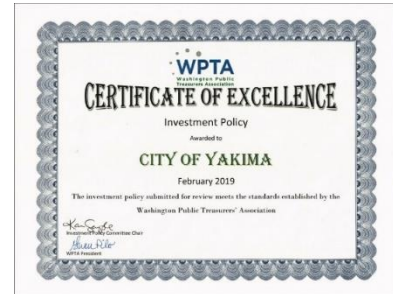




Date: October 2, 2019

To: Mayor and City Council
Cynthia Martinez, Interim City Manager

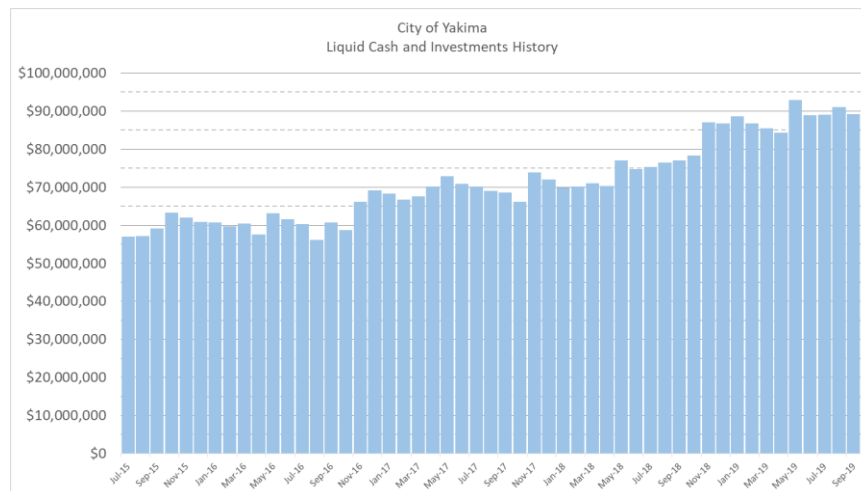
From: Steve Groom, Finance Director
Jennifer Morris, Financial Services Officer



Re: 2019 – 3rd Quarter Treasury Report

Updates to the City's investment policy were approved by City Council on March 5, 2019; the policy received a Certification of Excellence from the Washington Public Treasurer's Association on April 10, 2019.

Total Cash and Investments at Quarter-end total \$94.3 million: \$18.2 million in depository banks, \$20.7 million in the State Pool, and \$55.5 million invested.



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 no investments was called, the following matured:

- \$3,000,000 FFCB (1.25% yield) matured 8/19/2019
- \$2,119,000 FICO Strip (1.46% yield) matured 9/26/2019

Purchases:

- 1524 \$1,000,000 FHLMC (2.15% yield) to mature 11/14/2022
- 1525 \$1,000,000 FHLMC (2.25% yield) to mature 8/12/2024
- 1526 \$1,000,000 US Treasury (2.00% yield) to mature 9/30/2020
- 1527 \$1,000,000 FFCB (1.625% yield) to mature 9/17/2021

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, 2019, the fixed income market is experiencing continued uncertainty, evidenced by a yield curve that is still inverted, meaning 1-year rates are higher than 3- and 5-year rates; the difference between the 1-year Treasury at 1.73% and the 5-year Treasury at 1.51% is 26 basis points. The 30-day yield of the State Pool was at 2.217%.

Economic Outlook. The Federal Reserve continues to signal a high probability of lower rates, lowering projections for future rates. Unemployment, nationally, remains low and the economy continues to appear strong so while recession continues to be a cyclical statistical probability the concerns do not appear to be drastic.

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. No securities were considered, due to prevailing circumstances, to be sold prior to maturity during the last quarter.

		Actual %	Policy %
LGIP	20,690,499	27%	100%
Treasuries	1,000,000	1%	100%
Agencies	49,483,000	65%	100%
Corporates	5,000,000	7%	15%
	<u>76,173,499</u>	<u>100%</u>	

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. All debt payments continue as scheduled.

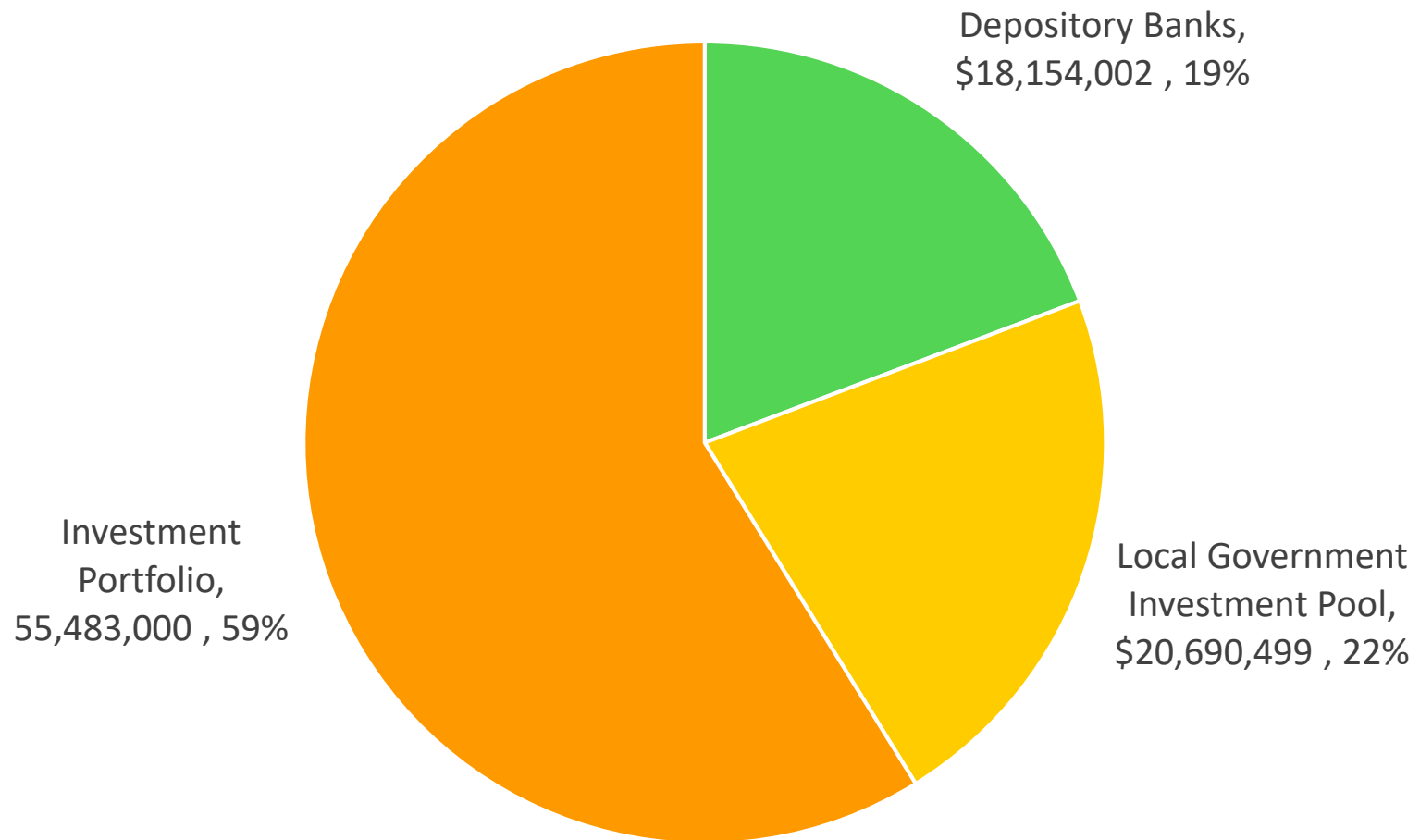
City of Yakima
Cash and Investment Summary
September 30, 2019

Description	Current 9/30/2019	Prior Quarter 6/30/2019	Prior Year 9/30/2018
Cash Balances on Hand in Banks	\$ 18,154,002	\$ 12,346,008	\$ 14,412,536
Local Government Investment Pool (LGIP)	20,690,499	22,571,372	17,600,116
Investment Portfolio	55,483,000	56,602,000	52,580,205
Total Investments	76,173,499	79,173,372	70,180,321
Total Cash and Investments	\$ 94,327,502	\$ 91,519,380	\$ 84,592,857

Summary of Investment Activity	Beg Balance 6/30/2019	Purchases & Deposits	Interest Reinvested	Maturities, Calls & Withdrawals	End Balance 9/30/2019
Local Government Investment Pool (LGIP)	\$ 22,571,372	\$ 2,502,188	\$ 118,660	\$ (4,501,721)	\$ 20,690,499
Investment Portfolio	56,602,000	4,000,000	-	(5,119,000)	55,483,000
Other Investments	-	-	-	-	-
Total Investments	\$ 79,173,372	\$ 6,502,188	\$ 118,660	\$ (9,620,721)	\$ 76,173,499

City of Yakima

Distribution of Cash and Investments as of 9/30/2019

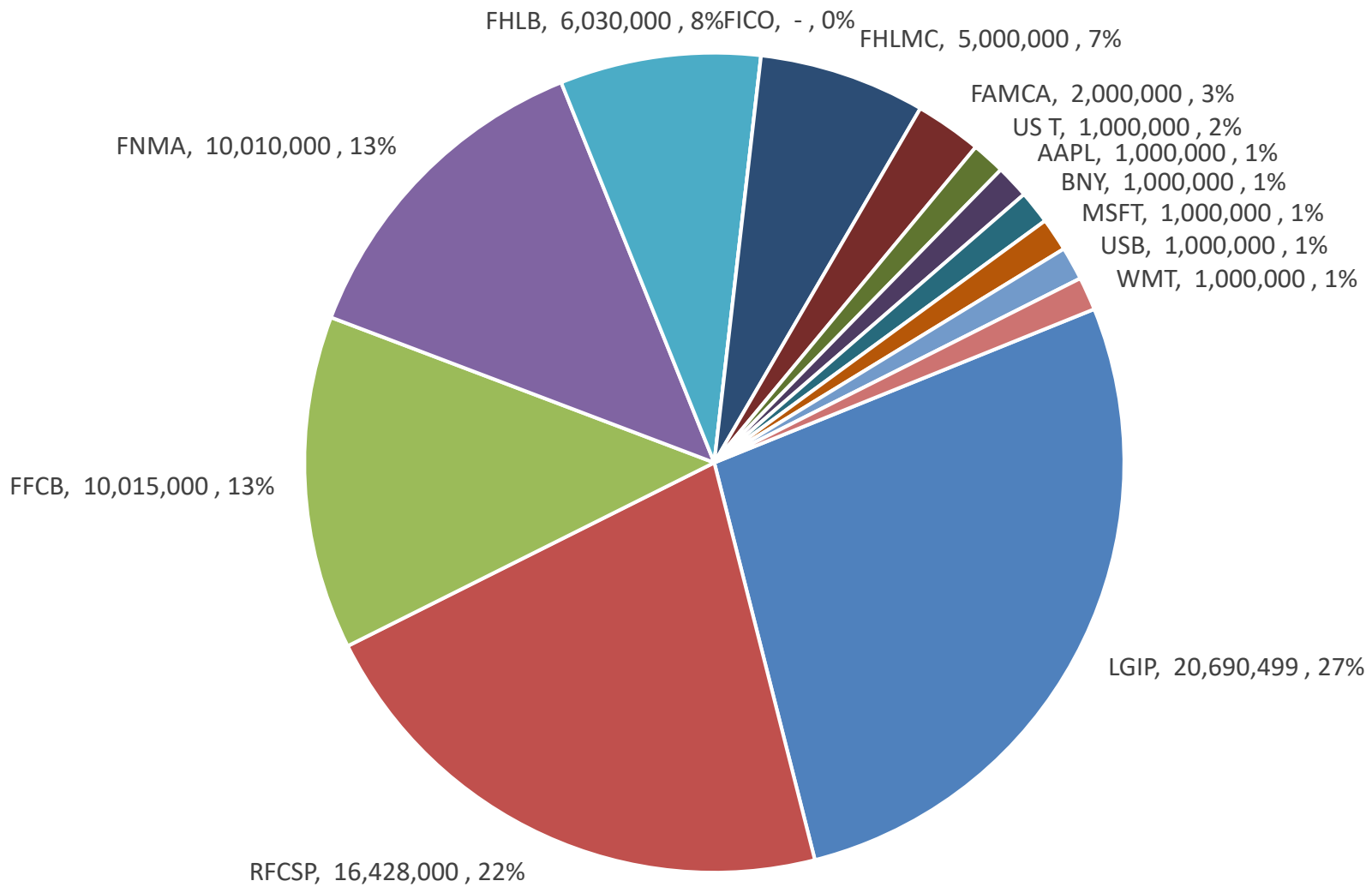


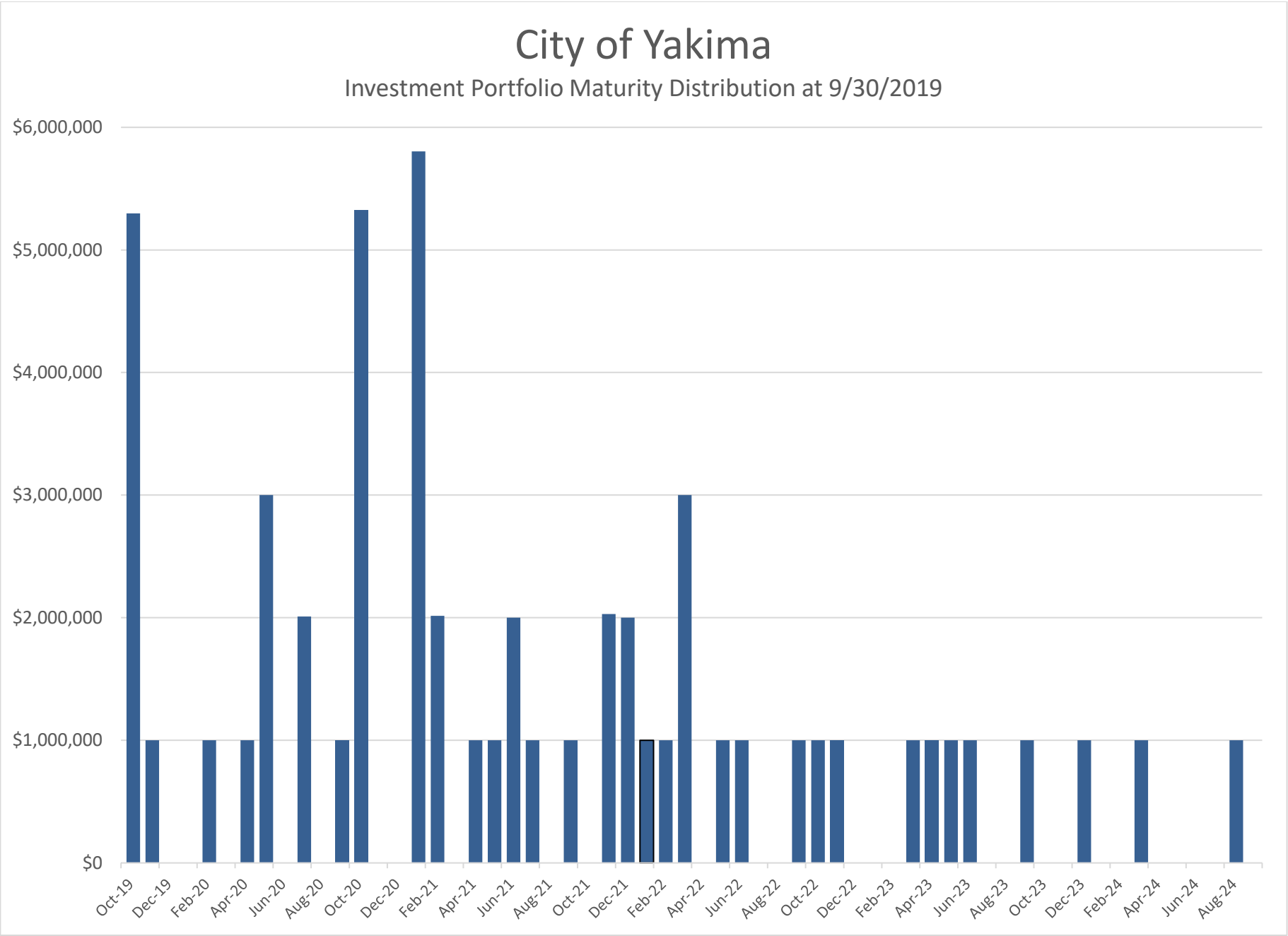
City of Yakima
Investment Portfolio - Inventory by Agency
September 30, 2019

Agency	Inv#	CUSIP	Face Value	Price	Coupon	Expected Yield	Settle	Maturity	Days to Maturity	Market	Call Type	Moodys	S&P	Fitch
RFCSP	1503	76116FAA5	3,139,000	3,037,265	1.990	1.990	02/14/18	10/15/19	198	3,136,511	NC	Aaa	AA+	AAA
RFCSP	1505	76116FAA5	2,160,000	2,099,535	2.479	2.479	08/17/18	10/15/19	198	2,158,287	NC	Aaa	AA+	AAA
FHLB	1506	3130AA3R7	1,000,000	988,149	1.375	2.680	12/10/18	11/15/19	229	999,344	Amer	Aaa	AA+	AA+
FHLB	1511	3130ADMS8	1,000,000	996,400	2.150	2.545	3/11/19	2/14/20	320	1,000,072	Qtrly	Aaa	AA+	AA+
FFCB	1520	3133EKJS6	1,000,000	1,000,000	2.400	2.400	4/29/19	4/29/20	395	1,003,328	NC	Aaa	AA+	AAA
FNMA	1488	3136G3QK4	3,000,000	2,999,970	1.500	1.500	6/3/16	5/22/20	418	2,993,256	Qtrly	Aaa	AA+	AAA
FNMA	1494	3136G4GK3	2,010,000	1,995,172	1.350	1.560	12/14/16	7/28/20	485	2,004,077	Qtrly	Aaa	AA+	AAA
US T	1526	912828VZ0	1,000,000	1,001,563	2.000	1.847	09/16/19	9/30/20	549	1,001,836	NC	Aaa	AA+	NC
RFCSP	1493	76116FAE7	3,203,000	2,999,859	1.716	1.716	12/14/16	10/15/20	564	3,141,906	NC	Aaa	AA+	AAA
RFCSP	1502	76116FAE7	2,122,000	1,999,174	2.250	2.250	02/14/18	10/15/20	564	2,081,525	NC	Aaa	AA+	AAA
RFCSP	1495	76116FAG2	2,137,000	1,995,637	1.821	1.821	04/06/17	1/15/21	656	2,085,107	NC	Aaa	AA+	AAA
RFCSP	1499	76116FAG2	1,000,000	945,156	1.730	1.730	10/06/17	1/15/21	656	975,717	NC	Aaa	AA+	AAA
RFCSP	1500	76116FAG2	2,667,000	2,499,062	2.200	2.200	01/25/18	1/15/21	656	2,602,237	NC	Aaa	AA+	AAA
FFCB	1496	3133EGRN7	2,015,000	1,994,713	1.470	1.740	4/6/17	2/17/21	689	2,006,412	1C-NC	Aaa	AA+	AAA
FFCB	1518	3133EKGy6	1,000,000	1,000,000	2.375	2.375	4/15/19	4/15/21	746	1,008,655	NC	Aaa	AA+	AAA
BNY	1521	06406FAB9	1,000,000	989,800	2.050	2.574	4/30/19	5/3/21	764	1,000,216	NC	A1	A	AA-
FNMA	1490	3136G3SJ5	2,000,000	1,995,048	1.500	1.552	6/30/16	6/30/21	822	1,993,456	Qtrly	Aaa	AA+	AAA
FNMA	1501	3136G4RD7	1,000,000	997,351	2.300	2.380	2/14/18	7/30/21	852	1,000,426	Qtrly	Aaa	AA+	AAA
FFCB	1527	3133EKP67	1,000,000	996,900	1.625	1.780	9/17/19	9/17/21	901	997,471	NC	Aaa	AA+	AAA
FHLB	1492	3130A9Z61	2,030,000	1,994,020	1.500	1.880	12/14/16	11/9/21	954	2,017,110	Amer	Aaa	AA+	AA+
FNMA	1491	3136G3SW6	2,000,000	1,997,896	1.500	1.520	6/30/16	12/30/21	1,005	1,987,224	Qtrly	Aaa	AA+	AAA
USB	1515	91159HHP8	1,000,000	997,300	2.625	2.723	3/18/19	1/24/22	1,030	1,013,454	1X	A1	A+	AA-
MSFT	1512	594918BW3	1,000,000	996,920	2.400	2.575	3/15/19	2/6/22	1,043	1,014,462	NC	Aaa	AAA	AA+
FFCB	1498	3133EHYQ0	3,000,000	2,993,640	1.950	2.000	10/6/17	3/14/22	1,079	3,000,045	Amer	Aaa	AA+	AAA
FFCB	1523	3133EKLr5	1,000,000	999,100	2.250	2.281	5/16/19	5/16/22	1,142	1,015,552	NC	Aaa	AA+	AAA
FAMCA	1522	31422BFF2	1,000,000	1,000,000	2.350	2.350	5/9/19	6/1/22	1,158	1,015,717	NC	Aaa	AA+	AAA
FHLB	1509	313383WD9	1,000,000	1,013,146	3.125	2.750	12/19/18	9/9/22	1,258	1,041,128	Amer	Aaa	AA+	AA+
FFCB	1519	3133EKHN9	1,000,000	997,450	2.330	2.406	4/18/19	10/18/22	1,297	1,021,508	NC	Aaa	AA+	AAA
FHLMC	1524	3134GT2C6	1,000,000	1,000,000	2.150	2.150	8/14/19	11/14/22	1,324	993,017	Qtrly	Aaa	AA+	AAA
FHLMC	1510	3134GS6F7	1,000,000	1,000,000	2.720	2.720	3/27/19	3/27/23	1,457	1,003,907	1x	Aaa	AA+	AAA
FHLMC	1517	3134GTGM9	1,000,000	1,000,000	2.550	2.550	4/10/19	4/10/23	1,471	1,004,309	1x	Aaa	AA+	AAA
AAPL	1516	037833AK6	1,000,000	991,000	2.400	2.634	4/8/19	5/3/23	1,494	1,018,666	NC	AA1	AA+	-
WMT	1513	931142EK5	1,000,000	1,026,800	3.400	2.730	3/15/19	6/26/23	1,548	1,053,065	NC	Aa2	AA	AA
FAMCA	1508	3132X06C0	1,000,000	1,010,972	3.050	2.801	12/19/18	9/19/23	1,633	1,050,838	NC	Aaa	AA+	AAA
FHLB	1507	3130AFK87	1,000,000	1,003,225	3.100	2.933	12/28/18	12/28/23	1,733	1,014,156	Amer	Aaa	AA+	AA+
FHLMC	1514	3134GS6W0	1,000,000	1,000,000	2.700	2.700	3/27/19	3/27/24	1,823	1,003,865	1X	Aaa	AA+	AAA
FHLMC	1525	3134GTZ63	1,000,000	1,000,000	2.250	2.250	8/12/19	8/12/24	1,961	996,335	Qtrly	Aaa	AA+	AAA
Subtotal	37		55,483,000	54,552,224	Avg.	2.09%				55,454,196				
LGIP	LGIP	NA	20,690,499	20,690,499	2.505	2.505	NA	NA	1	20,690,499	NC			
Grand Totals			\$76,173,499	\$75,242,723		2.18%			585	\$76,144,696				

City of Yakima

Investment Portfolio by Issuer at 9/30/2019





City of Yakima
Investment Portfolio - Detail of Activity
September 30, 2019

Agency	Inv#	Beginning Face Value	Additions and Purchases	Calls and Maturities	Ending Face Value
Farmer Mac					
FAMCA	1508	1,000,000	-	-	1,000,000
FAMCA	1522	1,000,000	-	-	1,000,000
FAMCA Total		2,000,000	-	-	2,000,000
Federal Farm Credit Bureau					
FFCB	1489	3,000,000	-	(3,000,000)	-
FFCB	1496	2,015,000	-	-	2,015,000
FFCB	1498	3,000,000	-	-	3,000,000
FFCB	1518	1,000,000	-	-	1,000,000
FFCB	1519	1,000,000	-	-	1,000,000
FFCB	1520	1,000,000	-	-	1,000,000
FFCB	1523	1,000,000	-	-	1,000,000
FFCB	1527	-	1,000,000	-	1,000,000
FFCB Total		12,015,000	1,000,000	(3,000,000)	10,015,000
Federal Home Loan Bank					
FHLB	1492	2,030,000	-	-	2,030,000
FHLB	1506	1,000,000	-	-	1,000,000
FHLB	1507	1,000,000	-	-	1,000,000
FHLB	1509	1,000,000	-	-	1,000,000
FHLB	1511	1,000,000	-	-	1,000,000
FHLB Total		6,030,000	-	-	6,030,000
Resolution Funding Corporation					
RFCSP	1493	3,203,000	-	-	3,203,000
RFCSP	1495	2,137,000	-	-	2,137,000
RFCSP	1499	1,000,000	-	-	1,000,000
RFCSP	1500	2,667,000	-	-	2,667,000
RFCSP	1502	2,122,000	-	-	2,122,000
RFCSP	1503	3,139,000	-	-	3,139,000
RFCSP	1505	2,160,000	-	-	2,160,000
RFCSP Total		16,428,000	-	-	16,428,000
Federal Home Loan Mortgage Corporation					
FHLMC	1510	1,000,000	-	-	1,000,000
FHLMC	1514	1,000,000	-	-	1,000,000
FHLMC	1517	1,000,000	-	-	1,000,000
FHLMC	1524	-	1,000,000	-	1,000,000
FHLMC	1525	-	1,000,000	-	1,000,000
FHLMC Total		3,000,000	2,000,000	-	5,000,000
Federal National Management Association					
FNMA	1488	3,000,000	-	-	3,000,000
FNMA	1490	2,000,000	-	-	2,000,000
FNMA	1491	2,000,000	-	-	2,000,000
FNMA	1494	2,010,000	-	-	2,010,000
FNMA	1501	1,000,000	-	-	1,000,000
FNMA Total		10,010,000	-	-	10,010,000
US Treasury					
US Treasury	1526	-	1,000,000	-	1,000,000
US Treasury		-	1,000,000	-	1,000,000
Financing Corporation					
FICO	1485	2,119,000	-	(2,119,000)	-
FICO Total		2,119,000	-	(2,119,000)	-
Corporate Notes					
AAPL	1516	1,000,000	-	-	1,000,000
MSFT	1512	1,000,000	-	-	1,000,000
WMT	1513	1,000,000	-	-	1,000,000
USB	1514	1,000,000	-	-	1,000,000
BNY	1521	1,000,000	-	-	1,000,000
Corporate Total		5,000,000	-	-	5,000,000
Subtotal		56,602,000	4,000,000	(5,119,000)	55,483,000
Other Investments					
LGIP (State Pool)	LGIP	22,571,372	2,620,848	(4,501,721)	20,690,499
Other Investment Totals		22,571,372	2,620,848	(4,501,721)	20,690,499
Grand Totals		\$ 79,173,372	\$ 6,620,848	\$ (9,620,721)	\$ 76,173,499

City of Yakima
Long Term Debt Schedule - by Project Group
September 30, 2019

Date Issued	Maturity	Description	Note	Amount of Issue	Current Balance	Payments
General Obligation Bonds						
9/7/2004	11/1/2019	PFD Convention Center II	Refunded 1996 issue	\$ 4,175,000	\$ 335,000	\$ -
5/8/2007	5/1/2026	PFD Convention Center III	Partial refunding of 2002 issue	4,910,000	2,770,000	-
8/28/2009	12/1/2018	PFD Capitol Theatre	Tax exempt portion	2,055,000	-	-
8/28/2009	12/1/2032	PFD Capitol Theatre	Build America Bonds (Taxable)	4,980,000	4,980,000	-
6/17/2003	12/1/2023	Sundome Expansion	Deferred Interest-Maturity \$2.5M	1,430,528	317,934	-
8/28/2008	12/1/2021	Fire Apparatus	Ladder Truck	760,000	173,521	-
5/8/2007	5/1/2022	Fire Station	Remodel Facility	815,000	205,000	0
8/28/2008	12/1/2019	Infrastructure Projects	Ped crossing, street, infrastructure	2,190,000	-	-
5/8/2007	5/1/2022	Downtown Futures	Renovate downtown improvements	1,490,000	375,000	-
6/20/2013	6/20/2028	Street Project Demonstration (Refunded)	Various City street improvements	3,500,000	3,206,304	-
6/9/2014	6/1/2024	Street Resurfacing Project	Streets improvements	13,140,000	7,345,000	-
6/17/2014	12/1/2034	Comm Center Move	City portion of County GO Bonds	1,716,500	1,395,000	-
12/22/2015	12/1/2035	Soccer Complex	City portion of SOZO Sports Complex	5,000,000	-	-
9/24/2018	12/1/2035	Soccer Complex (Refunded)	City portion of SOZO Sports Complex	4,440,127	4,348,996	-
9/24/2018	7/1/2035	2018 Aquatic Center YMCA	City portion of Aquatic Center	8,009,873	7,996,271	-
Subtotal General Obligation Bonds				\$ 58,612,028	\$ 33,448,027	\$ -
Certificate of Participation - State of Washington						
8/22/2013	6/1/2019	Police Vehicles	74 Take-home vehicles	\$ 4,173,190	\$ (0)	\$ -
8/22/2013	6/1/2019	Fire Air Packs	70 Air Packs	459,602	(0)	-
6/1/2011	12/1/2020	Fire Apparatus	Two trucks purchased	576,847	131,948	-
3/19/2013	7/1/2023	Fire Apparatus	One truck	310,414	142,196	-
9/28/2017	6/1/2027	Energy Project	LED Street Lighting	921,863	784,893	-
9/28/2017	6/1/2027	Fire Aerial & Pump App	Fire Aerial	1,268,053	1,079,856	-
Subtotal Certificates of Participation				\$ 7,709,970	\$ 2,138,893	\$ -
Revenue Bonds						
5/31/2012	11/1/2023	Wastewater	Refunded 2003 \$10,155,000 issue	\$ 9,400,000	\$ 5,185,000	\$ -
6/5/2008	11/1/2027	Wastewater	Wastewater system	5,440,000	3,070,000	-
6/5/2008	11/1/2018	Water	Refunded 1998 issue	1,883,951	220,000	-
9/4/2004	9/1/2034	Irrigation	Irrigation System	5,215,000	3,375,000	155,000
Subtotal Revenue Bonds				\$ 21,938,951	\$ 11,850,000	\$ 155,000
Intergovernmental Loans						
8/14/2009	7/1/2028	PC-08-951-052	2009 Railroad Grade Separation	\$ 3,000,000	\$ 1,485,902	\$ -
5/6/2010	6/1/2034	L1000030-0	2010 Railroad Grade Separation	1,149,841	1,019,991	-
9/30/2015	6/1/2023	'15 Yak Co SIED - 21st Ave/Airport	2015 Yakima Co SIED Loan - 21st Ave/Airport	307,000	218,849	-
6/1/2016	6/1/2027	'16 Yak Co SIED - SOZO	2016 Yakima Co SIED Loan - SOZO	900,000	757,405	-
11/21/2017	6/1/2024	'17 Yak Co SIED - YV Brewing Project	2017 Yakima Co SIED Loan - YV Brewing Project	61,580	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	500,000	-
6/1/2001	7/1/2021	PW-01-691-071	2001 Fruitavale Neighborhood Sewer	1,466,250	155,250	-
9/1/2003	7/1/2023	PW-03-691-027	2003 Naches WTP Improvements	2,694,500	538,900	-
6/27/2005	10/1/2025	SRF-04-65104-037	2005 Naches River WTP Filter Rehab	966,772	329,509	-
12/30/2005	7/1/2025	PW-05-691-064	2005 River Road Sewer	2,307,000	745,475	-
4/30/2007	7/1/2027	PW-07-962-019	2007 Ultra Violet Disinfection	2,300,000	971,111	-
4/15/2009	7/1/2028	PC-08-951-051	2009 New Water Well	2,257,200	1,090,339	-
10/10/2011	3/31/2033	L1100008	2011 Energy Efficiency	503,558	400,623	11,771
8/1/2011	7/1/2034	L1200019	2012 Industrial Waste Anaerobic	590,350	499,590	13,174
6/1/2012	6/1/2032	PC-12-951-065	2012 Wastewater Treatment Plan	5,000,000	3,228,950	-
10/11/2012	6/1/2037	PC-13-961-059	2012 Industrial Sewer Extensions	2,000,000	1,464,115	-
8/5/2013	7/1/2032	PC-13-961-074	2013 Automated Reading System	5,000,000	3,421,053	-
12/12/2013	10/1/2034	DM-11-952-038	2013 Design WTP Lagoons	3,514,800	2,811,840	-
Subtotal Intergovernmental Loans				\$ 34,518,851	\$ 19,700,482	\$ 24,946
Grand Total				\$ 122,779,800	\$ 67,137,402	\$ 179,946

City of Yakima
Interfund Borrowing
September 30, 2019

Description	Original Balance	Beginning Balance	Issued	Retired	Ending Balance	
Local Improvement District Bonds/Notes	\$ 1,432,509	\$ 41,605	\$ -	\$ 4,317	\$ 37,288	Equipment Rental Reserve
Fund 153 - Public Safety Communications	450,000	300,000	-	-	300,000	Equipment Rental Reserve
Fund 332 - Fire Capital	640,000	-	-	-	-	General Fund
Fund 323 - Millsite Project	-	500,000	-	-	500,000	REET

Fund 151 - Public Safety Communications - Interfund Loan

The Public Safety Communications Fund borrowed from the Equipment Replacement and Reserve Fund to provide working capital while they recover from the excess cash outflow caused by the move to the new Communications Center last year. In 2018 a payment of \$150,000 principal payment was made leaving a balance of \$300,000. A \$150,000 payment is scheduled for 2019.

Fund 332 - Fire Capital

The Fire Capital fund borrowed \$640,000 cash at the end of 2016 from Equipment Rental to finance the down payment on two fire apparatus that were under construction. The Fire Department took delivery of the apparatus and final payment was made in August 2017. The first loan was refinanced through the General Fund in January and a second loan of \$460,000 was added in August, then extinguished in December 2018 by the General Fund.

Fund 323 - Millsite (LIFT)

The Millsite project borrowed \$500,000 from REET until such time as official financing can be secured. At that time the loan from REET will be repaid. A Statement of Official Intent for the reimbursement has been executed to meet bond requirements.



Committee Review of Investment Rationale

Date: August 9, 2019

Investment # 2019-1524 is a 3-year Federal Home Loan Mortgage Corp (FHLMC) Agency new issue, face value \$1,000,000, maturing November 14, 2022, 2.150% coupon purchased at 100.000 to yield 2.150%. This trade settles August 14, 2019 with Great Pacific Securities, US Bank Safekeeping. *This investment is the first of three to replace a \$3,000,000 1.25% FFCB medium term note maturing August 19, 2019.*

Liquidity: At July 31 month-end, Key Bank checking account balance was \$9,551,792, target is \$3 Million. US Bank checking balance was \$2,539,448. Current invested yield segment of portfolio is now \$56,602,000; target is \$60,000,000 for Treasuries, Corporates and Agencies. Current LGIP balance is \$20,316,288; target minimum is \$3,000,000.

Safety: This purchase is a debt issue of FHLMC, one of the Federal Agencies that carries an implicit Federal guarantee, equivalent to Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is **2.150%**. This investment is **23** basis points under LGIP, seeking to protect yield in an eroding yield / uncertain environment. Comparable yields are:

LGIP current 30-day yield	2.3883%	www.secureaccess.wa.gov
5-year Treasury	1.5400%	www.treasury.gov

Callability. This is a quarterly-callable investment.

Diversification. This purchase brings this issuer to 4.0% of total portfolio. This purchase adds a maturity date previously not covered to city's ladder portfolio.

Outlook. The yield curve is currently inverted, the 1-year Treasury at 1.79 and the 5-year at 1.54. The Federal Reserve Bank just executed a ¼-point rate cut. With \$10 million in our portfolio maturing in August, September and October, we are filling maturity gaps in the ladder as well as methodically purchasing 5-year maturities.

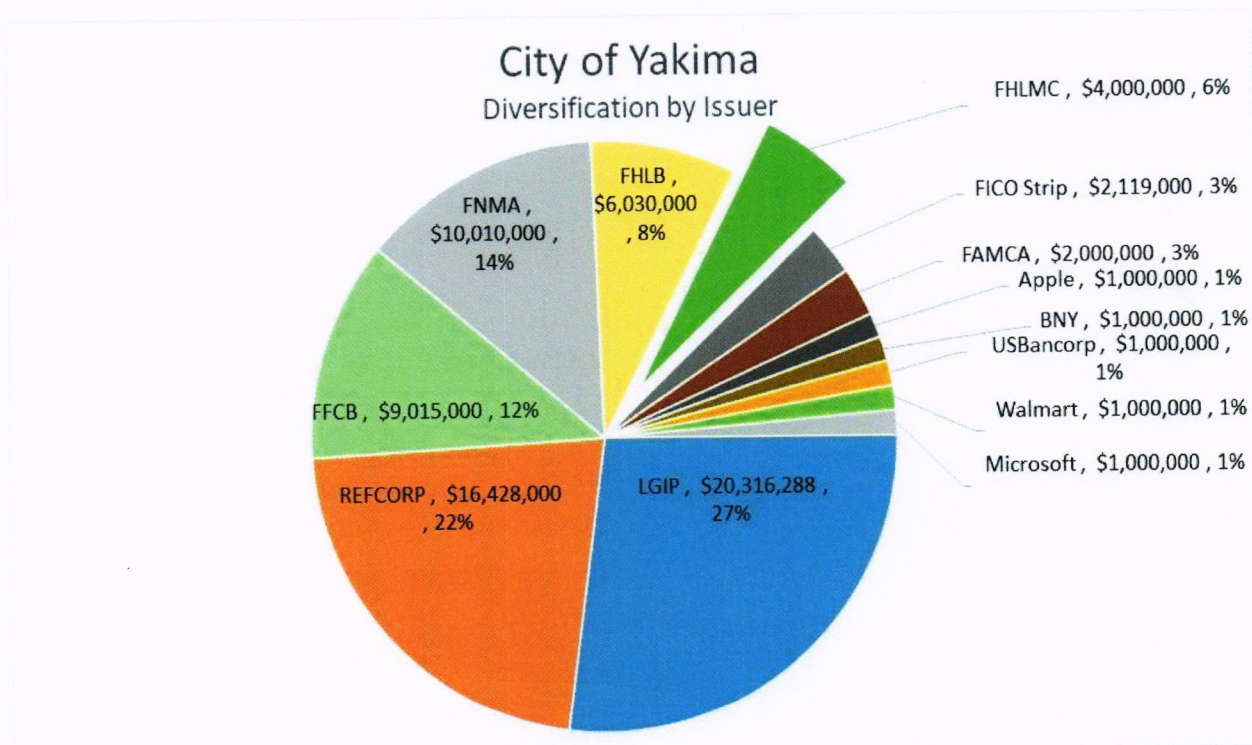
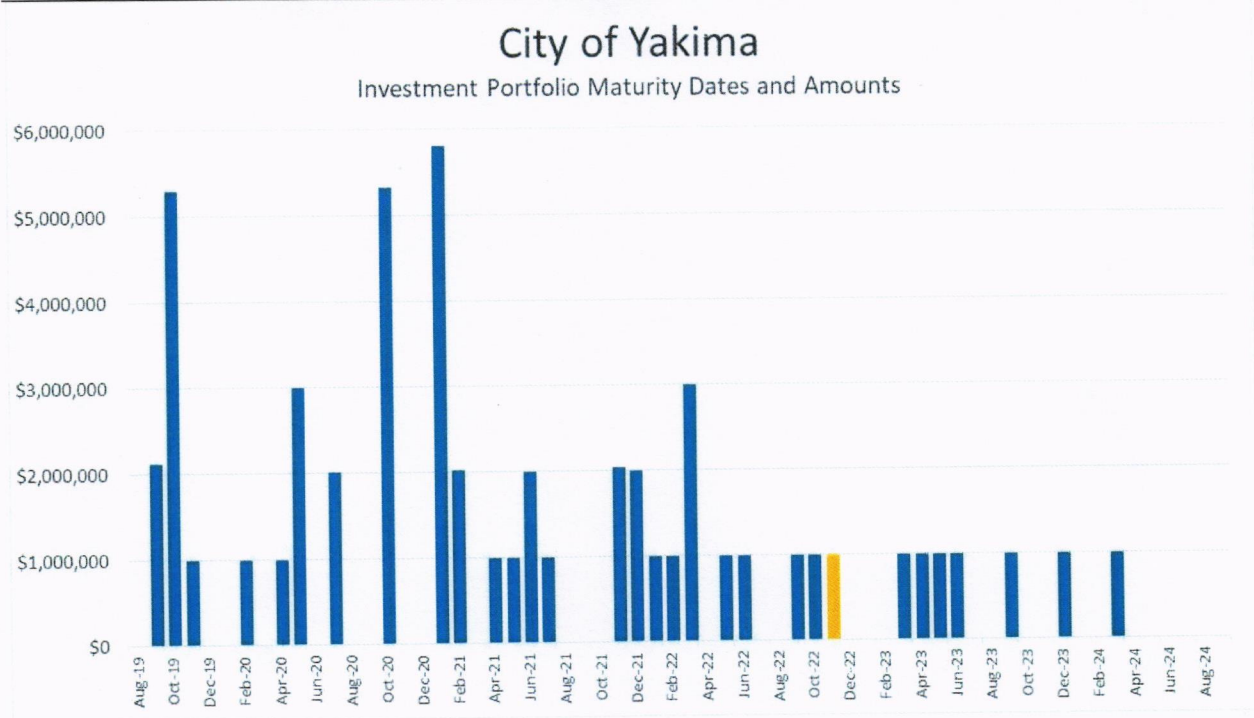
Investment Committee review:

Finance Director: _____

Date _____

City Manager: _____

Date 8/23/19





Committee Review of Investment Rationale

Date: August 9, 2019

Investment # 2019-1525 is a 5-year Federal Home Loan Mortgage Corp (FHLMC) Agency new issue, face value \$1,000,000, maturing August 12, 2024, 2.250% coupon purchased at 100.000 to yield 2.250%. This trade settles August 12, 2019 with Great Pacific Securities, US Bank Safekeeping. This investment is the second of three to replace a \$3,000,000 1.25% FFCB medium term note maturing August 19, 2019.

Liquidity: At July 31 month-end, Key Bank checking account balance was \$9,551,792, target is \$3 Million. US Bank checking balance was \$2,539,448. Current invested yield segment of portfolio is now \$56,602,000; target is \$60,000,000 for Treasuries, Corporates and Agencies. Current LGIP balance is \$20,316,288; target minimum is \$3,000,000.

Safety: This purchase is a debt issue of FHLMC, one of the Federal Agencies that carries an implicit Federal guarantee, equivalent to Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is 2.250%. This investment is 13 basis points under LGIP, seeking to protect yield in an eroding yield / uncertain environment. Comparable yields are:

LGIP current 30-day yield	2.3883%	www.secureaccess.wa.gov
5-year Treasury	1.5400%	www.treasury.gov

Callability. This is a quarterly-callable investment.

Diversification. This purchase brings this issuer to 6.6% of total portfolio. This purchase adds a maturity date previously not covered to city's laddered portfolio.

Outlook. The yield curve is currently inverted, the 1-year Treasury at 1.79 and the 5-year at 1.54. The Federal Reserve Bank just executed a ¼-point rate cut. With \$10 million in our portfolio maturing in August, September and October, we are filling maturity gaps in the ladder as well as methodically purchasing 5-year maturities.

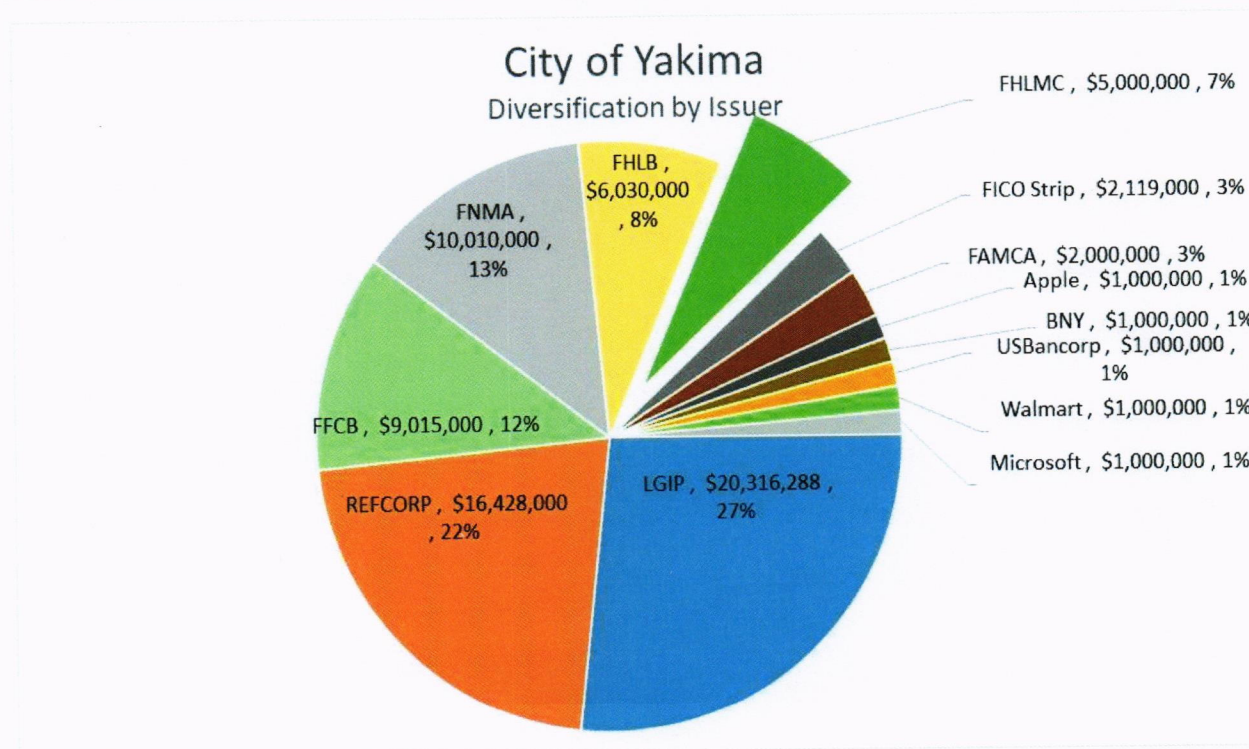
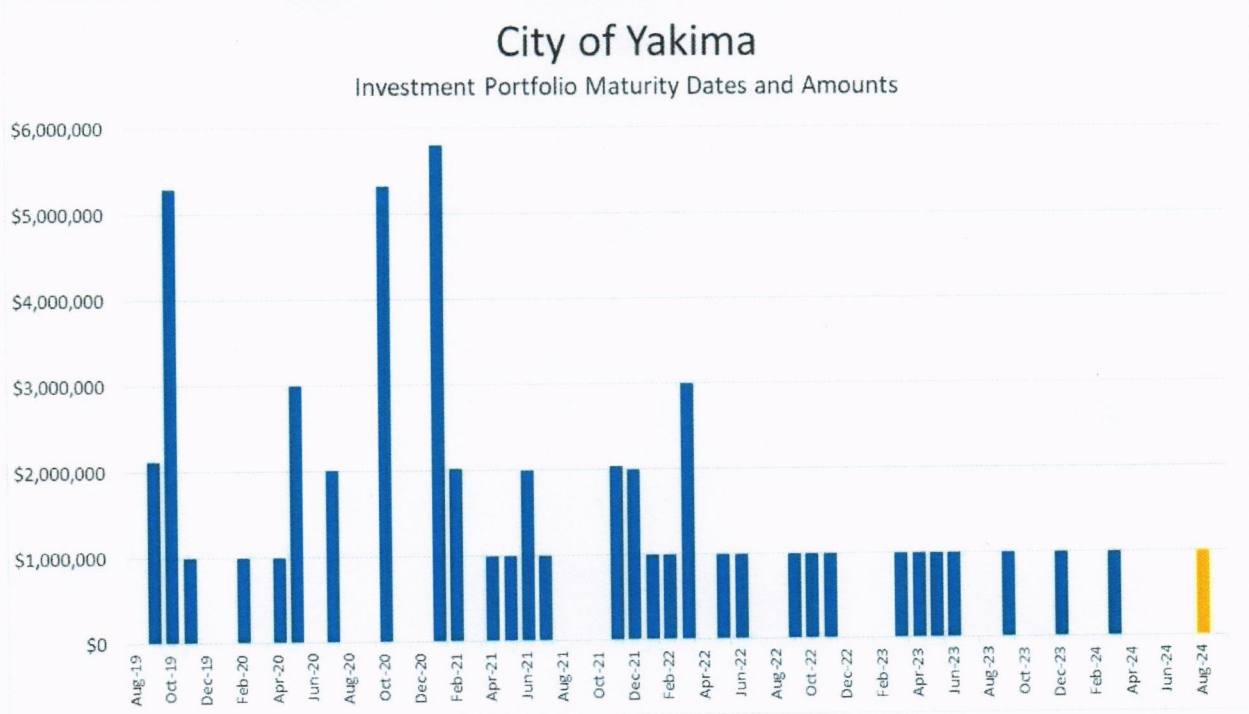
Investment Committee review:

Finance Director: _____

Date _____

City Manager: _____

Date 8/23/19





Committee Review of Investment Rationale

Date: September 14, 2019

Investment # 2019-1526 is a 1-year Treasury (T), face value \$1,000,000, maturing September 30, 2020, 2.000% coupon purchased at 100.15625.000 to yield 1.847%. This trade settles September 16, 2019 with Great Pacific Securities, US Bank Safekeeping. *This investment is the third of three to replace a \$3,000,000 1.25% FFCB medium term note that matured August 19, 2019.*

Liquidity: At August 31 month-end, Key Bank checking account balance was \$10,766,264, target is \$3 Million. US Bank checking balance was \$5,992,198. Current invested yield segment of portfolio is now \$56,602,000; target is \$60,000,000 for Treasuries, Corporates and Agencies. Current LGIP balance is \$20,650,992; target minimum is \$3,000,000.

Safety: This purchase is a debt issue of the US Treasury, that carries an explicit Federal guarantee, equivalent to Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is 1.847%. This investment is 37 basis points under LGIP, seeking to protect yield in an eroding yield / uncertain environment. Comparable yields are:

LGIP current 30-day yield	2.2179%	www.secureaccess.wa.gov
1-year Agency - FHLB	1.7500%	broker quote

Callability. This is a non-callable investment.

Diversification. This purchase is the first Treasury holding, this issuer is 1.3% of total portfolio.

This purchase adds a maturity date previously not covered to city's ladder portfolio.

Outlook. The yield curve is currently inverted, the 1-year Treasury at 1.82, the 2-year at and the 5-year at 1.54. The Federal Reserve Bank just executed a ¼-point rate cut. With \$10 million in our portfolio maturing in August, September and October, we are filling maturity gaps in the ladder as well as methodically purchasing 5-year maturities.

Investment Committee review:Finance Director: 

Date _____

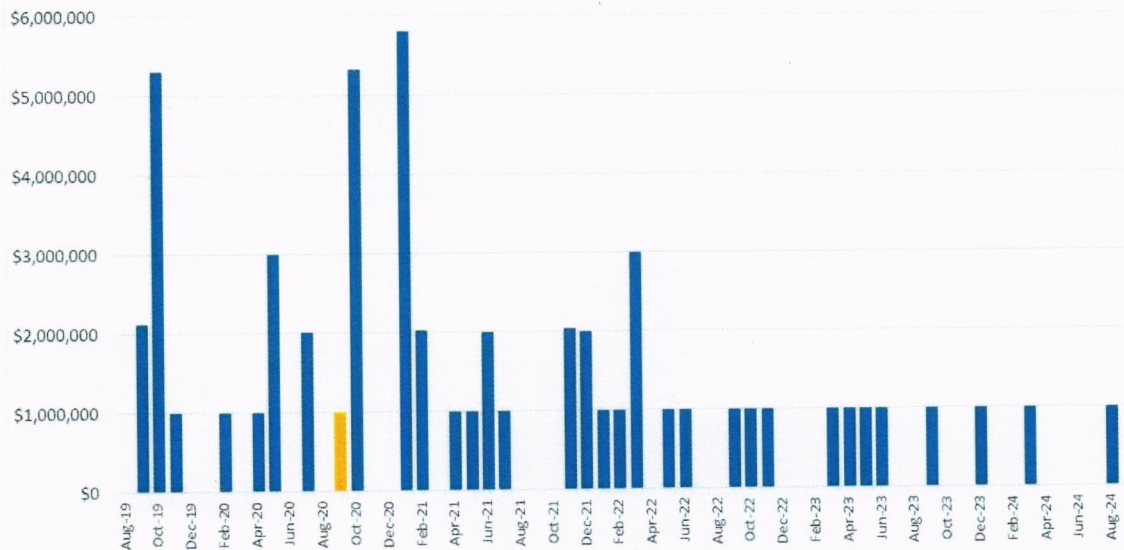
City Manager: 

Date 9/16/19

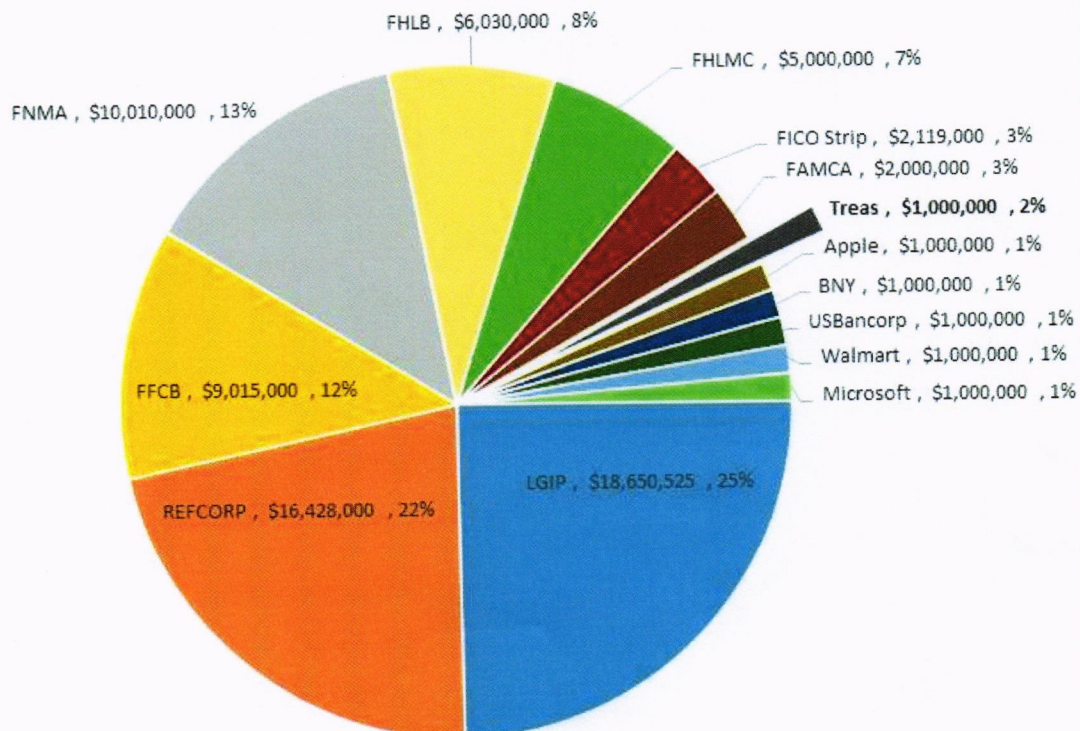


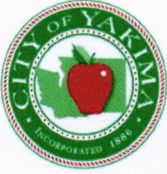
City of Yakima

Investment Portfolio Maturity Dates and Amounts



Diversification by Issuer





Committee Review of Investment Rationale

Date: September 14, 2019

Investment # 2019-1527 is a 2-year Federal Farm Credit Bank (FFCB), face value \$1,000,000, maturing September 17, 2021, 1.625% coupon purchased at 99.6900 to yield 1.78%. This trade settles September 17, 2019 with Great Pacific Securities, US Bank Safekeeping. *This investment is the first of two to replace a \$2,119,000 1.46% FICO Strip that matures September 26, 2019.*

Liquidity: At August 31 month-end, Key Bank checking account balance was \$10,766,264, target is \$3 Million. US Bank checking balance was \$5,992,198. Current invested yield segment of portfolio is now \$56,602,000; target is \$60,000,000 for Treasuries, Corporates and Agencies. Current LGIP balance is \$20,650,992; target minimum is \$3,000,000.

Safety: This purchase is a debt issue of one of the Federal Agencies that carries an implicit Federal guarantee, equivalent to Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is 1.78%. This investment is 44 basis points under LGIP, seeking to protect yield in an eroding yield / uncertain environment. Comparable yields are:

LGIP current 30-day yield	2.2179%	www.secureaccess.wa.gov
1-year Agency - FHLB	1.7500%	broker quote

Callability. This is a non-callable investment.

Diversification. This purchase brings this issuer to 13.5% of total portfolio.

This purchase adds a maturity date previously not covered to city's ladder portfolio.

Outlook. The yield curve is currently inverted, the 1-year Treasury at 1.82, the 2-year at 1.54 and the 5-year at 1.54. The Federal Reserve Bank executed a ¼-point rate cut July 31. With \$10 million in our portfolio maturing in August, September and October, we are filling maturity gaps in the ladder as well as methodically purchasing 5-year maturities.

Investment Committee review:

Finance Director: _____

Date _____

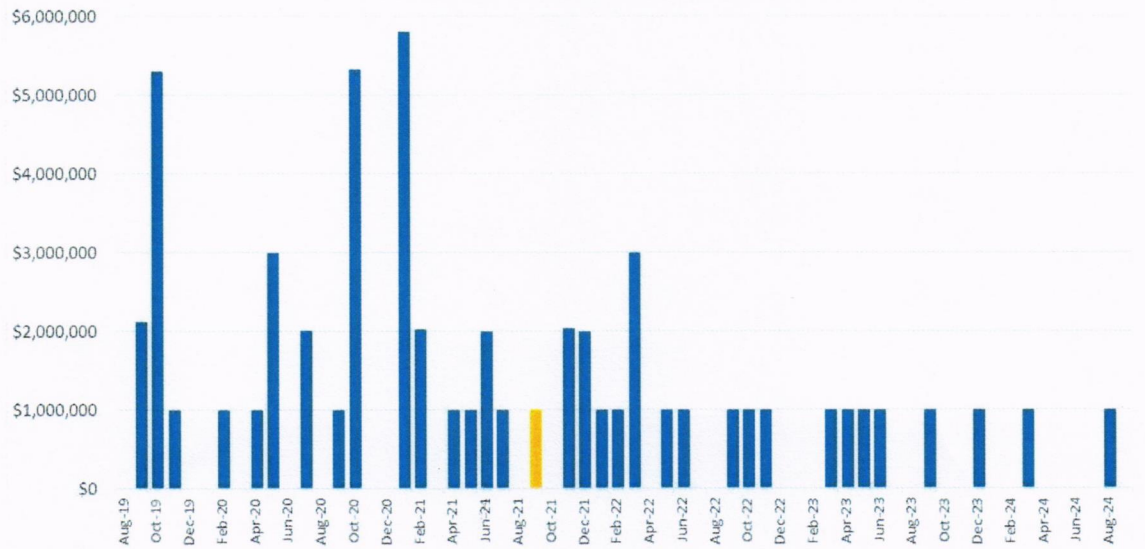
City Manager: _____

Date 9/16/19



City of Yakima

Investment Portfolio Maturity Dates and Amounts



City of Yakima

Diversification by Issuer

