

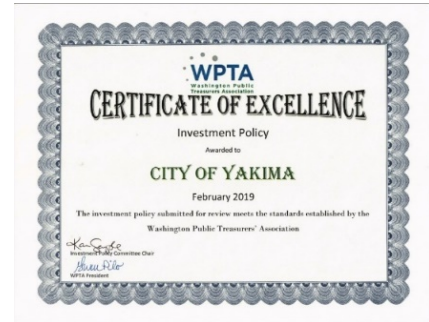


Date: January 5, 2022

To: Mayor and City Council
Bob Harrison, City Manager

From: Jennifer Ferrer-Santa Ines, Director of Finance and Budget

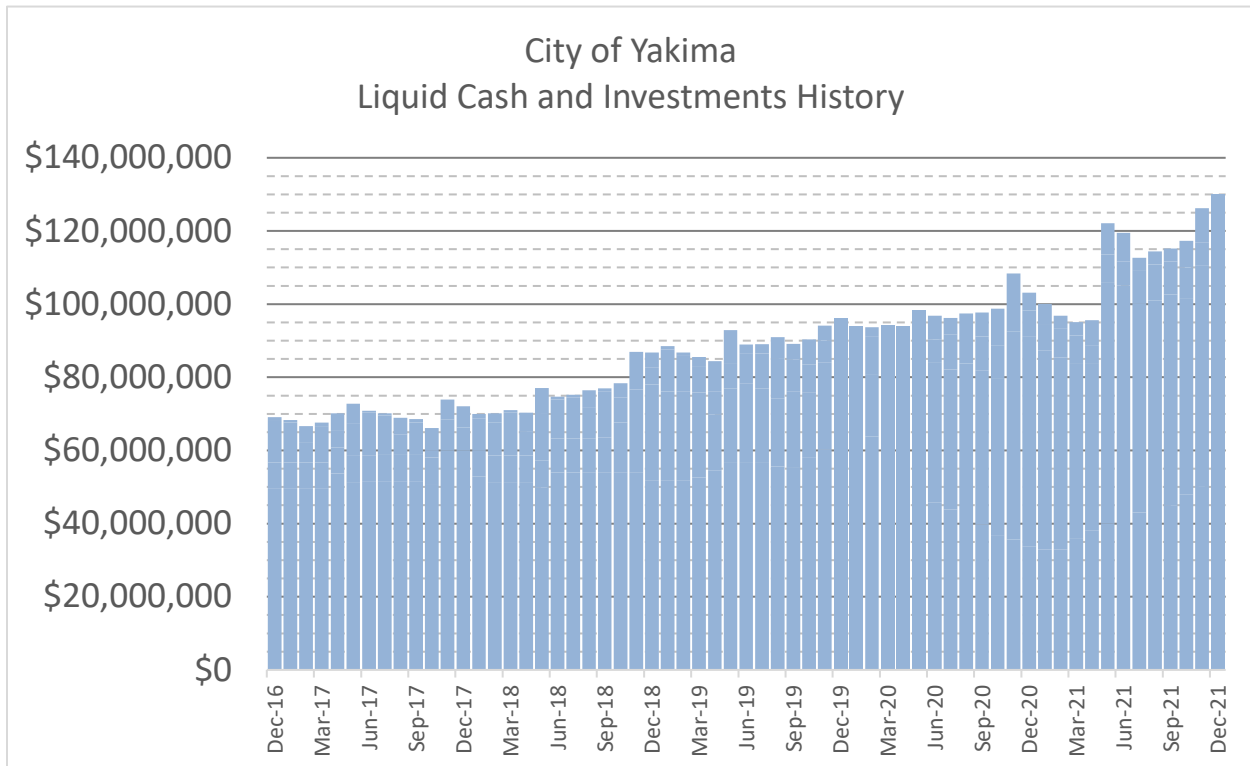
Re: 2021 – 4th Quarter Treasury Report



This report is to transparently report the City's cash position and investment activity for the quarter just ended. Each investment is in compliance with the City's Investment Policy, State Statues and City Municipal Code. The City's investment policy was reviewed and approved by City Council on March 5, 2019; and 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 \$132.0 million: \$19.8 million in depository banks, \$62.6 million in the State Pool, and \$50.0 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 December 2021 yearend balance is higher than prior years 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:

- 1514 \$1,000,000 US Bancorp. Called 12/23/2021

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

- 1569 \$1,000,000 US Treasury to mature 9/30/2025
- 1570 \$1,000,000 FFCB to mature 04/13/2023
- 1571 \$1,000,000 US Treasury to mature 06/30/2025
- 1572 \$2,000,000 US Treasury to mature 02/28/2025
- 1573 \$1,000,000 FNMA to mature 02/05/2024

Portfolio and Benchmark Yield and Maturity:

Avg. weighted yield of City investments, excluding LGIP:	.86%
LGIP State Pool 30-day yield:	0.08%

Weighted average maturity of City investments, excluding LGIP:	313 days
Weighted average maturity of LGIP State Pool 30-day yield:	33 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 December 31, 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 0.39% and the 5-year Treasury at 1.26% was 87 basis points. The 30-day yield of the State Pool was at 0.08%, with a 33-day avg. maturity and expected to stay low.

Economic Outlook. The Federal Reserve had lowered the rates in March 2020 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 %
LGIP	62,617,278	55.60%
Treasuries	21,000,000	18.65%
Agencies	26,000,000	23.09%
Corporates	3,000,000	2.66%
	<u>112,617,278</u>	<u>100.00%</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.

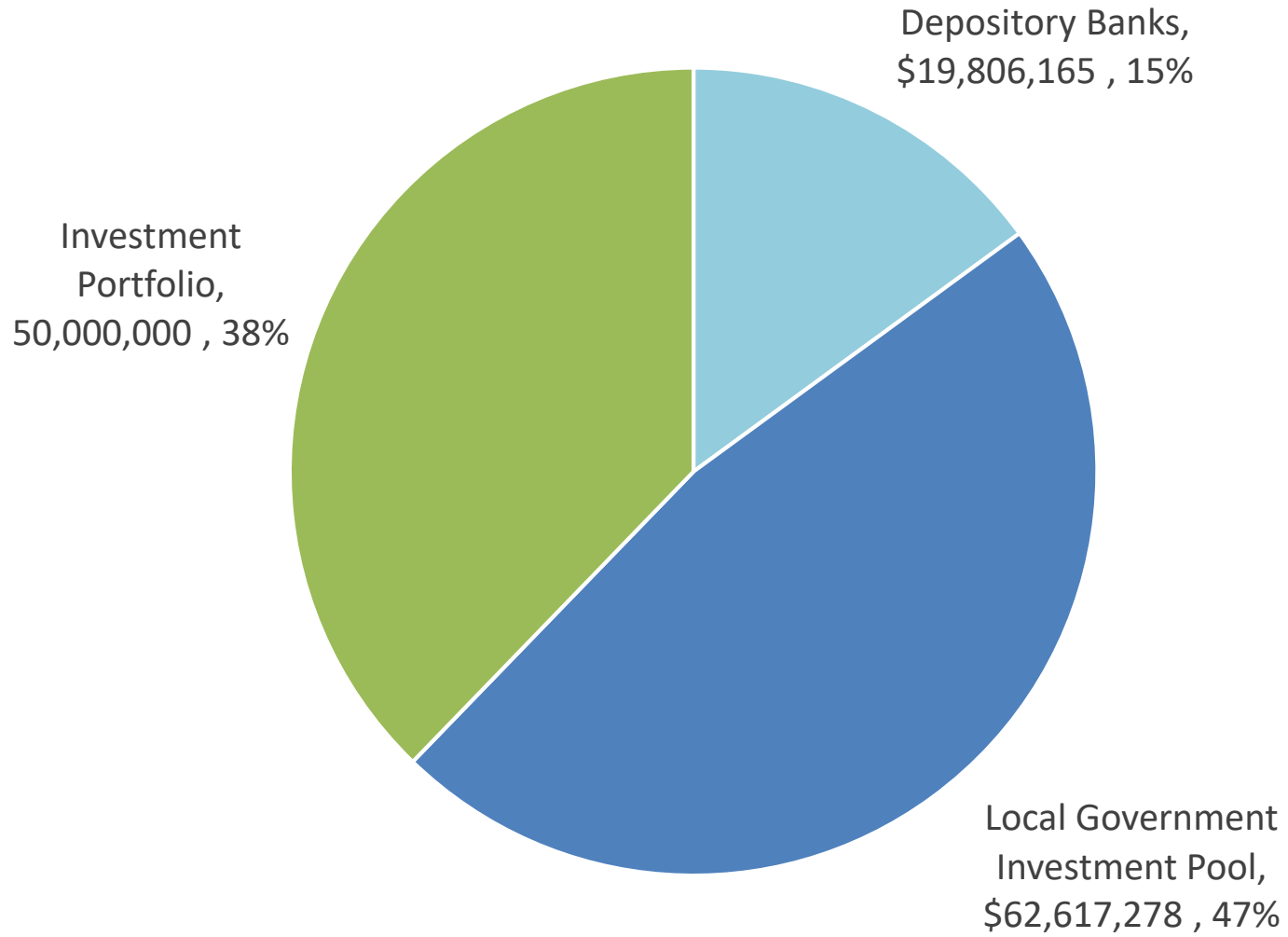
City of Yakima
Cash and Investment Summary
December 31, 2021

Description	Current 12/31/2021	Prior Quarter 9/30/2021	Prior Year 12/31/2020
Cash Balances on Hand in Banks	\$ 19,806,165	\$ 15,367,474	\$ 14,699,272
Local Government Investment Pool (LGIP)	62,617,278	57,617,282	64,472,094
Investment Portfolio	50,000,000	45,000,000	33,667,000
Total Investments	112,617,278	102,617,282	98,139,094
Total Cash and Investments	\$ 132,423,443	\$ 117,984,756	\$ 112,838,366

Summary of Investment Activity	Beg Balance 9/30/2021	Purchases & Deposits	Interest Reinvested	Maturities, Calls & Withdrawals	End Balance 12/31/2021
Local Government Investment Pool (LGIP)	\$ 57,617,282	\$ 11,000,000	\$ -	\$ (6,000,004)	\$ 62,617,278
Investment Portfolio	45,000,000	6,000,000	-	(1,000,000)	50,000,000
Total Investments	\$ 102,617,282	\$ 17,000,000	\$ -	\$ (7,000,004)	\$ 112,617,278

City of Yakima

Distribution of Cash and Investments as of 12/31/2021

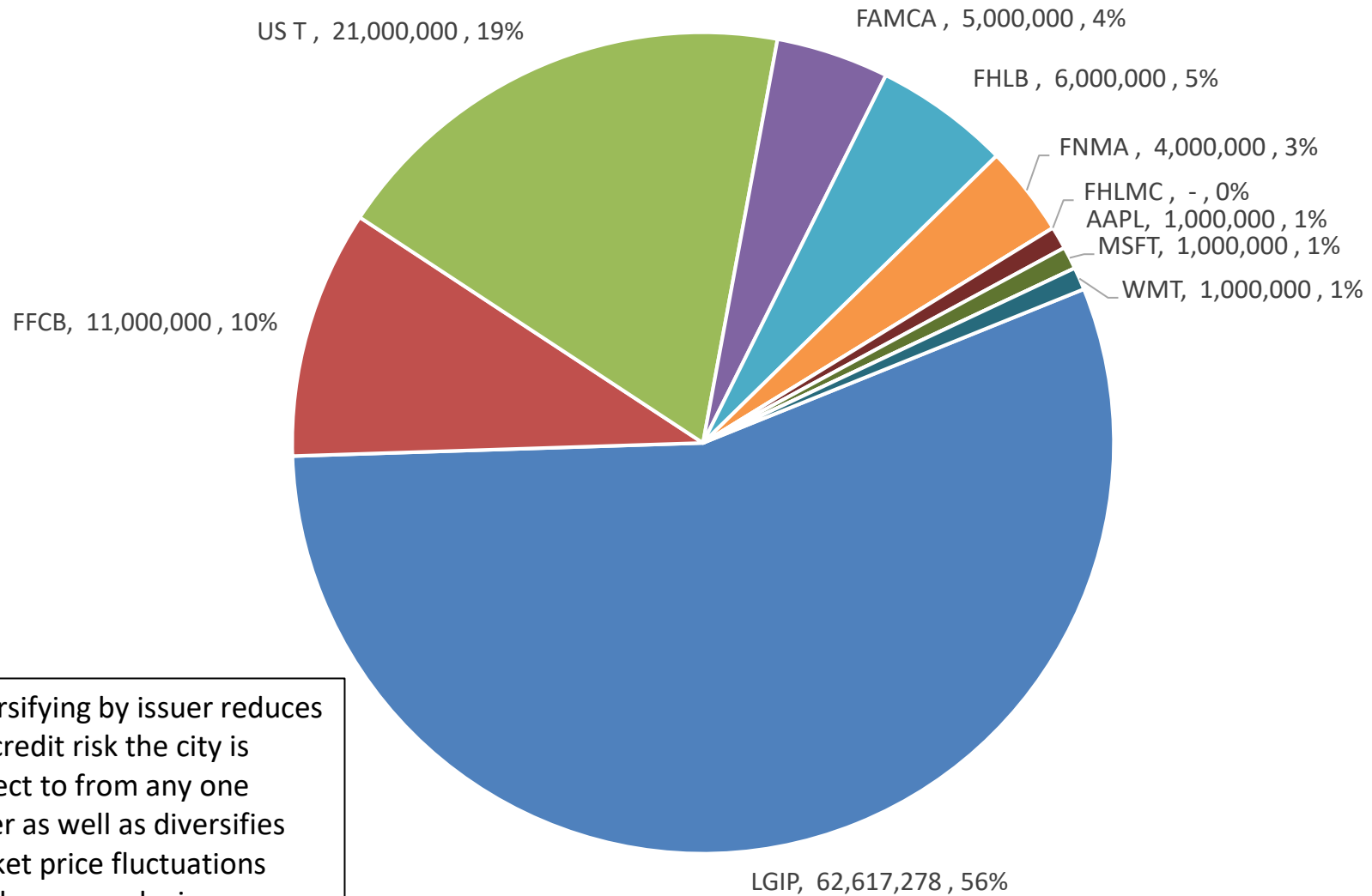


City of Yakima
Investment Portfolio - Inventory by Agency
December 31, 2021

Agency	Inv#	CUSIP	Face Value	Price	Coupon	Expected		Maturity	Days to Maturity	Market	Call Type	Moody's	S&P	Fitch
						Yield	Settle							
MSFT	1512	594918BW3	1,000,000	996,920	2.400	3/15/19	2/6/22	2/6/22	37	1,000,182	NC	Aaa	AAA	AA+
FHLB	1556	313378CR0	1,000,000	1,032,367	2.250	0.630	3/6/20	3/11/22	70	1,004,176	NC	Aaa	AA+	NA
FNMA	1550	3135G0T45	1,000,000	1,009,506	1.875	1.422	2/14/20	4/5/22	95	1,004,200	NC	Aaa	AA+	AAA
FFCB	1523	3133EKL R5	1,000,000	999,100	2.250	2.281	5/16/19	5/16/22	136	1,007,985	NC	Aaa	AA+	AAA
FAMCA	1522	31422BFF2	1,000,000	1,000,000	2.350	2.350	5/9/19	6/1/22	152	1,008,862	NC	Aaa	AA+	AAA
FHLB	1509	313383WD9	1,000,000	1,013,146	3.125	2.750	12/19/18	9/9/22	252	1,019,666	Amer	Aaa	AA+	AA+
FFCB	1519	3133EKHN9	1,000,000	997,450	2.330	2.406	4/18/19	10/18/22	291	1,017,738	NC	Aaa	AA+	AAA
FFCB	1551	3133EA7E2	1,000,000	1,014,130	1.960	1.430	2/14/20	11/7/22	311	1,015,777	NC	Aaa	AA+	AAA
FHLB	1544	313381BR5	1,000,000	1,006,250	1.875	1.660	12/11/19	12/9/22	343	1,013,793	NC	Aaa	AA+	AAA
FNMA	1541	3135GOT94	1,000,000	1,023,490	2.375	1.610	11/20/19	1/19/23	384	1,020,573	NC	Aaa	AA+	AAA
FFCB	1557	3133EG5Y7	1,000,000	1,045,401	2.230	0.650	3/6/20	2/2/23	398	1,021,924	NC	Aaa	AA+	AAA
AAPL	1516	037833AK6	1,000,000	991,000	2.400	2.634	4/8/19	5/3/23	488	1,023,852	NC	AA1	AA+	-
WMT	1513	931142EK5	1,000,000	1,026,800	3.400	2.730	3/15/19	6/26/23	542	1,042,013	NC	Aa2	AA	AA
FFCB	1561	3133EMWL2	2,000,000	2,000,314	0.200	0.193	4/19/21	7/19/23	565	1,994,962	NC	Aaa	AA+	AAA
US T	1545	9128284X5	1,000,000	1,039,063	2.750	1.660	12/11/19	8/31/23	608	1,034,531	NC	Aaa	AA+	AAA
FAMCA	1508	3132X06C0	1,000,000	1,010,972	3.050	2.801	12/19/18	9/19/23	627	1,040,834	NC	Aaa	AA+	AAA
FHLB	1558	313375ZL4	2,000,000	2,143,690	2.795	0.200	1/7/21	10/17/23	655	2,076,842	NC	Aaa	AA+	AAA
FFCB	1537	3133EK4X1	1,000,000	997,924	1.600	1.654	11/6/19	11/1/23	670	1,020,699	NC	Aaa	AA+	AAA
FFCB	1560	3133EJ2B4	2,000,000	2,147,340	3.000	0.260	3/24/21	12/6/23	705	2,096,108	NC	Aaa	AA+	AAA
FAMCA	1552	31422BSD3	1,000,000	1,004,430	1.590	1.470	2/14/20	1/10/24	740	1,016,638	NC	NA	NA	NA
FNMA	1540	3135GOV34	1,000,000	1,032,055	2.500	1.710	11/14/19	2/5/24	766	1,035,421	NC	Aaa	AA+	AAA
FNMA	1573	3135GOV34	1,000,000	1,035,991	2.500	0.771	12/28/21	2/5/24	766	1,035,421	NC	Aaa	AA+	AAA
US T	1559	912828W71	2,000,000	2,112,188	2.125	0.290	3/4/21	3/31/24	821	2,058,750	NC	Aaa	AA+	AAA
US T	1565	91282CBV2	1,000,000	999,023	0.380	0.410	6/30/21	4/14/24	835	989,883	NC	Aaa	NA	AAA
US T	1553	9128286R6	1,000,000	1,034,063	2.250	1.413	2/14/20	4/30/24	851	1,032,734	NC	Aaa	NA	AAA
US T	1562	912828XT2	2,000,000	2,103,125	2.000	0.325	4/26/21	5/31/24	882	2,055,078	NC	Aaa	NA	AAA
FAMCA	1533	31422BGA2	1,000,000	1,022,900	2.150	1.634	10/18/19	6/5/24	887	1,030,323	NC	NA	NA	NA
US T	1566	91282CCG4	1,000,000	994,102	0.250	0.451	6/30/21	6/15/24	897	985,312	NC	Aaa	NA	AAA
US T	1563	9128282N91	2,000,000	2,112,813	1.125	0.352	5/16/21	7/31/24	943	2,063,438	NC	Aaa	NA	AAA
US T	1546	9128282U3	1,000,000	1,008,789	1.875	1.660	12/11/19	8/31/24	974	1,025,352	NC	Aaa	NA	AAA
US T	1564	912828YH7	2,000,000	2,074,922	1.500	0.361	6/8/21	9/30/24	1,004	2,031,172	NC	Aaa	NA	AAA
US T	1567	912828YM6	2,000,000	2,074,531	1.500	0.343	8/3/21	10/31/24	1,035	2,030,938	NC	Aaa	NA	AAA
FFCB	1538	3133EK6J0	1,000,000	994,700	1.625	1.736	11/8/19	11/8/24	1,043	1,023,163	NC	Aaa	AA+	AAA
FHLB	1554	3130A3GE8	1,000,000	1,058,979	2.750	1.480	2/14/20	12/13/24	1,078	1,051,363	NC	Aaa	AA+	NA
FAMCA	1555	31422BRT9	1,000,000	1,011,943	1.750	1.495	2/14/20	1/3/25	1,099	1,020,304	NC	NA	NA	NA
US T	1568	912828ZL7	1,000,000	995,467	0.375	0.500	9/1/21	4/30/25	1,216	977,695	NC	NA	NA	NA
US T	1571	912828ZW3	1,000,000	979,531	0.250	0.813	10/18/21	6/30/25	1,277	971,328	NC	Aaa	AA+	AAA
US T	1572	912828ZC7	2,000,000	2,015,156	1.125	0.890	11/16/21	2/28/25	1,155	2,006,718	NC	Aaa	NA	AAA
FFCB	1570	3133EMVP4	1,000,000	997,850	0.125	0.270	10/18/21	4/13/23	468	995,357	NC	Aaa	AA+	AAA
US T	1568	912828ZL7	1,000,000	995,467	0.375	0.500	9/1/21	4/30/25	1,216	977,695	NC	NA	NA	NA
US T	1569	91282CAM3	1,000,000	980,735	0.250	0.740	10/1/21	9/30/25	1,369	968,086	NC	NA	NA	NA
Subtotal	41		50,000,000	51,133,622	Avg.	1.76%				50,846,886				
LGIP	LGIP	NA	62,617,278	62,617,278	0.300	0.300	NA	NA	1	62,617,278	NC			
Grand Totals			\$112,617,278	\$ 113,750,900		0.97%			324	\$ 113,464,164				

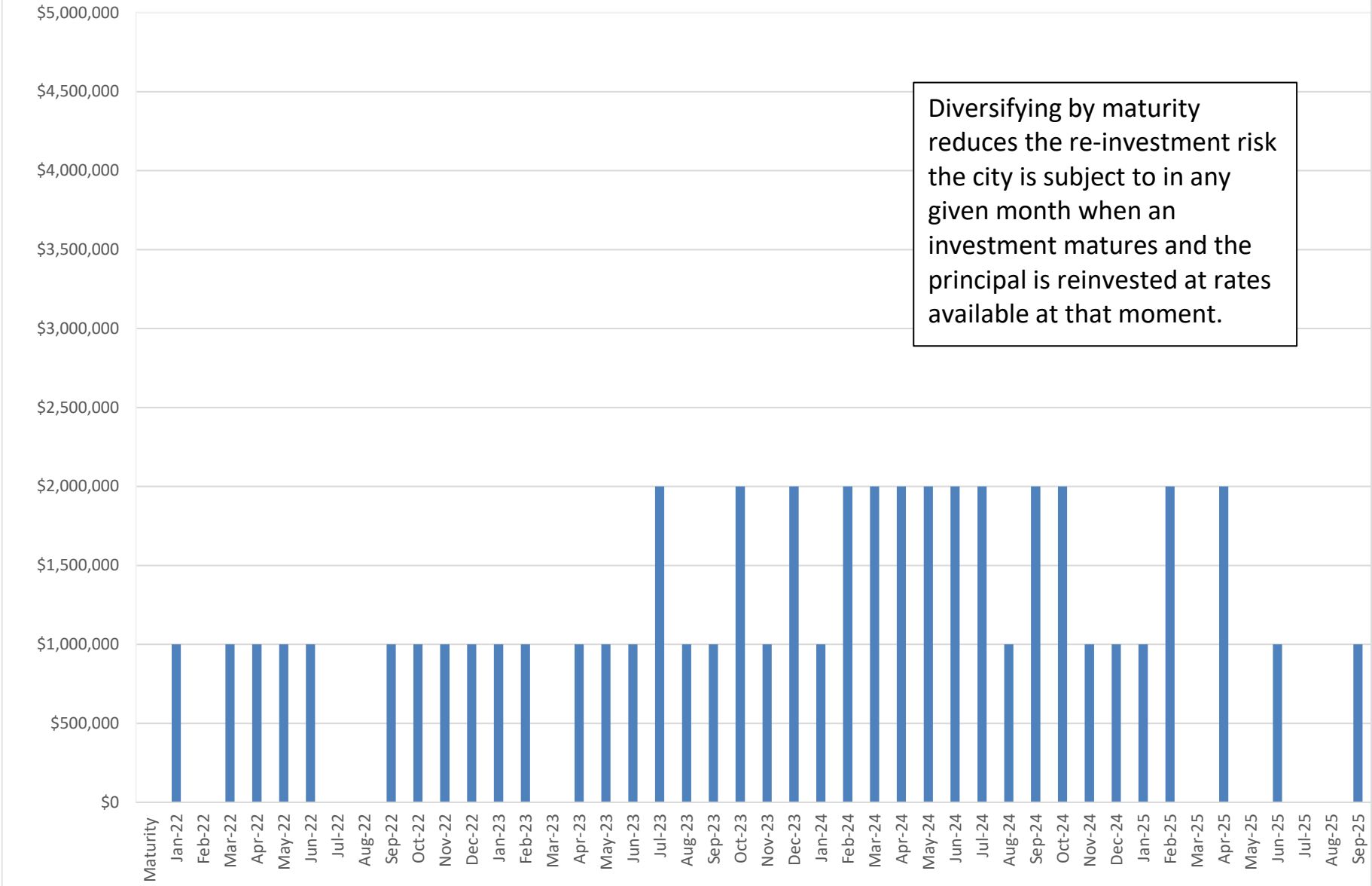
City of Yakima

Investment Portfolio by Issuer at 12/31/2021



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 Maturity Distribution at 12/31/2021



City of Yakima
Investment Portfolio - Detail of Activity
December 31, 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	1519	1,000,000	-	-	1,000,000
FFCB	1523	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	1570		1,000,000		1,000,000
FFCB Total		10,000,000	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 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	1573		1,000,000		1,000,000
FNMA Total		3,000,000	1,000,000	-	4,000,000
US Treasury					
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	1567	2,000,000	-	-	2,000,000
US Treasury	1568	2,000,000	-	-	2,000,000
US Treasury	1569		1,000,000		1,000,000
US Treasury	1571		1,000,000		1,000,000
US Treasury	1572		2,000,000		2,000,000
US Treasury		17,000,000	4,000,000	-	21,000,000
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				-
Corporate Total		4,000,000	-	(1,000,000)	3,000,000
Subtotal		45,000,000	6,000,000	(1,000,000)	50,000,000
Other Investments					
LGIP (State Pool)	LGIP	57,617,282	11,000,000	(6,000,004)	62,617,278
Other Investment Totals		57,617,282	11,000,000	(6,000,004)	62,617,278
Grand Totals		\$ 102,617,282	\$ 17,000,000	\$ (7,000,004)	\$ 112,617,278

City of Yakima
Long Term Debt Schedule - by Project Group
December 31, 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	117,449.40
6/20/2013	12/1/2028	Street Project Demonstration (Refunded)	Various City street improvements	3,500,000	2,447,159.50
6/9/2014	6/1/2024	Street Resurfacing Project	Streets improvements	13,140,000	4,595,000.00
9/24/2018	6/1/2035	Soccer Complex (Refunded)	City portion of SOZO Sports Complex	4,440,127	3,881,553.27
9/24/2018	12/1/1942	2018 Aquatic Center YMCA	City portion of Aquatic Center	8,009,873	7,906,990.98
4/21/2020	12/1/2022	2020 Refunding Bonds, Downtown Future	2020 Refunding Bonds, Downtown Futures	260,000	126,750.00
4/21/2020	12/1/2021	2020 Refunding Bonds, Fire Apparatus	2020 Refunding Bonds, Fire Apparatus	140,000	-
4/21/2020	12/1/2022	2020 Refunding Bonds, WV Fire Station	2020 Refunding Bonds, WV Fire Station	140,000	68,250.00
4/21/2020	12/1/2032	2020B Capital Theatre 09 Refunded	2020B Capital Theatre 09 Refunded	4,910,000	4,220,000.00
4/21/2020	12/1/2044	2020B Convention Center Addition	2020B Convention Center Addition	12,620,000	12,050,000.00
4/21/2020	12/1/2044	2020B Convention Center Addition III Ref	2020B Convention Center Addition III Refunded	2,495,000	2,380,000.00
Subtotal General Obligation Bonds				64,040,528	37,793,153.15
Certificate of Participation - State of Washington					
3/19/2013	6/1/2023	Fire Apparatus	One truck	310,414	74,652.02
9/28/2017	6/1/2027	Energy Project	2017 Energy Project (lighting)	921,863	614,757.26
7/21/2020	6/1/2035	Energy Project	2020 Energy Efficiency Project (lighting)	1,415,000	1,355,000.00
9/28/2017	6/1/2027	Fire Aerial & Pump App	Fire Aerial	1,268,053	845,783.57
Subtotal Certificates of Participation				4,492,178	2,890,192.85
Revenue Bonds					
43942	49279	2020 Ref 04 Irrigation	2020 Ref 04 Irrigation	3,260,000	2,905,000.00
43942	46722	2020 Ref 08 WS Rev	2020 Ref 08 WS Rev	2,590,000	2,080,000.00
5/31/2012	11/1/2023	Wastewater	Refunded 2003 \$10,155,000 issue	9,400,000	2,195,000.00
Subtotal Revenue Bonds				25,905,000	7,180,000.00
Intergovernmental Loans					
8/14/2009	7/1/2028	PC-08-951-052	2009 Railroad Grade Separation	3,000,000	1,155,701.76
5/6/2010	6/1/2034	L1000030-0	2010 Railroad Grade Separation	1,149,841	879,221.97
6/17/2014	5/1/2034	Comm Center Move	City portion of County GO Bonds	1,716,500	1,250,000.00
9/30/2015	6/1/2023	'15 Yak Co SIED - 21st Ave/Airport	2015 Yakima Co SIED Loan - 21st Ave/Airport	307,000	112,061.96
6/1/2016	6/1/2027	'16 Yak Co SIED - SOZO	2016 Yakima Co SIED Loan - SOZO	900,000	582,509.03
11/21/2017	6/1/2024	'17 Yak Co SIED - YV Brewing Project	2017 Yakima Co SIED Loan - YV Brewing Project	61,580	39,901.28
7/17/2018	6/1/2029	'18 Yak Co SIED - River Rd.	2018 Yakima Co SIED - River Rd Improvements/Aquatics Center	500,000	427,215.60
3/2/2021	6/1/1932	21 Yak Co Seid - SOZO	2021 Yakima Co Seid Loan SOZO	1,000,000	1,000,000.00
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	269,450.00
6/27/2005	10/1/2025	SRF-04-65104-037	2005 Naches River WTP Filter Rehab	966,772	188,290.59
12/30/2005	6/1/2025	PW-05-691-064	2005 River Road Sewer	2,307,000	496,983.10
4/30/2007	6/1/2027	PW-07-962-019	2007 Ultra Violet Disinfection	2,300,000	728,333.32
4/15/2009	6/1/2028	PC-08-951-051	2009 New Water Well	2,257,200	848,041.78
10/10/2011	3/31/2033	L1100008	2011 Energy Efficiency	503,558	340,085.71
8/1/2011	7/1/2034	L1200019	2012 Industrial Waste Anaerobic	590,350	431,973.75
6/1/2012	6/1/2031	PC-12-951-065	2012 Wastewater Treatment Plan	5,000,000	2,690,791.40
10/11/2012	6/1/2037	PC-13-961-059	2012 Industrial Sewer Extensions	2,000,000	1,301,435.44
8/5/2013	6/1/2032	PC-13-961-074	2013 Automated Reading System	5,000,000	2,894,736.84
12/12/2013	10/1/2034	DM-11-952-038	2013 Design WTP Lagoons	3,514,800	2,284,620.02
Subtotal Intergovernmental Loans				37,235,351	17,921,353.55
Grand Total				131,673,056	65,784,700



Committee Review of Investment Rationale

Date: October 8, 2021

Investment # 2021-1569 is a 4-year US Treasury (UST), face value \$1,000,000, maturing September 30, 2025, 0.25% coupon at 98.0735 to yield 0.74%. This trade settles October 1, 2021 with Time Value Investments, Inc., US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2021.

Liquidity: At September 30th, month-end, Key Bank checking account balance was \$9.0 million (target minimum is \$3 Million), US Bank checking balance was \$3.6 million and investment portfolio was \$45.0 million (target is \$64 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$57.6 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 0.74%. This investment is 66 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	0.080144%	www.secureaccess.wa.gov
3-year corporate	Unavailable in AA	Treasury.gov
3-year Agency FNMA	0.4900%	Daily Treasury Yield Curve

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

Diversification. This purchase brings this issuer to 17.4% of total portfolio.

This purchase added a maturity date previously not covered in the city's laddered portfolio.

Outlook. The yield curve is currently low and flat; the 1-year Treasury at 0.09%, the 2-year at 0.27% the 3-year at 0.49%, and the 5-year at 0.93%. The Federal Reserve Bank has been keeping rates low with uncertainty of a 2022 rate hike increasing. By filling maturity gaps in a shortened 3-4 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 10/8/21

City Manager: _____

Date 10/8/2021



Committee Review of Investment Rationale

Date: October 18, 2021

Investment # 2021-1570 is a 1.5-year Federal Farm Credit Bank (FFCB), face value \$1,000,000, maturing April 13, 2023, 0.13% coupon at 99.785 to yield 0.27%. This trade settles October 18, 2021 with Wedbush Securities, US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2021.

Liquidity: At September 30th, month-end, Key Bank checking account balance was \$9.0 million (target minimum is \$3 Million), US Bank checking balance was \$3.6 million and investment portfolio was \$45.0 million (target is \$64 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$57.6 million (target minimum is \$5 million).

Safety: This purchase is a debt issue of the Government-Sponsored Enterprise (GSE), equivalent to Aaa/AA+ rating by Moody's and S&P.

Yield. Yield is 0.27%. This investment is 19 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	0.080144%	www.secureaccess.wa.gov
3-year corporate	Unavailable in AA	Treasury.gov
3-year Agency FNMA	0.4900%	Daily Treasury Yield Curve

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

Diversification. This purchase brings this issuer to 10.4% of total portfolio.

This purchase added a maturity date previously not covered in the city's laddered portfolio.

Outlook. The yield curve is currently low and flat; the 1-year Treasury at 0.09%, the 2-year at 0.27% the 3-year at 0.49%, and the 5-year at 0.93%. The Federal Reserve Bank has been keeping rates low with uncertainty of a 2022 rate hike increasing. By filling maturity gaps in a shortened 3-4 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 11/4/2021

City Manager: 

Date 11/5/2021



Committee Review of Investment Rationale

Date: October 18, 2021

Investment # 2021-1571 is a 4-year US Treasury (UST), face value \$1,000,000, maturing June 30, 2025, 0.25% coupon at 97.953125 to yield 0.81%. This trade settles October 18, 2021 with Wedbush Securities, US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2021.

Liquidity: At September 30th, month-end, Key Bank checking account balance was \$9.0 million (target minimum is \$3 Million), US Bank checking balance was \$3.6 million and investment portfolio was \$45.0 million (target is \$64 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$57.6 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 0.81%. This investment is 73 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	0.080144%	www.secureaccess.wa.gov
3-year corporate	Unavailable in AA	Treasury.gov
3-year Agency FNMA	0.4900%	Daily Treasury Yield Curve

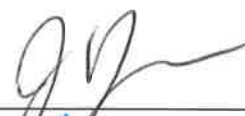
Callability. This investment is not callable (a bullet).

Diversification. This purchase brings this issuer to 18.% of total portfolio.

This purchase added a maturity date previously not covered in the city's laddered portfolio.

Outlook. The yield curve is currently low and flat; the 1-year Treasury at 0.09%, the 2-year at 0.27% the 3-year at 0.49%, and the 5-year at 0.93%. The Federal Reserve Bank has been keeping rates low with uncertainty of a 2022 rate hike increasing. By filling maturity gaps in a shortened 3-4 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 11/4/2021

City Manager: 

Date 11/5/2021



Committee Review of Investment Rationale

Date: November 15, 2021

Investment # 2021-1572 is a 3.5-year US Treasury (UST), face value \$2,000,000, maturing February 28, 2025, 1.125% coupon at 100.7578125 to yield 0.89%. This trade settles November 16, 2021 with Wedbush Securities, US Bank Safekeeping, reducing our elevated LGIP position caused by maturities called during 2021.

Liquidity: At October 31st, month-end, Key Bank checking account balance was \$8.5 million (target minimum is \$3 Million), US Bank checking balance was \$7.3 million and investment portfolio was \$48.0 million (target is \$64 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$53.6 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 0.89%. This investment is 80 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	0.094149%	www.secureaccess.wa.gov
3-year corporate	Unavailable in AA	Treasury.gov
3-year Agency FNMA	0.7900%	Daily Treasury Yield Curve

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

Diversification. This purchase brings this issuer to 20.% of total portfolio.

This purchase added a maturity date previously not covered in the city's ladder portfolio.

Outlook. The yield curve is currently low but slightly higher than last month; the 1-year Treasury at 0.15%, the 2-year at 0.50% the 3-year at 0.79%, and the 5-year at 1.20%. The Federal Reserve Bank has been keeping rates low with uncertainty of a 2022 rate hike increasing. By filling maturity gaps in a shortened 3-4year 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: [Signature]

Date 11-30-2021

City Manager: [Signature]

Date 11/30/2021



Committee Review of Investment Rationale

Date: December 27, 2021

Investment # 2021-1573 is a 2-year FNMA (Federal National Mortgage Association / Fannie Mae), face value \$1,000,000, maturing February 05, 2024, 2.500% coupon purchased at 103.599100 to yield .771%. This trade settles December 28, 2021 with Wedbush Securities, US Bank Safekeeping. This investment is replacing \$1,000,000 that was called this month.

Liquidity: At November 30 month-end, Key Bank checking account balance was \$6.1 million (target is \$3 Million), US Bank checking balance was \$9.4 million and invested yield segment of portfolio was \$50.0 million (target is \$60 million for Treasuries, Corporates and Agencies). Current LGIP balance was \$60.6 million (target minimum is \$3 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 .771% This investment is 68 basis points over LGIP, seeking to protect yield in an uncertain environment. Comparable yields are:

LGIP current 30-day yield	.086278%	www.secureaccess.wa.gov
2-year Treasury	.56	Treasury.gov

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

Diversification. This purchase brings this issuer to 3.9% of total portfolio.

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

Outlook. The yield curve is currently low but slightly higher than last month; the 1-year Treasury at 0.25%, the 2-year at 0.56% the 3-year at 0.85%, and the 5-year at 1.15%. The Federal Reserve Bank has been keeping rates low with uncertainty of a 2022 rate hike increasing. By filling maturity gaps in a shortened 3-4year 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: [Signature]

Date 12/28/2021

City Manager: [Signature]

Date 12/27/2021