



Date: July 2, 2025

To: Mayor and City Council

Thru: Victoria Baker, City Manager

From: Craig Warner, Director of Finance and Budget
Kimberly Dominé, Financial Services Manager

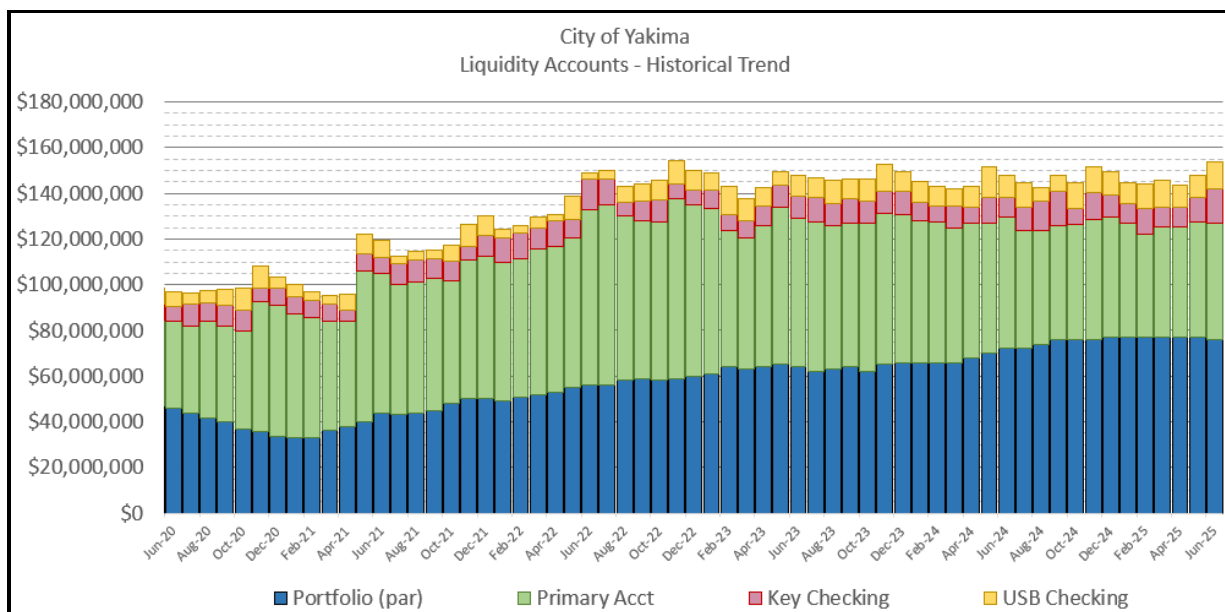
Re: 2025 – 2nd Quarter Treasury Report



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 \$155.1 million: \$28.3 million in depository banks, \$50.8 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:

- 1568 \$2,000,000 US Treasury matured 4/30/2025
- 1575 \$2,000,000 US Treasury matured 5/31/2025
- 1605 \$1,000,000 FAMCA matured 6/09/2025
- 1571 \$1,000,000 US Treasury matured 6/30/2025

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

- 1619 \$2,000,000 J Deere to mature 07/14/2028
- 1620 \$2,000,000 US Treasury to mature 08/31/2028
- 1621 \$1,000,000 Toyota to mature 09/11/2028

Portfolio and Benchmark Yield and Maturity:

Avg. weighted yield of City investments, excluding LGIP:	3.41%
LGIP State Pool 30-day yield:	4.37%

Weighted average maturity of City investments, excluding LGIP:	356 days
Weighted average maturity of LGIP State Pool 30-day yield:	27 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, 2025, the fixed income market continues to drop with the 1-year treasury earning 7 bases points less than last quarter yielding 3.96% and 4.03% respectively. The 30-day yield of the State Pool dropped from last quarter from 4.39% to 4.37% with the Weighted Average to maturity 27 days.

Economic Outlook. S&P Global Ratings now expects U.S. real GDP growth of 1.7% for the year, up 0.2 percentage points from their previous expectation in May, based on the assumption of lower average effective tariffs and resilient economic data from the first five months of the year. They forecast growth of 1.6% in 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	50,801,568	40%
Treasuries	33,000,000	26%
Agencies	38,000,000	30%
Corporates	5,000,000	4%
	126,801,568	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 three 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 May 30th to the MLK Pool to help with cash flow due to the timing of donation receipts.

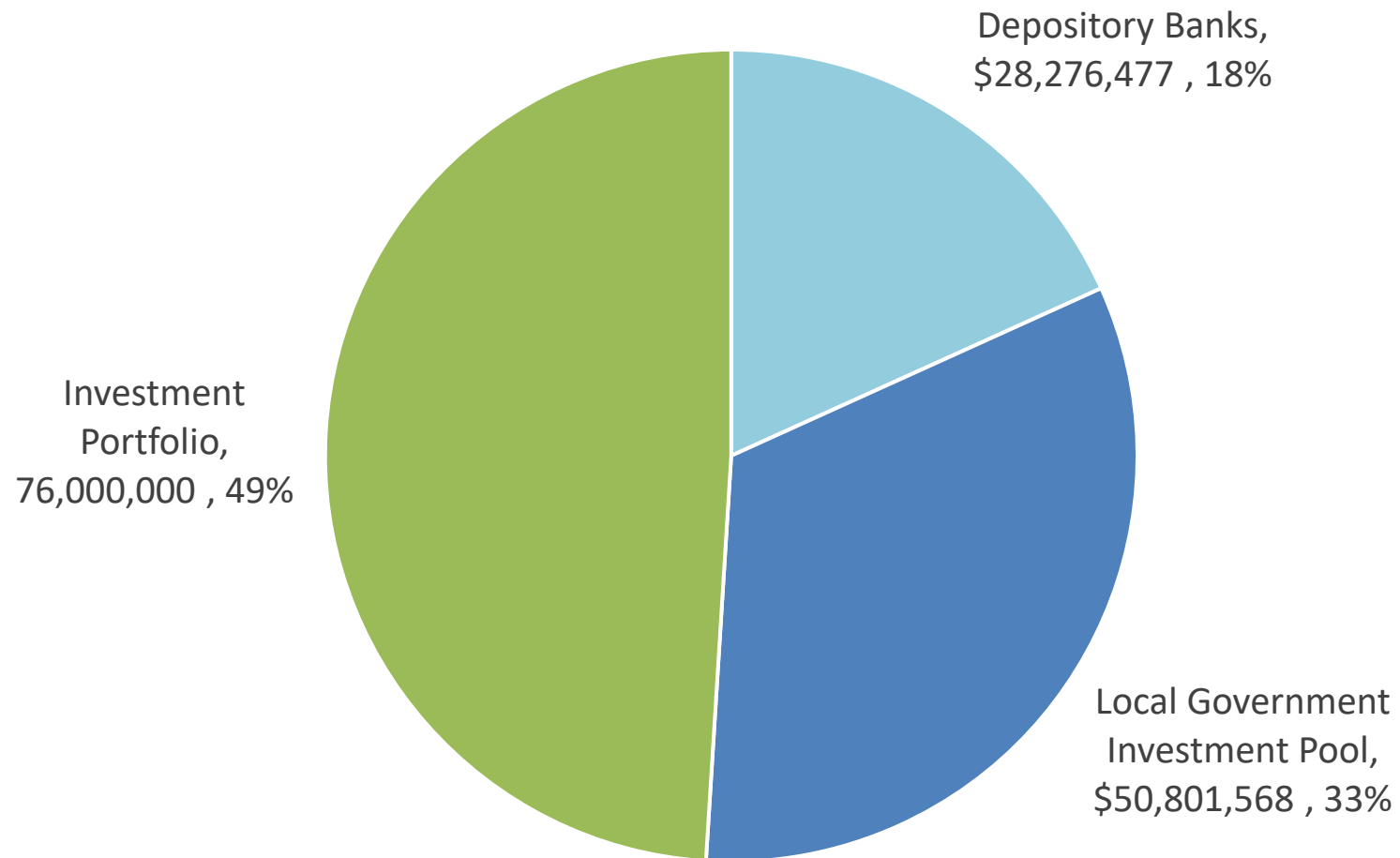
City of Yakima
Cash and Investment Summary
June 30, 2025

Description	Current 6/30/2025	Prior Quarter 3/31/2024	Prior Year 6/30/2024
Cash Balances on Hand in Banks	28,276,476.65	\$ 22,727,613	\$ 21,192,826
Local Government Investment Pool (LGIP)	50,801,568	48,249,639	58,606,106
Investment Portfolio	76,000,000	77,000,000	66,000,000
Total Investments	126,801,568	125,249,639	124,606,106
Total Cash and Investments	\$ 155,078,045	\$ 147,977,252	\$ 145,798,932

Summary of Investment Activity	Beg Balance 3/31/2024	Purchases & Deposits	Interest Reinvested	Maturities, Calls & Withdrawals	End Balance 6/30/2025
Local Government Investment Pool (LGIP)	\$ 48,249,639	\$ 10,000,000	\$ 551,929	\$ (8,000,000)	\$ 50,801,568
Investment Portfolio	77,000,000	5,000,000	-	(6,000,000)	76,000,000
Total Investments	\$ 125,249,639	\$ 15,000,000	\$ 551,929	\$ (14,000,000)	\$ 126,801,568

City of Yakima

Distribution of Cash and Investments as of 6/30/2025

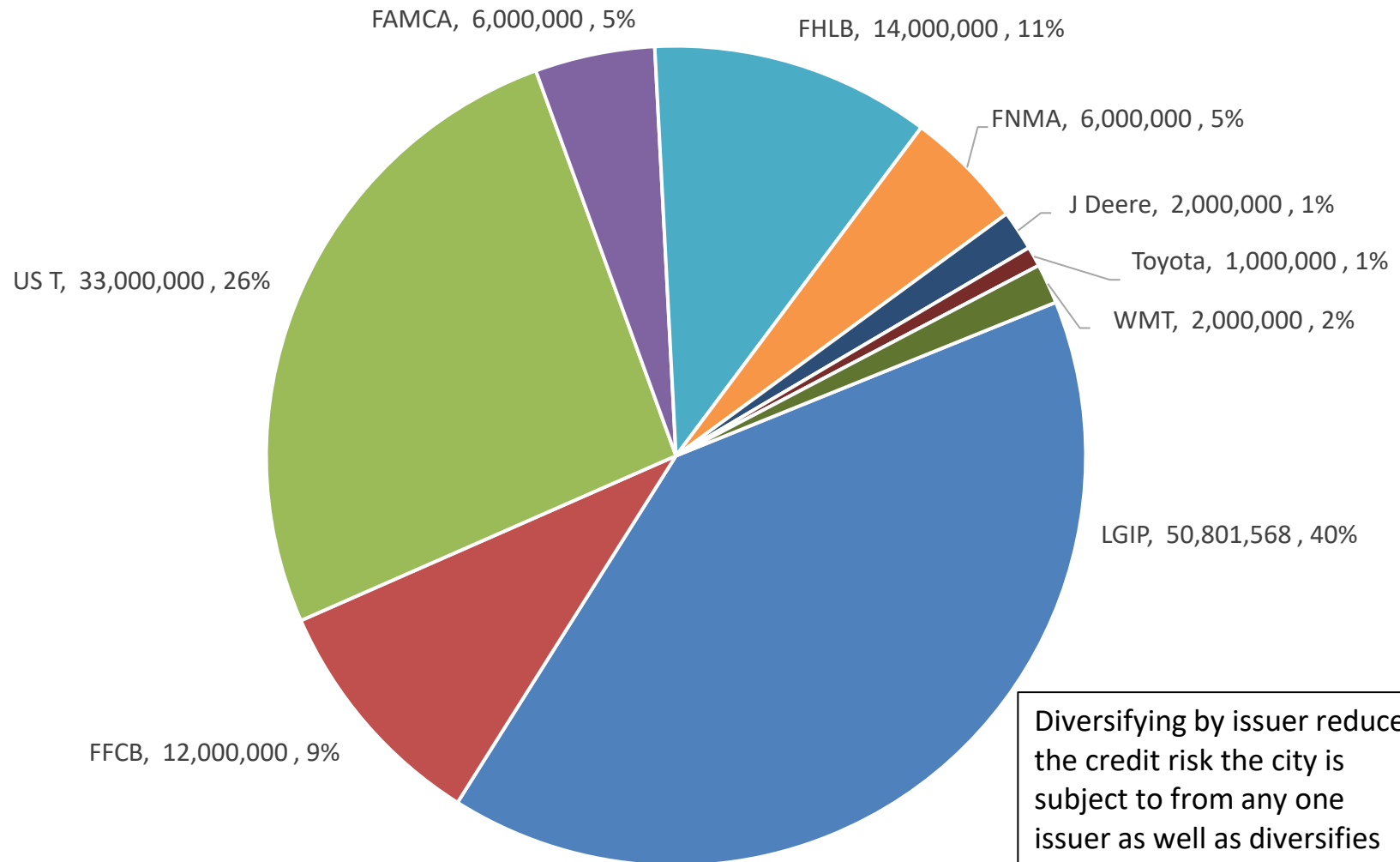


City of Yakima
Investment Portfolio - Inventory by Agency
June 30, 2025

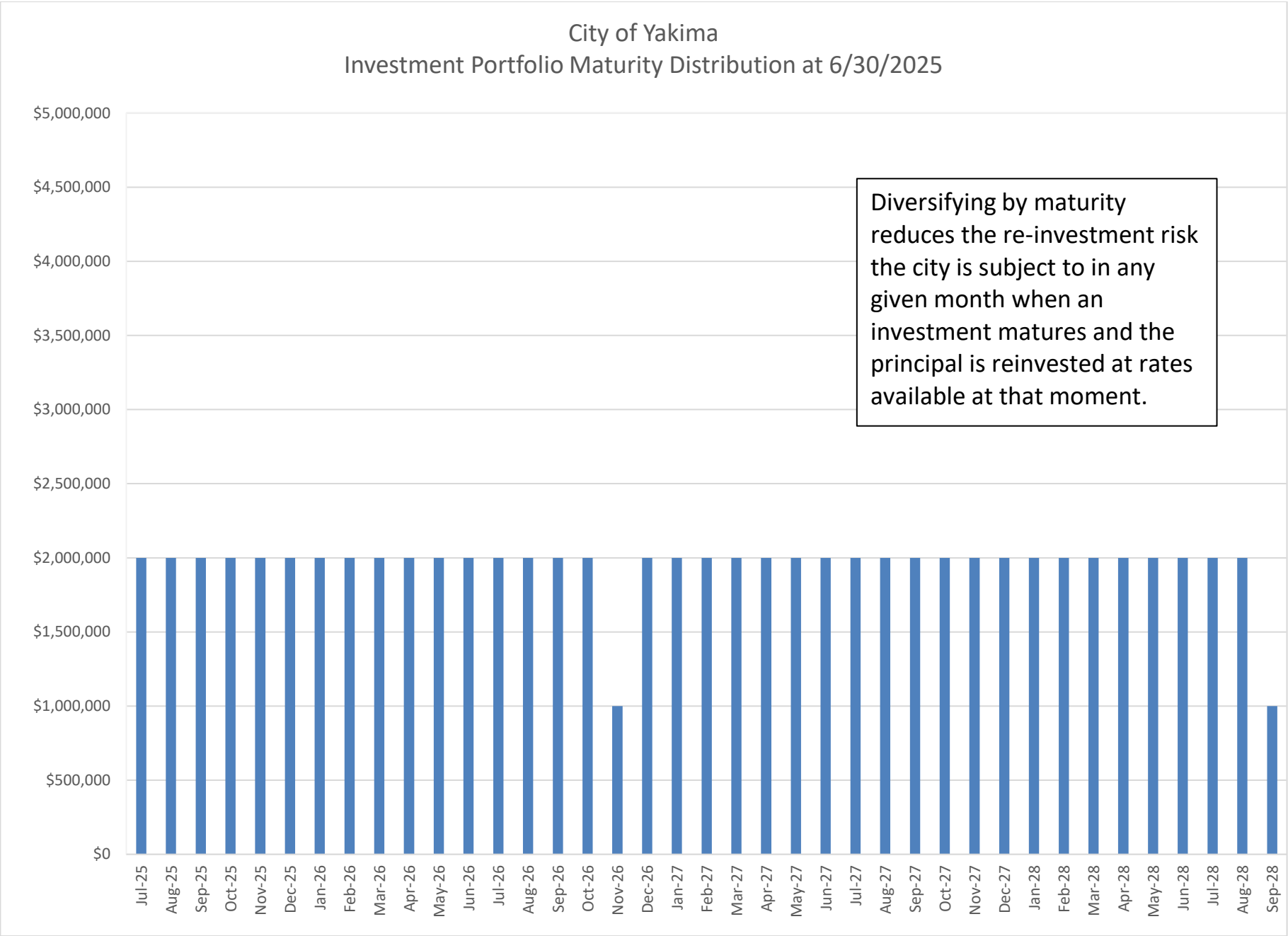
Agency	Inv#	CUSIP	Face Value	Price	Coupon	Expected Yield	Settle	Maturity	Days to Maturity	Market	Call Type	Moody's	S&P	Fitch	Next Call	Most Likely Call
US T	1576	91282CAB7	2,000,000	1,843,472	0.250	2.780	4/29/22	7/31/25	31	1,993,122	NC	Aaa	NA	AAAu	NC	7/31/25
FNMA	1578	3135G05X7	2,000,000	1,844,334	0.375	2.870	5/12/22	8/25/25	56	1,987,536	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	74	1,001,216	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	92	989,945	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	123	1,973,594	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	148	1,988,422	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	184	1,962,109	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	215	1,981,734	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	230	1,968,469	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	256	1,999,554	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	298	1,968,722	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	335	1,940,891	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	347	1,997,622	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	371	2,010,660	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	411	2,008,516	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	435	2,014,485	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	487	1,983,870	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	505	1,008,524	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	522	2,014,900	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	568	1,997,758	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	592	2,006,122	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	623	1,973,079	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	655	2,030,626	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	700	1,957,813	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	711	2,029,741	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	761	1,960,000	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	776	1,938,906	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	802	2,022,438	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	830	1,869,543	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	871	1,893,640	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	914	1,852,734	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	945	1,855,234	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	974	1,870,000	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	1,005	1,871,016	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	1,031	945,233	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	1,033	953,063	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	1,066	1,994,141	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	1,092	1,989,566	MW	Aa2	AA+	AA	3/26/28	6/26/28
J Deere	1619	24422EXB0	2,000,000	2,058,940	4.950	3.960	4/30/25	7/14/28	1,110	2,046,574	NC	A1	A	A+	NC	7/14/28
US T	1620	91282CHX2	2,000,000	2,025,489	4.375	3.955	5/20/25	8/31/28	1,158	2,037,813	NC	Aaa	NA	AAAu	NC	8/31/28
Toyota	1621	89236TLB9	1,000,000	1,036,580	5.250	4.020	6/27/25	9/11/28	1,169	1,030,914	NC	A1	A+	A+	NC	9/11/28
Subtotal	41		76,000,000	73,168,587	Avg.					74,919,845						
LGIP	LGIP	NA	50,801,568	50,801,568	4.600	4.60%	NA	NA	14	50,801,568	NC	NA	NA	NA	NA	NA
Grand Totals			\$ 126,801,568	\$ 123,970,155		3.50%			361	\$ 125,721,413						

City of Yakima

Investment Portfolio by Issuer at 06/30/2025



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
June 30, 2025

Agency	Inv#	Beginning Face Value	Additions and Purchases	Calls and Maturities	Ending Face Value
Farmer Mac					
FAMCA					-
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		7,000,000	-	(1,000,000)	6,000,000
Federal Farm Credit Bureau					
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
Federal Home Loan Bank					
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		14,000,000	-	-	14,000,000
Federal National Management Association					
FNMA	1578	2,000,000			2,000,000
FNMA	1583	2,000,000			2,000,000
FNMA	1609	2,000,000			2,000,000
FNMA Total		6,000,000	-	-	6,000,000
US Treasury					
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	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	1620		2,000,000		2,000,000
US Treasury					-
US Treasury		36,000,000	2,000,000	(5,000,000)	33,000,000
Corporate Notes					
Walmart	1618	2,000,000			2,000,000
J Deere	1619		2,000,000		2,000,000
Toyota	1621		1,000,000		1,000,000
Corporate Total		2,000,000	3,000,000	-	5,000,000
Subtotal		77,000,000	5,000,000	(6,000,000)	76,000,000
Other Investments					
LGIP (State Pool)	LGIP	48,249,639	10,551,929	(8,000,000)	50,801,568
Other Investment Totals		48,249,639	10,551,929	(8,000,000)	50,801,568
Grand Totals		\$ 125,249,639	\$ 15,551,929	\$ (14,000,000)	\$ 126,801,568

City of Yakima
Long Term Debt Schedule - by Project Group
June 30, 2025

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	1,297,046
9/24/2018	6/1/2035	Soccer Complex (Refunded)	City portion of SOZO Sports Complex	4,440,127	3,106,795
9/24/2018	12/1/1942	2018 Aquatic Center YMCA	City portion of Aquatic Center	8,009,873	7,656,667
4/21/2020	12/1/2032	2020B Capital Theatre 09 Refunded	2020B Capital Theatre 09 Refunded	4,910,000	3,210,000
4/21/2020	12/1/2044	2020B Convention Center Addition	2020B Convention Center Addition	12,620,000	10,925,000
4/21/2020	12/1/2044	2020B Convention Center Addition III Refu	2020B Convention Center Addition III Refunded	2,495,000	2,160,000
Subtotal General Obligation Bonds				35,975,000	28,355,509
Certificate of Participation - State of Washington					
9/28/2017	6/1/2027	Energy Project	2017 Energy Project (lighting)	921,683	220,382
7/21/2020	6/1/2035	Energy Project	2020 Energy Efficiency Project (lighting)	1,415,000	1,055,000
9/28/2017	6/1/2027	Fire Aerial & Pump App	Fire Aerial	1,268,053	303,202
Subtotal Certificates of Participation				3,604,736	1,578,584
Revenue Bonds					
4/21/2020	12/1/2034	2020 Ref 04 Irrigation	2020 Ref 04 Irrigation	3,260,000	2,330,000
4/21/2020	12/1/2027	2020 Ref 08 WS Rev	2020 Ref 08 WS Rev	2,590,000	1,085,000
Subtotal Revenue Bonds				5,850,000	3,415,000
Intergovernmental Loans					
8/14/2009	7/1/2028	PC-08-951-052	2009 Railroad Grade Separation	3,000,000	495,301
5/6/2010	6/1/2034	L1000030-0	2010 Railroad Grade Separation	1,229,295	664,208
6/17/2014	5/1/2034	Comm Center Move	City portion of County GO Bonds	1,716,500	920,000
6/1/2016	6/1/2027	'16 Yak Co SIED - SOZO	2016 Yakima Co SIED Loan - SOZO	900,000	204,315
7/17/2018	6/1/2029	'18 Yak Co SIED - River Rd.	2018 Yakima Co SIED - River Rd Improvements/Aquatics Center	500,000	229,307
3/2/2021	6/1/2032	21 Yak Co Seid - SOZO	2021 Yakima Co SEID Loan SOZO	1,000,000	746,415
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	47,073
12/30/2005	6/1/2025	PW-05-691-064	2005 River Road Sewer	2,307,000	-
4/30/2007	6/1/2027	PW-07-962-019	2007 Ultra Violet Disinfection	2,300,000	242,778
4/15/2009	6/1/2028	PC-08-951-051	2009 New Water Well	2,257,200	363,446
10/10/2011	3/31/2033	L1100008	2011 Energy Efficiency	516,192	247,897
8/1/2011	7/1/2034	L1200019	2012 Industrial Waste Anaerobic	587,173	329,622
6/1/2012	6/1/2031	PC-12-951-065	2012 Wastewater Treatment Plan	5,000,000	1,614,475
10/11/2012	6/1/2037	PC-13-961-059	2012 Industrial Sewer Extensions	2,000,000	976,077
8/5/2013	6/1/2032	PC-13-961-074	2013 Automated Reading System	5,000,000	1,842,105
12/31/2021	6/1/2039	PC20-96103-044	2020 Waterline Improvements	1,737,906	1,351,705
12/12/2013	10/1/2034	DM-11-952-038	2013 Design WTP Lagoons	3,514,800	1,757,400
Subtotal Intergovernmental Loans				35,188,947	12,760,624
Grand Total				80,618,683	46,109,717

City of Yakima
Interfund Borrowing
June 30, 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	3,016,610.40		549,971.91	2,466,638.49
MLK Pool			250,000.00		250,000.00
Total across all funds	8,099,691.00	3,188,788.14	250,000.00	549,971.91	2,888,816.23

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



Committee Review of Investment Rationale

Date: April 29, 2025

Investment # 2025-1619 is a 5-year John Deere CAP. Bond, face value \$2,000,000, maturing July 14, 2028, 4.95% coupon, purchased at 102.947 to yield 3.96. This trade settles on April 30, 2025, with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2025.

Liquidity: On March 31st, month-end, Key Bank checking account balance was \$8.7 million, US Bank checking balance was \$12. million, and the investment portfolio was \$77.0 million (Treasuries, Corporates and Agencies). Current LGIP balance was \$48.2 million.

Safety: This purchase is a debt issue of John Deere Cap. and is rated A/A1/A+ by S&P, Moody's and Fitch.

Yield. Yield is 3.96. This investment is 43 basis points under LGIP and 15 bases point over the 5-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	4.3921%	www.secureaccess.wa.gov
5-year Treasury	3.8100%	Treasury.gov
3-year Treasury	3.6700%	Treasury.gov

Callability. This investment is not callable.

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. Joe Brusuelas, Chief Economist, RSM US LLP, recently stated "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%."

Investment Committee review:

Finance Director:

Date

4/29/25

City Manager:

Date

4/29/2025



Committee Review of Investment Rationale

Date: May 19, 2025

Investment # 2025-1620 is a 5-year US Treasury, face value \$2,000,000, maturing August 31, 2028, 4.37% coupon, purchased at 101.274435 to yield 3.955137. This trade settles May 20, 2025, with KeyBanc Capital Markets, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2025.

Liquidity: At April 30th, month-end, Key Bank checking account balance was \$8.4 million, US Bank checking balance was \$9.7 million, and the investment portfolio was \$77.0 million (Treasures, Corporates and Agencies). Current LGIP balance was \$48.4 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 3.9551. This investment is 43 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	4.3825%	www.secureaccess.wa.gov
5-year Treasury	4.0600%	Treasury.gov
3-year Treasury	3.9500%	Treasury.gov

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

Diversification. This purchase brings this issuer to 28% of total portfolio.

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

Outlook. The Federal Open Market Committee (FOMC) voted at its May meeting to leave the federal funds rate unchanged at 4.25%-4.50%. The Fed remains committed to its "wait-and - see" approach and is in no hurry to make adjustments until the impact of tariffs becomes clearer. The FOMC is scheduled to meet next on June 17, 2025.

Investment Committee review:

Finance Director: 

Date 5/22/25

City Manager: 

Date 5/27/2025



Committee Review of Investment Rationale

Date: June 26, 2025

Investment # 2025-1621 is a 5-year Toyota Motor Credit Corp. Bond, face value \$1,000,000, maturing September 11, 2028, 5.25% coupon, purchased at 103.658 to yield 4.02. This trade settles on June 27, 2025, with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2025.

Liquidity: On May 31st, month-end, Key Bank checking account balance was \$10.5 million, US Bank checking balance was \$9.9. million, and the investment portfolio was \$77.0 million (Treasuries, Corporates and Agencies). Current LGIP balance was \$50.6 million.

Safety: This purchase is a debt issue of Toyota Motor Credit Corp. and is rated A+/A1/A+ by S&P, Moody's and Fitch.

Yield. Yield is 4.02. This investment is 35 basis points under LGIP and 19 bases point over the 5-year treasury, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	4.3741%	www.secureaccess.wa.gov
5-year Treasury	3.8300%	Treasury.gov
3-year Treasury	3.7400%	Treasury.gov

Callability. This investment has a make whole call until 9/11/28.

Diversification. This purchase brings this issuer to 1% 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. S&P Global Ratings now expects U.S. real GDP growth of 1.7% for the year, up 0.2 percentage points from their previous expectation in May, based on the assumption of lower average effective tariffs and resilient economic data from the first five months of the year. They forecast growth of 1.6% in 2026.

Investment Committee review:

Finance Director: _____

Date 6/30/25

City Manager: _____

Date 7/2/2025