

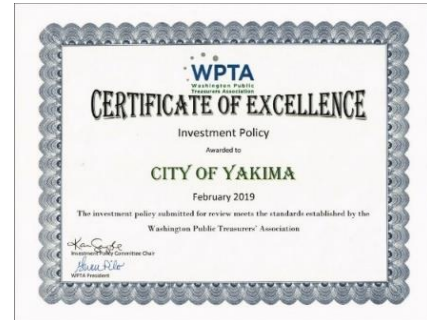


Date: July 8, 2021

To: Mayor and City Council
Bob Harrison, City Manager

From: Kimberly Dominé, Interim Finance Director
Jennifer Morris, Financial Services Officer

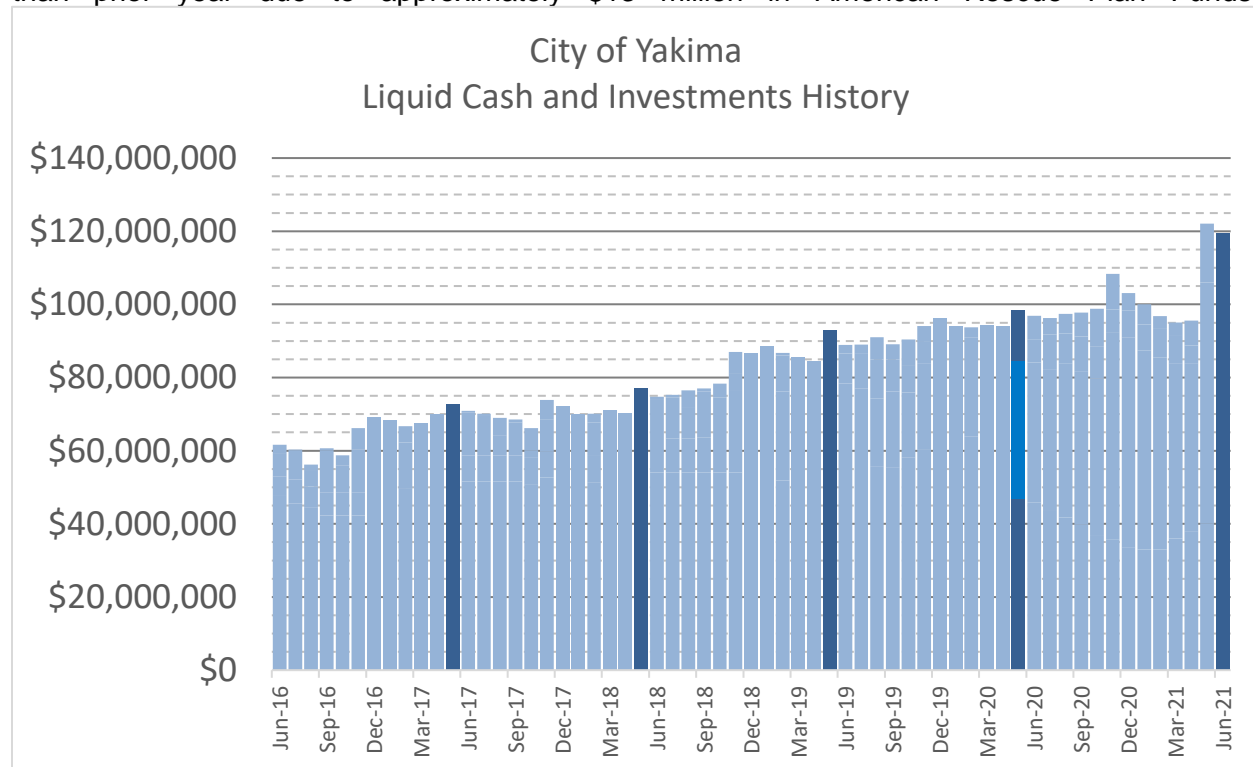
Re: 2021 – 2nd Quarter Treasury Report



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 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 \$118.2 million: \$16.6 million in depository banks, \$57.6 million in the State Pool, and \$44.0 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 June 2021 balance is higher than prior year due to approximately \$13 million in American Rescue Plan Funds.



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:

- 1518 \$1,000,000 Federal Farm Credit Bureau. matured 4/15/2021
- 1521 \$1,000,000 Bank of New York 4/06/2021

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

- 1561 \$2,000,000 FFCB to mature 07/19/2023
- 1562 \$2,000,000 US Treasury to mature 05/13/2024
- 1563 \$2,000,000 US Treasury to mature 07/31/2024
- 1564 \$2,000,000 US Treasury to mature 09/30/2024
- 1565 \$1,000,000 US Treasury to mature 04/15/2024
- 1566 \$1,000,000 US Treasury to mature 06/15/2024

Portfolio and Benchmark Yield and Maturity:

Avg. weighted yield of City investments, excluding LGIP:	.86%
LGIP State Pool 30-day yield:	0.07%

Weighted average maturity of City investments, excluding LGIP:	305 days
Weighted average maturity of LGIP State Pool 30-day yield:	37 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, 2021, the fixed income market is still plateaued at record low levels, evidenced by a yield curve that is extremely low and flat. The difference between the 1-year Treasury at 0.07% and the 5-year Treasury at 0.74% was 67 basis points. The 30-day yield of the State Pool was at 0.07%, with a 37-day avg. maturity and expected to stay low.

Economic Outlook. The Federal Reserve had lowered the rates in March 2020 lowered to zero, during the Coronavirus pandemic, and signaled it will likely keep rates low for three years. Unemployment, nationally, is recovering and the economy is experiencing less volatility; it is unclear how long nor how deep the current conditions will exist.

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 %	Policy %
LGIP	57,600,578	57%	100%
Treasuries	1,000,000	1%	100%
Agencies	39,000,000	38%	100%
Corporates	4,000,000	4%	15%
	<u>101,600,578</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. Currently there are no interfund borrowing balances between funds.

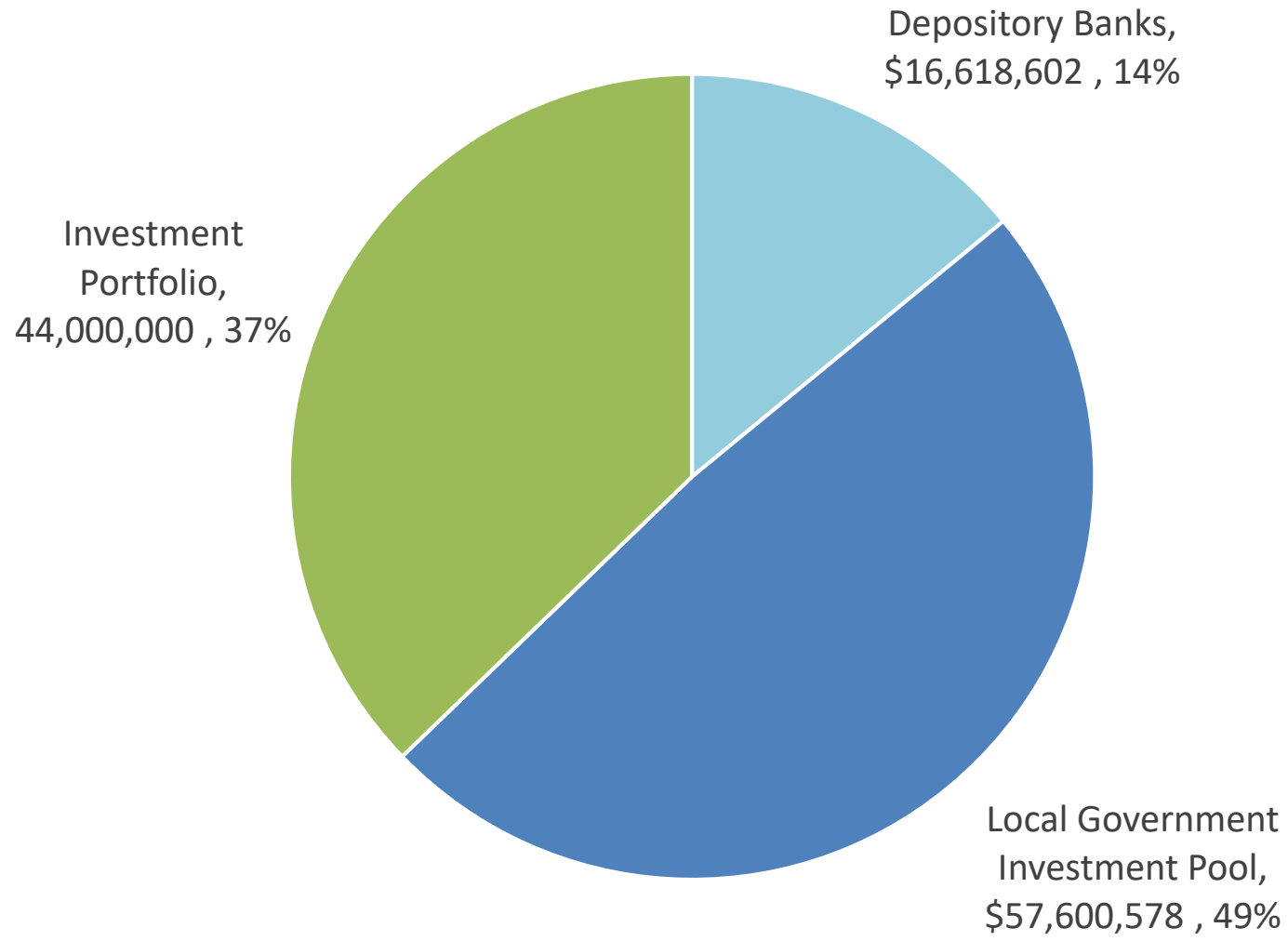
City of Yakima
Cash and Investment Summary
June 30, 2021

Description	Current 6/30/2021	Prior Quarter 3/31/2021	Prior Year 6/30/2020
Cash Balances on Hand in Banks	\$ 16,618,602	\$ 13,611,017	\$ 14,735,513
Local Government Investment Pool (LGIP)	57,600,578	52,490,818	49,414,612
Investment Portfolio	44,000,000	36,000,000	45,789,000
Total Investments	101,600,578	88,490,818	95,203,612
Total Cash and Investments	\$ 118,219,180	\$ 102,101,835	\$ 109,939,125

Summary of Investment Activity	Beg Balance 3/31/2021	Purchases & Deposits	Interest Reinvested	Maturities, Calls & Withdrawals	End Balance 6/30/2021
Local Government Investment Pool (LGIP)	\$ 52,490,818	\$ 23,097,740	\$ 12,020	\$ (18,000,000)	\$ 57,600,578
Investment Portfolio	36,000,000	10,000,000	-	(2,000,000)	44,000,000
Total Investments	\$ 88,490,818	\$ 33,097,740	\$ 12,020	\$ (20,000,000)	\$ 101,600,578

City of Yakima

Distribution of Cash and Investments as of 6/30/2021

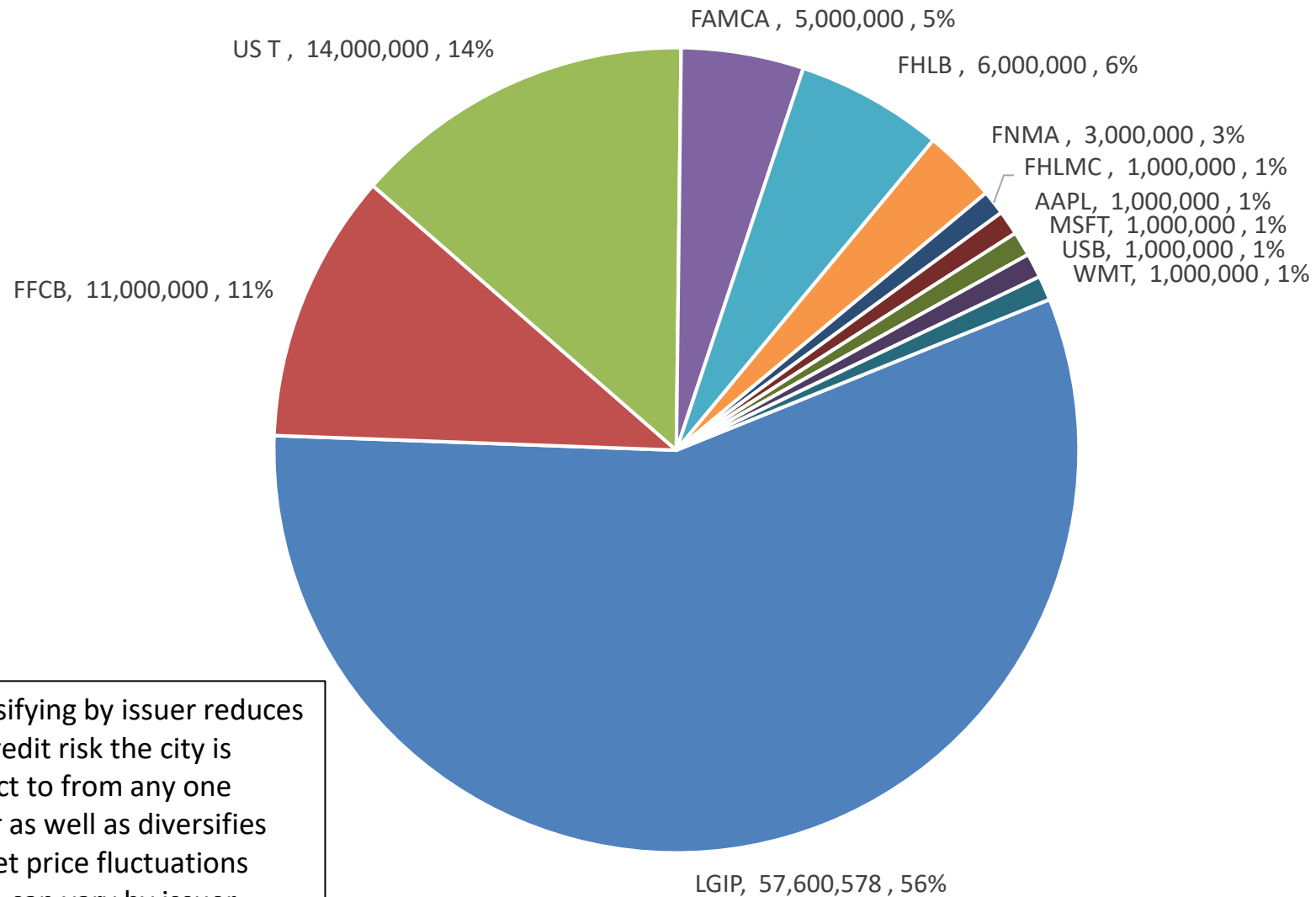


City of Yakima
Investment Portfolio - Inventory by Agency
June 30, 2021

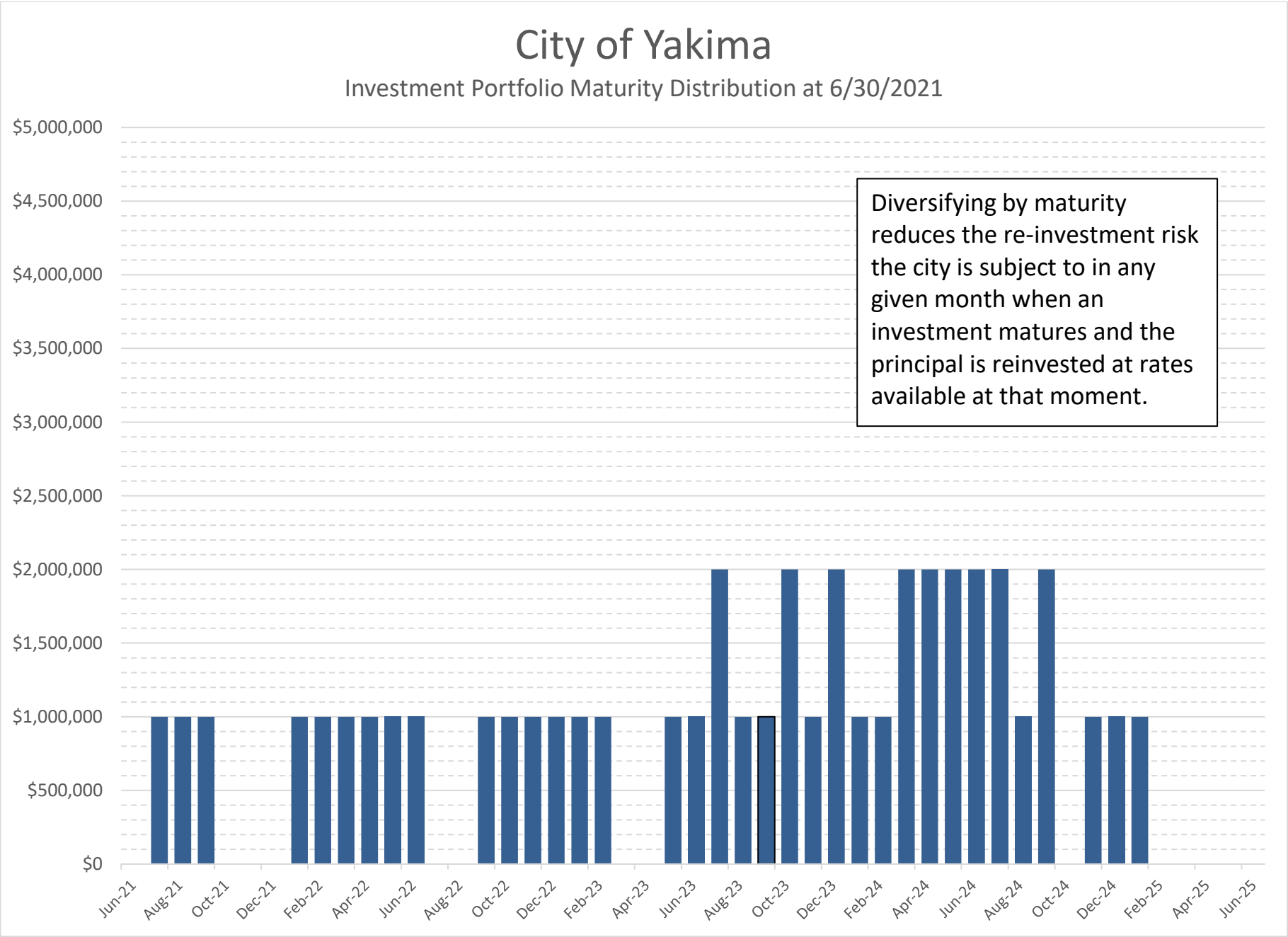
Agency	Inv#	CUSIP	Face Value	Price	Coupon	Expected Yield	Settle	Maturity	Days to Maturity	Market	Call Type	Moodys	S&P	Fitch
US T	1543	912828WY2	1,000,000	1,009,453	2.250	1.660	12/11/19	7/31/21	212	1,001,827	NC	Aaa	AA+	AAA
FHLMC	1539	3137EAEC9	1,000,000	991,002	1.125	1.650	11/14/19	8/12/21	224	1,001,237	NC	Aaa	AA+	AAA
FFCB	1527	3133EKP67	1,000,000	996,900	1.625	1.780	9/17/19	9/17/21	260	1,003,451	NC	Aaa	AA+	AAA
USB	1515	91159HHP8	1,000,000	997,300	2.625	2.723	3/18/19	1/24/22	389	1,011,651	1X	A1	A+	AA-
MSFT	1512	594918BW3	1,000,000	996,920	2.400	2.575	3/15/19	2/6/22	402	1,011,857	NC	Aaa	AAA	AA+
FHLB	1556	313378CR0	1,000,000	1,032,367	2.250	0.630	3/6/20	3/11/22	435	1,014,964	NC	Aaa	AA+	NA
FNMA	1550	3135G0T45	1,000,000	1,009,506	1.875	1.422	2/14/20	4/5/22	460	1,013,384	NC	Aaa	AA+	AAA
FFCB	1523	3133EKL5	1,000,000	999,100	2.250	2.281	5/16/19	5/16/22	501	1,018,533	NC	Aaa	AA+	AAA
FAMCA	1522	31422BFF2	1,000,000	1,000,000	2.350	2.350	5/9/19	6/1/22	517	1,020,392	NC	Aaa	AA+	AAA
FHLB	1509	313383WD9	1,000,000	1,013,146	3.125	2.750	12/19/18	9/9/22	617	1,035,567	Amer	Aaa	AA+	AA+
FFCB	1519	3133EKN9	1,000,000	997,450	2.330	2.406	4/18/19	10/18/22	656	1,028,518	NC	Aaa	AA+	AAA
FFCB	1551	3133EA7E2	1,000,000	1,014,130	1.960	1.430	2/14/20	11/7/22	676	1,024,619	NC	Aaa	AA+	AAA
FHLB	1544	313381BR5	1,000,000	1,006,250	1.875	1.660	12/11/19	12/9/22	708	1,024,492	NC	Aaa	AA+	AAA
FNMA	1541	3135GOT94	1,000,000	1,023,490	2.375	1.610	11/20/19	1/19/23	749	1,033,321	NC	Aaa	AA+	AAA
FFCB	1557	3133EG5Y7	1,000,000	1,045,401	2.230	0.650	3/6/20	2/2/23	763	1,032,691	NC	Aaa	AA+	AAA
AAPL	1516	037833AK6	1,000,000	991,000	2.400	2.634	4/8/19	5/3/23	853	1,037,496	NC	AA1	AA+	-
WMT	1513	931142EK5	1,000,000	1,026,800	3.400	2.730	3/15/19	6/26/23	907	1,058,268	NC	Aa2	AA	AA
FFCB	1561	3133EMWL2	2,000,000	2,000,314	0.200	0.193	4/19/21	7/19/23	930	1,996,186	NC	Aaa	AA+	AAA
US T	1545	9128284X5	1,000,000	1,039,063	2.750	1.660	12/11/19	8/31/23	973	1,053,125	NC	Aaa	AA+	AAA
FAMCA	1508	3132X06C0	1,000,000	1,010,972	3.050	2.801	12/19/18	9/19/23	992	1,060,742	NC	Aaa	AA+	AAA
FHLB	1558	313375ZL4	2,000,000	2,143,690	2.795	0.200	1/7/21	10/17/23	1,020	2,116,170	NC	Aaa	AA+	AAA
FFCB	1537	3133EK4X1	1,000,000	997,924	1.600	1.654	11/6/19	11/1/23	1,035	1,029,444	NC	Aaa	AA+	AAA
FFCB	1560	3133EJ2B4	2,000,000	2,147,340	3.000	0.260	3/24/21	12/6/23	1,070	2,128,138	NC	Aaa	AA+	AAA
FAMCA	1552	31422BSD3	1,000,000	1,004,430	1.590	1.470	2/14/20	1/10/24	1,105	1,031,858	NC	NA	NA	NA
FNMA	1540	3135G0V34	1,000,000	1,032,055	2.500	1.710	11/14/19	2/5/24	1,131	1,054,828	NC	Aaa	AA+	AAA
US T	1559	912828W71	2,000,000	2,112,188	2.125	0.290	3/4/21	3/31/24	1,186	2,093,516	NC	Aaa	AA+	AAA
US T	1565	91282CBV2	1,000,000	999,023	0.380	0.410	6/30/21	4/14/24	1,200	998,594	NC	Aaa	NA	AAA
US T	1553	9128286R6	1,000,000	1,034,063	2.250	1.413	2/14/20	4/30/24	1,216	1,051,328	NC	Aaa	NA	AAA
US T	1562	912828XT2	2,000,000	2,103,125	2.000	0.325	4/26/21	5/31/24	1,247	2,090,156	NC	Aaa	NA	AAA
FAMCA	1533	31422BGA2	1,000,000	1,022,900	2.150	1.634	10/18/19	6/5/24	1,252	1,048,125	NC	NA	NA	NA
US T	1566	91282CCG4	1,000,000	994,102	0.250	0.451	6/30/21	6/15/24	1,262	993,828	NC	Aaa	NA	AAA
US T	1563	9128282N91	2,000,000	2,112,813	1.125	0.352	5/16/21	7/31/24	1,308	2,100,624	NC	Aaa	NA	AAA
US T	1546	9128282U3	1,000,000	1,008,789	1.875	1.660	12/11/19	8/31/24	1,339	1,043,203	NC	Aaa	NA	AAA
US T	1564	912828YH7	2,000,000	2,074,922	1.500	0.361	6/8/21	9/30/24	1,369	2,063,360	NC	Aaa	NA	AAA
FFCB	1538	3133EK6J0	1,000,000	994,700	1.625	1.736	11/8/19	11/8/24	1,408	1,035,487	NC	Aaa	AA+	AAA
FHLB	1554	3130A3GE8	1,000,000	1,058,979	2.750	1.480	2/14/20	12/13/24	1,443	1,073,366	NC	Aaa	AA+	NA
FAMCA	1555	31422BRT9	1,000,000	1,011,943	1.750	1.495	2/14/20	1/3/25	1,464	1,038,901	NC	NA	NA	NA
Subtotal	37		44,000,000	45,053,548	Avg.	1.96%				45,473,247				
LGIP	LGIP	NA	57,600,578	57,600,578	0.300	0.300	NA	NA	1	57,600,578	NC			
Grand Totals			\$ 101,600,578	\$ 102,654,127		1.04%			408	\$ 103,073,825				

City of Yakima

Investment Portfolio by Issuer at 6/30/2021



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, 2021

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	1533	1,000,000	-	-	1,000,000
FAMCA	1552	1,000,000	-	-	1,000,000
FAMCA	1555	1,000,000	-	-	1,000,000
FAMCA Total		5,000,000	-	-	5,000,000
Federal Farm Credit Bureau					
FFCB	1518	1,000,000	-	(1,000,000)	-
FFCB	1519	1,000,000	-	-	1,000,000
FFCB	1523	1,000,000	-	-	1,000,000
FFCB	1527	1,000,000	-	-	1,000,000
FFCB	1537	1,000,000	-	-	1,000,000
FFCB	1538	1,000,000	-	-	1,000,000
FFCB	1551	1,000,000	-	-	1,000,000
FFCB	1557	1,000,000	-	-	1,000,000
FFCB	1560	2,000,000	-	-	2,000,000
FFCB	1561	-	2,000,000	-	2,000,000
FFCB Total		10,000,000	2,000,000	(1,000,000)	11,000,000
Federal Home Loan Bank					
FHLB	1509	1,000,000	-	-	1,000,000
FHLB	1544	1,000,000	-	-	1,000,000
FHLB	1554	1,000,000	-	-	1,000,000
FHLB	1556	1,000,000	-	-	1,000,000
FHLB	1558	2,000,000	-	-	2,000,000
FHLB Total		6,000,000	-	-	6,000,000
Federal Home Loan Mortgage Corporation					
FHLMC	1539	1,000,000	-	-	1,000,000
FHLMC Total		1,000,000	-	-	1,000,000
Federal National Management Association					
FNMA	1540	1,000,000	-	-	1,000,000
FNMA	1541	1,000,000	-	-	1,000,000
FNMA	1550	1,000,000	-	-	1,000,000
FNMA Total		3,000,000	-	-	3,000,000
US Treasury					
US Treasury	1543	1,000,000	-	-	1,000,000
US Treasury	1545	1,000,000	-	-	1,000,000
US Treasury	1546	1,000,000	-	-	1,000,000
US Treasury	1553	1,000,000	-	-	1,000,000
US Treasury	1559	2,000,000	-	-	2,000,000
US Treasury	1562	-	2,000,000	-	2,000,000
US Treasury	1563	-	2,000,000	-	2,000,000
US Treasury	1564	-	2,000,000	-	2,000,000
US Treasury	1565	-	1,000,000	-	1,000,000
US Treasury	1566	-	1,000,000	-	1,000,000
US Treasury		6,000,000	8,000,000	-	14,000,000
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	-	(1,000,000)	4,000,000
Subtotal		36,000,000	10,000,000	(2,000,000)	44,000,000
Other Investments		-	-	-	-
LGIP (State Pool)	LGIP	52,490,818	23,109,760	(18,000,000)	57,600,578
Other Investment Totals		52,490,818	23,109,760	(18,000,000)	57,600,578
Grand Totals		\$ 88,490,818	\$ 33,109,760	\$ (20,000,000)	\$ 101,600,578

City of Yakima
Long Term Debt Schedule - by Project Group
June 30, 2021

Date Issued	Maturity	Description	Note	Amount of Issue	Current Balance
General Obligation Bonds					
6/17/2003	12/1/2023	Sundome Expansion	Deferred Interest-Maturity \$2.5M	1,430,528	179,062
6/20/2013	12/1/2028	Street Project Demonstration (Refunded)	Various City street improvements	3,500,000	2,600,827
6/9/2014	6/1/2024	Street Resurfacing Project	Streets improvements	13,140,000	4,595,000
9/24/2018	6/1/2035	Soccer Complex (Refunded)	City portion of SOZO Sports Complex	4,440,127	3,976,941
9/24/2018	12/1/1942	2018 Aquatic Center YMCA	City portion of Aquatic Center	8,009,873	7,928,271
4/21/2020	12/1/2022	2020 Refunding Bonds, Downtown Future	2020 Refunding Bonds, Downtown Futures	260,000	253,500
4/21/2020	12/1/2021	2020 Refunding Bonds, Fire Apparatus	2020 Refunding Bonds, Fire Apparatus	140,000	70,000
4/21/2020	12/1/2022	2020 Refunding Bonds, WV Fire Station	2020 Refunding Bonds, WV Fire Station	140,000	136,500
4/21/2020	12/1/2032	2020B Capital Theatre 09 Refunded	2020B Capital Theatre 09 Refunded	4,910,000	4,535,000
4/21/2020	12/1/2044	2020B Convention Center Addition	2020B Convention Center Addition	12,620,000	12,405,000
4/21/2020	12/1/2044	2020B Convention Center Addition III Ref	2020B Convention Center Addition III Refunded	2,495,000	2,450,000
Subtotal General Obligation Bonds				64,040,528	39,130,101
Certificate of Participation - State of Washington					
3/19/2013	6/1/2023	Fire Apparatus	One truck	310,414	74,652
9/28/2017	6/1/2027	Energy Project	2017 Energy Project (lighting)	921,863	614,757
7/21/2020	6/1/2035	Energy Project	2020 Energy Efficiency Project (lighting)	1,415,000	1,355,000
9/28/2017	6/1/2027	Fire Aerial & Pump App	Fire Aerial	1,268,053	845,784
Subtotal Certificates of Participation				4,492,178	2,890,193
Revenue Bonds					
43942	49279	2020 Ref 04 Irrigation	2020 Ref 04 Irrigation	3,260,000	3,085,000
43942	46722	2020 Ref 08 WS Rev	2020 Ref 08 WS Rev	2,590,000	2,395,000
5/31/2012	11/1/2023	Wastewater	Refunded 2003 \$10,155,000 issue	9,400,000	3,230,000
Subtotal Revenue Bonds				25,905,000	8,710,000
Intergovernmental Loans					
8/14/2009	7/1/2028	PC-08-951-052	2009 Railroad Grade Separation	3,000,000	1,155,702
5/6/2010	6/1/2034	L1000030-0	2010 Railroad Grade Separation	1,149,841	908,197
6/17/2014	5/1/2034	Comm Center Move	City portion of County GO Bonds	1,716,500	1,250,000
9/30/2015	6/1/2023	'15 Yak Co SIED - 21st Ave/Airport	2015 Yakima Co SIED Loan - 21st Ave/Airport	307,000	112,062
6/1/2016	6/1/2027	'16 Yak Co SIED - SOZO	2016 Yakima Co SIED Loan - SOZO	900,000	582,509
11/21/2017	6/1/2024	'17 Yak Co SIED - YV Brewing Project	2017 Yakima Co SIED Loan - YV Brewing Project	61,580	39,901
7/17/2018	6/1/2029	'18 Yak Co SIED - River Rd.	2018 Yakima Co SIED - River Rd Improvements/Aquatics Center	500,000	427,216
6/1/2001	6/1/2021	PW-01-691-071	2001 Fruitavale Neighborhood Sewer	1,466,250	-
9/1/2003	6/1/2023	PW-03-691-027	2003 Naches WTP Improvements	2,694,500	269,450
6/27/2005	10/1/2025	SRF-04-65104-037	2005 Naches River WTP Filter Rehab	966,772	235,363
12/30/2005	6/1/2025	PW-05-691-064	2005 River Road Sewer	2,307,000	496,983
4/30/2007	6/1/2027	PW-07-962-019	2007 Ultra Violet Disinfection	2,300,000	728,333
4/15/2009	6/1/2028	PC-08-951-051	2009 New Water Well	2,257,200	848,042
10/10/2011	3/31/2033	L1100008	2011 Energy Efficiency	503,558	352,534
8/1/2011	7/1/2034	L1200019	2012 Industrial Waste Anaerobic	590,350	445,851
6/1/2012	6/1/2031	PC-12-951-065	2012 Wastewater Treatment Plan	5,000,000	2,690,791
10/11/2012	6/1/2037	PC-13-961-059	2012 Industrial Sewer Extensions	2,000,000	1,301,435
8/5/2013	6/1/2032	PC-13-961-074	2013 Automated Reading System	5,000,000	2,894,737
12/12/2013	10/1/2034	DM-11-952-038	2013 Design WTP Lagoons	3,514,800	2,460,360
Subtotal Intergovernmental Loans				36,235,351	17,199,467
Grand Total				130,673,056	67,929,760



Committee Review of Investment Rationale

Date: April 15, 2021

Investment # 2021-1561 is a 2.25-year Federal Farm Credit Bank (FFCB), face value \$2,000,000, maturing July 19, 2023, 0.20% coupon at 100.015 to yield 0.193%. This trade settles April 19, 2021 with Vining Sparks, US Bank Safekeeping, replacing one \$1,000,000 April maturity in April and a May 2021 \$1,000,000 called 1 month early.

Liquidity: At March 31st, month-end, Key Bank checking account balance was \$7.5 million (target minimum is \$3 Million), US Bank checking balance was \$3.7 million and investment portfolio was \$36.0 million (target is \$64 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$47.9 million (target minimum is \$5 million).

Safety: This purchase is a debt issue of a government-sponsored enterprise (GSE), that carries an explicit Federal guarantee, equivalent to Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is 0.19%. This investment is 9 basis points over LGIP, seeking to protect yield in an uncertain environment. LGIP's yield is expected to stay level over the next year. Comparable yields are:

LGIP current 30-day yield	0.09916%	www.secureaccess.wa.gov
2-year Treasury	0.1600%	Treasury.gov
3-year Treasury	0.3500%	Treasury.gov

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

Diversification. This purchase brings this issuer to 13.0% of total portfolio.

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

Outlook. The yield curve is currently low and flat; the 1-year Treasury at 0.06%, the 2-year at 0.16% the 3-year at 0.35%, and the 5-year at 0.87%. The Federal Reserve Bank has been keeping rates low with uncertainty of a 2022 rate hike increasing. By filling maturity gaps in a shortened 3-year ladder, we minimize reinvestment risk subject to rates at any one point in time and hedging against further decreasing rate LGIP exposure.

Investment Committee review:

Finance Director: 

Date 4/15/2021

City Manager: 

Date 4/16/2021



Committee Review of Investment Rationale

Date: April 23, 2021

Investment # 2021-1562 is a 3-year US Treasury (UST), face value \$2,000,000, maturing May 19, 2024, 2.00% coupon at 105-05 to yield 0.325%. This trade settles April 19, 2021 with Wedbush Securities, US Bank Safekeeping, replacing two of the several \$1,000,000 maturities called during 2020.

Liquidity: At March 31st, month-end, Key Bank checking account balance was \$7.5 million (target minimum is \$3 Million), US Bank checking balance was \$3.7 million and investment portfolio was \$36.0 million (target is \$64 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$47.9 million (target minimum is \$5 million).

Safety: This purchase is a debt issue of the Federal government, equivalent to Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is 0.32%. This investment is 21 basis points over LGIP, seeking to protect yield in an uncertain environment. LGIP's yield is expected to stay level over the next year. Comparable yields are:

LGIP current 30-day yield	0.096215%	www.secureaccess.wa.gov
3-year corporate	Unavailable in AA	Treasury.gov
3-year Agency	0.3100%	Broker daily runs

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

Diversification. This purchase brings this issuer to 9.0% of total portfolio.

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

Outlook. The yield curve is currently low and flat; the 1-year Treasury at 0.06%, the 2-year at 0.16% the 3-year at 0.32%, and the 5-year at 0.81%. The Federal Reserve Bank has been keeping rates low with uncertainty of a 2022 rate hike increasing. By filling maturity gaps in a shortened 3-year ladder, we minimize reinvestment risk subject to rates at any one point in time and hedging against further decreasing rate LGIP exposure.

Investment Committee review:Finance Director: Date 4/23/2021City Manager: Date 4/27/2021



Committee Review of Investment Rationale

Date: May 18, 2021

Investment # 2021-1563 is a 3-year US Treasury (UST), face value \$2,000,000, maturing July 31, 2024, 2.125% coupon at 105-20 to yield 0.351%. This trade settles May 19, 2021 with Wedbush Securities, US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2020.

Liquidity: At April 30th, month-end, Key Bank checking account balance was \$4.8 million (target minimum is \$3 Million), US Bank checking balance was \$6.8 million and investment portfolio was \$38.0 million (target is \$64 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$45.9 million (target minimum is \$5 million).

Safety: This purchase is a debt issue of the Federal government, equivalent to Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is 0.35%. This investment is 27 basis points over LGIP, seeking to protect yield in an uncertain environment. LGIP's yield is expected to stay level over the next year. Comparable yields are:

LGIP current 30-day yield	0.080712%	www.secureaccess.wa.gov
3-year corporate	Unavailable in AA	Treasury.gov
3-year Agency	0.3500%	Broker daily runs

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

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

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

Outlook. The yield curve is currently low and flat; the 1-year Treasury at 0.04%, the 2-year at 0.16% the 3-year at 0.34%, and the 5-year at 0.84%. The Federal Reserve Bank has been keeping rates low with uncertainty of a 2022 rate hike increasing. By filling maturity gaps in a shortened 3-year ladder, we minimize reinvestment risk subject to rates at any one point in time and hedging against further decreasing rate LGIP exposure.

Investment Committee review:

Finance Director: _____

Date 5/18/2021

City Manager: _____

Date 5/21/2021



Committee Review of Investment Rationale

Date: June 7, 2021

Investment # 2021-1564 is a 3-year US Treasury (UST), face value \$2,000,000, maturing September 30, 2024, 1.5% coupon at 103-23 $\frac{7}{8}$ to yield 0.36%. This trade settles June 8, 2021 with Wedbush Securities, US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2020.

Liquidity: At May 31st, month-end, Key Bank checking account balance was \$7.5 million (target minimum is \$3 Million), US Bank checking balance was \$8.6 million and investment portfolio was \$40.0 million (target is \$64 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$66.0 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 S&P.

Yield. Yield is 0.36%. This investment is 29 basis points over LGIP, seeking to protect yield in an uncertain environment. LGIP's yield is expected to stay level over the next year. Comparable yields are:

LGIP current 30-day yield	0.069319%	www.secureaccess.wa.gov
3-year corporate	Unavailable in AA	Treasury.gov
3-year Agency FNMA	0.3100%	Broker daily runs

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

Diversification. This purchase brings this issuer to 11.1% of total portfolio.

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

Outlook. The yield curve is currently low and flat; the 1-year Treasury at 0.04%, the 2-year at 0.16% the 3-year at 0.34%, and the 5-year at 0.84%. The Federal Reserve Bank has been keeping rates low with uncertainty of a 2022 rate hike increasing. By filling maturity gaps in a shortened 3-year ladder, we minimize reinvestment risk subject to rates at any one point in time and hedging against further decreasing rate LGIP exposure.

Investment Committee review:

Finance Director: _____

Date 6/7/2021

City Manager: _____

Date 6/8/2021



Committee Review of Investment Rationale

Date: June 29, 2021

Investment # 2021-1565 is a 3-year US Treasury (UST), face value \$1,000,000, maturing April 15, 2024, 0.38% coupon at 99-28% to yield 0.41%. This trade settles June 30, 2021 with Wedbush Securities, US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2020.

Liquidity: At May 31st, month-end, Key Bank checking account balance was \$7.5 million (target minimum is \$3 Million), US Bank checking balance was \$8.6 million and investment portfolio was \$40.0 million (target is \$64 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$66.0 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 S&P.

Yield. Yield is 0.41%. This investment is 34 basis points over LGIP, seeking to protect yield in an uncertain environment. LGIP's yield is expected to stay level over the next year. Comparable yields are:

LGIP current 30-day yield	0.068949%	www.secureaccess.wa.gov
3-year corporate	Unavailable in AA	Treasury.gov
3-year Agency FNMA	0.4100%	Broker daily runs

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

Diversification. This purchase brings this issuer to 13% of total portfolio.

This purchase added to a maturity date previously covered in the city's laddered portfolio.

Outlook. The yield curve is currently low and flat; the 1-year Treasury at 0.08%, the 2-year at 0.27% the 3-year at 0.47%, and the 5-year at 0.89%. The Federal Reserve Bank has been keeping rates low with uncertainty of a 2022 rate hike increasing. By filling maturity gaps in a shortened 3-year ladder, we minimize reinvestment risk subject to rates at any one point in time and hedging against further decreasing rate LGIP exposure.

Investment Committee review:

Finance Director: _____

Date 6/29/2021

City Manager: _____

Date 7/1/2021



Committee Review of Investment Rationale

Date: June 29, 2021

Investment # 2021-1566 is a 3-year US Treasury (UST), face value \$1,000,000, maturing June 15, 2024, 0.25% coupon at 99-13 1/8 to yield 0.45%. This trade settles June 30, 2021 with Wedbush Securities, US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2020.

Liquidity: At May 31st, month-end, Key Bank checking account balance was \$7.5 million (target minimum is \$3 Million), US Bank checking balance was \$8.6 million and investment portfolio was \$40.0 million (target is \$64 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$66.0 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 S&P.

Yield. Yield is 0.45%. This investment is 38 basis points over LGIP, seeking to protect yield in an uncertain environment. LGIP's yield is expected to stay level over the next year. Comparable yields are:

LGIP current 30-day yield	0.068949%	www.secureaccess.wa.gov
3-year corporate	Unavailable in AA	Treasury.gov
3-year Agency FNMA	0.4100%	Broker daily runs

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

Diversification. This purchase brings this issuer to 13% of total portfolio.

This purchase added to a maturity date previously covered in the city's laddered portfolio.

Outlook. The yield curve is currently low and flat; the 1-year Treasury at 0.08%, the 2-year at 0.27% the 3-year at 0.47%, and the 5-year at 0.89%. The Federal Reserve Bank has been keeping rates low with uncertainty of a 2022 rate hike increasing. By filling maturity gaps in a shortened 3-year ladder, we minimize reinvestment risk subject to rates at any one point in time and hedging against further decreasing rate LGIP exposure.

Investment Committee review:Finance Director: Date 6/29/2021City Manager: 

Date _____