

KENNETH SPENCER, JR

Benton County Treasurer

PO BOX 630, Prosser, WA 99350

[www.bentoncountytax.com](http://www.bentoncountytax.com)

# Benton County Finance Meeting

November 14<sup>th</sup>, 2023

11:00 am

Treasurer's Conference Room  
Benton County Courthouse





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To join the Finance Committee Meeting telephonically:  
Dial: 509-222-2397  
Meeting ID: 146 111 8515##

To join via video broadcast please join from meeting link  
<https://bentoncounty.webex.com/join/financecommittee>

## AGENDA

### BENTON COUNTY FINANCE COMMITTEE

November 14, 2023

11:00 AM

Treasurer's Office Conference Room- 2<sup>nd</sup> floor  
Benton County Courthouse, Prosser, WA

11:00 AM Approval of 2<sup>nd</sup> Quarter 2023 Meeting Minutes – Ken Spencer

3rd Quarter Portfolio Analysis – Heather Hutchison

- Portfolio Summary
- Portfolio Activity
- Chart by Issuer
- Chart by Dealer
- Benchmark Table
- Investment Strategy

Other Business

Next Meeting- 4<sup>th</sup> Quarter 2023 Portfolio Review

**TENTATIVE**

**Tuesday, February 13th, 2024, at 11:00 am**  
**Benton County Courthouse, Treasurer's Conference Room**

# AGENDA

Ken Spencer called the Benton County Finance meeting to order on August 22, 2023, at 11:01 a.m.

*Present Treasurer Ken Spencer, Auditor Brenda Chilton, and Commissioner Will McKay (remote). Also present were county staff members, Heather Hutchison, Jeanette Ulrick, Kirsten Yniguez of the Treasurer's Office, and Lorene Roe of the Auditor's Office*

*Approval of the Minutes*

Brenda moved to approve the 2023 1st quarter minutes. Will seconded and minutes were approved.

*Heather presented the 2nd Quarter, 2023, Analysis:*

The 2<sup>nd</sup> quarter ending 06/30/2023 had a portfolio balance of \$409,102,287.71.

2<sup>nd</sup> quarter portfolio activity for the Treasurer's Investment Pool (TIP) included purchases of \$38,690,410.40 and maturities of (\$15,952,403.33).

*3rd Quarter Strategy*

- Continue bi-weekly FHN Financial conference calls and internal discussions.
- Invest in securities according to the policy; being aware of the current market conditions for upcoming maturities and discuss with FHN for reinvesting while being aware of the benchmark.
- During 2<sup>nd</sup> quarter, meetings were held with the districts. The County stressed the importance of updated cash flows for the portfolio and will continue to work diligently to ensure cash flows remain updated.

*Discussion*

Ken explained that during the district meetings, it was emphasized that the more information we receive about their needs, the better we can be prepared to accommodate those needs. Selling bonds for cash needs prior to their maturity is not ideal and creates a loss.

# Approval of Minutes

Currently the County has 120 million invested with very low rates and the trend currently is to keep more liquidity.

Farm credit continues to be better than housing credit.

No public comments

*Next Meeting*

The next Benton County Finance Committee Meeting will be Tuesday, November 14, 2023 at 11:00 a.m. at the Administration Building, Treasurer's Conference Room.

Ken closed the meeting at 11:12

# Approval of Minutes (continued)

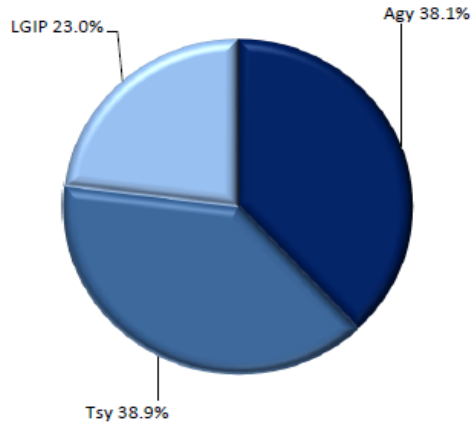
# PORTFOLIO SUMMARY

## Portfolio Summary

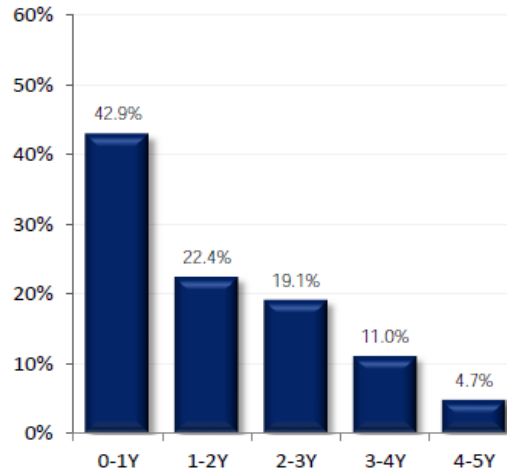
Benton County, WA-TIP

9/30/2023

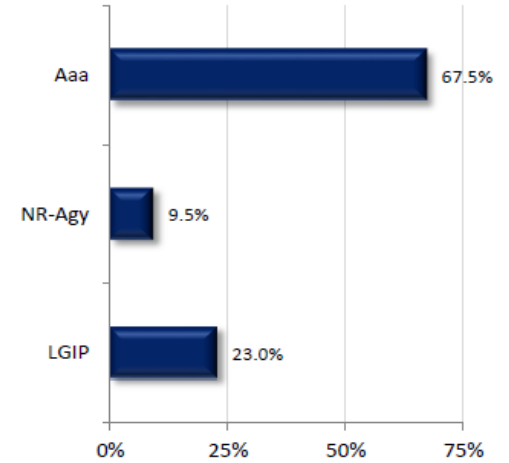
### SECTOR ALLOCATION



### MATURITY DISTRIBUTION



### CREDIT QUALITY (MOODY'S)



Per Book Value

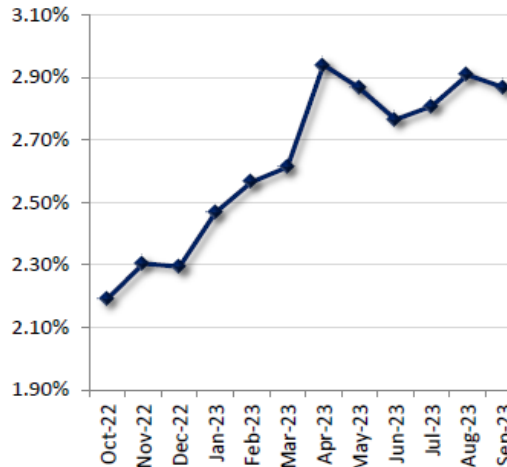
### ACCOUNT SUMMARY

	9/30/23	6/30/23
<b>Market Value</b>	\$386,579,965	\$395,790,949
<b>Book Value</b>	\$401,572,486	\$411,302,960
<b>Variance</b>	-\$14,992,521	-\$15,512,011
<b>Par Value</b>	\$405,424,370	\$415,385,231
<b>Net Asset Value</b>	\$96.267	\$96.229
<b>Purchase Yield</b>	2.87%	2.77%
<b>Years to Maturity</b>	1.46	1.62
<b>Effective Duration</b>	1.32	1.48

\*Book Value is held at cost

Per Book Value

### MONTH-END PORTFOLIO BOOK YIELD



NR: Not Rated

### TOP ISSUERS

Issuer	% Portfolio
U.S. Treasury	37.7%
Local Gov't Investment Pool	23.0%
Federal Farm Credit Bank	12.5%
Federal Agricultural Mtg Corp	9.5%
Federal Home Loan Bank	7.4%
Federal National Mtg Assn	6.2%
Federal Home Loan Mtg Corp	3.7%

Per Book Value

# 3rd QUARTER PORTFOLIO ACTIVITY

	<u>AMOUNT</u>
<b>2nd QUARTER ENDING 06/30/2023</b>	<b>\$409,102,287.71</b>
<b><u>INVESTMENT MATURITIES/CALLS</u></b>	
Treasurer's Investment Pool	(\$14,979,613.69)
<b><u>INVESTMENT PURCHASES</u></b>	
Treasurer's Investment Pool	\$0.00
<b><u>STATE POOL</u></b>	
9/30/2023	LGIP
	\$5,000,000.00
<b>3rd QUARTER ENDING 09/29/2023</b>	<b>\$399,122,674.02</b>

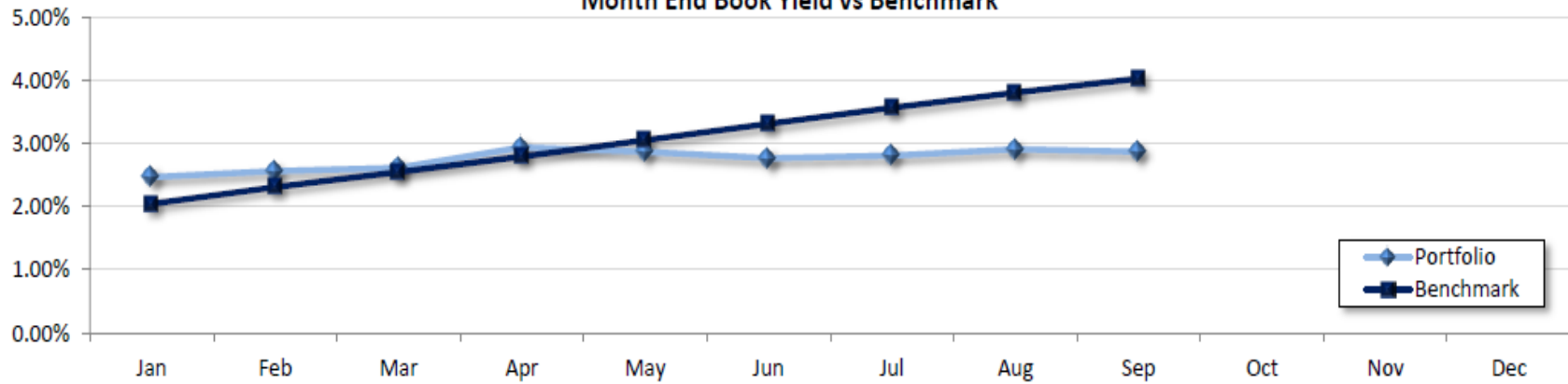
# 3rd QUARTER PORTFOLIO ACTIVITY

## Purchases & Redemptions

<b>3rd QUARTER PURCHASES</b>	<b>\$0.00</b>	
<b>3rd QUARTER REDEMPTIONS</b>	<b>14,979,613.69</b>	<b>MATURITIES</b>
		<b>0 CALLS</b>
	<b>14,979,613.69</b>	<b>GRAND TOTAL</b>

# BENCHMARK TABLES

Month End Book Yield vs Benchmark

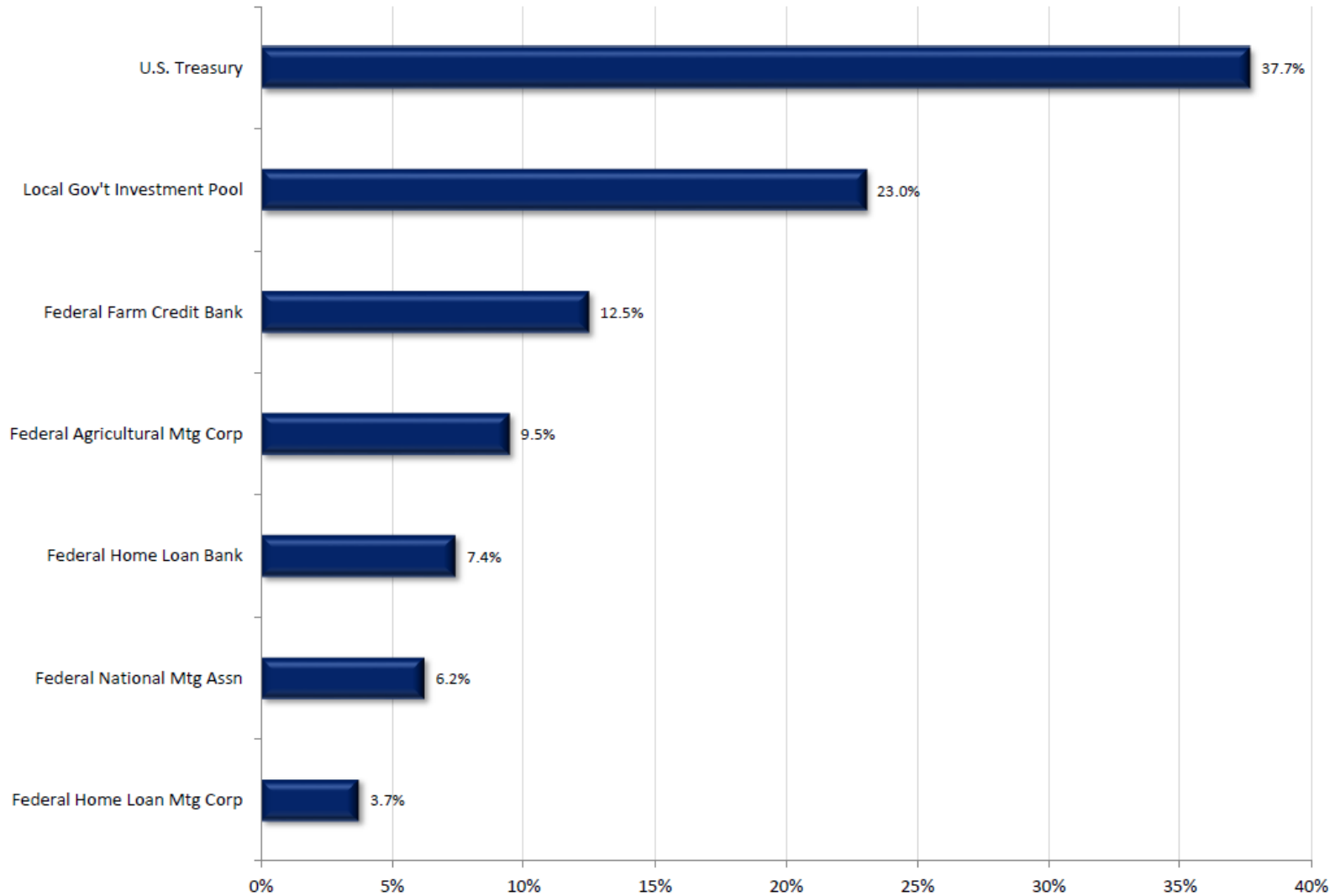


Fiscal YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Month End Book Yield	2.47%	2.57%	2.61%	2.94%	2.87%	2.77%	2.81%	2.91%	2.87%			
Custom Benchmark*	2.04%	2.31%	2.55%	2.79%	3.05%	3.31%	3.56%	3.81%	4.03%			
Variance	0.42%	0.26%	0.07%	0.15%	-0.18%	-0.55%	-0.76%	-0.90%	-1.16%			

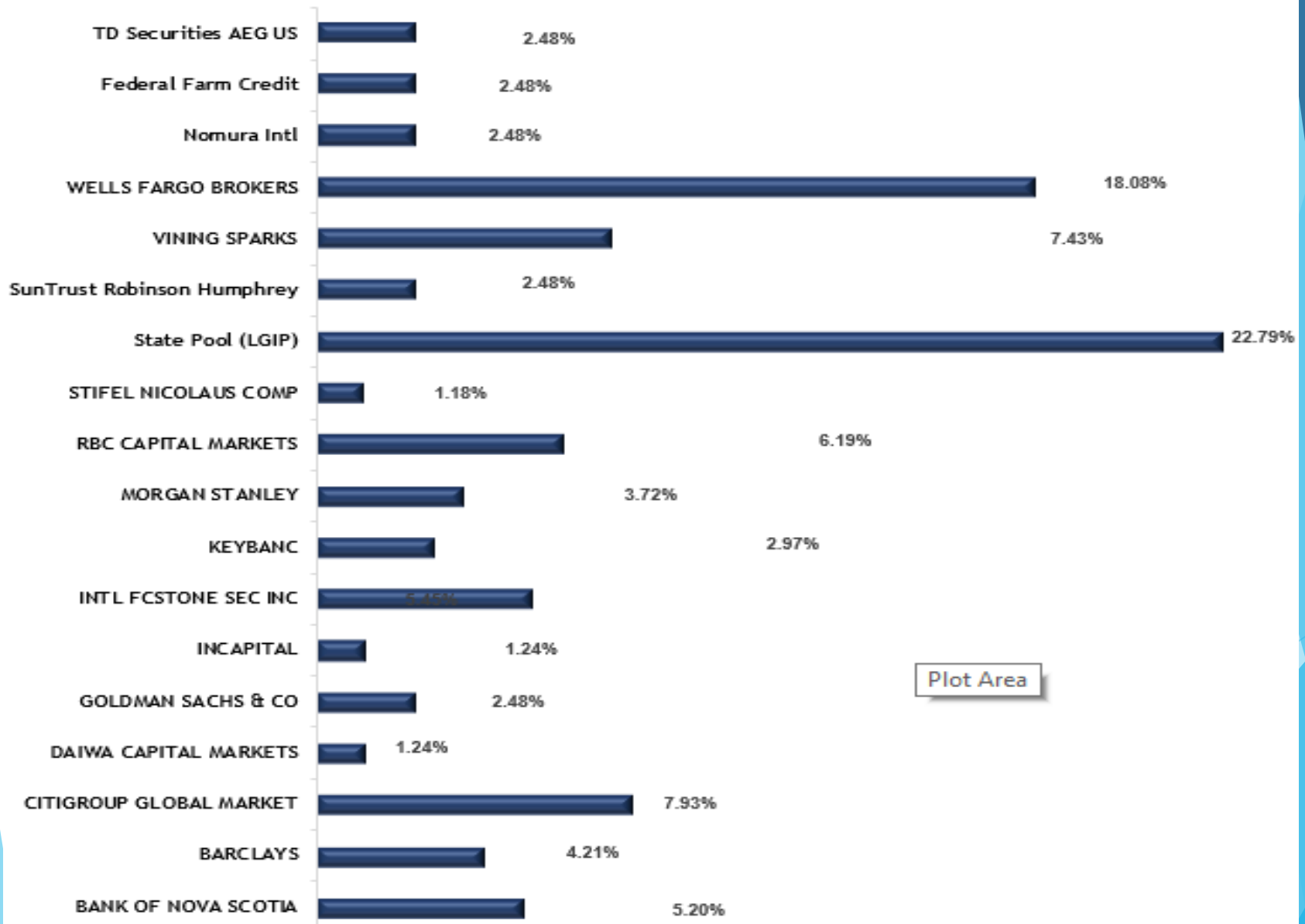
\*Benchmark: 18 Month Mov Avg BofAML 0-3Yr Tsy Indx 20%, 1-3Yr Agy Indx 40%, 0-1Yr Agy Indx 10%, LGIP 40%



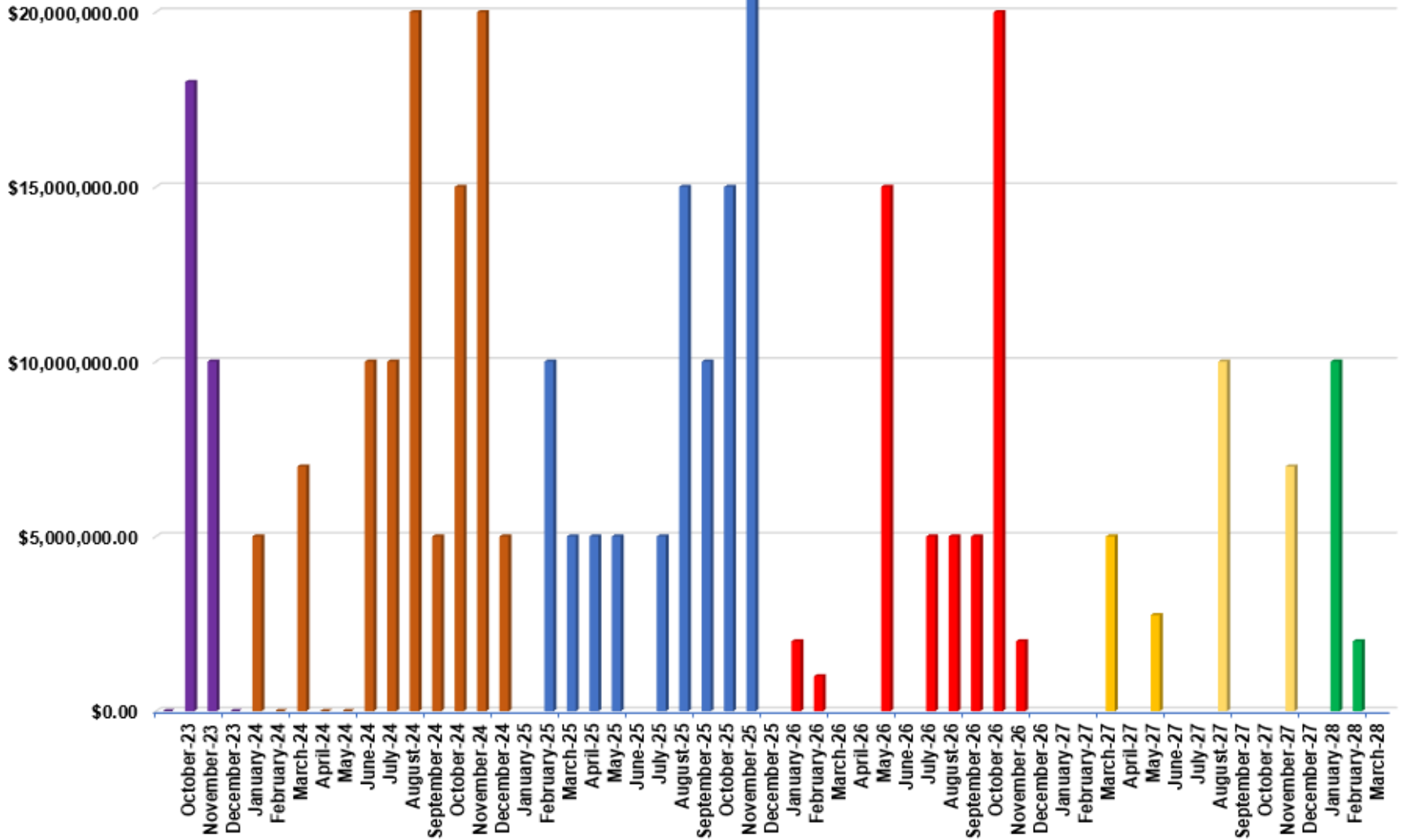
# CHART BY ISSUER



# CHART BY DEALER



# MATURITY CHART



- ❖ Continue with FHN Financial conference calls and internal discussions.
- ❖ Invest in securities according to the policy; depending on the current market conditions
- ❖ Work to diversify security types within the portfolio
- ❖ Continue working with all participants external districts and County to get a more accurate cash flow, to maintain the most effective portfolio for all.
- ❖ With increasing district and County cash flows we will continue to invest as the portfolio allows based on our cash flow needs

4th

# QUARTER 2023 STRATEGY

# NEXT FINANCE COMMITTEE MEETING

**TENTATIVE**

**TUESDAY, February 13th, 2024**

**11:00 AM**

**TREASURER'S CONFERENCE ROOM**

**BENTON COUNTY COURTHOUSE**

**PROSSER, WA 99350**