

Investment Strategy Discussion

February 28, 2022 Finance and Operations Committee



Current Investment Environment

- Investment environment has been challenging over last 12 months with exceptionally low rates for traditional investments (Certificates of Deposit, Treasury Bills)
- The low rates on short-term investments over the last year has resulted maintaining all cash in depository bank accounts (PDPA) providing a .20% earnings credit to cover account costs.
- Rates on money market accounts (PDPA) currently remain below the .20% depository account earnings rate
- Treasury bill rates have increased in the last month to warrant movement of depository funds into short term treasury bills going forward
- Certificate of deposit rates for shorter period (3-6 months) are not currently competitive with treasury rates

Outline of Investment Strategy - 2022

- Maintain sufficient funds in PDPA depository accounts to address expected disbursements (funds will provide .20% earning credit)
- Invest excess cash into treasury bills with revolving durations between 13 and 26 weeks allowing for periodic movement of invested cash to and from depository accounts and take advantage of expected increases in rates in 2022
- Reevaluate strategy in 6 months due to dynamically changing interest rate environment or sooner if warranted
- Current treasury bill rates:

Date	4 WEEKS	8 WEEKS	13 WEEKS	26 WEEKS	52 WEEKS
2/15/2022	0.02%	0.17%	0.41%	0.72%	1.05%
2/16/2022	0.03%	0.14%	0.39%	0.67%	1.04%
2/17/2022	0.06%	0.24%	0.37%	0.65%	0.99%
2/18/2022	0.03%	0.20%	0.35%	0.65%	0.97%
2/22/2022	0.03%	0.18%	0.39%	0.74%	1.15%