

Benton County Finance Meeting

August 26th 2025

10:30 am

Treasurer's Conference Room
Benton County Courthouse

KENNETH SPENCER, JR

Benton County Treasurer

PO BOX 630, Prosser, WA 99350

www.bentoncountytax.com





KENNETH SPENCER
Benton County Treasurer
PO Box 630 Prosser, WA 99350
Prosser 509-786-2255 Fax 786-5628
Kennewick 509-735-8505 Fax 736-2705
www.bentoncountytax.com

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
August 26th, 2025
10:30 AM
Treasurer's Conference Room
Benton County Courthouse, Prosser, WA

10:30 AM- Approval of 1st Quarter 2024 Meeting Minutes – Ken Spencer

2nd Quarter Portfolio Analysis – Erika Salazar

- Portfolio Summary
- FIGEY Model
- Portfolio Activity
- Chart by Maturity
- Future of the Portfolio
- Investment Strategies

Other Business –

Next Meeting- 3rd Quarter 2025 Portfolio Review

TENTATIVE

Tuesday, November 18th, 2025, at 10:30 am
Prosser Courthouse, Treasurer's Conference Room

AGENDA



Approval of Minutes



Benton County Finance Committee Minutes May 6, 2025

Ken Spencer called the Benton County Finance Committee meeting to order on May 6, at 10:00 a.m..

Present Treasurer Ken Spencer, Auditor Brenda Chilton, and Commissioner Jerome Delvin. Also present were county staff members, Lorene Roe of the Auditor's Office, Heather Hutchison, Kirsten Yniguez, Jeanette Ulrick and Erika Salazar of the Treasurer's Office

Approval of the Minutes

Jerome moved to approve the 2024 4th quarter minutes. Brenda seconded and minutes were approved.

Erika presented the 1st Quarter, 2025, Analysis:

The 1st quarter ending 3/31/2025 had a portfolio balance of \$399,024,655.51.

1st quarter portfolio activity for the Treasurer's Investment Pool (TIP) included purchases of \$16,372,335.92 and maturities of (\$5,002,330.94).

Approval of Minutes (cont.)



2nd Quarter Strategy

- Focus on District and County cash flows to meet liquidity needs
- Partner with Meeder Public Funds for bi-weekly conference calls and internal discussions.
- Balance agency bonds to not heavily invest in one industry
- Increase portfolio duration, when possible, by purchasing securities to fill empty buckets.
- Invest in securities according to the policy; depending on the current market conditions.

No Other Business

No Public Comments

Next Meeting

The next Benton County Finance Committee Meeting will be Tuesday, August 26, 2025 at 10:30 a.m. in the Prosser Courthouse, Treasurer's Conference Room.

Ken closed the meeting at 10:50 am.

Fed Policy



Inflation



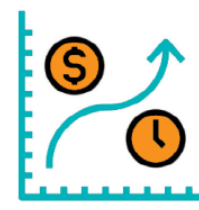
Growth (GDP)



Employment



Yields



U.S. Treasury yields/rates are primarily a function of Federal Reserve policy, inflation, economic growth, and employment.



METRIC

ANALYSIS



Fed Funds Rate

The Federal Reserve is expecting to lower the Fed Funds rate 50 basis points (0.50%) in 2025. The Fed Funds futures market is pricing in approximately 65 basis points of cuts for 2025 and end the year around 3.7%.



Inflation

The Consumer Price Index (CPI) continues to remain above 2% with the current rate at 2.4% on a YoY basis. Economists surveyed by Bloomberg expect CPI YoY to average 2.9% for all of 2025.



Growth

Gross Domestic Product (GDP) contracted in the first quarter of 2025 (-0.5%) as imports subtracted from economic growth. Imports soared a record 41% for the quarter as companies rushed to bring in imports before the tariffs were to be enacted. It is expected to be positive for the second quarter.



Employment

The unemployment rate remains low but has increased moderately since last year. The current rate is 4.1%. Weekly initial unemployment (jobless) claims also remain near historically low levels. However, continuing unemployment claims have been moving higher.



Yields

The 2-year Treasury yield declined materially recently, primarily due to tariff announcements, but then rebounded with the 90-day tariff pause and other negotiations.

PORTFOLIO SUMMARY

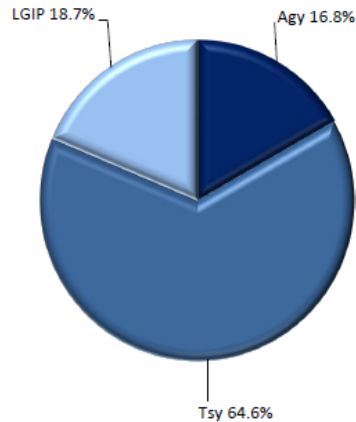


Portfolio Summary

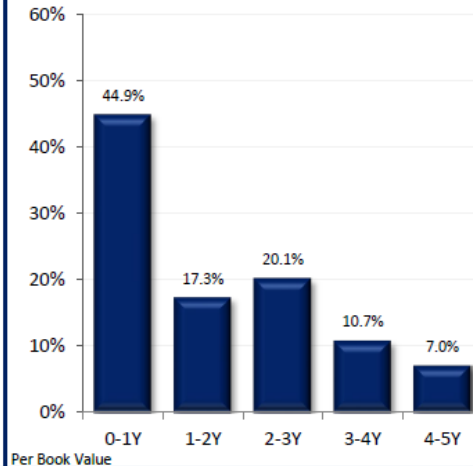
Benton County, WA-TIP

6/30/2025

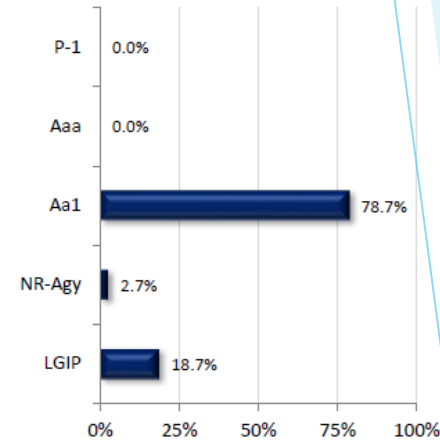
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (MOODY'S)



Per Book Value

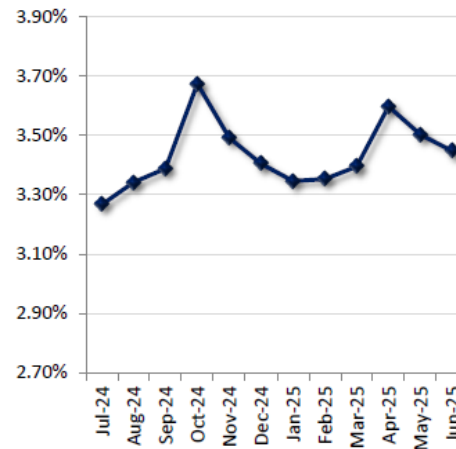
Per Book Value

NR: Not Rated

ACCOUNT SUMMARY

	6/30/25	3/31/25
Market Value	\$429,661,018	\$400,747,522
Book Value	\$430,144,000	\$402,427,405
Variance	-\$482,982	-\$1,679,884
Par Value	\$432,003,728	\$404,776,824
Net Asset Value	\$99.888	\$99.583
Purchase Yield	3.45%	3.39%
Years to Maturity	1.57	1.32
Effective Duration	1.36	1.27

MONTH-END PORTFOLIO BOOK YIELD



TOP ISSUERS

Issuer	% Portfolio
U.S. Treasury	64.6%
Local Gov't Investment Pool	18.7%
Federal Home Loan Bank	5.8%
Federal Farm Credit Bank	4.8%
Federal Agricultural Mtg Corp	2.7%
Federal National Mtg Assn	2.3%
Federal Home Loan Mtg Corp	1.2%

*Book Value is held at cost

Per Book Value

2ND QUARTER PORTFOLIO ACTIVITY



AMOUNT

1ST QUARTER ENDING 03/31/2025

\$399,024,655.51

INVESTMENT MATURITIES/CALLS

Treasurer's Investment Pool

(\$12,667,449.26)

INVESTMENT PURCHASES

Treasurer's Investment Pool

\$65,069,744.52

STATE POOL

6/30/2025

LGIP

(\$25,000,000.00)

2ND QUARTER ENDING 03/31/2025

\$426,426,950.77

Investment Policy Compliance

Benton County, WA-TIP

6/30/2025

Item / Sector	Parameters	In Compliance
Weighted Average Maturity	Weighted Average Maturity (WAM) must be less than 3 years	Yes: 1.6 yrs
1 Year Liquidity	At least 30% of the portfolio must have maturities of 1 year or less	Yes: 44.9%
30 Day Liquidity	At least 20% of the portfolio must mature within 30 days	No: 19.8%
U.S. Treasuries	No limit, no issuer limit, maximum maturity 5 years	Yes: 64.6%
U.S. Federal Agencies	No limit, 50% issuer limit, maximum maturity 5 years	Yes: 16.8%
Supranational Obligations	20% Limit, IBRD, IADB, IFC	Yes: 0.0%
Local Government Investment Pool	No limit	Yes: 18.7%
Repos	20% limit, treasury/agency collateral at 102% of investment	Yes: 0.0%
Non-Negotiable Certificates of Deposit	50% limit, no limit per issuer, maximum maturity 5 years, issued by qualified public depositories within statutory limits as promulgated by the Public Deposit Protection Commission with the State of WA	Yes: 0.0%
State and Local Municipal Securities	10% limit, no issuer limit, maximum maturity 5 years, rated one of the three highest credit ratings of a nationally recognized rating agency, issued by the State of Washington and any local government in the State of Washington	Yes: 0.0%
Bank Deposits	Combined 50% limit with Certificates of Deposit, funds with qualified public depositories within statutory limits as promulgated by the Public Deposit Protection Commission within the State of WA	Yes: 0.0%
Bankers' Acceptances	10% limit, no issuer limit, rated A-1 or P-1, issued by a commercial bank	Yes: 0.0%

Meeder Public Funds relies on the accuracy of the data provided by Benton County to compile this report.

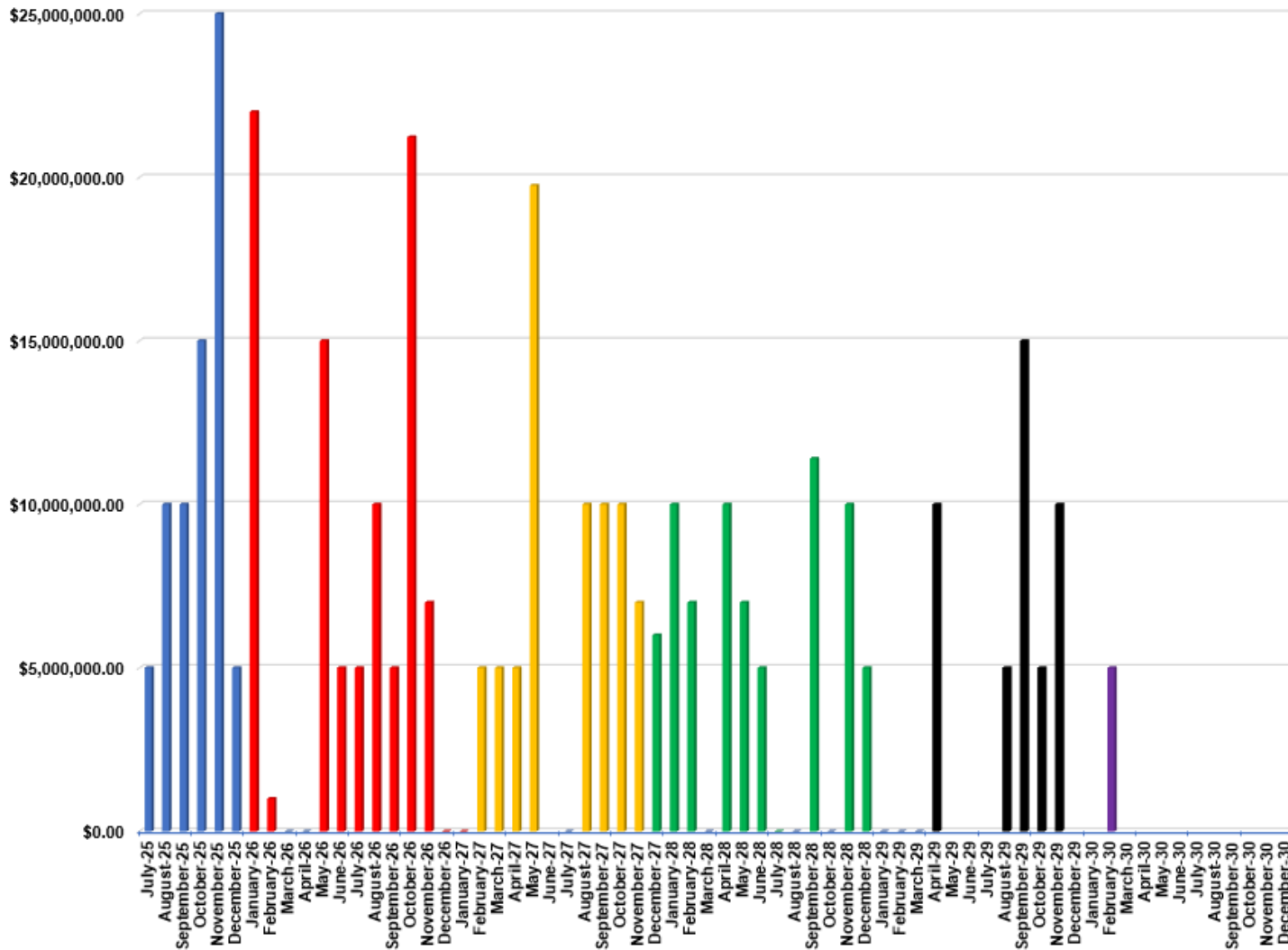




2ND QUARTER PORTFOLIO ACTIVITY Purchases & Redemptions

<u>2ND QUARTER PURCHASES</u>	<u>\$65,069,744.52</u>
2ND QUARTER MATURITIES	\$12,667,449.26
	1 CALL
\$52,402,295.26	GRAND TOTAL

MATURITY CHART

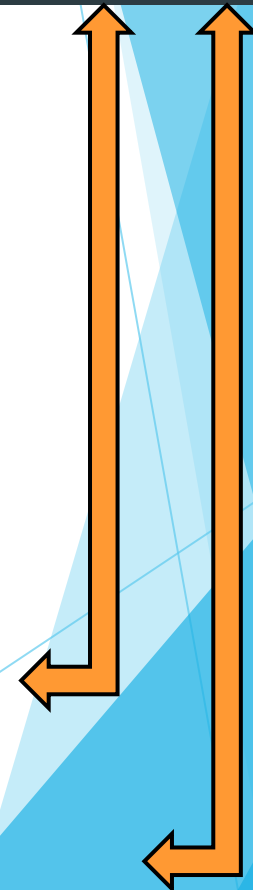


Future of the Portfolio



5 YEAR MATURITIES	
2025	
Jan- Jun	\$ (15,000,000.00)
Jul-Dec	\$ (70,000,000.00)
FULL YEAR PER WORKSHEET	\$ (85,000,000.00)
2026	
Jan- Jun	\$ (43,000,000.00)
Jul-Dec	\$ (48,230,000.00)
FULL YEAR PER WORKSHEET	\$ (91,230,000.00)
2027	
Jan- Jun	\$ (41,750,000.00)
Jul-Dec	\$ (43,000,000.00)
FULL YEAR PER WORKSHEET	\$ (84,750,000.00)
2028	
Jan- Jun	\$ (49,000,000.00)
Jul-Dec	\$ (31,400,000.00)
FULL YEAR PER WORKSHEET	\$ (80,400,000.00)
2029	
Jan- Jun	\$ (15,000,000.00)
Jul-Dec	\$ (25,000,000.00)
FULL YEAR PER WORKSHEET	\$ (40,000,000.00)
2030	
Jan- Jun	\$ (5,000,000.00)
Jul-Dec	\$ -
FULL YEAR PER WORKSHEET	\$ (5,000,000.00)

**\$70 Million
Maturing in 2025**





Partner with Meeder Public Funds
for bi-weekly conference calls and internal discussions.



Invest in securities according to the policy; depending on the current market conditions



Continue to track cash flows for County and Districts.



Increase portfolio duration, when possible, by purchasing approved securities TO FILL EMPTY BUCKETS

3RD Quarter 2025 Strategies

Upcoming Meeting Information

- ▶ TENTATIVE
- ▶ TUESDAY, NOVEMBER 18TH, 2025
- ▶ 10:30 AM
- ▶ TREASURER'S CONFERENCE ROOM
- ▶ BENTON COUNTY COURTHOUSE
- ▶ PROSSER, WA 99350

