

KENNETH SPENCER, JR

Benton County Treasurer

PO BOX 630, Prosser, WA 99350

www.bentoncountytax.com

Benton County Finance Meeting

May 17th, 2022

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
May 17, 2022
11:00 AM
Treasurer's Conference Room
Benton County Courthouse, Prosser, WA

11:00 AM Approval of 4th Quarter 2021 Meeting Minutes – Ken Spencer

1st Quarter Portfolio Analysis – Heather Hutchison

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

Other Business

Next Meeting- 2nd Quarter 2022 Portfolio Review

TENTATIVE

Tuesday, August 16th, 2022, AT 11:00 am
Prosser Courthouse, Treasurer's Conference Room

AGENDA

Ken Spencer called the Benton County Finance meeting to order on February 15, 2022 at 11:06 a.m.

Present Treasurer Ken Spencer, Auditor Brenda Chilton, and Commissioner Shon Small, Also present were county staff members, Heather Hutchison, Kirsten Iniguez and Jeanette Ulrick of the Treasurer's Office and Lorene Roe of the Auditor's Office

Approval of the Minutes

Brenda moved to approve the 3rd quarter minutes. Shon seconded and minutes were approved.

Heather presented the 4th Quarter, 2021, Analysis:

The 4th quarter ending 12/31/2021 had a portfolio balance of \$396,500,327.14.

Fourth quarter portfolio activity for the Treasurer's Investment Pool (TIP) included purchases of \$10,000,086.81 and maturities/calls of (\$11,993,558.33).

Less reserve funds, keeping more in the bank currently.

Continue to outperforming benchmarks.

Majority of investments are in the US Treasury.

1st Quarter Strategy

- Continue with FHN Financial conference calls and internal discussions.
- Continue diversity in security types while continuing to increase the TIP portfolios.
- Observe upcoming maturities and discuss the best options given market conditions with FHN for reinvesting
- Anticipate the cash flow needs of External District and County Funds alike maintaining communication with all participants.
- Invest in securities according to the policy; being aware of the current market conditions.
 - Monitoring federal rates

Approval of Minutes

Discussion

- Keeping an eye on the federal rates for an anticipating rise within the next month....expecting a rise in the next month
- Reaching out to Districts regarding cash flow in mind
- Munis will enable us to forecast more efficiently. Better reports will be available which will lead to positioning for better credit ratings
- Failing school levies are expected to tap into their cash reserves
- Not investing in bond market currently but according to Powell, increases are expected next month
- Letting investments ride out in anticipating of rising interest rates
- Got the disclosure signed to file with the state net week

No public comments

No questions from the committee

Next Meeting

The next Benton County Finance Committee Meeting will be Tuesday, May 17, 2022 at 11:00 a.m. at the Prosser Courthouse, Treasurer's Conference Room.

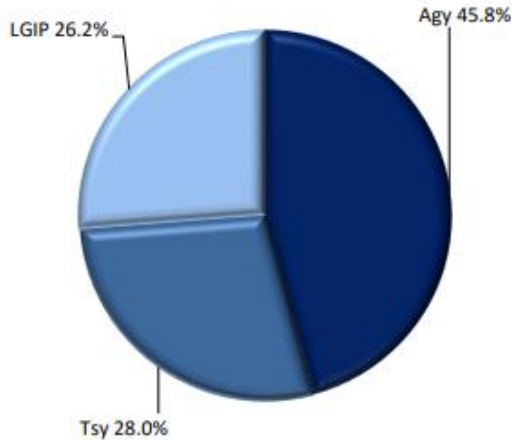
Brenda moved to adjourn, Shon seconded

Ken adjourned at 11:20 am.



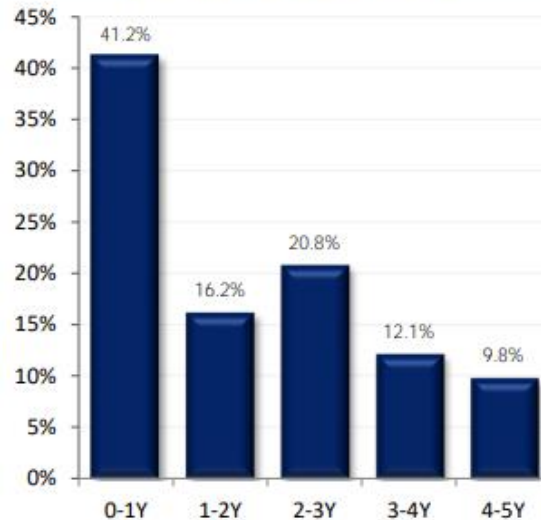
Approval of Minutes Continued

SECTOR ALLOCATION



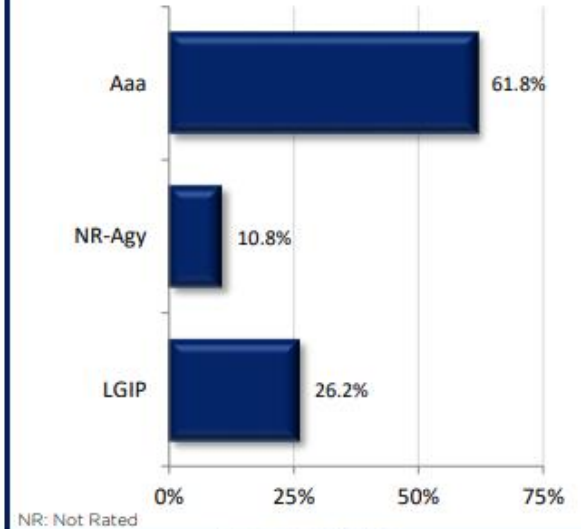
Per Book Value

MATURITY DISTRIBUTION



Per Book Value

CREDIT QUALITY (MOODY'S)



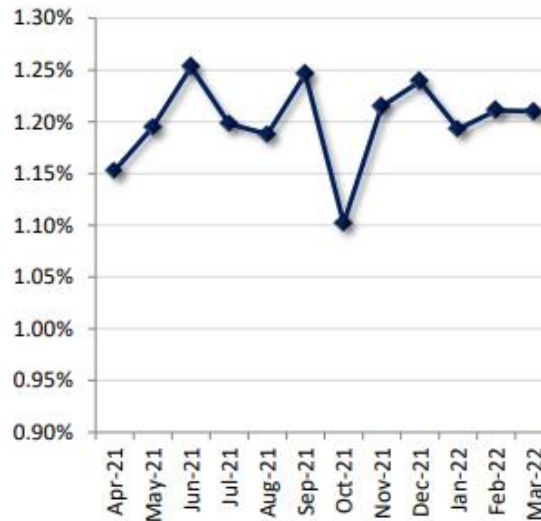
NR: Not Rated

ACCOUNT SUMMARY

	3/31/22	12/31/21
Market Value	\$401,761,956	\$399,451,708
Book Value	\$408,036,817	\$396,982,381
Variance	-\$6,274,861	\$2,469,327
Par Value	\$409,026,786	\$398,066,598
Net Asset Value	\$98.462	\$100.622
Purchase Yield	1.21%	1.24%
Years to Maturity	1.68	1.90
Effective Duration	1.37	1.82

*Book Value is held at cost

MONTH-END PORTFOLIO BOOK YIELD



TOP ISSUERS

Issuer	% Portfolio
U.S. Treasury	28.0%
Local Gov't Investment Pool	26.2%
Federal Farm Credit Bank	17.9%
Federal Agricultural Mtg Corp	10.8%
Federal National Mtg Assn	9.3%
Federal Home Loan Bank	6.6%
Federal Home Loan Mtg Corp	1.2%

Per Book Value

1ST QUARTER PORTFOLIO ACTIVITY

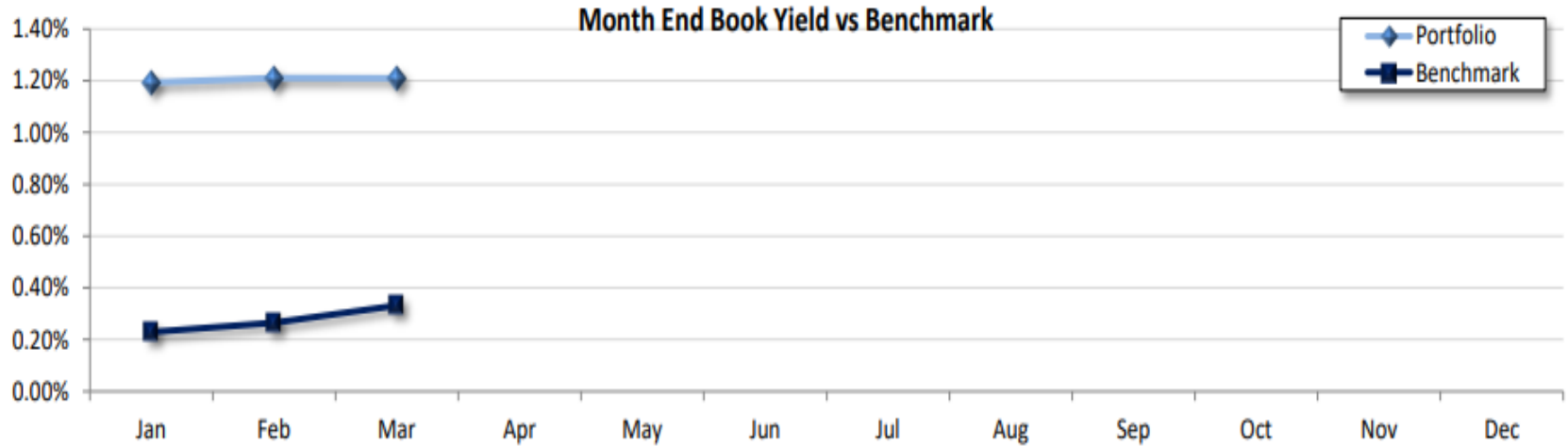
	<u>AMOUNT</u>
4th QUARTER ENDING 12/31/2021	\$396,500,327.14
 <u>INVESTMENT MATURITIES/CALLS</u>	
Treasurer's Investment Pool	(\$7,039,321.53)
 <u>INVESTMENT PURCHASES</u>	
Treasurer's Investment Pool	\$ 4,991,446.88
 <u>STATE POOL</u>	
3/31/2022	LGIP \$13,000,000.00
1st QUARTER ENDING 03/31/2022	\$407,452,452.49

1st QUARTER PORTFOLIO ACTIVITY

Purchases & Redemptions

1st QUARTER PURCHASES	\$4,991,446.88	
1st QUARTER REDEMPTIONS	\$7,039,321.53	MATURITIES
		0 CALLS
	\$ 7,039,321.53	GRAND TOTAL

BENCHMARK TABLES



Fiscal YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Month End Book Yield	1.19%	1.21%	1.21%									
Custom Benchmark*	0.23%	0.27%	0.33%									
Variance	0.96%	0.95%	0.88%									

*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

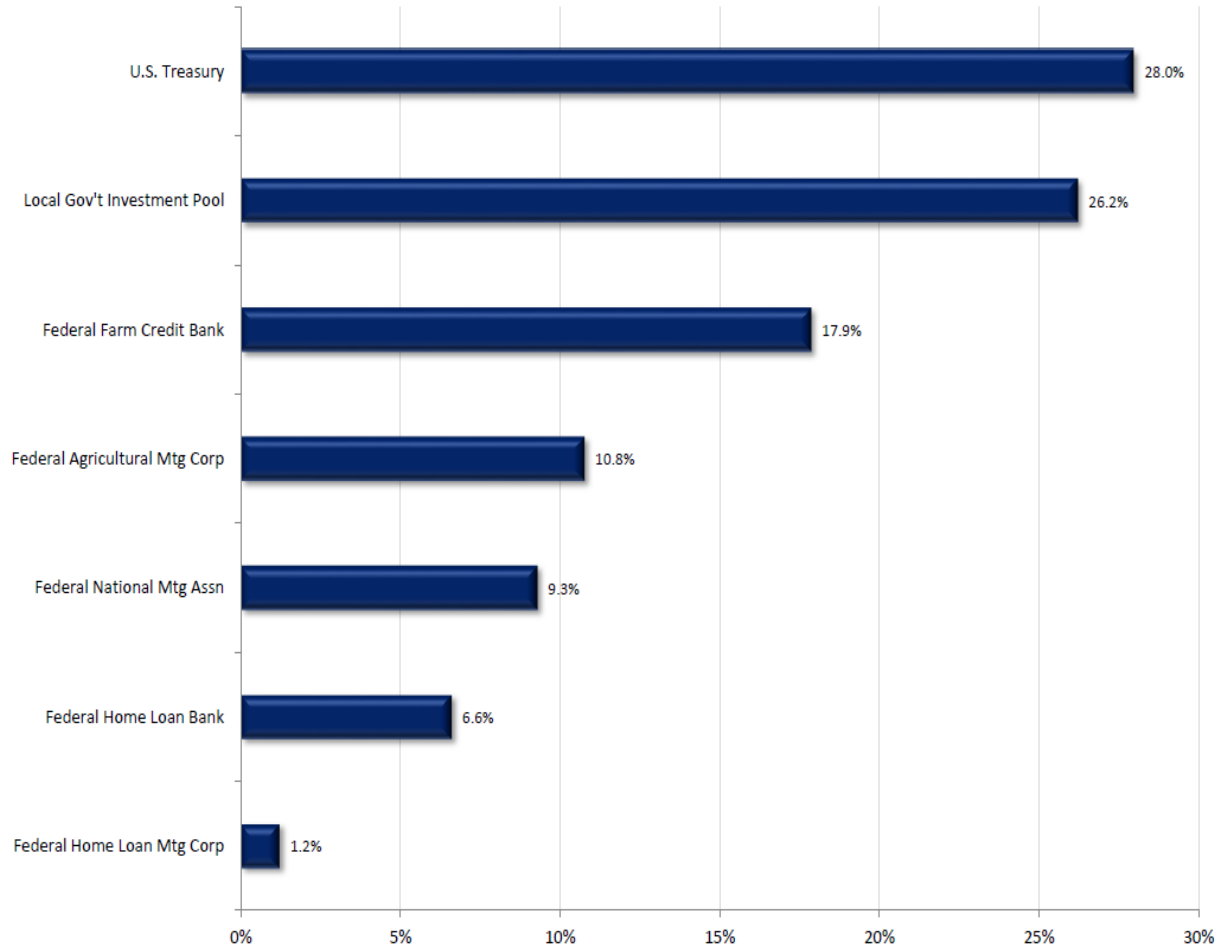
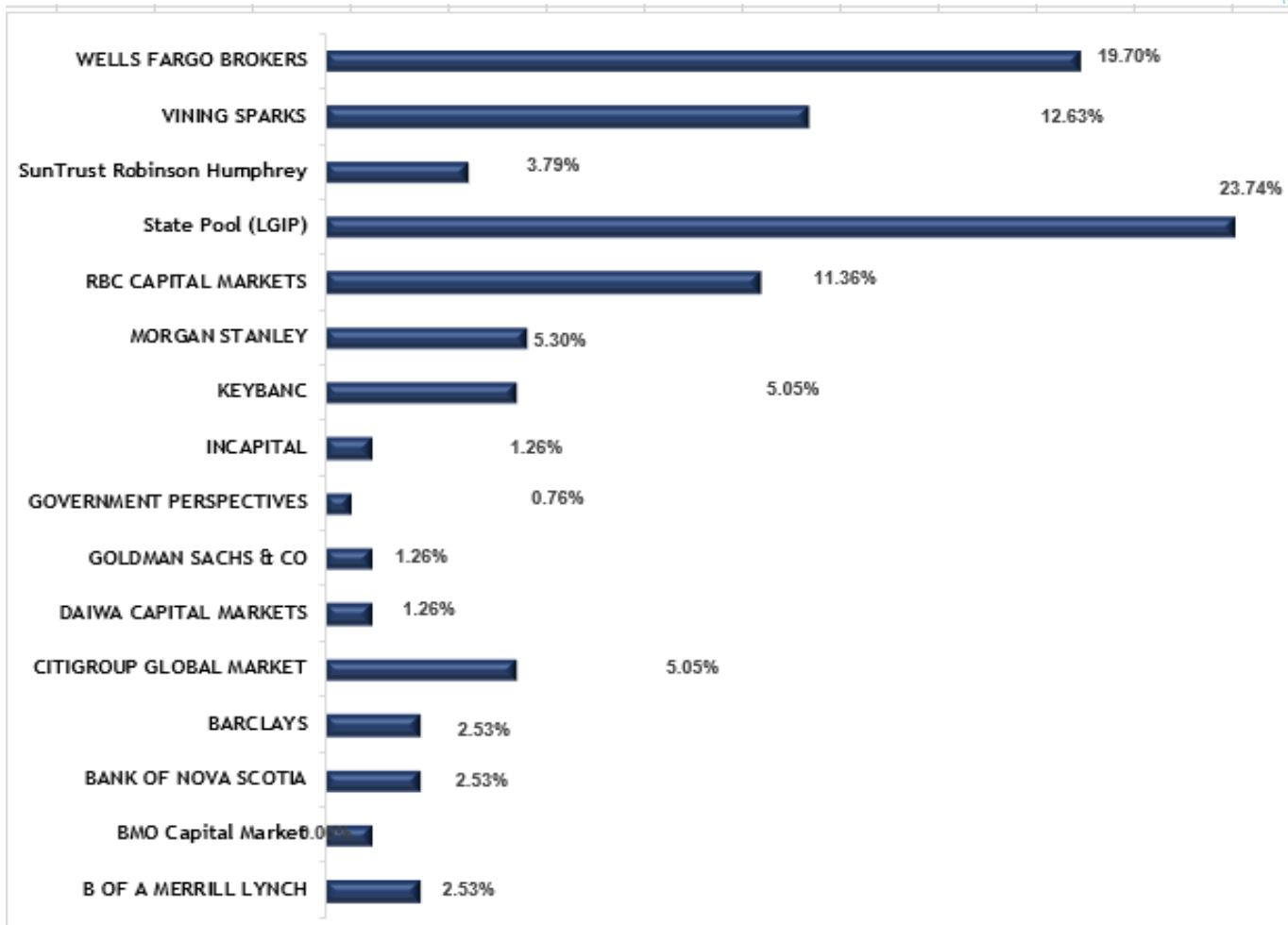
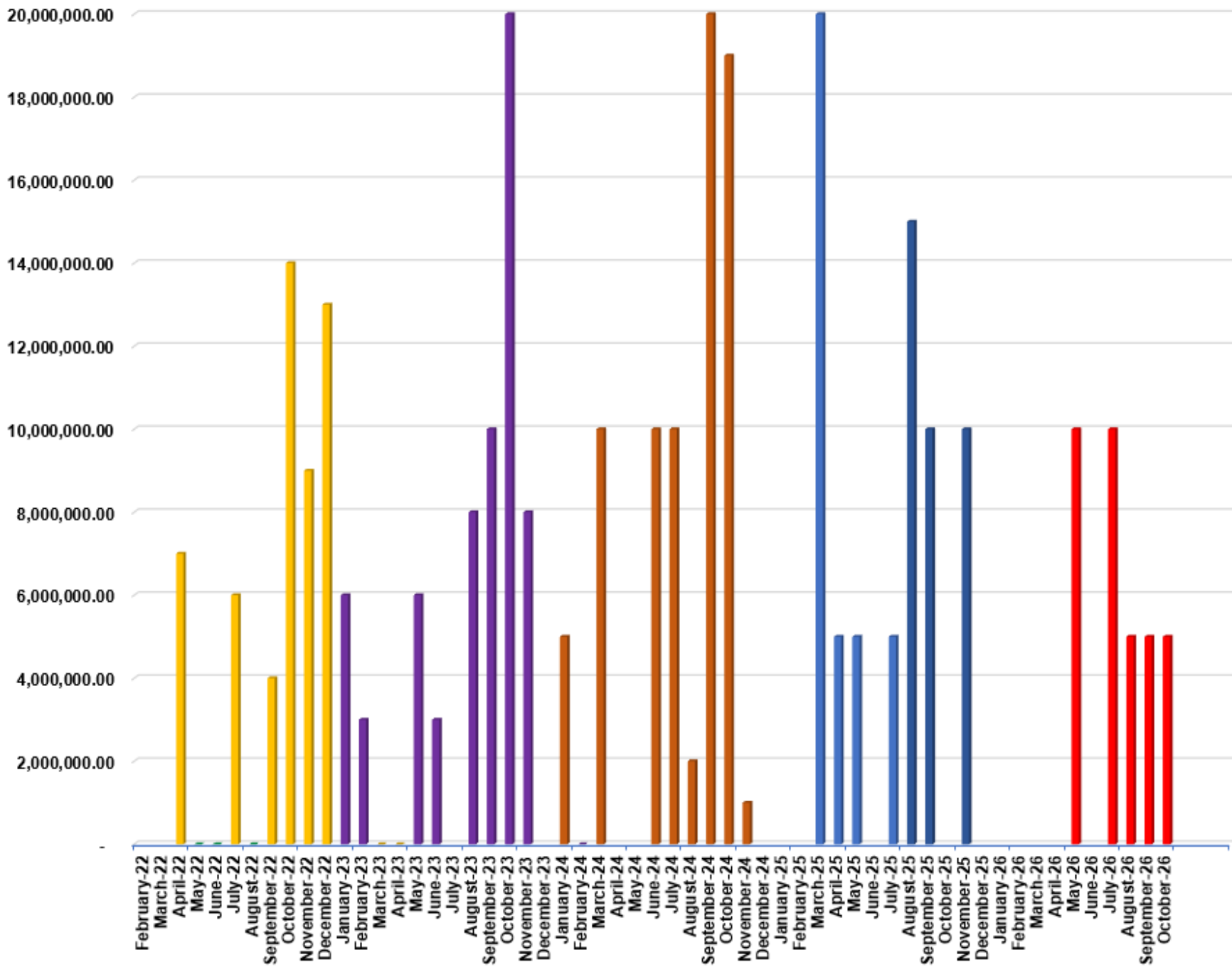


CHART BY DEALER





- ❖ Continue with FHN Financial conference calls and internal discussions
- ❖ Invest in securities according to the policy; being aware of the current market conditions
 - ❖ Continue Monitoring Fed rates
- ❖ Continue our focus on future timelines to ensure cash flows can be met
- ❖ Observe upcoming maturities and discuss the best options given market conditions with FHN for reinvesting
- ❖ Finley School District and Kennewick School District levies were unsuccessful, and we anticipate a higher cash flow need an updated cash flow has been requested

2nd QUARTER 2022 STRATEGY

NEXT FINANCE COMMITTEE MEETING

TENTATIVE
TUESDAY, AUGUST 16th, 2022
11:00 AM
TREASURER'S CONFERENCE ROOM
BENTON COUNTY COURTHOUSE
PROSSER, WA 99350