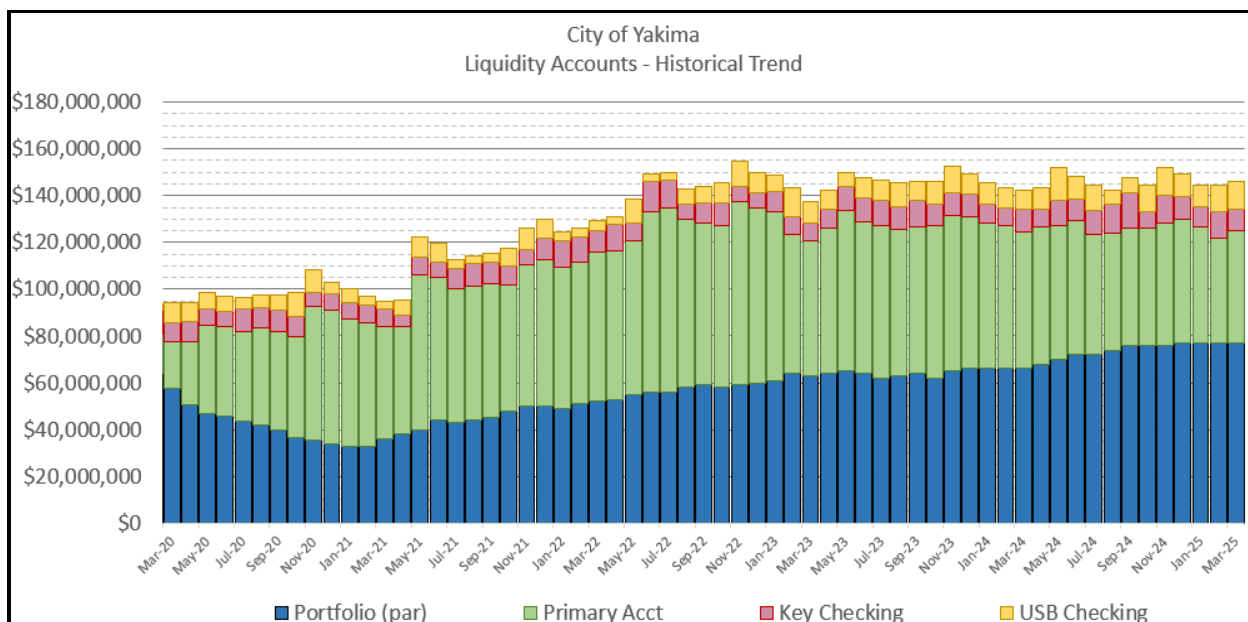


**Re:** 2025 – 1<sup>st</sup> Quarter Treasury Report

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 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 \$147.9 million: \$22.7 million in depository banks, \$48.2 million in the State Pool, and \$77.0 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:

- 1555 \$1,000,000 FAMCA matured 1/3/2025
- 1602 \$1,010,000 FNMA matured 1/07/2025
- 1572 \$2,000,000 US Treasury matured 2/28/2025
- 1574 \$2,000,000 US Treasury matured 3/31/2025

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

- 1616 \$1,000,000 FHLB to mature 04/26/2028
- 1617 \$1,000,000 FHLB to mature 04/28/2028
- 1618 \$2,000,000 US Treasury to mature 05/31/2028
- 1619 \$2,000,000 Walmart to mature 6/26/28

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

Avg. weighted yield of <b>City</b> investments, excluding LGIP:	3.23%
LGIP State Pool 30-day yield:	4.39%

Weighted average maturity of <b>City</b> investments, excluding LGIP:	369 days
Weighted average maturity of LGIP State Pool 30-day yield:	25 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 March 31, 2025, the fixed income market started to drop with the 1-year treasury earning 13 bases points less than last quarter yielding 4.03% and 4.16% respectively. The 30-day yield of the State Pool dropped from last quarter from 4.60% to 4.39% with the Weighted Average to maturity 25 days.

**Economic Outlook.** The tariffs that the new administration is imposing has caused some uncertainty. We need to keep in mind the four primary goals of the tariffs are increased revenues, fair trade, leverage, and protection. According to economist Joe Brusuelas RSM US “The American economy is strong enough to absorb the volatility caused by the trade uncertainty. We expect GDP growth to decline to 1.5% in the current quarter, with a risk of a slower pace, below 1%.”

**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	48,249,639	39%
Treasuries	36,000,000	29%
Agencies	39,000,000	30%
Corporates	2,000,000	2%
	125,249,639	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.

There was a third emergency cash loan dated December 31<sup>st</sup> and reversed on January 1<sup>st</sup> to the Streets Capital fund to alleviate a negative cash balance at year end due to grant revenues not coming in until the new year.

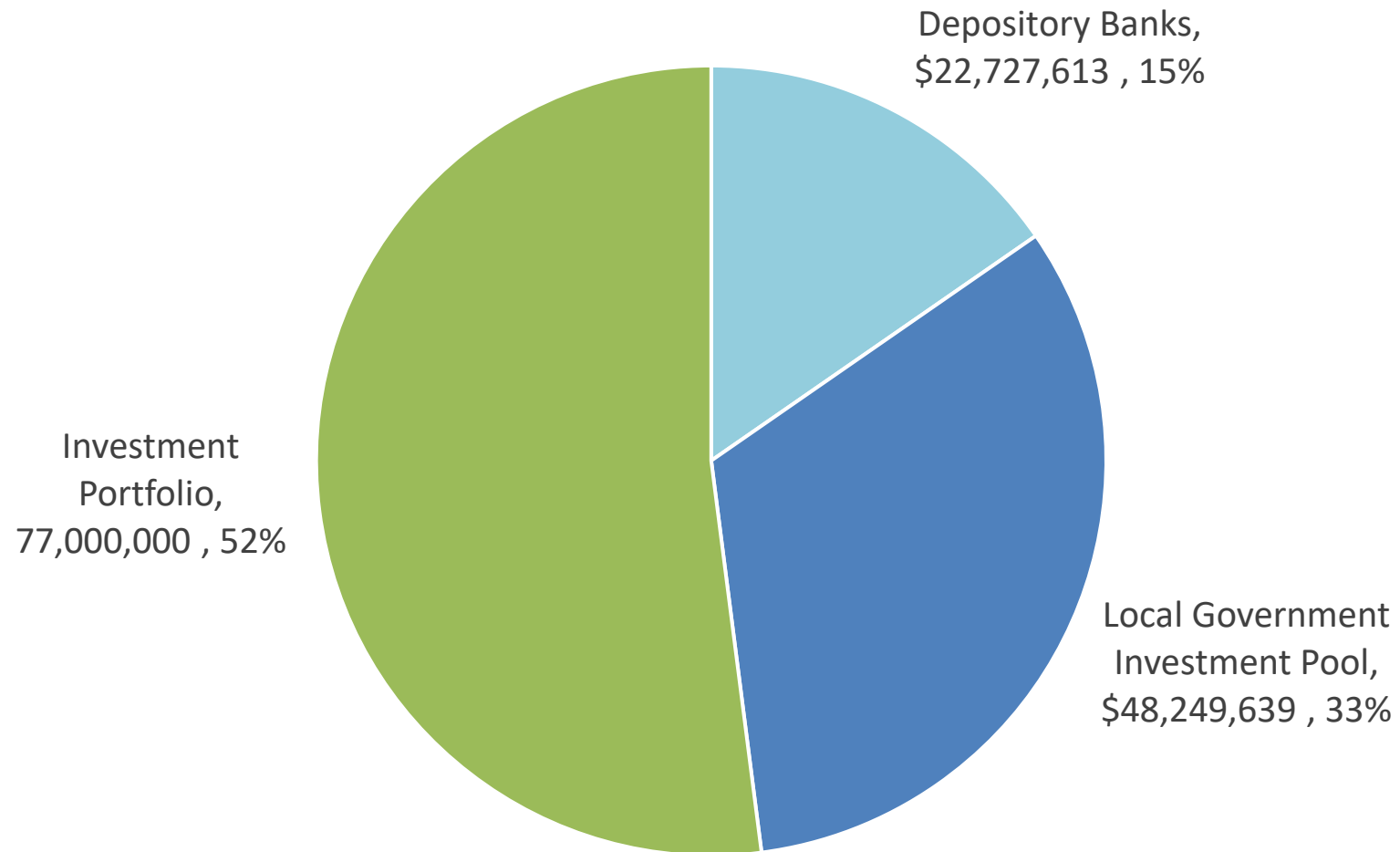
City of Yakima  
Cash and Investment Summary  
March 31, 2025

Description	Current 3/31/2025	Prior Quarter 12/31/2024	Prior Year 3/31/2024
Cash Balances on Hand in Banks	22,727,612.51	\$ 21,773,880	\$ 20,579,918
Local Government Investment Pool (LGIP)	48,249,639	52,711,559	58,606,106
Investment Portfolio	77,000,000	77,010,000	66,000,000
Total Investments	125,249,639	129,721,559	124,606,106
Total Cash and Investments	\$ 147,977,252	\$ 151,495,439	\$ 145,186,024

Summary of Investment Activity	Beg Balance 12/31/2024	Purchases & Deposits	Interest Reinvested	Maturities, Calls & Withdrawals	End Balance 3/31/2025
Local Government Investment Pool (LGIP)	\$ 52,711,559	\$ 5,000,000	\$ 538,080	\$ (10,000,000)	\$ 48,249,639
Investment Portfolio	77,010,000	6,000,000	-	(6,010,000)	77,000,000
Total Investments	\$ 129,721,559	\$ 11,000,000	\$ 538,080	\$ (16,010,000)	\$ 125,249,639

# City of Yakima

## Distribution of Cash and Investments as of 3/31/2025

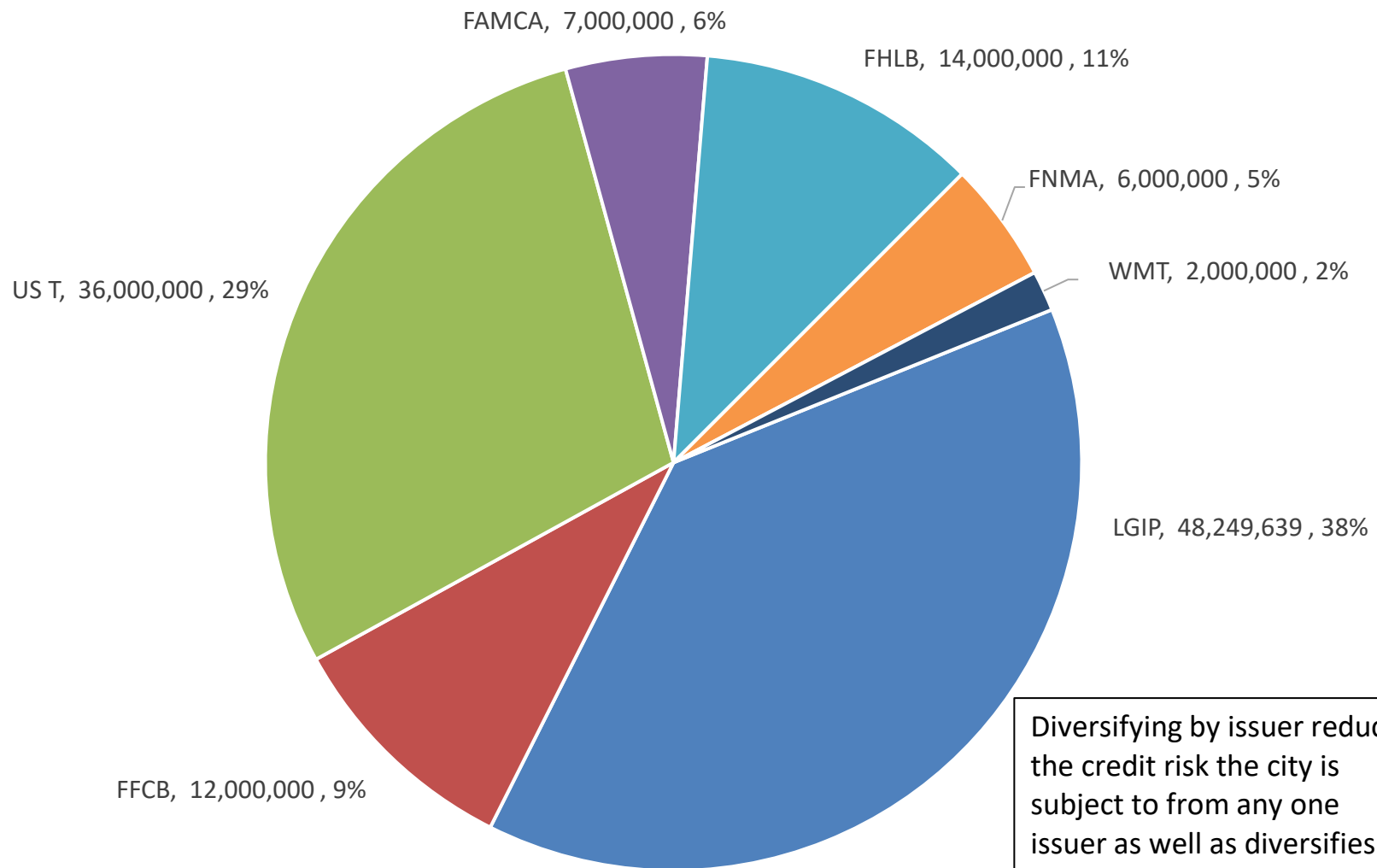


City of Yakima  
Investment Portfolio - Inventory by Agency  
March 31, 2025

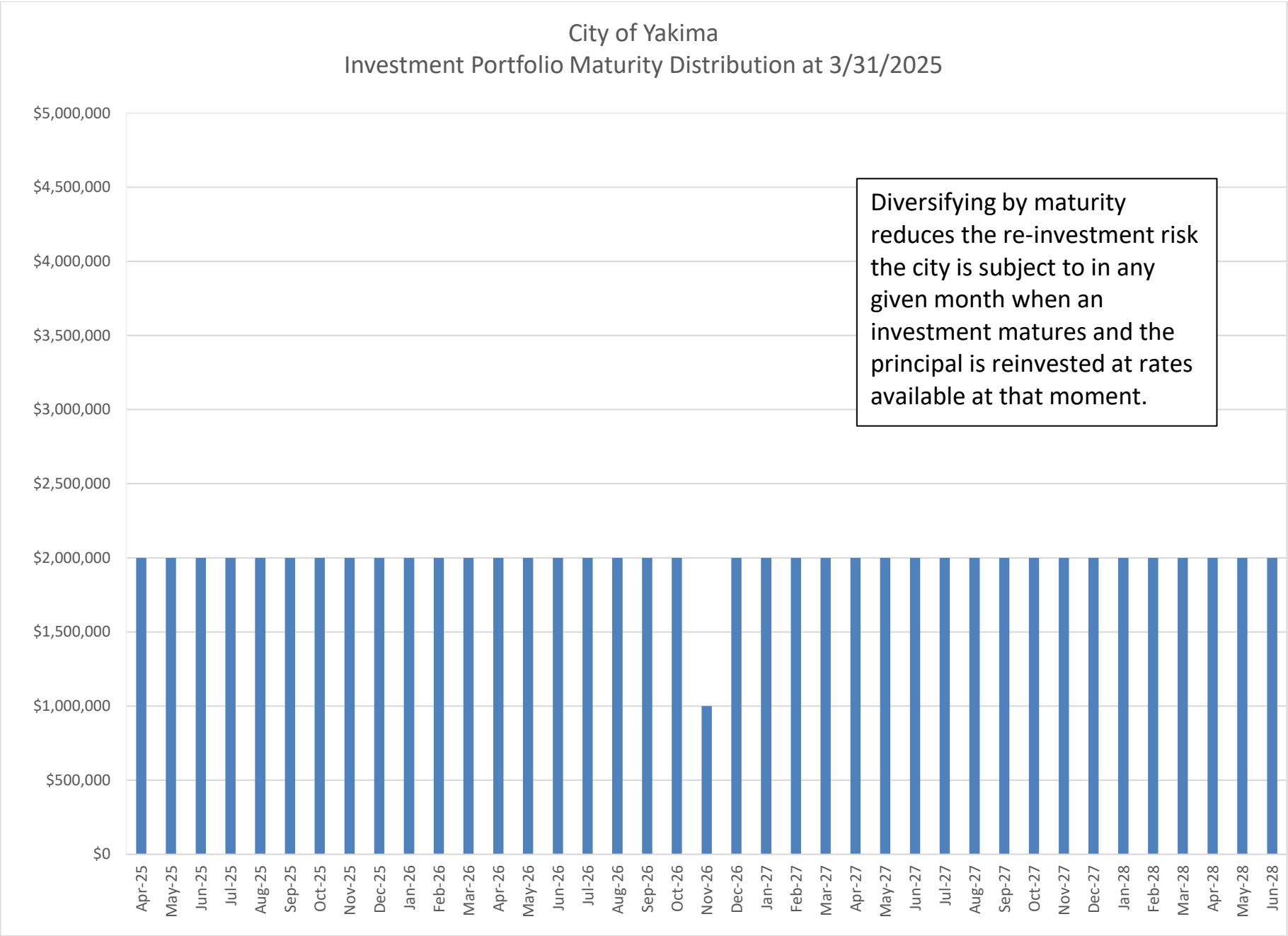
Agency	Inv#	CUSIP	Face Value	Price	Coupon	Expected Yield	Settle	Maturity	Days to Maturity	Market	Call Type	Moodys	S&P	Fitch	Next Call	Most Likely Call
US T	1568	912828ZL7	1,000,000	995,467	0.375	0.500	9/1/21	4/30/25	30	996,836	NC	Aaa	NA	AAAu	NC	4/30/25
US T	1568	912828ZL7	1,000,000	995,467	0.375	0.500	9/1/21	4/30/25	30	996,836	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	61	1,986,380	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	70	1,000,281	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	91	989,914	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	122	1,972,953	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	147	1,969,677	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	165	1,002,921	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	183	980,430	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	214	1,954,750	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	239	1,981,742	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	275	1,944,875	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	306	1,975,684	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	321	1,957,188	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	347	2,000,422	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	389	1,959,060	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	426	1,925,313	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	438	1,992,272	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	462	2,008,094	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	502	2,010,000	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	526	2,015,760	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	578	1,979,629	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	596	1,009,557	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	613	2,015,377	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	659	1,995,567	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	683	2,004,507	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	714	1,968,510	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	746	2,032,237	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	791	1,946,250	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	802	2,029,585	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	852	1,948,281	NC	Aaa	NA	AAAu	NC	7/31/27
US T	1607	9128282R0	2,000,000	1,885,781	2.250	4.260	7/24/24	8/15/27	867	1,925,156	NC	Aaa	NA	AAAu	NC	8/15/27
FHLB	1608	3130ATS40	2,000,000	2,031,865	4.375	3.820	8/13/24	9/10/27	893	2,021,111	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	921	1,849,218	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	962	1,878,104	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	1,005	1,829,922	NC	Aaa	NA	AAAu	NC	12/31/27
US T	1612	91282CBJ9	2,000,000	1,808,218	0.750	3.900	10/23/24	1/31/28	1,036	1,831,875	NC	Aaa	NA	AAAu	NC	1/31/28
US T	1613	91282CBP5	2,000,000	1,810,965	1.125	4.240	11/18/24	2/29/28	1,065	1,848,125	NC	Aaa	NA	AAAu	NC	2/29/28
US T	1614	91282CBS9	2,000,000	1,829,448	1.250	4.020	12/4/24	3/31/28	1,096	1,851,016	NC	Aaa	NA	AAAu	NC	3/31/28
FHLB	1615	3130ALYS7	1,000,000	919,138	1.750	4.420	1/13/25	4/26/28	1,122	937,154	NC	Aaa	AA+	NA	NC	4/26/28
FHLB	1616	3130ALZZ0	1,000,000	926,589	2.000	4.420	1/13/25	4/28/28	1,124	944,160	NC	Aaa	AA+	NA	NC	4/28/28
US T	1617	91282CHE4	2,000,000	1,951,875	3.625	4.416	2/13/25	5/31/28	1,157	1,982,500	NC	Aaa	NA	AAAu	NC	5/31/28
WMT	1618	931142EE9	2,000,000	1,980,560	3.700	4.020	3/25/25	6/26/28	1,183	1,978,271	MW	Aa2	AA+	AA	3/26/28	6/26/28
Subtotal	43		77,000,000	73,939,825	Avg.					75,427,500						
LGIP	LGIP	NA	48,249,639	48,249,639	4.600	4.60%	NA	NA	14	48,249,639	NC	NA	NA	NA	NA	NA
<b>Grand Totals</b>			<b>\$ 125,249,639</b>	<b>\$ 122,189,464</b>		3.31%			<b>374</b>	<b>\$ 123,677,139</b>						

# City of Yakima

## Investment Portfolio by Issuer at 03/31/2025



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 - Detail of Activity  
March 31, 2025

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	-	(1,000,000)	7,000,000
<b>Federal Farm Credit Bureau</b>					
FFCB	1579	2,000,000			2,000,000
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		12,000,000	-	-	12,000,000
<b>Federal Home Loan Bank</b>					
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	1615		1,000,000		1,000,000
FHLB	1616		1,000,000		1,000,000
FHLB Total		12,000,000	2,000,000	-	14,000,000
<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		7,010,000	-	(1,010,000)	6,000,000
<b>US Treasury</b>					
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	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	1612	2,000,000			2,000,000
US Treasury	1613	2,000,000			2,000,000
US Treasury	1614	2,000,000			2,000,000
US Treasury	1617		2,000,000		2,000,000
US Treasury		38,000,000	2,000,000	(4,000,000)	36,000,000
<b>Corporate Notes</b>					
Walmart	1618		2,000,000		2,000,000
Corporate Total		-	2,000,000	-	2,000,000
Subtotal		77,010,000	6,000,000	(6,010,000)	77,000,000
<b>Other Investments</b>					
LGIP (State Pool)	LGIP	52,711,559	5,538,080	(10,000,000)	48,249,639
Other Investment Totals		52,711,559	5,538,080	(10,000,000)	48,249,639
<b>Grand Totals</b>		<b>\$ 129,721,559</b>	<b>\$ 11,538,080</b>	<b>\$ (16,010,000)</b>	<b>\$ 125,249,639</b>

City of Yakima  
**Long Term Debt Schedule - by Project Group**  
March 31, 2025

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	1,468,607.59
9/24/2018	6/1/2035	Soccer Complex (Refunded)	City portion of SOZO Sports Complex	4,440,127	3,235,601.47
9/24/2018	12/1/1942	2018 Aquatic Center YMCA	City portion of Aquatic Center	8,009,873	7,706,689.66
4/21/2020	12/1/2032	2020B Capital Theatre 09 Refunded	2020B Capital Theatre 09 Refunded	4,910,000	3,210,000.00
4/21/2020	12/1/2044	2020B Convention Center Addition	2020B Convention Center Addition	12,620,000	10,925,000.00
4/21/2020	12/1/2044	2020B Convention Center Addition III Refu	2020B Convention Center Addition III Refunded	2,495,000	2,160,000.00
<b>Subtotal General Obligation Bonds</b>				35,975,000	28,705,898.72
<b>Certificate of Participation - State of Washington</b>					
9/28/2017	6/1/2027	Energy Project	2017 Energy Project (lighting)	921,683	326,304.42
7/21/2020	6/1/2035	Energy Project	2020 Energy Efficiency Project (lighting)	1,415,000	1,135,000.00
9/28/2017	6/1/2027	Fire Aerial & Pump App	Fire Aerial	1,268,053	448,929.89
<b>Subtotal Certificates of Participation</b>				3,604,736	1,910,234.31
<b>Revenue Bonds</b>					
4/21/2020	12/1/2034	2020 Ref 04 Irrigation	2020 Ref 04 Irrigation	3,260,000	2,330,000.00
4/21/2020	12/1/2027	2020 Ref 08 WS Rev	2020 Ref 08 WS Rev	2,590,000	1,085,000.00
<b>Subtotal Revenue Bonds</b>				5,850,000	3,415,000.00
<b>Intergovernmental Loans</b>					
8/14/2009	7/1/2028	PC-08-951-052	2009 Railroad Grade Separation	3,000,000	660,401.00
5/6/2010	6/1/2034	L1000030-0	2010 Railroad Grade Separation	1,229,295	696,275.09
6/17/2014	5/1/2034	Comm Center Move	City portion of County GO Bonds	1,716,500	1,005,000.00
6/1/2016	6/1/2027	'16 Yak Co SIED - SOZO	2016 Yakima Co SIED Loan - SOZO	900,000	302,569.09
7/17/2018	6/1/2029	'18 Yak Co SIED - River Rd.	2018 Yakima Co SIED - River Rd Improvements/Aquatics Center	500,000	281,548.93
3/2/2021	6/1/2032	21 Yak Co Seid - SOZO	2021 Yakima Co SEID Loan SOZO	1,000,000	843,131.06
3/14/2023	6/1/2035	22 Yak Co Seid - Russell Lane	2023 Yak Co Seid - Russell Lane	416,000	416,000.00
12/15/2023	6/1/2036	23 Yak Co Seid - Chief Hops	2023 Yak Co Seid - Chief Hops	312,500	312,500.00
6/27/2005	10/1/2025	SRF-04-65104-037	2005 Naches River WTP Filter Rehab	894,380	47,072.65
12/30/2005	6/1/2025	PW-05-691-064	2005 River Road Sewer	2,307,000	124,245.78
4/30/2007	6/1/2027	PW-07-962-019	2007 Ultra Violet Disinfection	2,300,000	364,166.66
4/15/2009	6/1/2028	PC-08-951-051	2009 New Water Well	2,257,200	484,595.30
10/10/2011	3/31/2033	L1100008	2011 Energy Efficiency	516,192	247,897.05
8/1/2011	7/1/2034	L1200019	2012 Industrial Waste Anaerobic	587,173	329,622.48
6/1/2012	6/1/2031	PC-12-951-065	2012 Wastewater Treatment Plan	5,000,000	1,883,553.99
10/11/2012	6/1/2037	PC-13-961-059	2012 Industrial Sewer Extensions	2,000,000	1,057,416.30
8/5/2013	6/1/2032	PC-13-961-074	2013 Automated Reading System	5,000,000	2,105,263.16
12/31/2021	6/1/2039	PC20-96103-044	2020 Waterline Improvements	1,737,906	1,448,255.29
12/12/2013	10/1/2034	DM-11-952-038	2013 Design WTP Lagoons	3,514,800	1,757,400.02
<b>Subtotal Intergovernmental Loans</b>				35,188,947	14,366,913.85
<b>Grand Total</b>				<b>80,618,683</b>	<b>48,398,046.88</b>

City of Yakima  
**Interfund Borrowing**  
 March 31, 2025

Description	Original Balance	Beginning Balance	Issued	Retired	Ending Balance
Millsite	1,800,000.00	172,177.74			172,177.74
Nelson Dam	6,299,691.00	3,566,582.31		549,971.91	3,016,610.40
Streets Capital			1,070,000.00	1,070,000.00	-
Total across all funds	8,099,691.00	3,738,760.05	1,070,000.00	1,619,971.91	3,188,788.14

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



## Committee Review of Investment Rationale

Date: January 14, 2025

**Investment # 2024-1615 is a 7-year Federal Home Loan Bank, face value \$1,000,000, maturing April 26, 2028, 1.75% coupon, purchased at a deep discount of 91.91380 to yield 4.42.** This trade settles January 13, 2025, with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

**Liquidity:** At December 31st, month-end, Key Bank checking account balance was \$9.7 million, US Bank checking balance was \$10.0 million, and the investment portfolio was \$77.0 million (Treasuries, Corporates and Agencies). Current LGIP balance was \$52.7 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 4.42. This investment is 7 basis points under LGIP and 19 bases point under the 5-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	4.4963%	<a href="http://www.secureaccess.wa.gov">www.secureaccess.wa.gov</a>
5-year Treasury	4.6100%	<a href="http://Treasury.gov">Treasury.gov</a>
3-year Treasury	4.4900%	<a href="http://Treasury.gov">Treasury.gov</a>

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

**Diversification.** This purchase brings this issuer to 10.8% of total portfolio.

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

**Outlook.** Despite three consecutive meetings with cuts to the Federal Funds Rate, FOMC officials emphasized recently there is no guarantee they will cut the Federal Funds Rate consistently going forward. In fact, at the meeting in December, Fed Chair Powell emphasized that they will likely proceed with caution going forward given that inflation remains stubbornly above levels that the Federal Reserve is comfortable with.

**Investment Committee review:**

Finance Director:

Date

1/14/2025

City Manager:

Date

1/15/2025



## Committee Review of Investment Rationale

Date: January 14, 2025

**Investment # 2024-1616 is a 7-year Federal Home Loan Bank, face value \$1,000,000, maturing April 28, 2028, 2.00% coupon, purchased at a discount of 92.65890 to yield 4.42.** This trade settles January 13, 2025, with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024.

**Liquidity:** At December 31st, month-end, Key Bank checking account balance was \$9.7 million, US Bank checking balance was \$10.0 million, and the investment portfolio was \$77.0 million (Treasuries, Corporates and Agencies). Current LGIP balance was \$52.7 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 4.42. This investment is 7 basis points under LGIP and 19 bases point under the 5-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	4.4963%	<a href="http://www.secureaccess.wa.gov">www.secureaccess.wa.gov</a>
5-year Treasury	4.6100%	<a href="http://Treasury.gov">Treasury.gov</a>
3-year Treasury	4.4900%	<a href="http://Treasury.gov">Treasury.gov</a>

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

**Diversification.** This purchase brings this issuer to 10.8% of total portfolio.

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

**Outlook.** Despite three consecutive meetings with cuts to the Federal Funds Rate, FOMC officials emphasized recently there is no guarantee they will cut the Federal Funds Rate consistently going forward. In fact, at the meeting in December, Fed Chair Powell emphasized that they will likely proceed with caution going forward given that inflation remains stubbornly above levels that the Federal Reserve is comfortable with.

**Investment Committee review:**

Finance Director:

Date

1/14/2025

City Manager:

Date

1/15/2025



## Committee Review of Investment Rationale

Date: February 12, 2025

**Investment # 2025-1617 is a 5-year US Treasury, face value \$2,000,000, maturing May 31, 2028, 3.62% coupon, purchased at a discount of 97.59375 to yield 4.42.** This trade settles February 13, 2025, with Hilltop Securities, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2024-2025.

**Liquidity:** At January 31st, month-end, Key Bank checking account balance was \$8.4 million, US Bank checking balance was \$9.3 million, and the investment portfolio was \$77.0 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 S&P.

**Yield.** Yield is 4.42. This investment is 1 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	4.4314%	<a href="http://www.secureaccess.wa.gov">www.secureaccess.wa.gov</a>
5-year Treasury	4.3700%	Treasury.gov
3-year Treasury	4.2800%	Treasury.gov

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

**Diversification.** This purchase brings this issuer to 31% of total portfolio.

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

**Outlook.** According to Bloomberg: There is evidence that inflation progress is in danger of reversing – which combined with a solid labor market, will likely keep the Fed on hold for the foreseeable future.

**Investment Committee review:**Finance Director: Date 2/13/25City Manager: Date 2/14/2025



## Committee Review of Investment Rationale

Date: March 24, 2025

**Investment # 2025-1618 is a 10-year Walmart Inc. Bond, face value \$2,000,000, maturing June 26, 2028, 3.7% coupon, purchased at a discount of 99.028000 to yield 4.02.** This trade settles on March 25, 2025, with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2025.

**Liquidity:** On February 28th, month-end, Key Bank checking account balance was \$11.1 million, US Bank checking balance was \$11.2 million, and the investment portfolio was \$77.0 million (Treasuries, Corporates and Agencies). Current LGIP balance was \$45.1 million.

**Safety:** This purchase is a debt issue of Walmart Inc. and is rated AA/Aa2/AA by S&P, Moody's and Fitch.

**Yield.** Yield is 4.02. This investment is 38 basis points under LGIP and 2 bases point over the 5-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	4.4027%	<a href="http://www.secureaccess.wa.gov">www.secureaccess.wa.gov</a>
5-year Treasury	4.0000%	<a href="http://Treasury.gov">Treasury.gov</a>
3-year Treasury	3.9200%	<a href="http://Treasury.gov">Treasury.gov</a>

**Callability.** This investment has a make whole callability.

**Diversification.** This purchase brings this issuer to 2% of the total portfolio.

This investment adds a maturity date not previously covered in the City's ladder portfolio and adds a corporate bond into the mix.

**Outlook.** Despite the uncertain impact of President Donald Trump's tariffs as well as an ambitious fiscal policy of tax breaks and deregulation, officials said they still see another half percentage point of rate cuts through 2025. The Fed prefers to move in quarter percentage point increments, so that would mean two reductions this year. This is according to a market report on CNBC.

**Investment Committee review:**Finance Director: Date 4/1/25City Manager: Date 4/2/2025