

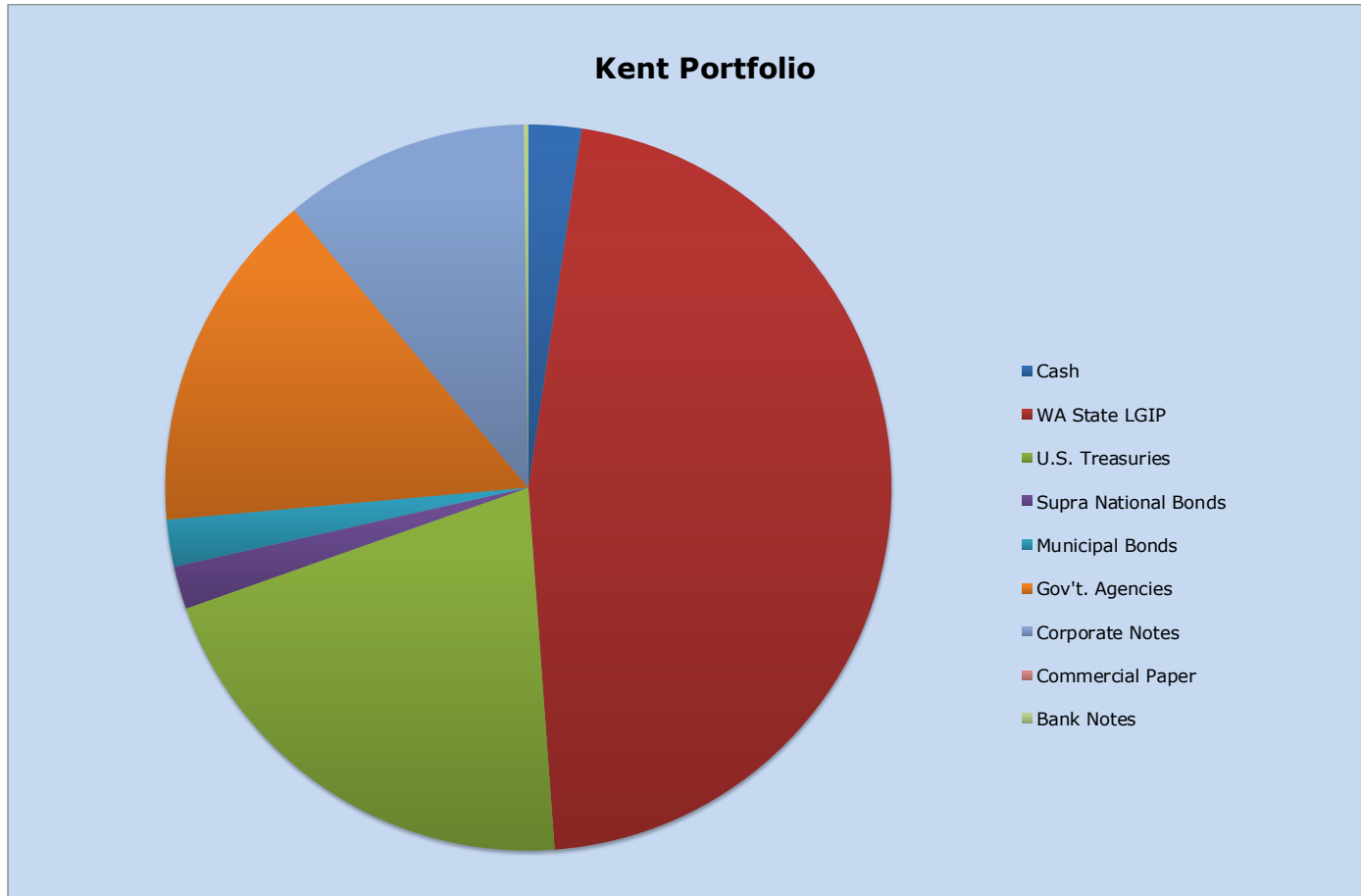


City of Kent Investment Portfolio

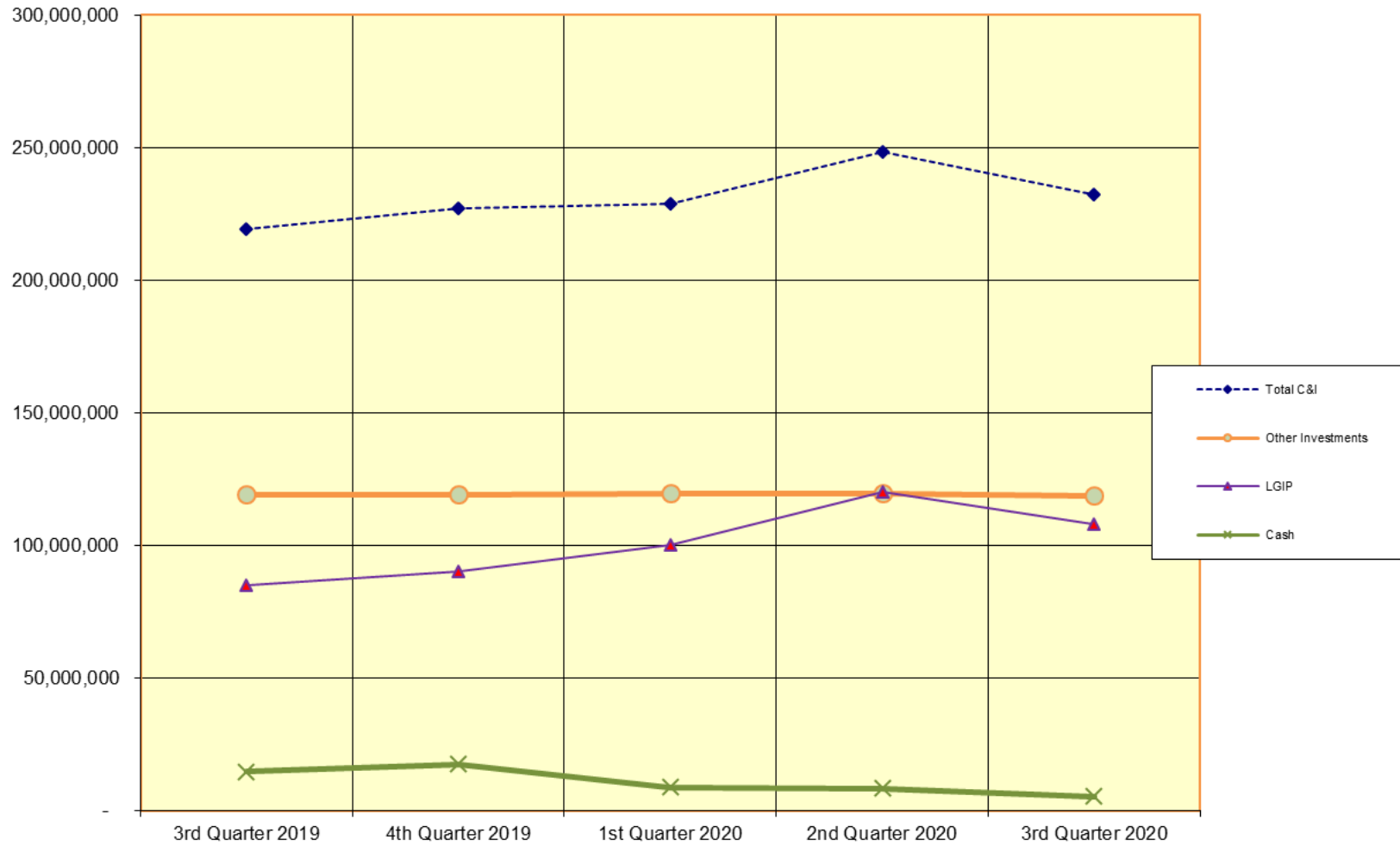
Q3-2020

**CITY OF KENT
INVESTMENT PORTFOLIO
September 30, 2020**

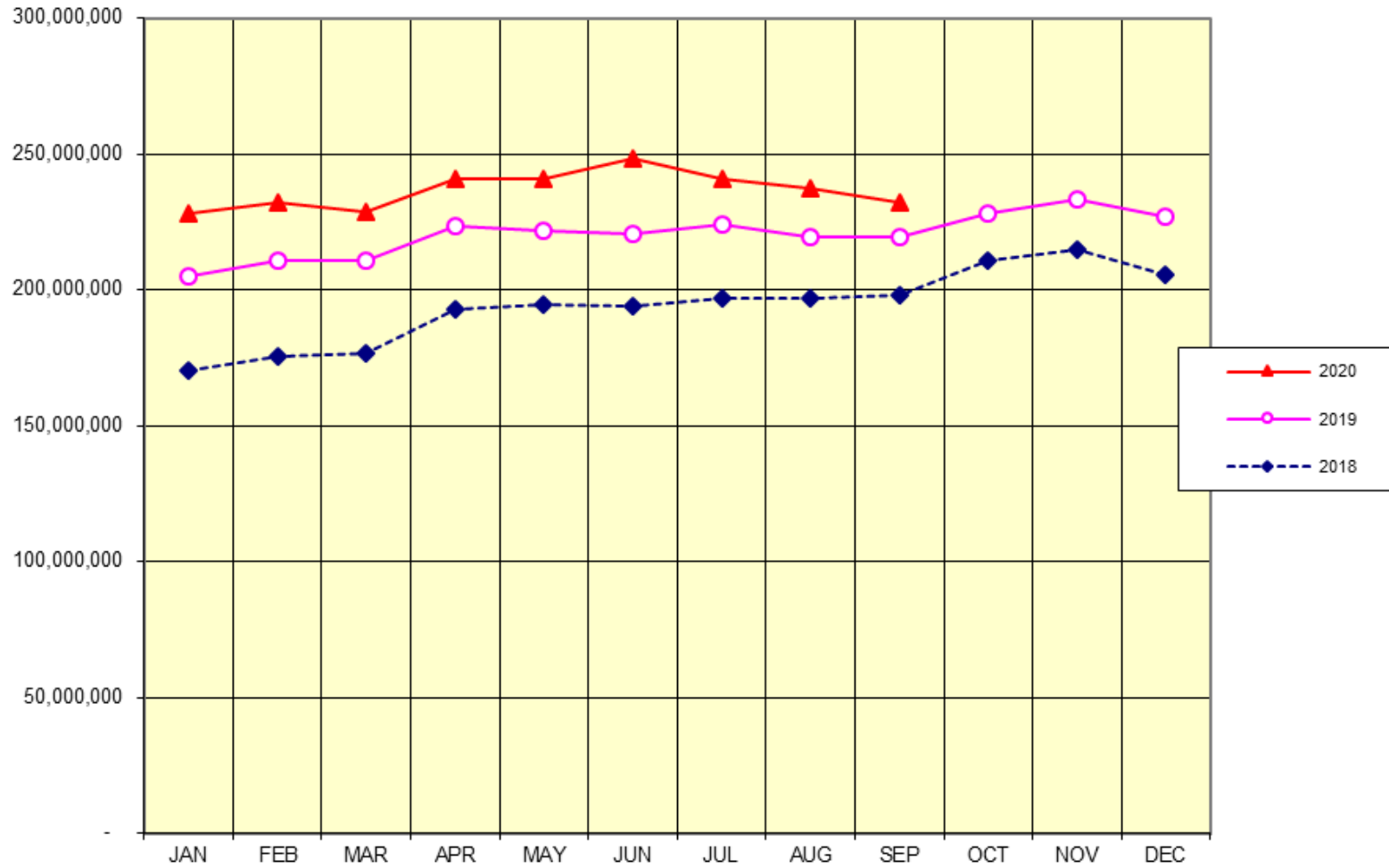
Purchase Date	Investment Description	Yield	Maturity	Market Value 9/30/2020	Investment Total
09/30/20	Cash - US Bank	0.700%	Overnight	5,464,103	5,464,103
09/30/20	WA State LGIP	0.206%	Overnight	108,018,788	108,018,788
09/30/20	PFM Managed Portfolio	1.750%	992 Days	122,798,969	118,857,850
				236,281,861	232,340,741



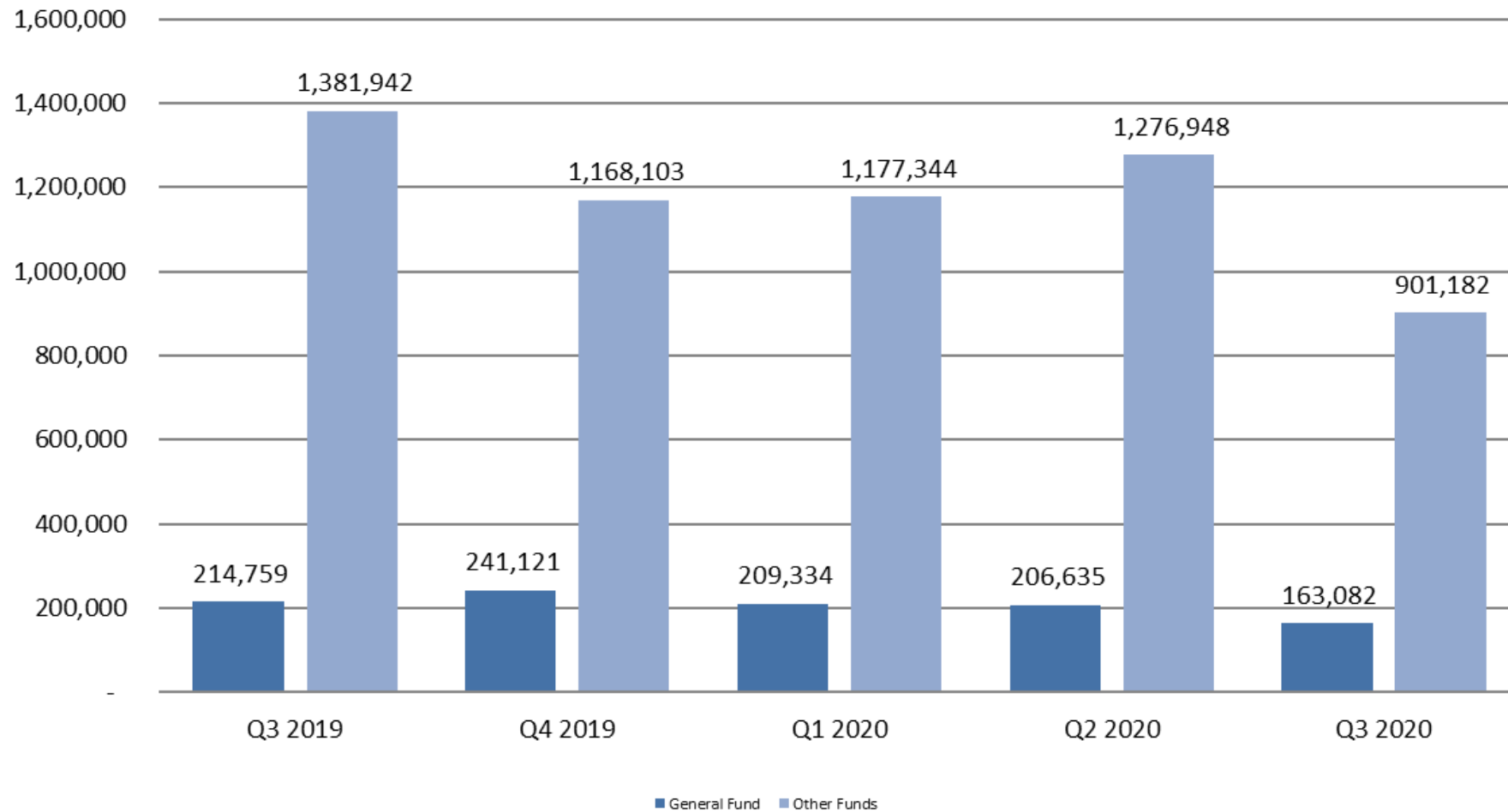
**CITY OF KENT
CASH AND INVESTMENTS BY TYPE
QUARTER ENDING BALANCES
2019 Q3-Q4 AND 2020 Q1-Q3**



**CASH AND INVESTMENTS
MONTH ENDING BALANCES
2018 / 2019 / 2020**



Quarterly Interest Earnings Q3, 2019 - Q3, 2020



**Total Cash and Investments By Fund
September 30, 2020**

1000	General Fund	30,172,804
1100	Street Fund	10,663,194
1200	PS Retiree Healthcare Fund	1,503,415
1300	Lodging Tax Fund	104,066
1400	Youth/Teen Fund	702,232
1500	Capital Resources Fund	27,246,905
1600	Criminal Justice Fund	7,206,742
1800	Housing & Comm Dev Fund	(98,637)
1900	Other Operating Projects Fund	(2,081,494)
1950	Kent Events Center Operating Fund	1,511,046
2200	Non-Voted Debt Service Fund	1,831,624
2500	Spec Assess Debt Service Fund	615,662
3100	Street Capital Projects Fund	16,235,977
3200	Parks Capital Projects Fund	10,709,377
3300	Other Capital Projects Fund	706,281
3400	Technology Capital Projects Fund	5,667,006
3500	Facilities Capital Projects Fund	2,085,743
4100	Water Fund	42,618,002
4300	Sewer Fund	8,542,761
4400	Drainage Fund	23,944,948
4700	Solid Waste Fund	406,812
4800	Golf Fund	3,466,343
5100	Fleet Service Fund	4,603,616
5200	Central Services Fund	3,382,153
5400	Facilities Management Fund	6,197,903
5600	Insurance Fund	16,353,958
5900	Deferred Compensation Fund	104,422
6200	Firefighters Pension Fund	2,280,160
6400	Deferred Comp Fund	(17,826)
6500	Payroll Clearing Fund	85,475
6600	Subsystem Clearing Fund	(416)
6700	Utility Clearing Fund	742,185
6800	Agency Clearing Fund	4,216,670
7100	Special Events Center-PFD	631,633
	Total:	<u>232,340,741</u>



Portfolio Summary and Statistics

For the Month Ending **September 30, 2020**

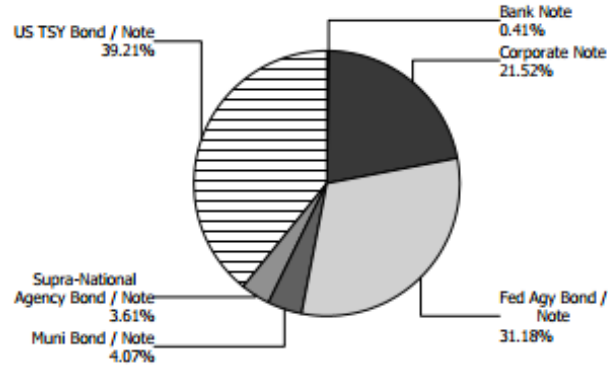
CITY OF KENT - 48820000

Account Summary

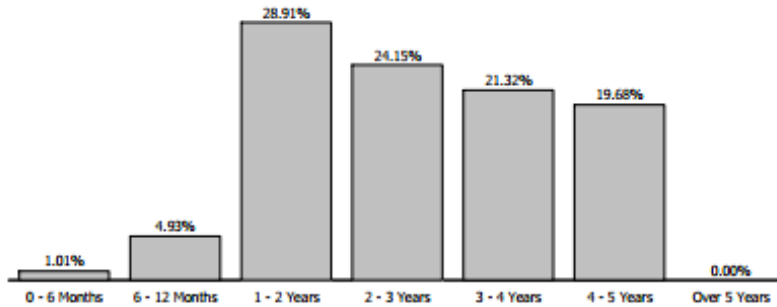
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	46,765,000.00	48,464,714.63	39.21
Supra-National Agency Bond / Note	4,435,000.00	4,457,242.82	3.61
Municipal Bond / Note	4,855,000.00	5,027,102.00	4.07
Federal Agency Bond / Note	37,745,000.00	38,533,513.26	31.18
Corporate Note	25,335,000.00	26,588,999.92	21.52
Bank Note	495,000.00	505,650.92	0.41
Managed Account Sub-Total	119,630,000.00	123,577,223.55	100.00%
Accrued Interest		496,822.71	
Total Portfolio	119,630,000.00	124,074,046.26	

Unsettled Trades **1,480,000.00** **1,478,373.48**

Sector Allocation



Maturity Distribution



Characteristics

Yield to Maturity at Cost	1.75%
Yield to Maturity at Market	0.32%
Weighted Average Days to Maturity	992

Balances in the PFM portfolio differ from the balances reported for Q3 due to investment transactions that were initiated at the end of Q3, but settled in Q4.

Portfolio Compliance

Sector	9/30/2020	% of Portfolio	Permitted by Policy	In Compliance	6/30/2020	% of Portfolio
U.S. Treasury	\$48,464,715	20.4%	100%	<input checked="" type="checkbox"/>	\$56,716,768	22.4%
Federal Agencies	\$38,533,513	16.3%	100%	<input checked="" type="checkbox"/>	\$29,411,015	11.6%
Supranational	\$4,457,243	1.9%	20%	<input checked="" type="checkbox"/>	\$4,421,128	1.7%
Municipal	\$5,027,102	2.1%	20%	<input checked="" type="checkbox"/>	\$3,998,226	1.6%
Corporate*	\$27,094,651	11.4%	25%	<input checked="" type="checkbox"/>	\$29,808,054	11.8%
LGIP	\$108,018,788	45.6%	100%	<input checked="" type="checkbox"/>	\$120,036,062	47.5%
Bank Deposit	\$5,464,103	2.3%	N/A	N/A	\$8,434,576	3.3%
Total	\$237,060,115	100.0%			\$252,825,828	100.0%

Market values, excluding accrued interest. Detail may not add to total due to rounding. Current investment policy as of March 2017.

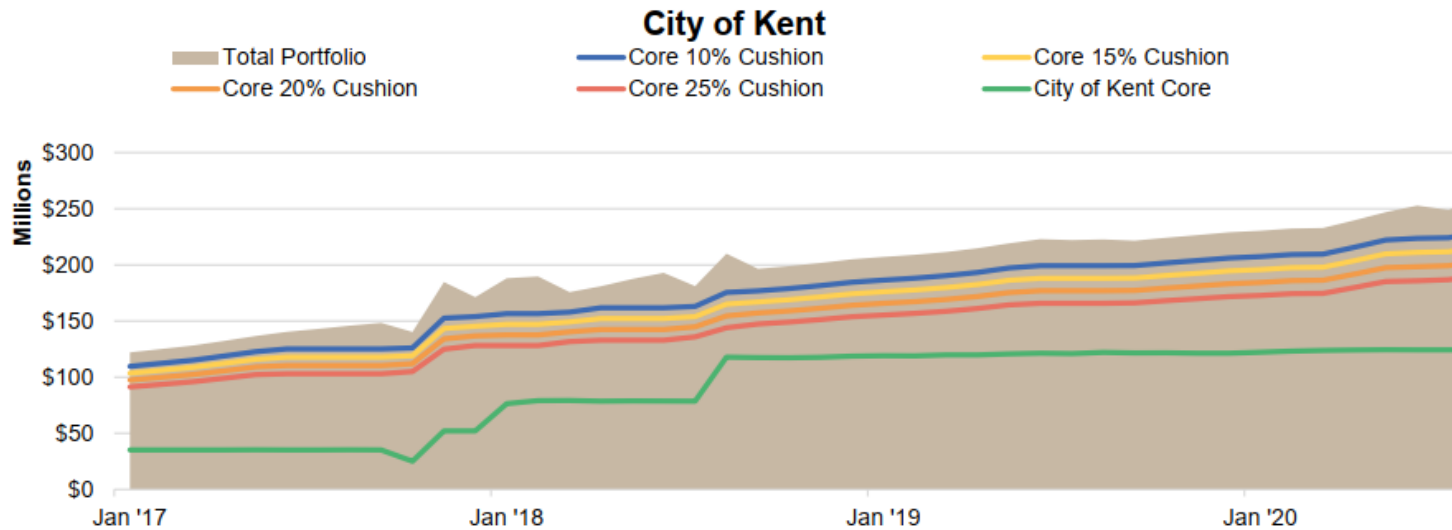
*Includes PNC callable bank note.

Balances in the PFM portfolio differ from the balances in reported for Q3 due to investment transactions that were initiated at the end of Q3, but settled in Q4.



Cash Flow Analysis to Evaluate Levels of Liquidity

	Modeled Liquidity	Modeled Core
10%	\$29,106,826	\$223,719,003
15%	\$41,748,117	\$211,077,711
20%	\$54,389,409	\$198,436,420
25%	\$67,030,700	\$185,795,129



Source: PFM and the City of Kent's Investment Portfolio, as of June 30, 2020. Monthly ending balances were interpolated from quarter-end balances for all investments managed outside of PFM.

Options for increasing the PFM managed portfolio.

Assumes a total cash and investment balance of \$230 million at the end of 2020.

Currently the PFM portfolio balance is approximately \$120 million with annual fees of approximately \$92K.

Option 1:

Move an additional \$80 million from the LGIP to the PFM managed portfolio.

- Liquidity: 13%
- Additional PFM fees: \$48K per year
- Impact to cash flows - \$30 million available in cash & LGIP

Option 2:

Move an additional \$70 million from the LGIP to the PFM managed portfolio.

- Liquidity: 17%
- Additional PFM fees: \$42K per year
- Impact to cash flows - \$40 million available in cash & LGIP

Option 3:

Move an additional \$60 million from the LGIP to the PFM managed portfolio.

- Liquidity: 22%
- Additional PFM fees: \$36K per year
- Impact to cash flows - \$50 million available in cash & LGIP

Recommendation: Option 2 – re-evaluate after 1st Quarter 2021