

City of Ridgecrest Finance Committee Agenda

Conference Room B
100 W California Ave
Ridgecrest, CA 93555



July 11, 2023
5:30 PM
Regular Meeting

FINANCE COMMITTEE
Mayor Bruen, Council Member Hayman

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

APPROVAL OF MINUTES

1. Approve Draft Minutes of the regular meeting dated 05/09/2023.

PUBLIC COMMENT (Items Not on the Agenda)

DISCUSSION AND OTHER ACTION ITEMS

2. Revenue Update
3. ARPA Update
4. Quarterly Investment Report

COMMITTEE MEMBER COMMENTS

SUPPORT STAFF COMMENTS

FUTURE AGENDA ITEMS

NEXT MEETING August 8, 2023

ADJOURNMENT

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City of Ridgecrest Public Meeting Participation

City of Ridgecrest Committee meetings are OPEN to public attendance. Although meetings are OPEN, public participation is still encouraged via live streaming, call-in or via written correspondence.

TO PARTICIPATE please call, email, or send mail to the contact info provided below:

- Watch and call in to committee meetings via WebEx:
<https://cityofridgecrest.webex.com/cityofridgecrest/j.php?MTID=m6c43cabb6526281f7b0bdc645be0e449>
Meeting password: PaXde4DrW88
- Call in to committee meetings via phone:
1-650-479-3208 Call-in toll number (US/Canada)
Meeting number (access code): 126 249 6217
Meeting password: PaXde4DrW88
- Submit written comments:
We encourage submittal of written comments supporting, opposing, or otherwise commenting on an agenda item, for distribution to the Committee prior to the meeting. Send emails to kisaac@ridgecrest-ca.gov, written correspondence may be sent to Kerisa Isaac, Account Clerk 1, 100 W. California Ave., Ridgecrest, CA 93555. Please specify to which agenda item your comment relates. All communication, whether it is a formal letter or an online informal email, is distributed to the Committee.

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<https://www.ridgecrest-ca.gov/AgendaCenter>

If you have any questions, please contact at 760-499-5026.

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City of Ridgecrest Finance Committee Draft Minutes

Conference Room B
100 W California Ave
Ridgecrest, CA 93555



May 09, 2023
5:30 PM
Regular Meeting

FINANCE COMMITTEE
Mayor Bruen, Council Member Hayman

CALL TO ORDER – 5:38 PM

ROLL CALL

Mayor Bruen, *Present*
Council Member Hayman, *Present*

APPROVAL OF AGENDA – Approved

APPROVAL OF MINUTES – Approved

1. Approve Draft Minutes of the regular meeting dated April 11, 2023.

PUBLIC COMMENT (Items Not on the Agenda) – None

DISCUSSION AND OTHER ACTION ITEMS

2. Revenue Update (Ref: Sales Tax Tracking)
Sales Tax; On trend to hit budgeted amount,
Measure L/V; On trend to hit over budgeted amount.
Transient Occupancy Tax; On trend to hit over budgeted amount.
Property Tax; Will most likely hit below budget.
 3. Transient Occupancy Tax Historical Review (Ref: Revenue Update)
Discussion of the Transient Occupancy Tax revenue over the last eight fiscal years plus the current fiscal year.
 4. ARPA Update (Ref: ARP Fund Planning Meeting)
Discussion of City Council approved ARPA projects and future projects that are being brought to council.
 5. 3rd Quarter Review (Ref: Quarterly Financial Report)
General Fund; 62% of Amended Budget in revenue received, 46% of Amended Budget in expenditures expended. (Pg. 1)
-

Gas Tax Fund; 20% of Amended Budget in revenue received, 26% of Amended Budget in expenditures expended. (Pg. 2)

T.D.A. Transit Fund; 42% of Amended Budget in revenue received, 20% of Amended Budget in expenditures expended. (Pg. 3)

Wastewater Fund; 62% of Amended Budget in revenue received, 19% of Amended Budget in expenditures expended. (Pg. 4)

Human Resources/Risk Management ISF; 79% of Amended Budget in revenue received, 48% of Amended Budget in expenditures expended. (Pg. 5)

Fleet Maintenance ISF Fund; 50% of Amended Budget in revenue received, 56% of Amended Budget in expenditures expended. (Pg. 6)

Investment Summary; 2.07 % interest rate for 3rd quarter. (Pg. 7)

COMMITTEE MEMBER COMMENTS – None

SUPPORT STAFF COMMENTS – None

FUTURE AGENDA ITEMS – None

NEXT MEETING June 13, 2023

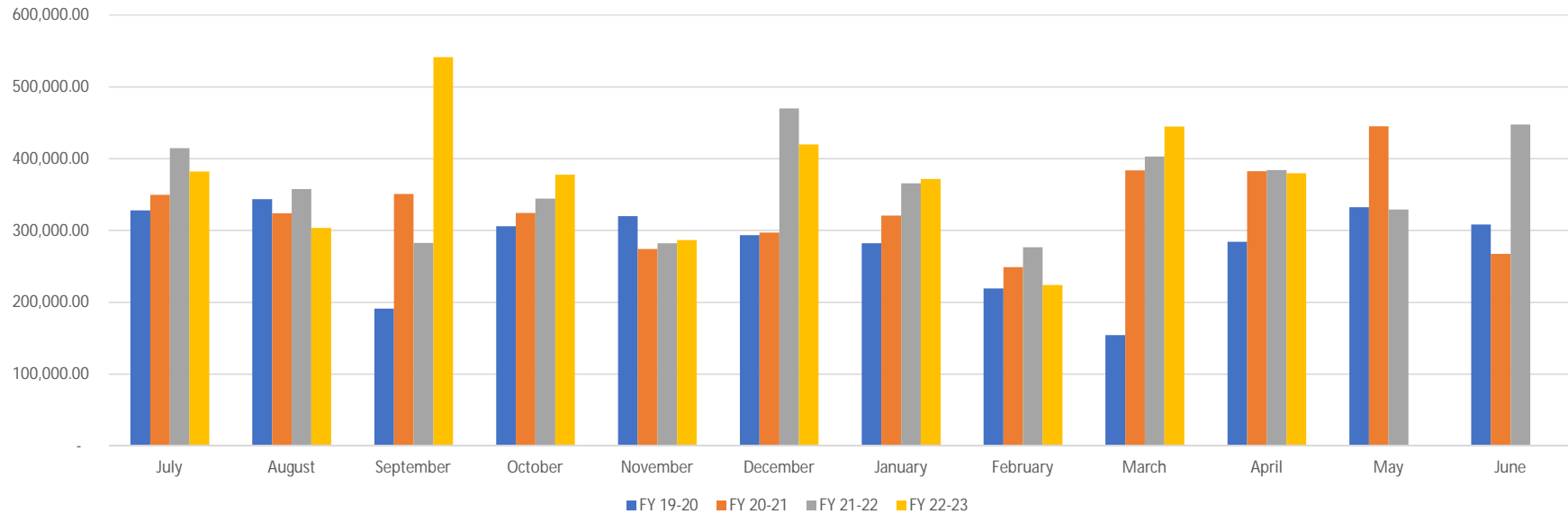
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City of Ridgecrest
Revenue Update

Sales Tax

FY 19-20		FY 20-21		FY 21-22		FY 22-23		Average of last 4 years	Median of last 4 years
Month	Amount	Month	Amount	Month	Amount	Month	Amount		
July	328,078.19	July	349,723.30	July	414,657.14	July	382,248.56	368,676.80	365,985.93
August	343,722.05	August	324,333.00	August	357,694.59	August	303,843.65	332,398.32	334,027.53
September	191,455.99	September	351,141.03	September	282,781.46	September	541,760.11	341,784.65	316,961.25
October	305,953.07	October	324,390.85	October	344,807.49	October	377,779.12	338,232.63	334,599.17
November	320,224.26	November	274,283.18	November	282,556.73	November	286,975.04	291,009.80	284,765.89
December	293,780.48	December	297,317.78	December	470,328.88	December	420,183.19	370,402.58	358,750.49
January	282,460.38	January	321,134.52	January	366,046.70	January	371,774.51	335,354.03	343,590.61
February	219,310.72	February	249,191.85	February	277,039.57	February	224,372.53	242,478.67	236,782.19
March	154,494.92	March	384,030.11	March	403,355.34	March	444,777.29	346,664.42	393,692.73
April	284,590.65	April	382,684.68	April	384,504.14	April	379,831.69	357,902.79	381,258.19
May	332,776.75	May	445,203.69	May	329,430.19	May		369,136.88	332,776.75
June	308,550.43	June	267,774.61	June	447,521.37	June		341,282.14	308,550.43
Budget	3,378,352.00	Budget	3,363,977.00	Budget	3,693,633.00	Budget	4,312,332.00		
Actual	3,365,397.89	Actual	3,971,208.60	Actual	4,360,723.60	Actual	3,733,545.69		
Difference	(12,954.11)	Difference	607,231.60	Difference	667,090.60	Difference	(578,786.31)		

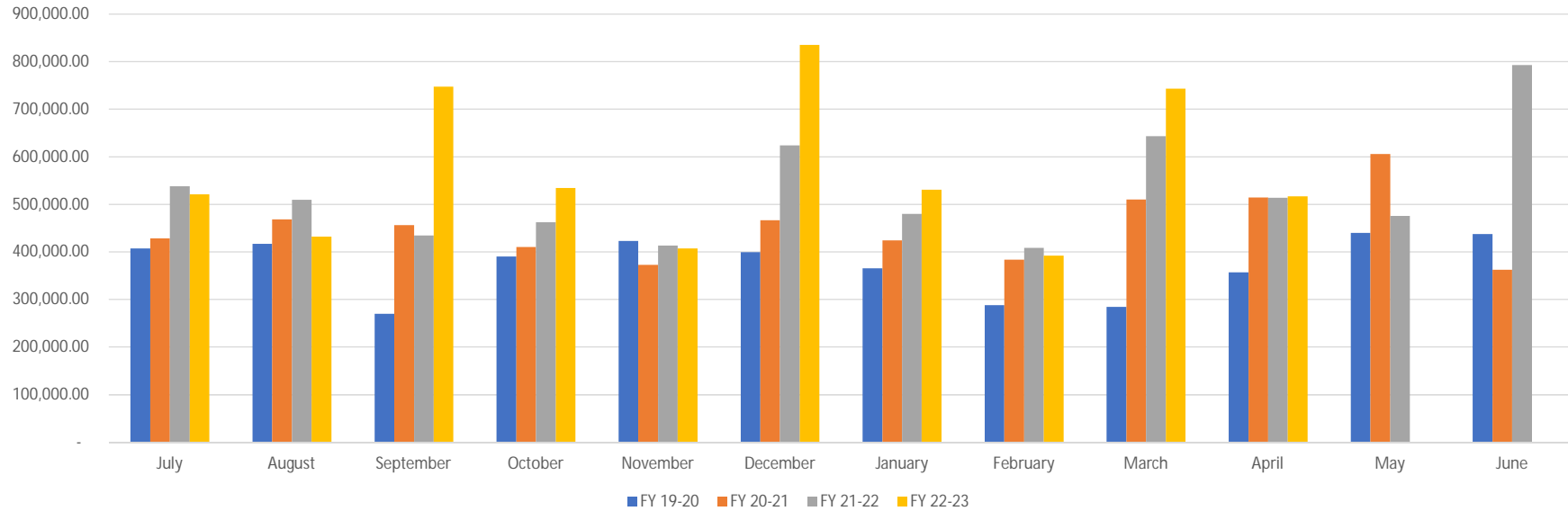




City of Ridgecrest
Revenue Update

Measure L/V Add-On Tax

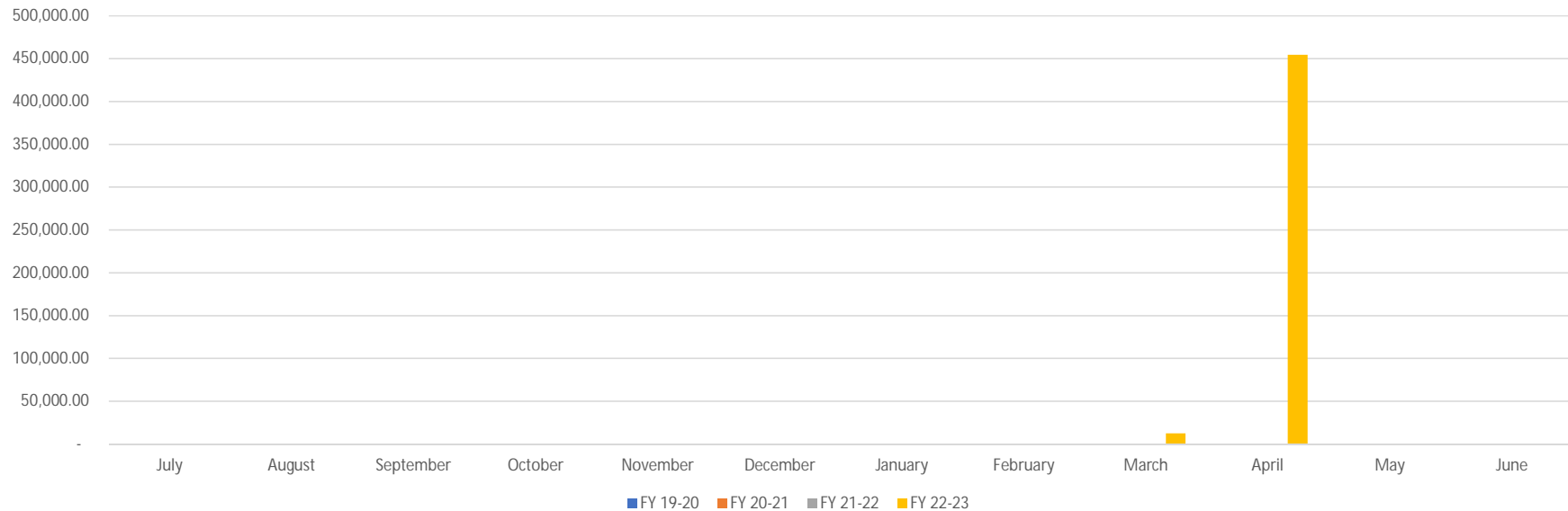
FY 19-20		FY 20-21		FY 21-22		FY 22-23		Average of last 4 years	Median of last 4 years
Month	Amount	Month	Amount	Month	Amount	Month	Amount		
July	407,276.94	July	428,256.50	July	538,159.21	July	520,882.50	473,643.79	474,569.50
August	416,719.02	August	468,230.13	August	509,552.91	August	432,267.09	456,692.29	450,248.61
September	269,782.41	September	456,135.13	September	434,430.28	September	747,741.54	477,022.34	445,282.71
October	390,094.78	October	410,609.87	October	462,323.78	October	534,435.39	449,365.96	436,466.83
November	423,002.75	November	372,546.02	November	413,188.16	November	407,155.04	403,972.99	410,171.60
December	399,370.59	December	466,557.09	December	623,696.39	December	835,010.25	581,158.58	545,126.74
January	365,622.46	January	424,477.72	January	480,118.30	January	530,849.84	450,267.08	452,298.01
February	288,151.94	February	383,583.42	February	408,539.89	February	392,412.62	368,171.97	387,998.02
March	284,145.08	March	510,420.61	March	643,345.03	March	743,061.31	545,243.01	576,882.82
April	357,322.71	April	514,213.53	April	513,545.96	April	517,005.18	475,521.85	513,879.75
May	439,685.87	May	605,801.34	May	475,492.36	May		506,993.19	475,492.36
June	437,352.04	June	362,430.53	June	792,588.24	June		530,790.27	437,352.04
Budget	4,449,922.00	Budget	4,371,979.00	Budget	4,993,000.00	Budget	5,959,383.00		
Actual	4,478,526.59	Actual	5,403,261.89	Actual	6,294,980.51	Actual	5,660,820.76		
Difference	28,604.59	Difference	1,031,282.89	Difference	1,301,980.51	Difference	(298,562.24)		





City of Ridgecrest
Revenue Update

Measure P Add-On Tax									
FY 19-20		FY 20-21		FY 21-22		FY 22-23		Average of last 4 years	Median of last 4 years
Month	Amount	Month	Amount	Month	Amount	Month	Amount		
July		July		July		July	-	-	-
August		August		August		August	-	-	-
September		September		September		September	-	-	-
October		October		October		October	-	-	-
November		November		November		November	-	-	-
December		December		December		December	-	-	-
January		January		January		January	-	-	-
February		February		February		February	-	-	-
March		March		March		March	12,296.61	12,296.61	12,296.61
April		April		April		April	454,452.14	454,452.14	454,452.14
May		May		May		May	-	-	-
June		June		June		June	-	-	-
Budget	-	Budget	-	Budget	-	Budget	1,475,000.00		
Actual	-	Actual	-	Actual	-	Actual	466,748.75		
Difference	-	Difference	-	Difference	-	Difference	(1,008,251.25)		

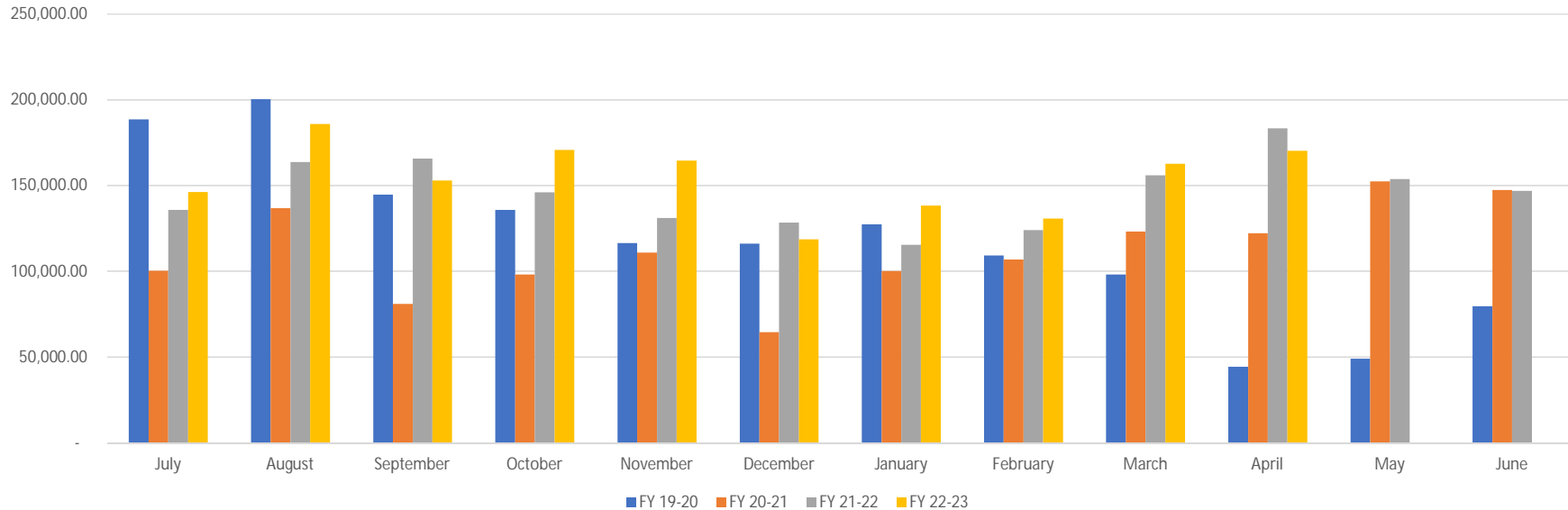




City of Ridgecrest
Revenue Update

Transient Occupancy Tax

FY 19-20		FY 20-21		FY 21-22		FY 22-23		Average of last 4 years	Median of last 4 years
Month	Amount	Month	Amount	Month	Amount	Month	Amount		
July	188,736.85	July	100,451.47	July	135,844.97	July	146,336.85	142,842.53	141,090.91
August	200,470.27	August	136,901.32	August	163,881.89	August	186,051.93	171,826.35	174,966.91
September	144,805.58	September	81,092.72	September	165,840.61	September	153,011.16	136,187.52	148,908.37
October	135,901.66	October	98,242.42	October	146,217.53	October	170,912.87	137,818.62	141,059.60
November	116,630.40	November	111,082.73	November	131,210.52	November	164,628.19	130,887.96	123,920.46
December	116,220.58	December	64,563.91	December	128,566.91	December	118,691.35	107,010.69	117,455.97
January	127,560.99	January	100,168.08	January	115,615.52	January	138,427.71	120,443.07	121,588.26
February	109,324.59	February	107,037.57	February	124,136.27	February	130,913.05	117,852.87	116,730.43
March	98,304.42	March	123,367.73	March	156,031.43	March	162,878.99	135,145.64	139,699.58
April	44,412.17	April	122,338.20	April	183,523.31	April	170,395.66	130,167.33	146,366.93
May	49,075.68	May	152,518.73	May	153,840.54	May		118,478.32	152,518.73
June	79,658.48	June	147,571.68	June	147,011.62	June		124,747.26	147,011.62
Budget	1,500,000.00	Budget	1,500,000.00	Budget	1,400,000.00	Budget	1,400,000.00		
Actual	1,411,101.67	Actual	1,345,336.55	Actual	1,751,721.12	Actual	1,542,247.76		
Difference	(88,898.33)	Difference	(154,663.45)	Difference	351,721.12	Difference	142,247.76		

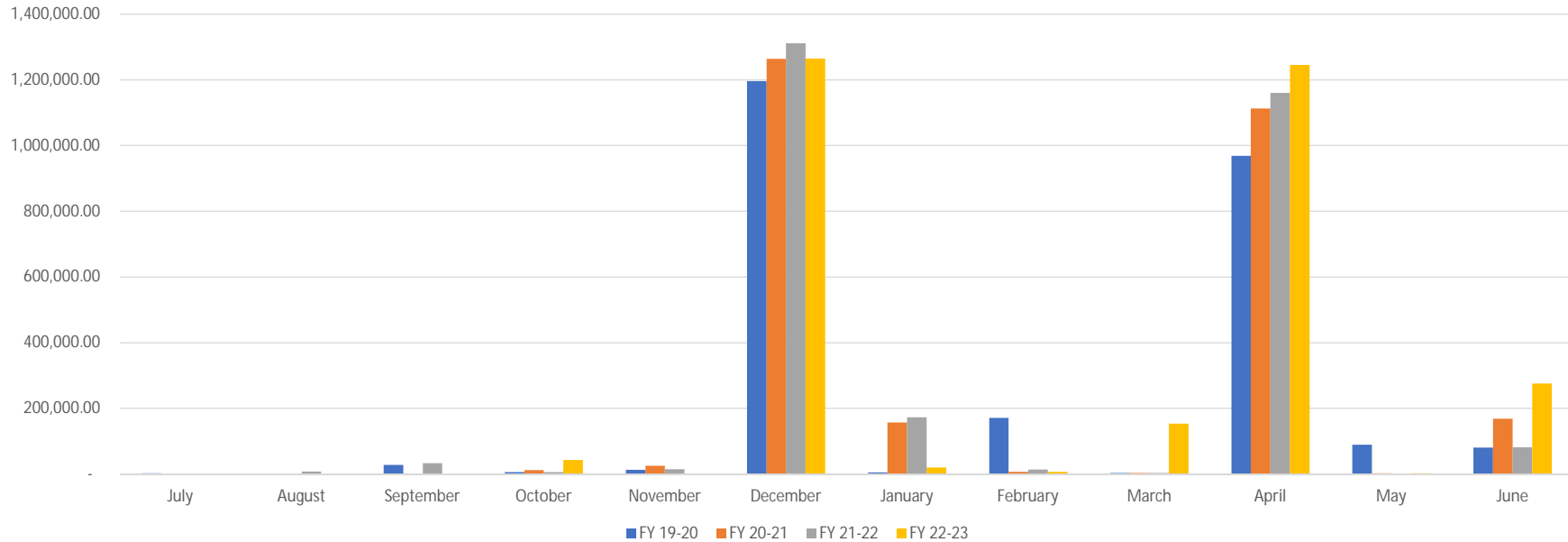




City of Ridgecrest
Revenue Update

Property Taxes (All Accounts Included)

FY 19-20		FY 20-21		FY 21-22		FY 22-23		Average of last 4 years	Median of last 4 years
Month	Amount	Month	Amount	Month	Amount	Month	Amount		
July	2,654.99	July	2,012.65	July		July	1,453.35	2,040.33	2,012.65
August	1,990.32	August	-	August	7,487.98	August	-	2,369.58	995.16
September	28,286.96	September	-	September	33,151.01	September	-	15,359.49	14,143.48
October	6,066.17	October	11,868.39	October	6,400.62	October	43,082.85	16,854.51	9,134.51
November	13,523.08	November	25,681.33	November	14,901.30	November	-	13,526.43	14,212.19
December	1,196,305.41	December	1,264,046.30	December	1,311,288.62	December	1,264,978.44	1,259,154.69	1,264,512.37
January	5,407.24	January	156,932.33	January	173,239.01	January	20,414.92	88,998.38	88,673.63
February	171,308.42	February	7,185.38	February	13,634.26	February	7,353.30	49,870.34	10,493.78
March	3,693.13	March	3,120.39	March	3,176.84	March	154,032.44	41,005.70	3,434.99
April	968,992.13	April	1,113,041.14	April	1,160,405.69	April	1,245,810.84	1,122,062.45	1,136,723.42
May	89,595.63	May	2,929.12	May	145.29	May	2,877.20	23,886.81	2,903.16
June	80,687.67	June	168,903.69	June	81,396.24	June	276,026.34	151,753.49	125,149.97
Budget	2,354,201.00	Budget	2,592,358.00	Budget	2,705,464.00	Budget	3,024,930.00		
Actual	2,568,511.15	Actual	2,755,720.72	Actual	2,805,226.86	Actual	3,016,029.68		
Difference	214,310.15	Difference	163,362.72	Difference	99,762.86	Difference	(8,900.32)		



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Project	Original Estimate	Amount Approved	Approved by Council	Amount Spent	Project Complete	Amount Pending	Leftover Funds
RACVB Welcome Center Contribution	649,000	649,000	10/6/2021	649,000	Yes	-	-
Police Vehicles with "Packing Heat" Software	500,000	500,000	10/6/2021	323,068	No	176,932	-
City-Wide Broadband Installation Agreement	250,000	479,999	11/3/2021 & 10/	456,432	No	23,567	-
One-Time Essential Employee Hazard Pay	424,142	424,142	12/1/2021	395,614	Yes	-	28,528
QCT - Leroy Jackson - Replace Water Tank	31,107	31,107	1/5/2022	29,131	Yes	-	1,976
Parks & Rec Roofs	52,111	64,033	1/5/2022 & 2/1/2	64,040	Yes	-	(7)
Pearson Park - Solar Lighting	32,925	32,925	1/5/2022	24,993	Yes	-	7,932
Campus WIFI Refresh	50,000	59,183	4/20/2022	49,016	No	10,166	-
QCT - Leroy Jackson - Repair and Resurface Tennis Courts	480,000	576,000	5/4/2022	-	No	576,000	-
Kerr McGee - Replace Banquet Hall Flooring	75,000	101,388	8/3/2022 & 11/0:	101,388	Yes	-	-
Kerr McGee - Replace Partitions in Banquet Hall and Gym	845,000	956,352	8/3/2022	825,940	No	130,412	-
All Parks - Smart Water System	17,000	24,610	1/19/2022	21,377	Yes	-	3,233
Virtual Desktop Infrastructure Refresh/ Server Infrastructure Refres:	435,000	582,607	1/18/2023	498,366	No	84,241	-
QCT - Leroy Jackson - Restroom/Concession Building	325,000	990,460	1/18/2023		No	990,460	-
Kerr McGee YSC Topographic Mapping		28,500	2/15/2023	28,500	No	-	-
Kerr McGee YSC Spectator Seating Shade	233,000	559,878	3/1/2023		No	559,878	-
				-			-
	Totals	6,060,184		3,466,867		2,551,656	41,662
					Total ARPA Funds	6,930,958	
					Interest Earnings	51,582	
					Amount Remaining to be Allocated	964,017	

Pending Projects

QCT - Leroy Jackson - Softball Field Lights	110,000	
QCT - Leroy Jackson - Softball Field Infield Renovation	50,000	amount dropped due to inhouse work
Kerr McGee Baseball Fields - Slatted Chain Link Fence	46,000	waiting till other projects designation for best placement

Total Pending Projects 206,000

Amount to be allocated minus pending projects 758,017

Spent and Approved amounts as of: 7/5/2023

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To Ron Strand and Cheri Freese, City of Ridgecrest

From Steven Gortler, Bud Levine and Rob Pankratz, Wulff, Hansen & Co.

Date May 24, 2023

Subject Quarterly Portfolio Review as of April 30, 2023

BACKGROUND

On October 24, 2022, the City of Ridgecrest invested \$44,860,707* of its funds in a laddered portfolio of 11 U.S. Treasury securities.

**Excluding accrued interest paid to the seller*

Prior to investing U.S. Treasury securities, a significant portion of the City's funds were deposited in the Local Agency Investment Fund (LAIF), which is part of a large **\$180+ billion** pool of public funds that is managed by the California State Treasurer's Office on behalf of the State of California, State Agencies, and local governmental agencies.

LAIF is popular among local governments in California due to its low cost and convenience and its emphasis on safety and liquidity. Despite its many advantages, however, holding funds in LAIF has two main drawbacks:

- Depositors in LAIF forgo the opportunity to potentially earn additional interest income by investing in higher yielding investment vehicles; and
- The yield on deposits in LAIF can be subject to a high degree of volatility, making it difficult to accurately budget annual interest income.

The City invested a portion of its funds in U.S. Treasury securities for the following reasons:

- To ensure that the City's funds are invested in a very safe and secure manner, consistent with State law and consistent with the City's Investment Policy;
- To earn additional interest income, above and beyond what the City could earn by depositing its funds in the Local Agency Investment Fund (LAIF); and
- To align the City's investments with its expected cash flow requirements and liquidity needs.

All of the Treasury securities presently owned by the City as of April 30, 2023 are listed below, in chronological order by maturity date:

CUSIP Number	Face Value	Coupon Rate	Price	Discount	Principal Cost	Accrued Interest*	Total Cost	Maturity Date	Yield to Maturity
912834RW0	144,000		91.477	12,273	131,727	0	131,727	Oct. 31, 2024	4.62%
912821DC6	24,400,000		91.468	2,081,793	22,318,207	0	22,318,207	Oct. 31, 2024	4.63%
912828Z52	5,000	1.375%	93.415	329	4,671	16	4,687	Jan. 31, 2025	4.46%
912834TE8	102,000		90.407	9,785	92,215	0	92,215	Jan. 31, 2025	4.68%
9128204K0	8,160,000		90.407	782,800	7,377,200	0	7,377,200	Jan. 31, 2025	4.68%
912834TN8	115,000		89.421	12,166	102,834	0	102,834	Apr. 30, 2025	4.54%
9128204Z7	8,000,000		89.421	846,310	7,153,690	0	7,153,690	Apr. 30, 2025	4.70%
912828ZL7	238,000	0.375%	90.333	23,007	214,993	429	215,422	Apr. 30, 2025	4.48%
91282CAB7	427,000	0.250%	89.103	46,532	380,468	247	380,714	Jul. 31, 2025	4.48%
912834TU2	10,000		88.448	1,155	8,845	0	8,845	Jul. 31, 2025	4.72%
912821EW1	8,000,000		88.448	924,142	7,075,858	0	7,075,858	Jul. 31, 2025	4.72%
	49,601,000			4,740,293	44,860,707	692	44,861,399		

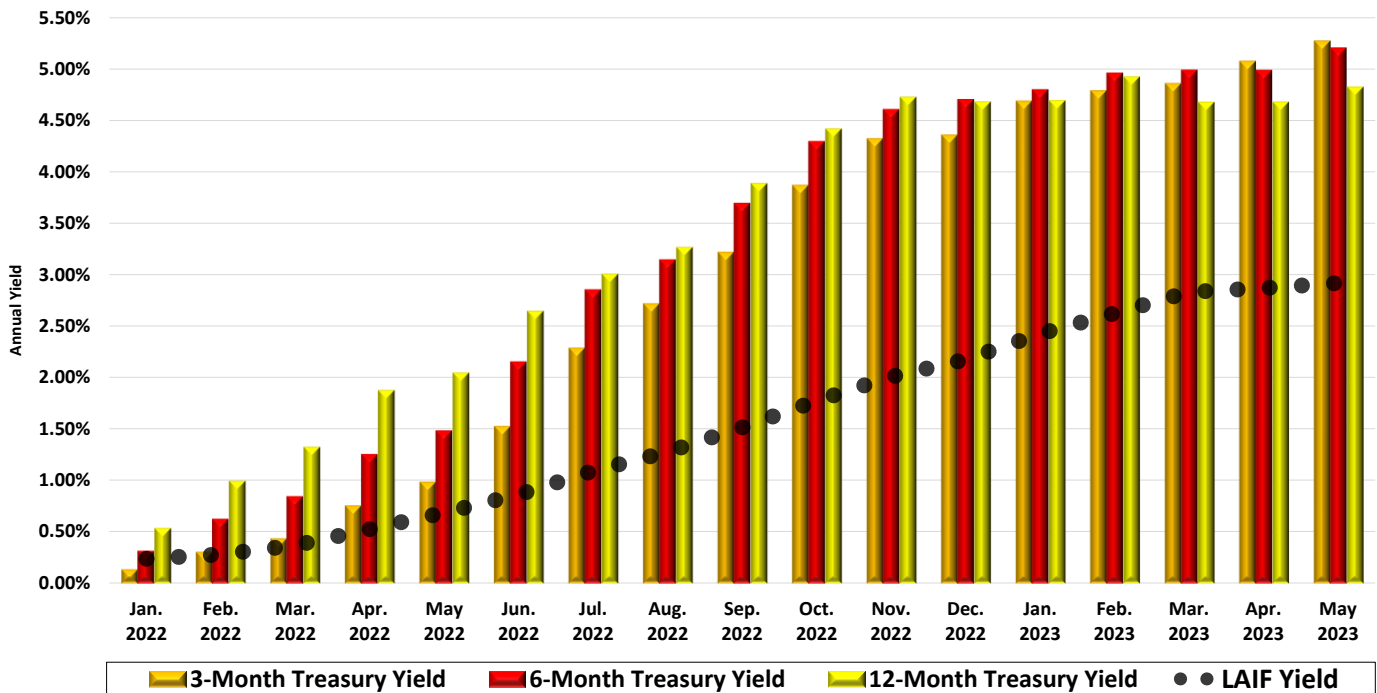
All figures are rounded to the nearest dollar
 *Accrued interest paid to seller

RECENT INTEREST RATE TRENDS

Interest rates or ‘bond yields’ have increased dramatically since early 2022, due to a sharp and persistent increase in the rate of inflation and due to the Federal Reserve Board’s policy of aggressively raising interest rates to combat inflation. Moreover, the increase in short-term Treasury yields since early 2022 has far outpaced the increase in the yield paid by LAIF, as shown in the graph below.

Yield Comparison: LAIF Deposits vs. Short-Term Treasuries

(Data Sources: Office of the State Treasurer and U.S. Department of the Treasury as of May 24, 2023)



INVESTING IN U.S. TREASURY SECURITIES

The City invested in U.S. Treasury securities because U.S. Treasury securities are widely considered to be among the safest and most liquid investments in the world.

U.S. Treasury securities are direct debt obligations of the United States Federal Government that are issued to fund its day-to-day outlays for national defense, entitlement programs, discretionary spending, etc.

Treasury securities are one of the safest investments available because the payment of principal and interest on Treasury securities is guaranteed by the ‘full faith and credit’ of the U.S. Treasury, which is the same pledge that secures FDIC insured bank account deposits. However, unlike FDIC insurance there is no dollar limit on the unconditional Federal guarantee for Treasury securities. Treasury securities are considered extremely low risk,

although like all investments they can be, and are, impacted by inflation, changes in interest rates, and monetary policy.

Given the then-current difference between the yield on Treasury securities and the yield paid on deposits in LAIF, the City chose to invest a portion of its funds in Treasury securities in order to earn additional interest income.

RIDGECREST PORTFOLIO RESULTS FROM FEBRUARY 1, 2023 THROUGH APRIL 30, 2023

The results of the City’s investment in Treasury securities, excluding any changes in market value, can be measured in several ways, including but not limited to (1) regularly scheduled interest payments, (2) net cash flow, and (3) ‘book’ earnings. Each of these three measures is discussed below.

Regularly scheduled interest payments. Most (but not all) Treasury securities pay interest at a fixed rate on a semi-annual basis. From February 1, 2023, through April 30, 2023 the City received regularly scheduled semi-annual interest payments totaling **\$446.25**. The complete schedule of interest and principal payments on all of the Treasury securities presently owned by the City, including those securities that matured during the quarter, is as follows:

Payment Date	Principal Payments	+	Interest Payments	=	Total Payments
Apr. 30, 2023	0		446		446
Jul. 31, 2023	0		568		568
Oct. 31, 2023	0		446		446
Jan. 31, 2024	0		568		568
Apr. 30, 2024	0		446		446
Jul. 31, 2024	0		568		568
Oct. 31, 2024	24,544,000		446		24,544,446
Jan. 31, 2025	8,267,000		568		8,267,568,
Apr. 30, 2025	8,353,000		446		8,353,446
Jul. 31, 2025	8,437,000		534		8,437,534
	49,601,000		5,038		49,606,038

Net Cash Flow for Period of February 1, 2023 through April 30, 2023: Net cash flow equals total interest plus principal payments received by the City, minus the cost of the securities purchased by the City. From February 1, 2023 through April 30, 2023 the City received positive cash flow of **\$446**. During the same period, it expended no cash for reinvestments and/or withdrawals , resulting in net quarterly cash flow of **\$446**.

Projected Future Cash Flows: From May 1, 2023 through July 31, 2025, the City is expected to receive future net cash flows of interest and principal of **\$49,605,591** not including any

additional reinvestment earnings the City may potentially earn from future security purchases, as follows:

	=	Total Payments	-	Cost of Security	=	Net Cash Flow
Jul. 31, 2023		568		0		568
Oct. 31, 2023		446		0		446
Jan. 31, 2023		568		0		568
Apr. 30, 2024		446		0		446
Jul. 31, 2024		568		0		568
Oct. 31, 2024		24,544,446		22,449,934		2,094,512
Jan. 31, 2025		8,267,568		7,474,085		793,483
Apr. 30, 2025		8,353,446		7,471,517		881,929
Jul. 31, 2025		8,437,534		7,465,170		972,363
		49,605,491		44,860,707		4,744,884

* Excludes any reinvestments made subsequent to April 30, 2023. For currently projected future cash flows including any actual reinvestments made after this reporting period, please contact us.

Book Earnings. ‘Book’ earnings include interest earnings plus the amortization or accretion of any premium or discount. From February 1, 2023 through April 30, 2023, the City’s portfolio had book earnings of **\$503,258** which, based on the value on the period’s start date, represents earnings of an annualized 4.65%, exclusive of any changes in the portfolio’s market value.

The City’s book earnings of \$503,258 include \$493 of cash interest earnings plus \$502,765 of accreted discount, less amortized premium of \$0, were as follows:

Interest earnings – Interest earnings differ from interest payments in that interest payments occur semi-annually, whereas interest earnings include only the interest that ‘accrued’ or was earned during a specified period. From February 1, 2023 through April 30, 2023 the City ‘earned’ **\$493** of interest.

Accreted discount – Depending on bond market conditions, Treasury securities are sometimes purchased at a discount, meaning the cost of a security is less than its ‘face value’ or ‘maturity value’. For example, an investor may purchase a Treasury security with a ‘face value’ of \$1,000,000 but pay only \$900,000 for that security, in which case the security is said to be purchased at a discount of \$100,000.

Accreted discount refers to the gradual increase in the book value of such a security initially acquired at a discount (i.e., for less than its face value) over time until the security matures, whereupon the book value of the security equals its ‘face value’. From February 1, 2023 through April 30, 2023, the City’s portfolio accreted discount in the amount of **\$502,765**.

Amortized Premium – Depending on bond market conditions, Treasury securities are sometimes purchased at a premium, meaning the cost of a security is more than its ‘face value’ or ‘maturity value’. For example, an investor may purchase a Treasury security with a ‘face value’ of \$1,000,000 but pay \$1,100,000 for that security, in which case the security is said to be purchased at a premium of \$100,000.

Amortized premium refers to the gradual decrease in the book value of a security initially acquired at such a premium (i.e., for more than its face value) over time until the security matures, whereupon the book value of the security equals its ‘face value’. From February 1, 2023 through April 30, 2023, the City’s portfolio amortized premium in the amount of **\$0**.

Note: The amounts shown above do not take into account any of the fees that were incurred by the City for services provided by the Municipal Advisor, Bidding Agent / Registered Investment Advisor, or Custodian Bank, nor do they reflect any changes in the market value of the portfolio. The total fees incurred by the Client during the period were approximately **\$5,150**.

NEXT STEPS

The City does not need to take any further action at this time. The next scheduled maturity of a Treasury security in the City’s portfolio will occur on October 31, 2024. At or prior to the maturity of each Treasury security in the City’s portfolio Wulff, Hansen will help the City evaluate its cash flow requirements, liquidity needs, and potential U.S. Treasury reinvestment options.

Meanwhile, all of the securities in the City’s portfolio continue to be held in trust for the City by its custodian bank (Zions Bank). The scheduled payment of interest and principal on each security will be automatically credited to the City’s custody account upon receipt, and the City will continue to receive monthly account statements from Zions Bank.

Depending on the City’s cash balances and its expected cash flow requirements and liquidity needs, the City may wish to consider investing additional funds in one or more Treasury securities, above and beyond the amount currently invested, in order to earn additional interest income. If so, Wulff Hansen can help arrange any such additional investment.

Alternatively, if the City ever needs immediate access to some or all of its invested funds due to a large unanticipated financial obligation or emergency situation, then Wulff Hansen can help arrange for the prompt liquidation of one or more Treasury securities in the portfolio. The portfolio’s market value (as opposed to its face value) typically fluctuates as interest rates change. According to the most recent Custodian’s statement, as of April 30, 2023 the market value was \$46,150,068.