

Benton County Finance Meeting

February 27th, 2024
11:00 am

Treasurer's Conference Room
Benton County Courthouse

KENNETH SPENCER, JR

Benton County Treasurer

PO BOX 630, Prosser, WA 99350

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
February 27th, 2024
11:00 AM
Treasurer's Conference Room
Benton County Courthouse, Prosser, WA

11:00 AM Approval of 4th Quarter 2023 Meeting Minutes – Ken Spencer

Welcome Commissioner Jerome Delvin to the Finance Committee

4th Quarter Portfolio Analysis – Erika Salazar

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

Other Business -

Next Meeting- 1st Quarter 2024 Portfolio Review

TENTATIVE

Tuesday, May 21st, 2024, AT 11:00 am
Prosser Courthouse, Treasurer's Conference Room

AGENDA

Approval of Minutes

Benton County Finance Committee Minutes November 14, 2023

Ken Spencer called the Benton County Finance Committee meeting to order on November 14, 2023, at 11:00 a.m.

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

Approval of the Minutes

Brenda moved to approve the 2023 2nd quarter minutes. Will seconded and minutes were approved.

Introductions were made, with Ken announcing Heather has been promoted to another position in the Treasurer's Office and that Erika Salazar is being promoted into the position of Investment Officer.

Heather presented the 3rd Quarter, 2023, Analysis:

The 3rd quarter ending 09/30/2023 had a portfolio balance of \$399,122,674.02.

3rd quarter portfolio activity for the Treasurer's Investment Pool (TIP) included no purchases, maturities of (\$14,979,613.69), and a State Pool/LGIP increase of \$5,000,000.00. No purchases were made primarily because of the cash flow needs and what is needed for upcoming bonds and payments.

3rd Quarter Strategy

- 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.

Discussion

Ken explained that the FHN Financial firm is being bought out by a larger organization. Their advice has been on target for us. Also, looking at the districts' cash flow needs, including the county's, and with some of the major purchases and investments of the county, the downward

Approval of Minutes (cont.)

trend of the economy, and other cash flow needs, we don't have the surplus funds we have in the past to work with. Our investment numbers are down a little because of it. We've been conservative in our investments in the past and not knowing where the economy is going and the potential for a recession, this may have a larger influence on our investments. We have a solid strategy that keeps our money secure and not subject to being in liquidation mode.

No public comments.

Next Meeting

The next Benton County Finance Committee Meeting will be Tuesday, February 13, 2024, at 11:00 a.m. at the Administration Building, Treasurer's Conference Room.

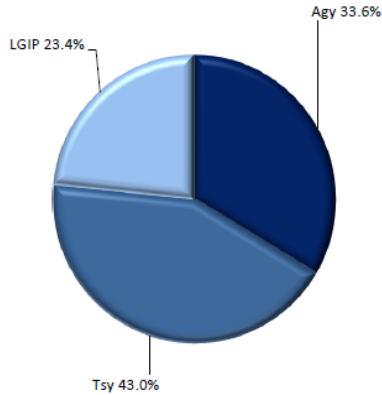
Ken closed the meeting at 11:18am.

PORTFOLIO SUMMARY

Benton County, WA-TIP

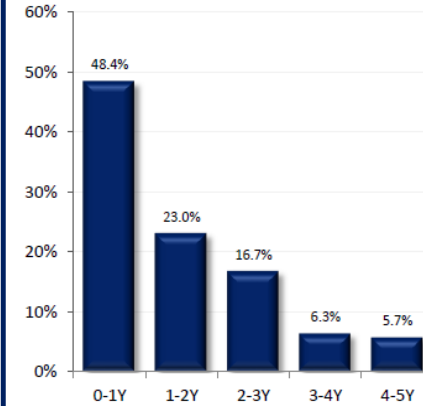
12/31/2023

SECTOR ALLOCATION



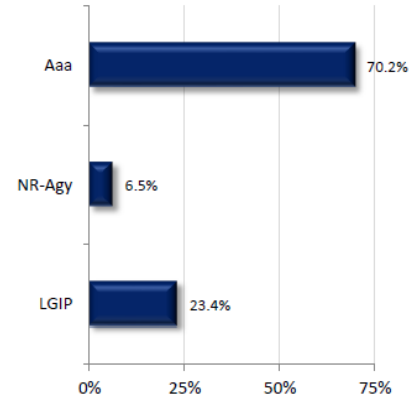
Per Book Value

MATURITY DISTRIBUTION



Per Book Value

CREDIT QUALITY (MOODY'S)



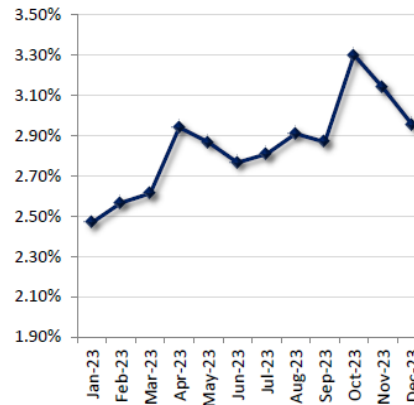
NR: Not Rated

ACCOUNT SUMMARY

	12/31/23	9/30/23
Market Value	\$377,398,997	\$386,579,965
Book Value	\$386,886,796	\$401,572,486
Variance	-\$9,487,799	-\$14,992,521
Par Value	\$390,386,732	\$405,424,370
Net Asset Value	\$97.548	\$96.267
Purchase Yield	2.95%	2.87%
Years to Maturity	1.44	1.46
Effective Duration	1.32	1.32

*Book Value is held at cost

MONTH-END PORTFOLIO BOOK YIELD



Per Book Value

TOP ISSUERS

Issuer	% Portfolio
U.S. Treasury	41.8%
Local Gov't Investment Pool	23.4%
Federal Farm Credit Bank	10.4%
Federal Home Loan Bank	7.7%
Federal Agricultural Mtg Corp	6.5%
Federal National Mtg Assn	6.5%
Federal Home Loan Mtg Corp	3.9%

Investment Policy Compliance

Benton County, WA-TIP

12/31/2023

Item / Sector	Parameters	In Compliance
Weighted Average Maturity	Weighted Average Maturity (WAM) must be less than 3 years	Yes: 1.44 yrs
1 Year Liquidity	At least 30% of the portfolio must have maturities of 1 year or less	Yes: 48.4%
30 Day Liquidity	At least 20% of the portfolio must mature within 30 days	Yes: 24.7%
U.S. Treasuries	No limit, no issuer limit, maximum maturity 5 years	Yes: 43.0%
U.S. Federal Agencies	No limit, 50% issuer limit, maximum maturity 5 years	Yes: 33.6%
Supranational Obligations	20% Limit, IBRD, IADB, IFC	Yes: 0.0%
Local Government Investment Pool	No limit	Yes: 23.4%
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.

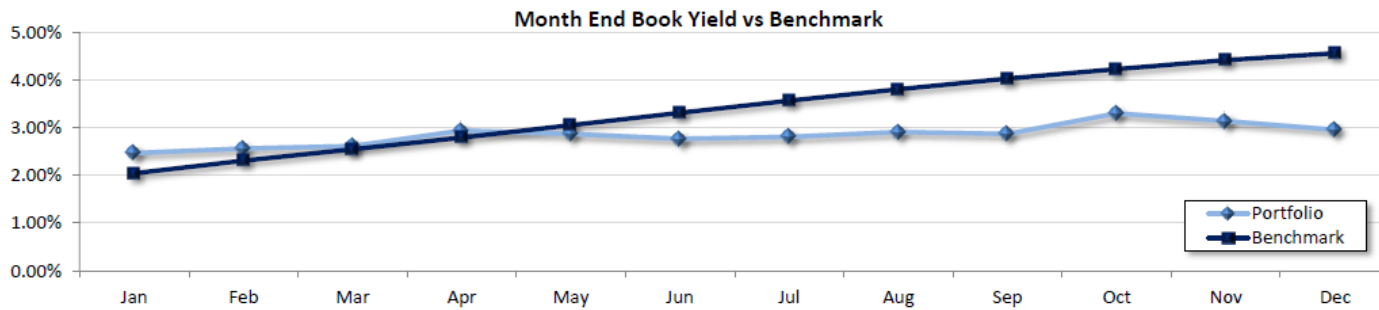
4th QUARTER PORTFOLIO ACTIVITY

	<u>AMOUNT</u>
3rd QUARTER ENDING 09/29/2023	\$404,143,233.06
<u>INVESTMENT MATURITIES/CALLS</u>	
Treasurer's Investment Pool	(\$27,964,749.04)
<u>INVESTMENT PURCHASES</u>	
Treasurer's Investment Pool	\$10,093,308.44
<u>STATE POOL</u>	
12/31/2023	(\$2,000,000.00)
	LGIP
4th QUARTER ENDING 12/31/2023	\$384,271,792.46

4th QUARTER PORTFOLIO ACTIVITY Purchases & Redemptions

4th Quarter Purchases	\$ 10,093,308.44
4th Quarter Maturities	\$ 27,964,749.04
	0 Calls
	\$ 27,964,749.04 Grand Total

BENCHMARK TABLES



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%	3.30%	3.14%	2.95%
Custom Benchmark*	2.04%	2.31%	2.55%	2.79%	3.05%	3.31%	3.56%	3.81%	4.03%	4.23%	4.42%	4.56%
Variance	0.42%	0.26%	0.07%	0.15%	-0.18%	-0.55%	-0.76%	-0.90%	-1.16%	-0.93%	-1.28%	-1.61%

*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

Benton County, WA-TIP

12/31/2023

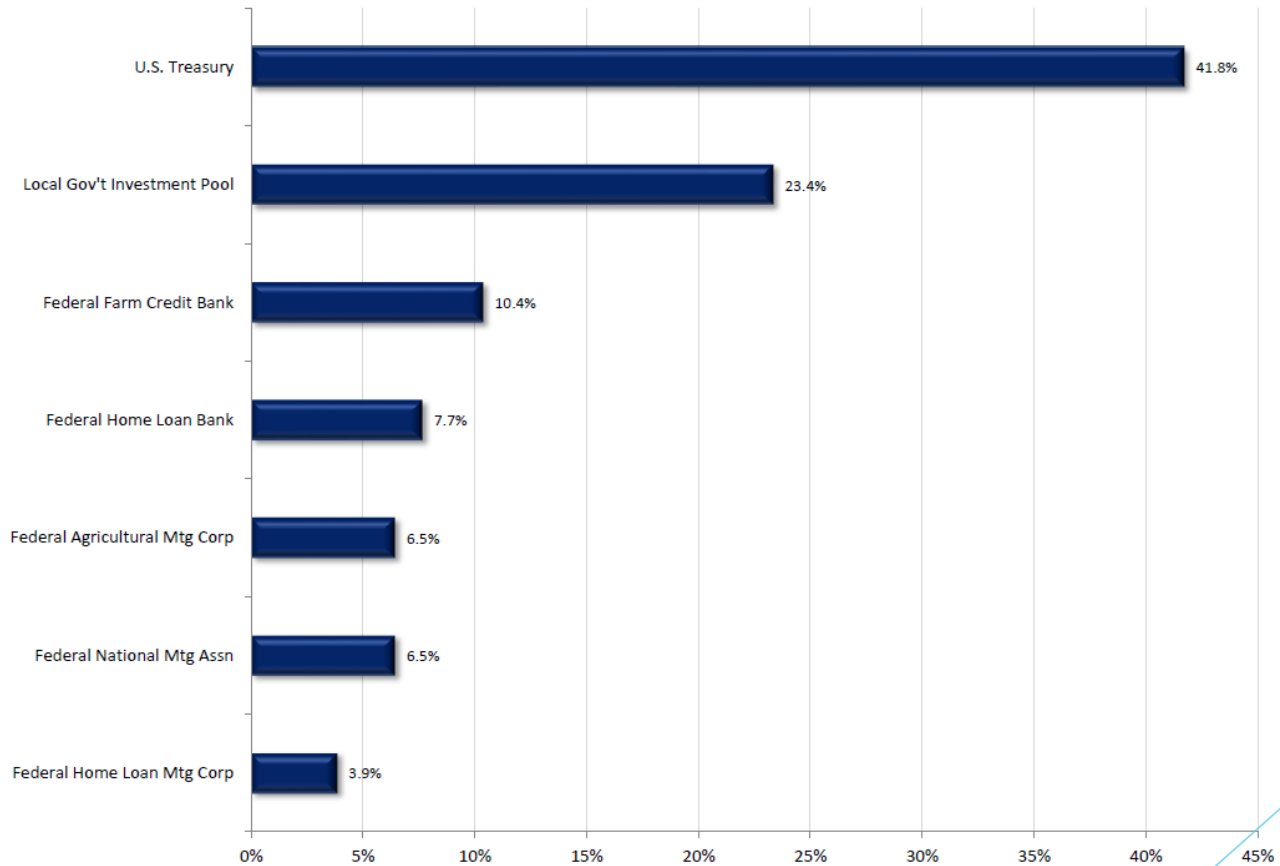
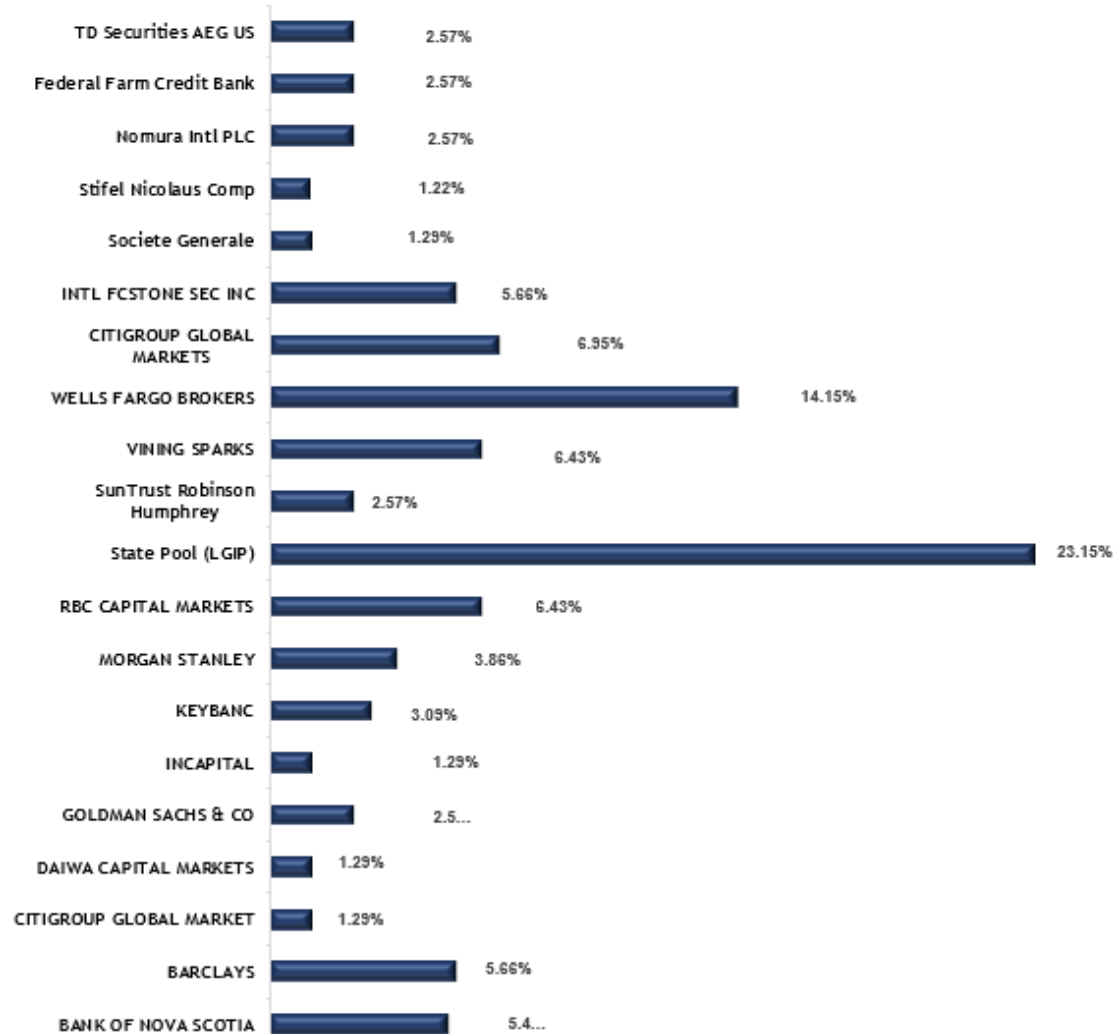
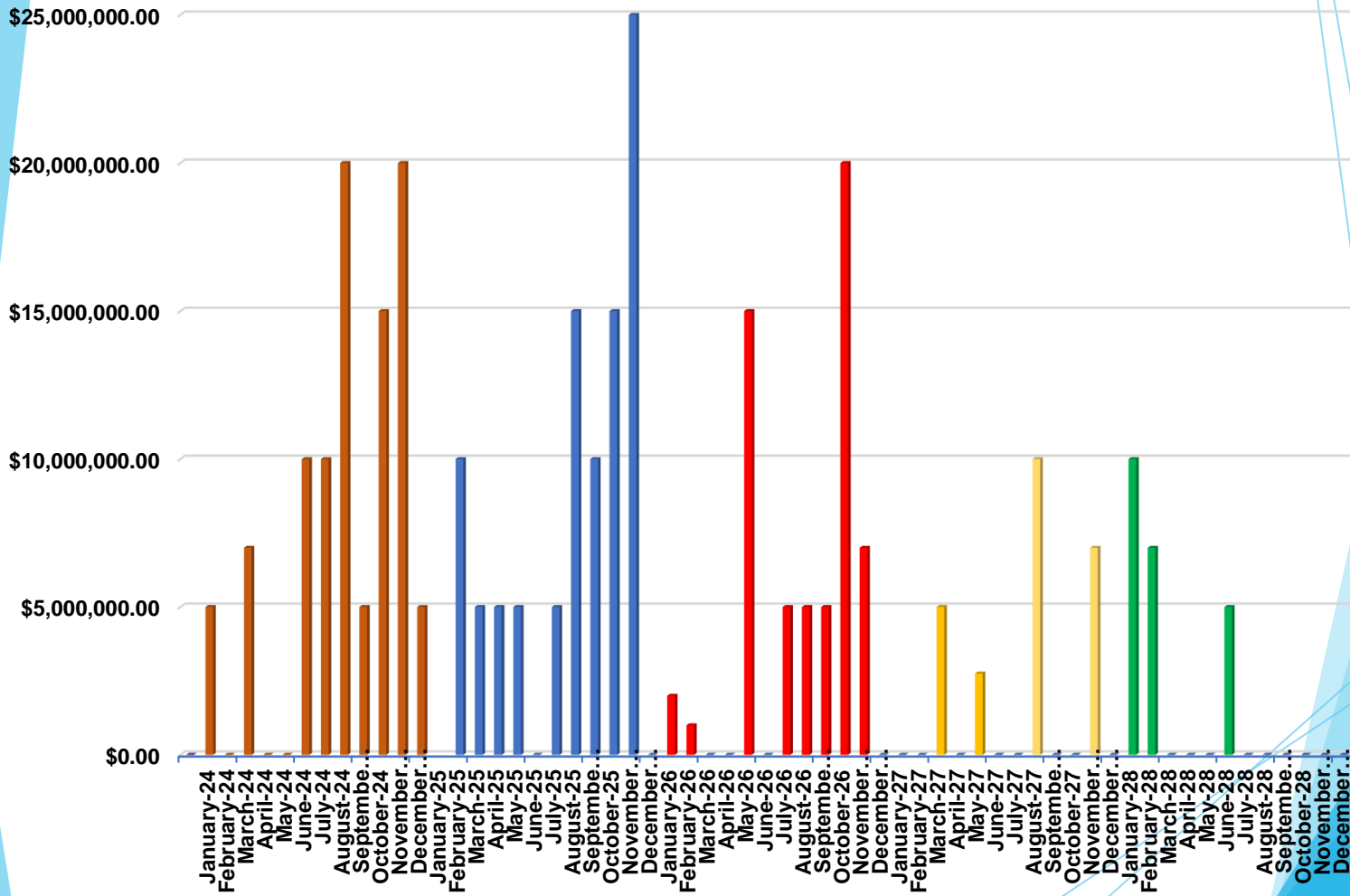


CHART BY DEALER



MATURITY CHART



1st QUARTER 2024 STRATEGY



Partner with Meeder Public Funds (formerly FHN) for bi-weekly conference calls and internal discussions.



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



Balance agency bonds to not heavily invest in one industry



Focus on district and county cash flows to meet liquidity needs



Increase portfolio duration, when possible, by purchasing longer-term approved securities

TENTATIVE
TUESDAY, MAY 21st, 2024
11:00 AM

TREASURER'S CONFERENCE ROOM
BENTON COUNTY COURTHOUSE
PROSSER, WA 99350



UPCOMING
MEETING
INFORMATION