

KENNETH SPENCER, JR

Benton County Treasurer

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

# Benton County Finance Meeting

May 30th, 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**  
May 30, 2023  
11:00 AM  
Treasurer's Conference Room  
Benton County Courthouse, Prosser, WA

11:00 AM Approval of 4th Quarter 2022 Meeting Minutes – Ken Spencer

1<sup>st</sup> 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 2023 Portfolio Review

**TENTATIVE**

**Tuesday, August 15th, 2022, AT 11:00 am**  
**Prosser Courthouse, Treasurer's Conference Room**

# AGENDA

## Benton County Finance Committee Minutes      March 14, 2023

Ken Spencer called the Benton County Finance meeting to order on March 14, 2023, at 11:03 a.m.

*Present Treasurer Ken Spencer, Auditor Brenda Chilton, and Commissioner Will McKay. 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*

The committee welcomed its newest member for 2023, Commissioner Will McKay.

### *Approval of the Minutes*

Brenda moved to approve the 2022 3rd quarter minutes. Will seconded and minutes were approved.

### *Heather presented the 4th Quarter, 2022, Analysis:*

The 4<sup>th</sup> quarter ending 12/31/2022 had a portfolio balance of \$385,564,428.19.

4th quarter portfolio activity for the Treasurer's Investment Pool (TIP) included purchases of \$0 and maturities of (\$32,837,620.71).

Continue to outperform benchmarks. Majority of portfolio is still in the US Treasury.

### *1st Quarter Strategy*

- Continue with FHN Financial conference calls and internal discussions.
- Invest in securities according to the policy; being aware of the current market conditions which includes monitoring federal rates
- Continue focusing 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
- Reach out to school districts and districts to set up time for in-person visits to discuss rate increases and cash flow needs as staff has retired or taken other positions.

### *Discussion*

Treasurer staff recently returned from their annual conference where the consensus was the federal interest rates may have reached its peak. During the pandemic, approximately \$120 million in purchases is bring in less than 1%. There are plans to soon make a \$5 million purchase and extend that out to 2028 with an expected greater return.

No public comments

# Approval of Minutes

No questions from the committee

*Next Meeting*

The next Benton County Finance Committee Meeting will be Tuesday, May 16, 2023, at 11:00 a.m. at the Prosser Courthouse, Treasurer's Conference Room.

Will moved to adjourn, Brenda seconded

Ken adjourned at 11:20 am.

Approval of  
Minutes  
Continued

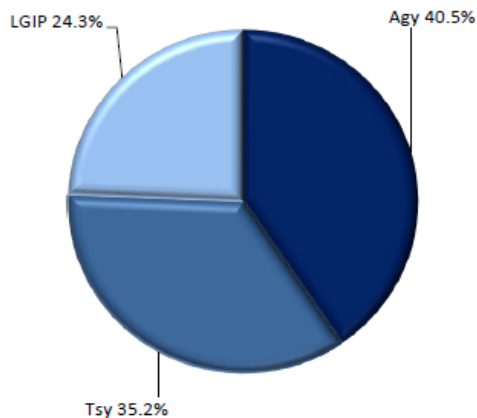
# PORTFOLIO SUMMARY

## Portfolio Summary

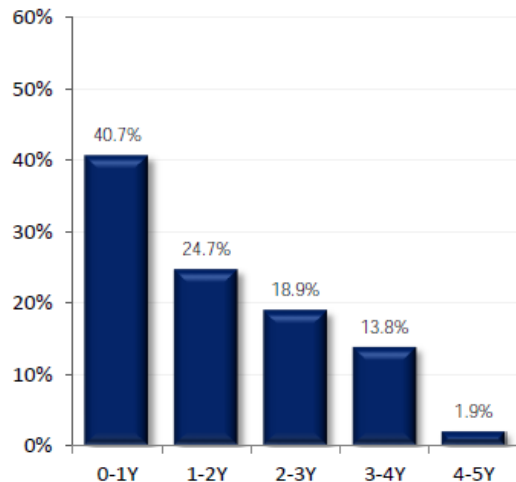
Benton County, WA-TIP

3/31/2023

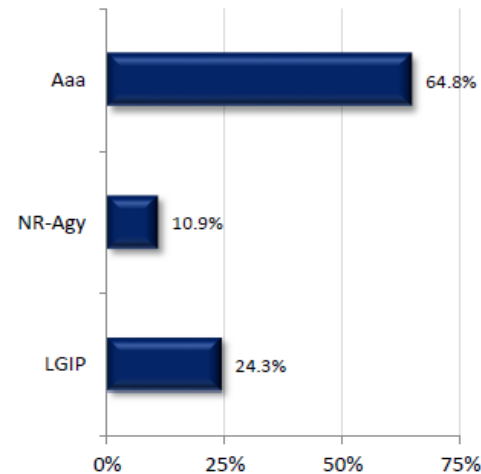
### SECTOR ALLOCATION



### MATURITY DISTRIBUTION



### CREDIT QUALITY (MOODY'S)



Per Book Value

Per Book Value

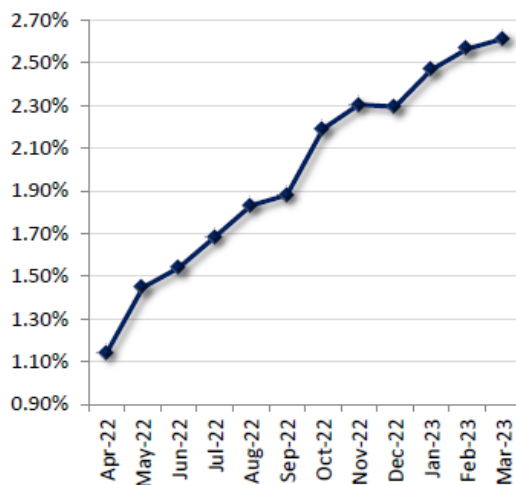
NR: Not Rated

### ACCOUNT SUMMARY

	3/31/23	12/31/22
<b>Market Value</b>	\$392,272,963	\$372,374,009
<b>Book Value</b>	\$404,140,876	\$387,112,889
<b>Variance</b>	-\$11,867,913	-\$14,738,880
<b>Par Value</b>	\$407,150,860	\$390,088,119
<b>Net Asset Value</b>	\$97.063	\$96.193
<b>Purchase Yield</b>	2.61%	2.30%
<b>Years to Maturity</b>	1.50	1.57
<b>Effective Duration</b>	1.37	1.46

\*Book Value is held at cost

### MONTH-END PORTFOLIO BOOK YIELD



### TOP ISSUERS

Issuer	% Portfolio
U.S. Treasury	36.4%
Local Gov't Investment Pool	24.3%
Federal Farm Credit Bank	13.6%
Federal Agricultural Mtg Corp	10.9%
Federal Home Loan Bank	7.4%
Federal National Mtg Assn	6.2%
Federal Home Loan Mtg Corp	1.2%

Per Book Value

# 1st QUARTER PORTFOLIO ACTIVITY

	<u>AMOUNT</u>
<b>4TH QUARTER ENDING 12/31/2022</b>	<b>\$385,564,428.19</b>
 <b><u>INVESTMENT MATURITIES/CALLS</u></b>	
Treasurer's Investment Pool	(\$17,812,568.75)
 <b><u>INVESTMENT PURCHASES</u></b>	
Treasurer's Investment Pool	\$24,611,884.96
 <b><u>STATE POOL</u></b>	
3/31/2022	LGIP
	\$10,000,000.00
<b>1st QUARTER ENDING 03/31/2023</b>	<b>\$ 402,363,744.40</b>

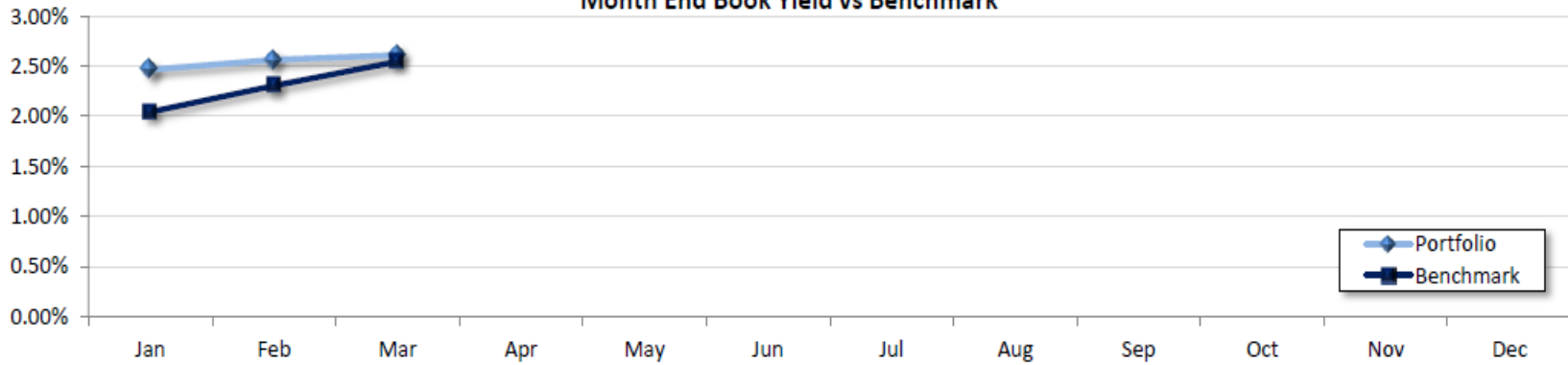
# 1st QUARTER PORTFOLIO ACTIVITY

## Purchases & Redemptions

<b>1st QUARTER PURCHASES</b>	<b>\$24,611,884.96</b>	
<b>1st QUARTER REDEMPTIONS</b>	<b>\$17,812,568.75</b>	<b>MATURITIES</b>
		<b>0 CALLS</b>
	<b>\$17,812,568.75</b>	<b>GRAND TOTAL</b>

# BENCHMARK TABLES

Month End Book Yield vs Benchmark

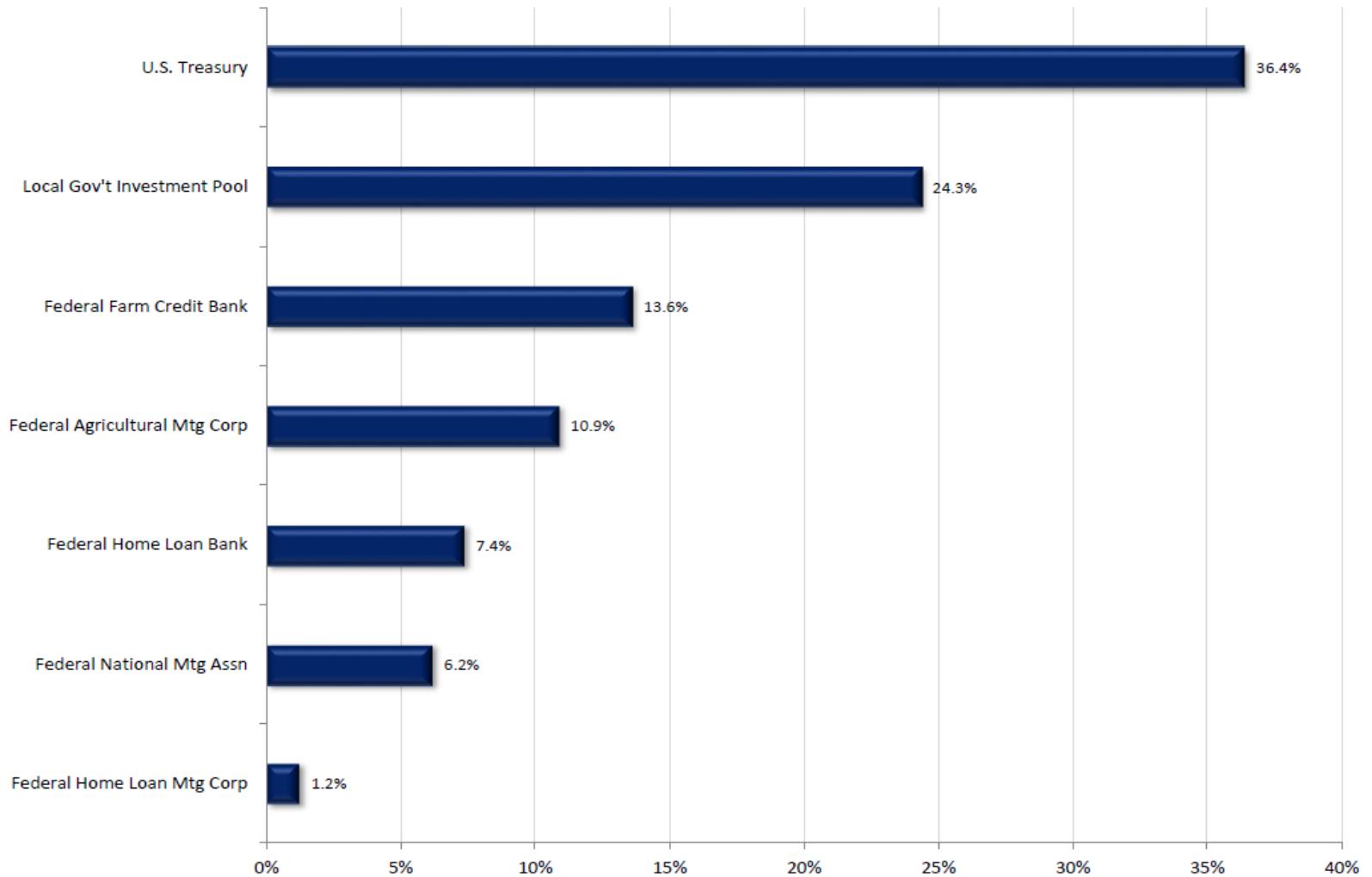


Fiscal YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Month End Book Yield	2.47%	2.57%	2.61%									
Custom Benchmark*	2.04%	2.31%	2.55%									
Variance	0.42%	0.26%	0.07%									

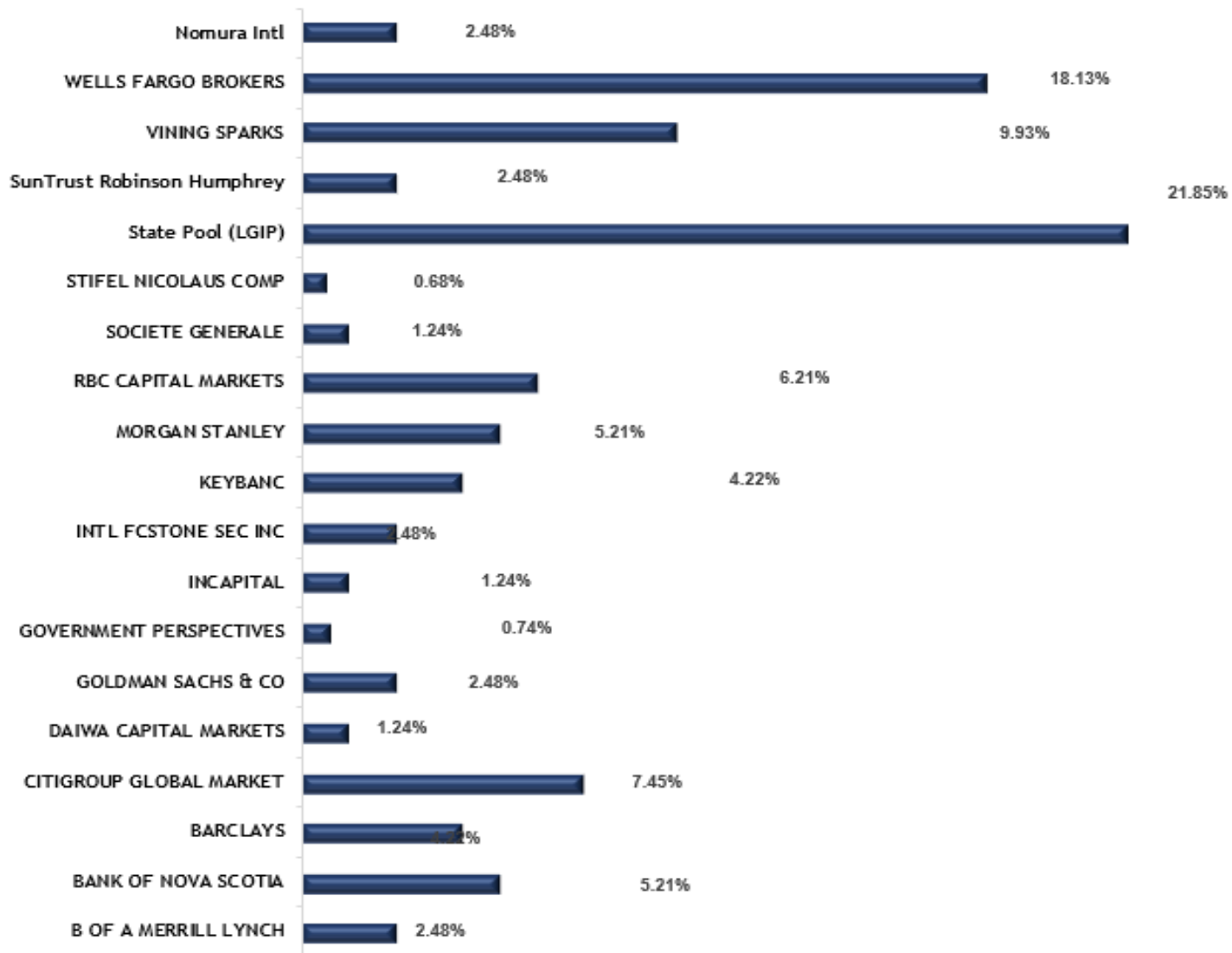
\*Benchmark: 18 Month Mov Avg BofAML 0-3Yr Tsy Indx 20%, 1-3Yr Agy Indx 40%, 0-1Yr Agy Indx 10%, LGIP 40%

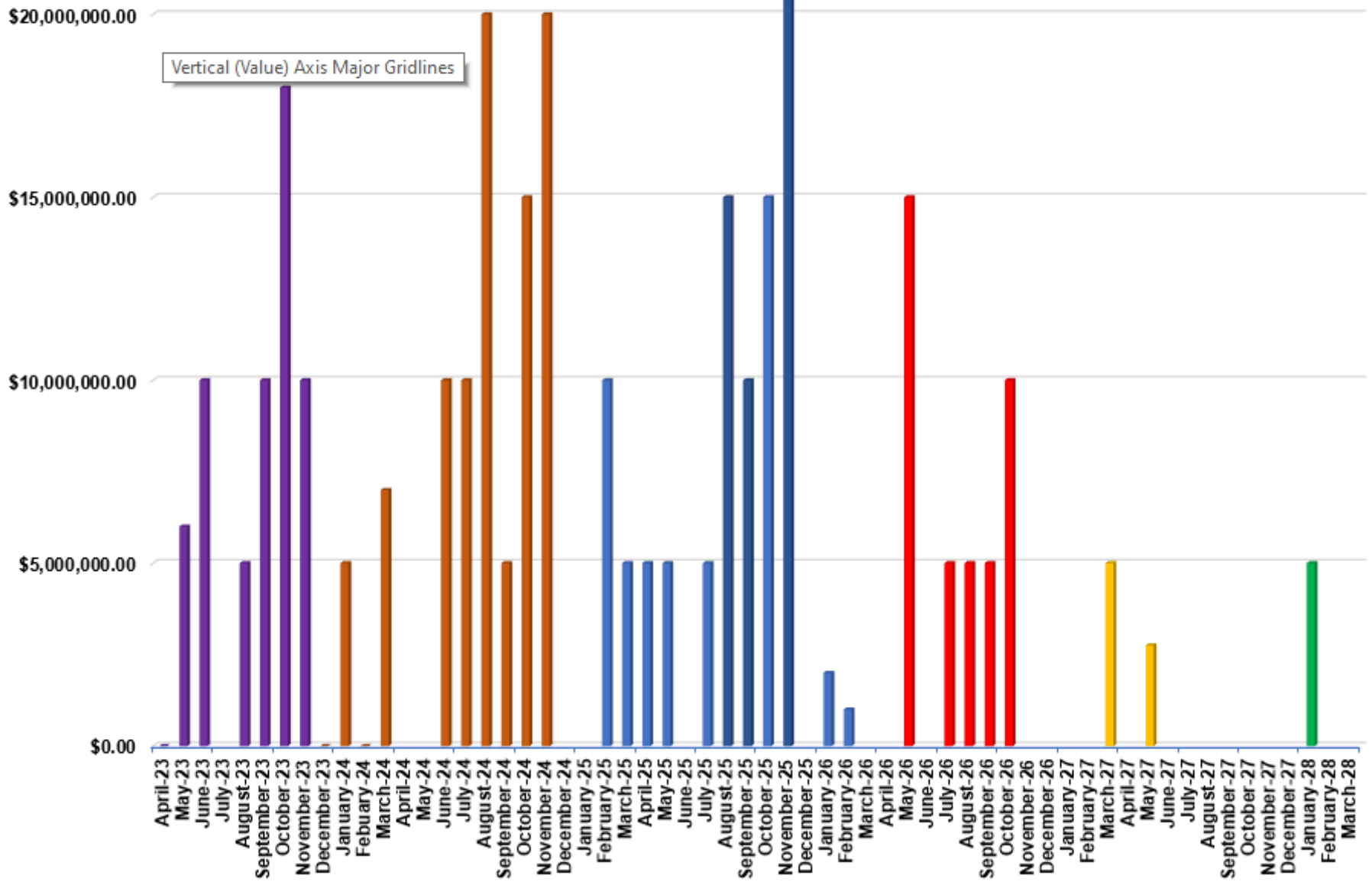


# CHART BY ISSUER



# CHART BY DEALER





- ❖ Continue bi-weekly FHN Financial conference calls and internal discussions.
- ❖ Invest in securities according to the policy; being aware of the current market conditions.
  - ❖ Primary focus is to ensure cash flow needs can be met while filling the upcoming year's monthly buckets with new investment purchases.
- ❖ Discuss the market conditions for upcoming maturities with FHN for reinvesting.
- ❖ Set up in person visits for schools and districts to discuss rate increases and updated cash flow needs as staff has retired or taken other positions.

2nd

# QUARTER 2023 STRATEGY

# NEXT FINANCE COMMITTEE MEETING

**TENTATIVE**

**TUESDAY, August 15<sup>th</sup>, 2023**

**11:00 AM**

**TREASURER'S CONFERENCE ROOM**

**BENTON COUNTY COURTHOUSE**

**PROSSER, WA 99350**