

City Council Finance Committee

Meeting Agenda

May 18, 2023

9:00 AM

Electronic Meeting

Members of the public are welcome to attend and give comments remotely; however, the in-person meeting may continue even if technology issues prevent remote participation.

- You can call in to **+1 408 638 0968 or 833 548 0282 (Toll Free)**, Webinar ID **#878 7340 6932**.
- You can log in via your computer. Please visit the City's website here to link to the meeting: www.louisvilleco.gov/council

The Council will accommodate public comments during the meeting. Anyone may also email comments to the Council prior to the meeting at Council@LouisvilleCO.gov.

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. **ITEM 1** - Approval of Minutes, April 20th, 2023 (pg 3/76)
- V. Public Comments on Items Not on the Agenda
- VI. Finance Director Updates

Persons planning to attend the meeting who need sign language interpretation, translation services, assisted listening systems, Braille, taped material, or special transportation, should contact the City Clerk's Office at 303 335-4536 or MeredythM@LouisvilleCO.gov. A forty-eight-hour notice is requested.

Si requiere una copia en español de esta publicación o necesita un intérprete durante la reunión, por favor llame a la Ciudad al 303.335.4536 o 303.335.4574.

VII. **ITEM 2** - Chandler Asset Management – Julie Hughes Investment Presentation: Economy & Investments (pg 6/76)

- City Investment Policy (pg 7/76)
- City of Louisville Quarterly Report - Q1-2023 (pg 13/76)

VIII. **ITEM 3** -Open Space and Parks Sales and Use Tax Extension Update - Adam Blackmore, Director of Parks, Recreation and Open Space (pg 53/76)

IX. **ITEM 4** - Marshall Fire Update– City Manager’s Office (pg 55/76)

X. **ITEM 5** - Fiscal/Reserve Policy Discussion, including Disaster and Catastrophic Reserve, (pg 61/76)

- City Financial Reserve Policies (pg 63/76)

XI. **ITEM 6** - Sales Tax Reports (pg 67/76) – Mahyar Mansurabadi, Sales Tax Auditor

- First Quarter Bag Tax Update - (pg 69/76)

XII. Discussion Items for Next Meeting, June 15th

- Rec Center Renewal & Replacement Calculation – Kathy Martin
- Insurance Coverage(s) Update - Jason McMillan
- Sales Tax Reports
- Marshall Fire Updates, if needed
- Open Space & Parks Sales and Use Tax Extension Update, if needed

XIII. Adjourn

City Council Finance Committee

ITEM #1

9:00 AM | Thursday, April 20, 2023

Virtual Meeting via Zoom
Regular Meeting

Call to Order – Councilmember Dickinson called the meeting to order at 10:02 AM and took roll call.

Committee Members Present: Councilmember Dickinson
Councilmember Hamlington
Councilmember Hoefner (*left at 11:06 a.m.*)

Staff Present: Jeff Durbin, City Manager
Ryder Bailey, Director of Finance
Ligea Ferraro, Executive Administrator
Kim Baker, Senior Accountant
Meredyth Muth, City Clerk
Adam Blackmore, Director of Parks, Recreation, and Open Space
Emily Hogan, Assistant City Manager
Kurt Kowar, Director of Public Works

Others Present: Councilmember Leh
Mayor Pro Tem Fahey
Helen Moshak, Open Space & Parks Sales Tax Task Force Member
Members of public

Approval of Agenda:

Councilmember Hamlington made a motion to approve the agenda, seconded by Councilmember Dickinson. Agenda was Approved.

Approval of February 16, 2023 Meeting Minutes:

Councilmember Hamlington made a motion to approve the minutes, Councilmember Dickinson seconded. Minutes were Approved.

Public Comments on Items Not on the Agenda: None.

Finance Director Updates:

The Finance Director provided financial staffing and system updates to the committee. The 2022 Audit will begin next week.

Questions from the Committee: None.

Open Space and Parks Sales Tax Extension Update:

The Director of Parks, Recreation, and Open Space provided an update on the Task Force timeline, community polling and the approach to determining ballot language. The CM noted that budgeting exercises for 2024 will need to include the possibility of the tax funds not being available for the 2024 budget since the final determination won't be known until November.

Questions from the Committee:

Councilmember Dickinson asked why this issue wasn't brought in front of the voters in 2022. The City Manager noted that this issue was on the work plan for last year but the Marshall Fire created lack of resources to work on this project.

Councilmember Dickinson noted that awareness of potential lost revenue needs to be maintained and the City should be preparing for this possibility during 2024 budget planning. Councilmember Hoefnter noted that the likelihood of the ballot issue passing is high and it is hoped that polling supports this assumption. The Director of Finance noted that this sales tax represents 75% of the PROS operating budget.

Questions from the public:

Helen Moshak shared information on the Open Space Sales Tax in Lafayette.

Marshall Fire Update:

The Assistant City Manager presented an update on the costs and reimbursements for the Marshall Fire. All projects submitted through FEMA's assistance program have been obligated for a total obligation of a little over \$4M with a local City match of around \$200,000. This ends our direct work with FEMA. The City will begin working with State contacts to close out this work and receiving reimbursement.

Questions from the Committee:

There was a detailed discussion around potential versus actual losses and updates needed to the graphs to identify the final actual costs of the Marshall Fire.

2022 Year End CIP Report:

The Finance Director noted that once our books are closed, we look at every CIP project in terms of 2022 expenditures. From fiscal standpoint we know where projects are at, but not necessarily from an operational standpoint. The Accounting Manager provided a list of CIP project updates and asked the committee if they have any questions. Status of CIP is the primary driver of the first 2023 Budget Amendment.

Questions from the Committee:

There was a detailed discussion on the 2022 percent spent by project and how much of the remaining funds will be carried forward and spent in 2023. There was also a discussion on why the funds span multiple fiscal years.

2022 Year End Cash and Investments Report:

The Director of Finance noted that we'll do a deep dive on this topic at the next meeting. It was noted that the City's priority is safety, liquidity, and yield (in that order). Last year we had a negative return but it was an unrealized loss, mostly in bonds which we hold to maturity. The Director of Finance asked Committee Members to send any questions they'd like answered at the next meeting.

Questions from the Committee: None

First Budget Amendment to 2023 Adopted Budget:

The Director of Finance gave a preliminary review of the upcoming budget amendment, which is largely a carry forward of large projects that have continued from 2022. Detailed information was provided in the packet and the Finance Director gave an overview of the budget amendment line items. The Director of Finance reviewed the Summary of Revenue, Expenditures, and Changes To Fund Balances with the committee.

The Finance Director requested Committee approval/support of the proposed budget amendment.

Councilmembers Hamlington and Dickinson support the proposed budget amendment.

Questions from the Committee:

There was a discussion on how the CIP breakdown is compared with the carry forward. Hoefner requested similar detail provided on carry over funds for 2023 items approved by council.

Councilmember Dickinson requested clarification on the budget summary and there was a discussion on the details of the Revised Budget spreadsheet.

Councilmember Hoefner asked if there is a goal number for reserves. The Director of Finance noted that the City has reserve policies and will provide a more formal report at the next meeting.

Sales Tax Reports:

The Director of Finance presented historical and year to date tax revenue data.

Questions from the Committee:

There was a discussion on how this data will assist in forecasting revenue.

Items for the Next Regular Meeting, scheduled for May 18, 2023 9:00-11:00 AM:

- Chandler Asset Management – Julie Hughes Investment Presentation: Economy & Investments
- Fiscal/Reserve Policy Discussion, including Disaster/Catastrophic Reserve
- Rec Center Renewal & Replacement Calculation – Kathy Martin
- First Quarter Bag Tax Update
- Marshall Fire Response Updates, if needed
- Open Space & Parks Tax Extension Update, if needed

Items were approved for the next regular meeting.

Adjourn: The meeting adjourned at 11:30 AM.

SUBJECT: PRESENTATION BY CHANDLER ASSET MANAGEMENT

DATE: MAY 18, 2023

**PRESENTED BY: JULIE HUGHES & SCOTT PRICKETT, CHANDLER ASSET
MANAGEMENT**

SUMMARY:

The City contracts with Chandler Asset Management (Chandler) for Investment and Advisory services. Julie Hughes and Scott Prickett, representatives from Chandler, will be at the meeting to discuss the latest economic conditions and investment strategies. Included are our City's Investment Policies and Chandler's Q1-2023 quarterly report.



Investment Policies

Policy Section: 6

Adopted by Resolution No. 92, Series 2015

Effective Date: December 15, 2015

Purpose and Scope

It is the policy of the City of Louisville to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all Colorado Revised Statutes, the City of Louisville Charter, and the City of Louisville Municipal Code.

The provisions of this investment policy shall apply to all funds held in the custody of the City and all of its offices. Except for cash in certain restricted and special funds, the City shall consolidate, or “pool”, cash and investment balances from all funds to maximize investment earnings and to increase efficiencies with regards to investment pricing, safekeeping, and administration. The investment income derived from the pooled cash and investment accounts shall be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Policies

- 6.1 **Objectives.** In order of priority, the primary objectives of investment activities shall be safety, liquidity, and yield:
- *Safety.* Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio through the mitigation of credit risk and interest rate risk.
 - *Liquidity.* The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This shall be accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets. In addition, a portion of the portfolio may be placed in local government investment pools (LGIPs) which offer same-day, constant dollar liquidity for short-term funds.
 - *Yield.* The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary

importance compared to the safety and liquidity objectives described above. Securities generally shall be held to maturity with the following exceptions:

- A security with a declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration of the portfolio.
- Liquidity needs of the portfolio require the security to be sold.

6.2 **Delegation of Authority.** The Finance Director shall be the designated investment officer of the City and shall be responsible for all investment decisions and activities, under the direction of the City Manager. The Finance Director shall establish investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director.

The Finance Director may delegate the authority to conduct investment transactions and manage the operation of the investment portfolio to one or more subordinates and/or an external registered investment advisor who shall act in accordance with established procedures on internal controls and in compliance with this investment policy.

6.4 **Legal Investments.** All investments shall be made in accordance with Colorado Revised Statutes (CRS) as follows: CRS 11-10.5-101, et seq., Public Deposit Protection Act; CRS 24-75-601, et seq., Funds - Legal Investments for Government Units; CRS 24-75-603, et seq., Depositories; CRS 24-75-701 and 702, et seq., Local Governments - Local Government Pooling and that the investment or deposit meets the standard established in section CRS 15-1-304. Any revisions or extensions of these sections of the CRS will be assumed to be part of this Investment Policy immediately upon enactment.

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the settlement date or in accordance with state and local statutes and ordinance. Pursuant to CRS Section 24-75-601.1(1), as amended from time to time, and subject to the limitations set forth therein, the securities listed herein shall be eligible for investment of public funds by the City. In the event of a conflict between CRS 24-75-601.1(1) and this policy, other than this policy being more restrictive than CRS 24-75-601(1), CRS 24-75-601.1(1) shall control. Nothing herein shall preclude the City from adopting a policy to permit securities other than those listed in CRS 24-75-601.1(1) for investment of public funds.

CRS 24-75-601(1) and this policy authorize the following investments:

- Any security issued by, fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment; allowing for inflation indexed securities. The period from the date of settlement of this type of security to the maturity date shall be no more than five years, unless the City Council authorizes investment for a period in excess of five years.
- Any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: The Federal Farm Credit Bank, A Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, The Federal National Mortgage Association, the Government National Mortgage Association, or an entity or organization that is not

listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States Congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity or organization listed in this paragraph. The period from the date of settlement of this type of security to its maturity date shall be no more than three years. Any entity or organization listed in this paragraph may represent up to but not more than 35% of the investment portfolio. The total of the above mentioned entities or organizations and inclusive of corporate or bank securities cannot represent more than 95% of the investment portfolio.

- Any security that is a general or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities. The period from the date of settlement of this type of security to the maturity date shall be no more than three years.
- Any interest in a local government investment pool pursuant to CRS 24-75-701, et seq.
- Any guaranteed investment contract (GIC) if at the time the contract or agreement is entered into, the long-term credit rating, financial obligations rating, claims paying ability rating, or financial strength rating of the party, or of the guarantor of the party, with whom the public entity enters the contract or agreement is, at the time of issuance, rated in one of the two highest rating categories by two or more nationally recognized securities rating agencies that regularly issue such ratings. Contracts or agreements purchased under this paragraph shall not have a maturity period greater than three years.
- Any dollar-denominated corporate or bank security issued by a corporation or bank that has a maturity of less than three years from the date of settlement and, at the time of purchase, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "AA- or Aa3" by any credit rating agency. The aggregate value of all securities referred to in this paragraph shall equal no more than 25% of the total portfolio.
- Money market instruments, such as commercial paper or bankers' acceptance, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "A1, P1, or F1" by any credit rating agency.
- Any money market fund that is registered as an investment company under the federal "Investment Company Act of 1940", as amended, at the time the investing public entity invests in such fund. The money market fund must: 1) have no commission fee on the charged on purchases or sales of shares; 2) have a constant daily net asset value per share of \$1.00; 3) limit assets of the fund to U.S. Treasury Securities; 4) have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 270-2A-7; and 5) have a rating at the time of purchase of at least AAAM by Standard & Poor's or Aaa/MRI+ Moody's
- The purchase of any repurchase agreement of marketable securities referred to in the preceding paragraphs. A Master Repurchase Agreement must be executed with the bank or dealer. The securities must be delivered to the City's custodian or to a third-party custodian or third-party trustee for safekeeping on behalf of the City. The title to or

a perfected security interest in such securities along with any necessary transfer documents must be transferred to the City or the City's custodian. The collateral securities of the repurchase agreement must be collateralized at no less than one hundred two percent and marked to market no less frequently than weekly. Collateralization is required per the Public Deposit Protection Act, CRS 11-10.5-101 et seq. The securities subject to the repurchase agreement may have a maturity in excess of five years. The repurchase agreement itself may not have a maturity of more than five years from the date of settlement unless the City Council authorizes investment for a period in excess of five years.

- Certificates of deposit in state or national banks or in state or federally chartered savings banks, which are state-approved depositories per CRS Section 24-75-603, et seq. (as evidenced by a certificate issued by the State Banking Board) and are insured by the FDIC. Certificates of deposit, which exceed the FDIC insured amount, shall be collateralized in accordance with the Colorado Public Deposit Protection Act. Certificates of deposit must comply with CRS Section 30-10-708 (1). The aggregate value of all certificates of deposit shall equal no more than 25% of the total portfolio.

6.4 **Standards of Care and Performance.** The “reasonable prudence” standard shall be used by investment officials in the context of managing an overall portfolio. The “reasonable prudence” standard provides that investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of the capital.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In addition, officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the City Manager any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

6.5 **Authorized Financial Institutions, Depositories, and Broker-Dealers.** Unless utilizing the services of an external registered investment advisor, the Finance Department shall maintain a list of financial institutions and depositories authorized to provide investment services to the City. In addition, the Finance Department shall maintain a list of approved security broker/dealers that may include “primary” dealers or regional dealers qualifying under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). To qualify for consideration for investment transactions with the City, all financial institutions and broker-dealers must supply the following, as appropriate:

- Proof of state registration (except for those firms providing safekeeping and custodial services only).
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
- Proof of Financial Industry Regulatory Authority (FINRA) certification.
- Evidence of adequate insurance coverage.
- Certification of having read and understood and agreeing to comply with the City's investment policy.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance Director.

- 6.6 **Safekeeping and Custody.** All trades of marketable securities will be executed “delivery versus payment” (where applicable) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Securities will be held by an independent third-party custodian selected by the City and evidenced by safekeeping receipts in the City's name. The safekeeping institution shall provide on an annual basis a copy of its most recent report on internal controls (Statement of Standards 70).

Moreover, management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal controls structure should address the following points:

- Control of collusion.
- Separation of transaction authority from accounting and recordkeeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Written confirmation of transactions for investments and wire transfers.
- Dual authorization of wire transfers.

Compliance with these controls shall be reviewed and confirmed through the City's annual independent audit.

- 6.7 **Performance Standards & Reporting**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The City's investment strategy is passive. Given this strategy, the basis used by the Finance Director to determine whether market yields are being achieved shall be the ColoTrust local government investment pool, the one-year US Treasury Bill, and the two-year Agency Benchmark.

The Finance Director shall provide the Finance Committee monthly investment reports that provide the status and characteristics of the current investment portfolio. The investment report should include schedules on:

- Portfolio diversification.
- Maturity distribution.
- A listing of all securities held by authorized investment category.
- Par value, amortized book value, and market value for all securities held.
- Monthly activity – purchases, sales, calls, and interest received.

City of Louisville

Period Ending March 31, 2023

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com

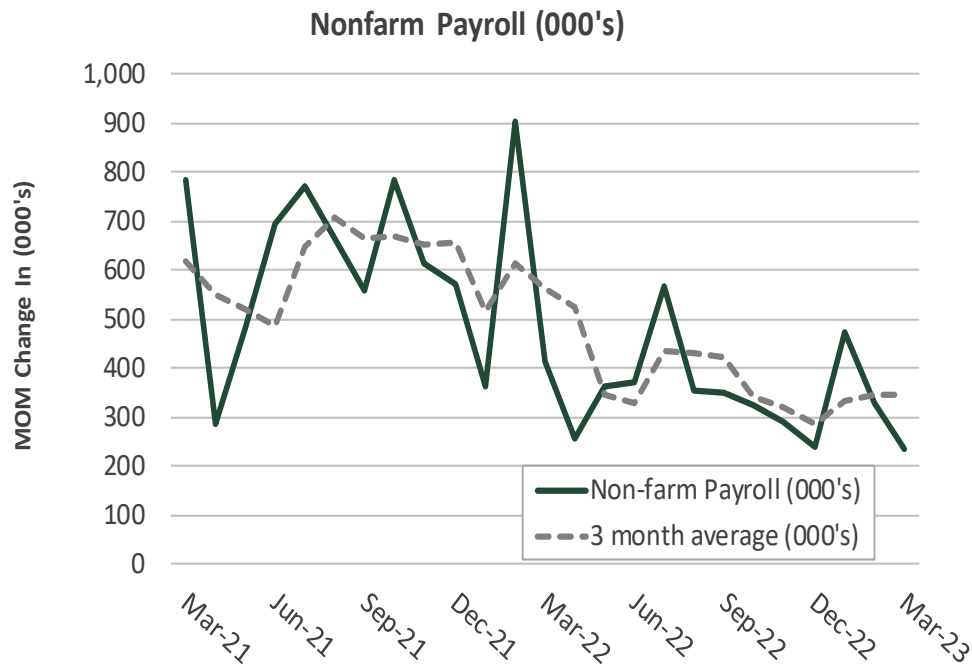
SECTION 1	Economic Update
SECTION 2	Account Profile
SECTION 3	Portfolio Holdings
SECTION 4	Transactions

Section 1 | Economic Update

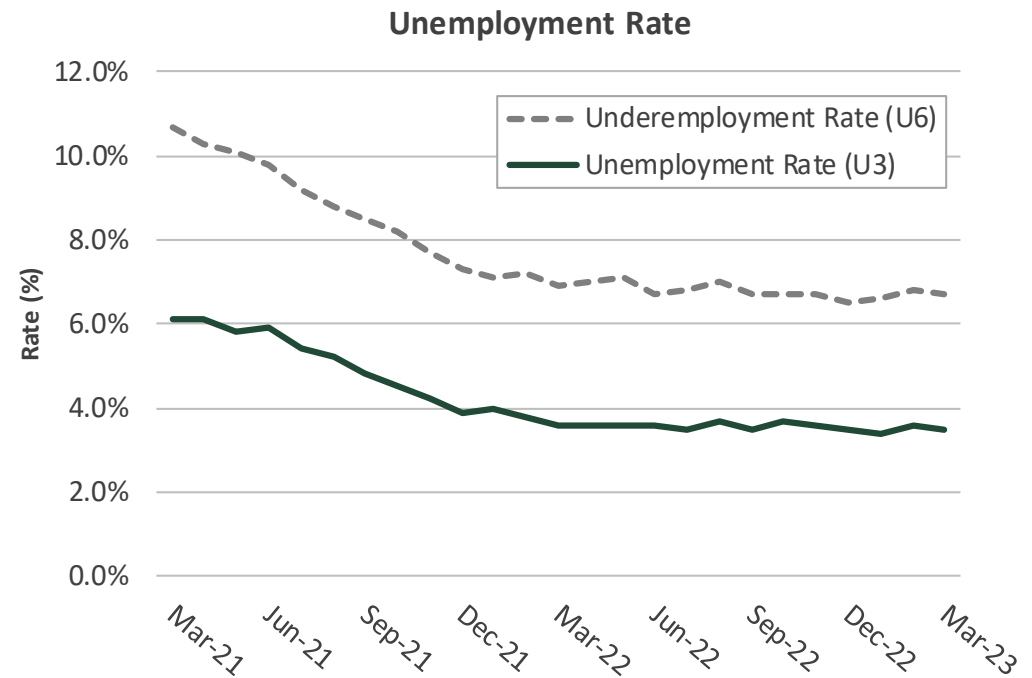
Economic Update

- Economic trends have been decelerating along with tighter financial conditions and restrictive monetary policy. Recent data suggests positive but below trend growth this year. Although the pace of job growth is moderating, labor markets remain solid, and the U.S. consumer has demonstrated resiliency. Market participants and the Federal Reserve are maintaining very divergent views regarding the future trajectory of monetary policy. Given the cumulative effects of tighter monetary policy and stress in the banking sector, we believe the Federal Reserve is likely near a pause in their rate hiking campaign. If moderate growth continues, we believe the Fed will likely maintain the Federal Funds rate in restrictive territory until inflationary pressures subside.
- At the March meeting, the Federal Open Market Committee voted unanimously to raise the target federal funds rate by 0.25% to a range of 4.75 – 5.00%. Fed Chair Powell reiterated the committee’s focus on bringing down inflation to their 2% target; however, the committee softened language about "ongoing increases" in rates in the prior statement to "some additional policy firming may be appropriate". The statement also emphasized that the U.S. banking system is “sound and resilient” and acknowledged the tightening of financial conditions. The Chandler team believes the FOMC is likely near a pause in their rate hiking cycle.
- In March, the yield curve inversion narrowed. The 2-year Treasury yield plummeted 79 basis points to 4.03%, the 5-year Treasury yield plunged 61 basis points to 3.58%, and the 10-year Treasury yield fell 45 basis points to 3.47%. The inversion between the 2-year Treasury yield and 10-year Treasury yield declined to -56 basis points at March month-end versus -90 basis points at February month-end. There was no spread between the 2-year Treasury and 10-year Treasury yield one year ago – the yields were approximately equal. The inversion between 3-month and 10-year Treasuries widened to -128 in March from -89 basis points in February. The shape of the yield curve indicates that the probability of recession is increasing.

Employment



Source: US Department of Labor

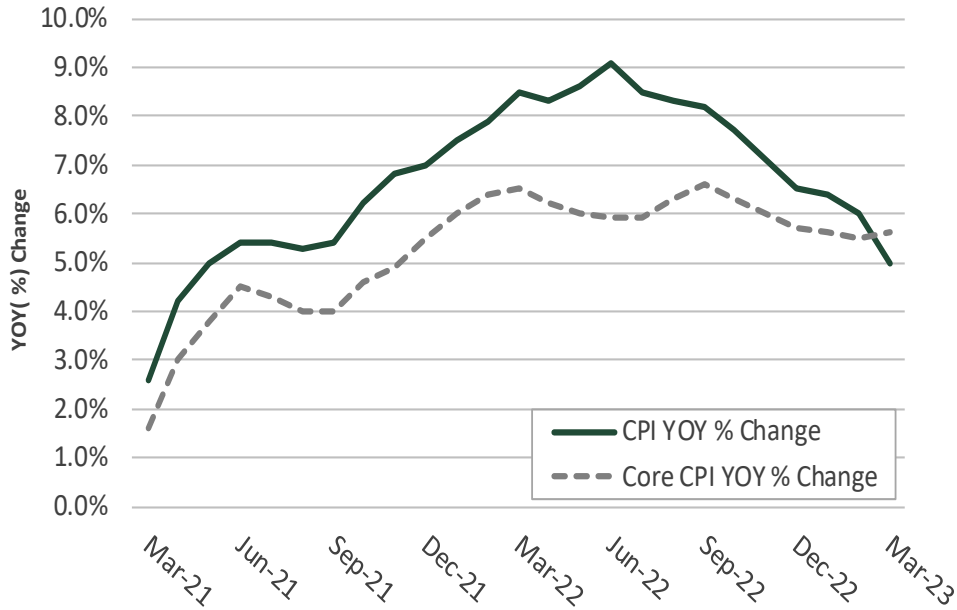


Source: US Department of Labor

The U.S. economy added 236,000 jobs in March, and the prior two months were revised downward by 17,000. Although the pace of job growth is moderating, employment remains strong, with the three-month moving average payrolls at 345,000 and the six-month moving average at 315,000. The private sector reported broad gains, led by leisure and hospitality. The unemployment rate fell to 3.5% due to a sharp rise in the number of people employed, and the participation rate increased to 62.6% from 62.5% in February. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, declined to 6.7% from the prior month at 6.8%. Average hourly earnings rose 4.2% year-over-year in March, down from a 4.6% increase in February. Job Openings dipped to 9.9 million, the first drop below 10 million since May of 2021. While the overall pace of hiring is slowing, levels remain consistent with a solid labor market.

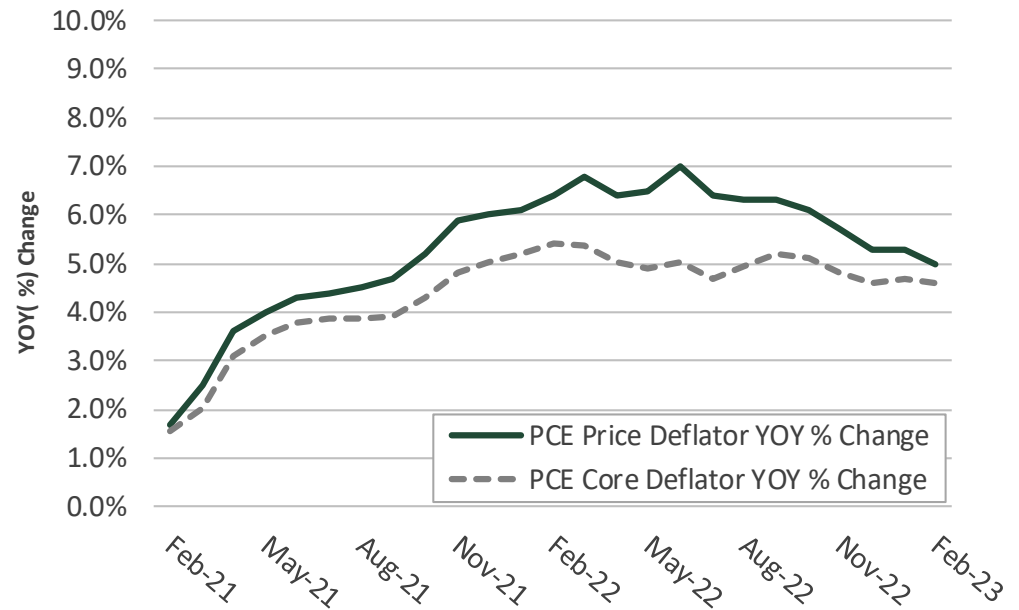
Inflation

Consumer Price Index (CPI)



Source: US Department of Labor

Personal Consumption Expenditures (PCE)

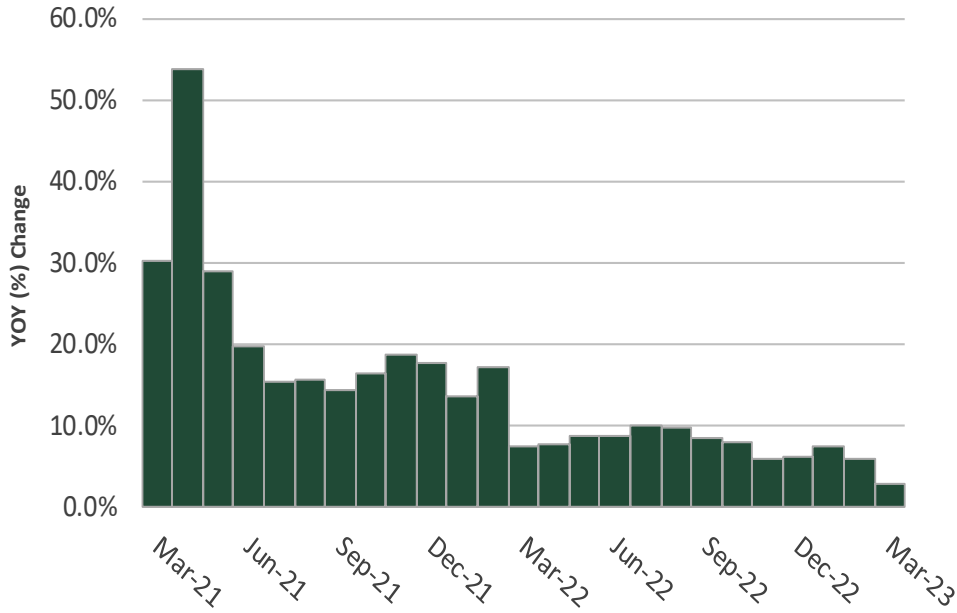


Source: US Department of Commerce

The Consumer Price Index (CPI) increased in March 0.1% month-over-month and 5.0% year-over-year, down from 6.0% in February. The Core CPI, which excludes volatile food and energy components, rose 0.4% month-over-month and 5.6% year-over-year, accelerating from 5.5% in February. Housing remained the largest factor in headline CPI representing 60% of the increase. The Personal Consumption Expenditures (PCE) index rose 5.0% year-over-year in February, improving from a 5.3% year-over-year gain in January. Core PCE, the Federal Reserve's preferred inflation gauge, increased 4.6% year-over-year in February, the smallest increase since October 2021. Inflationary trends are declining but remain above the Fed's 2% target.

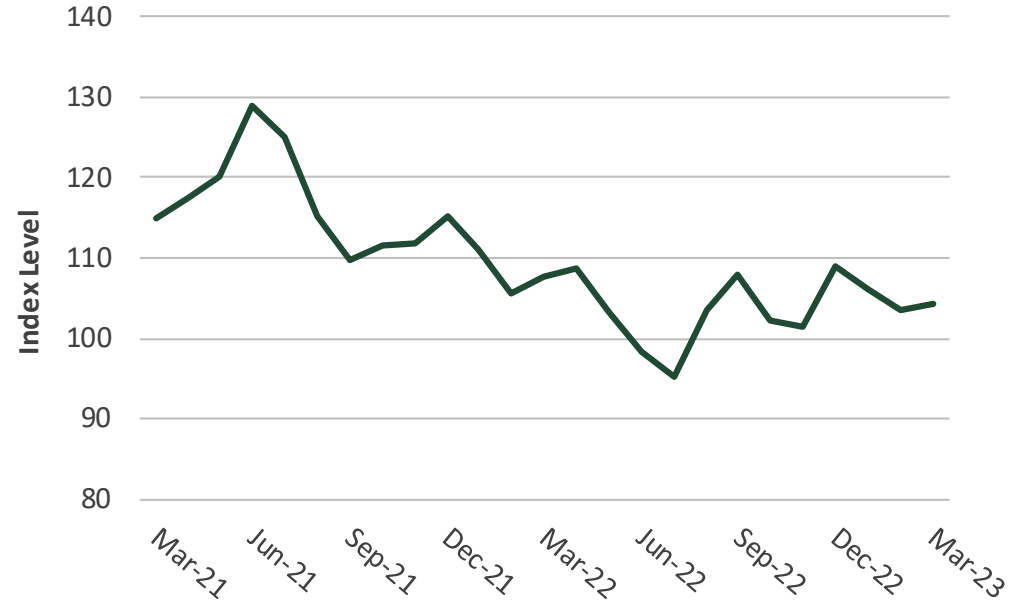
Consumer

Retail Sales YOY % Change



Source: US Department of Commerce

Consumer Confidence

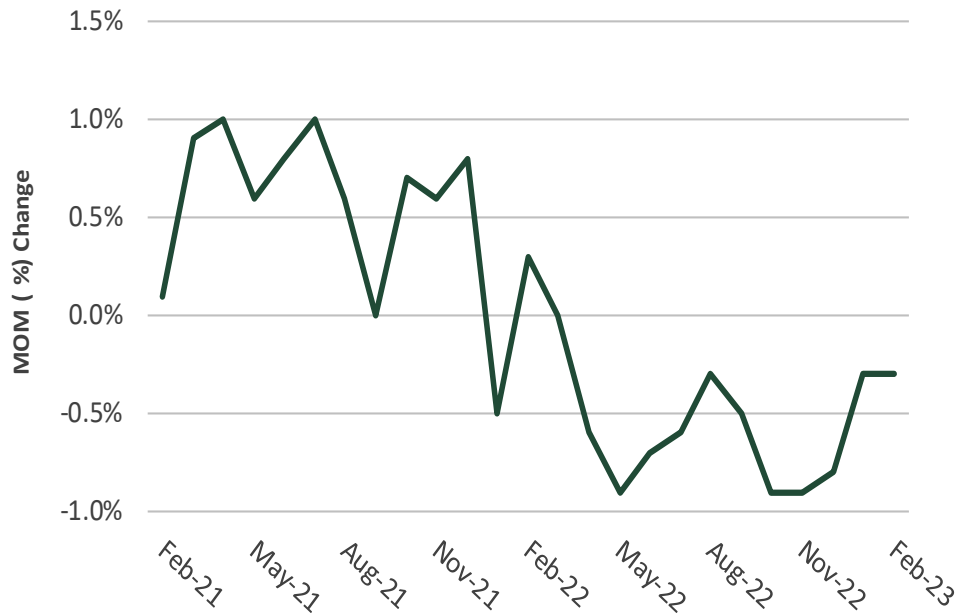


Source: The Conference Board

Advance Retail Sales fell more than expected month-over-month at -1.0% in March, which translated to a year-over-year deceleration to 2.9% from 5.9% in February. The report indicated a broad-based cooling in discretionary spending as consumers are becoming more cautious about the outlook for the US economy. The Conference Board's Consumer Confidence Index unexpectedly increased to 104.2 in March from 103.4 in February. While high inflation and recession concerns remain top of mind for many consumers, the strong labor market and low unemployment continue to support the strength in Consumer Confidence.

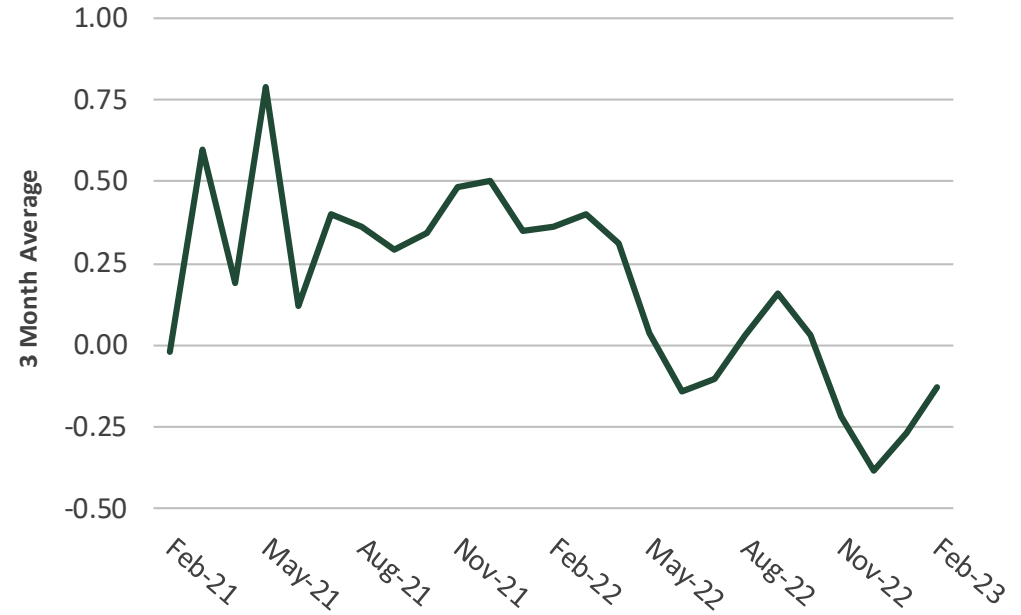
Economic Activity

Leading Economic Indicators (LEI)



Source: The Conference Board

Chicago Fed National Activity Index (CFNAI)

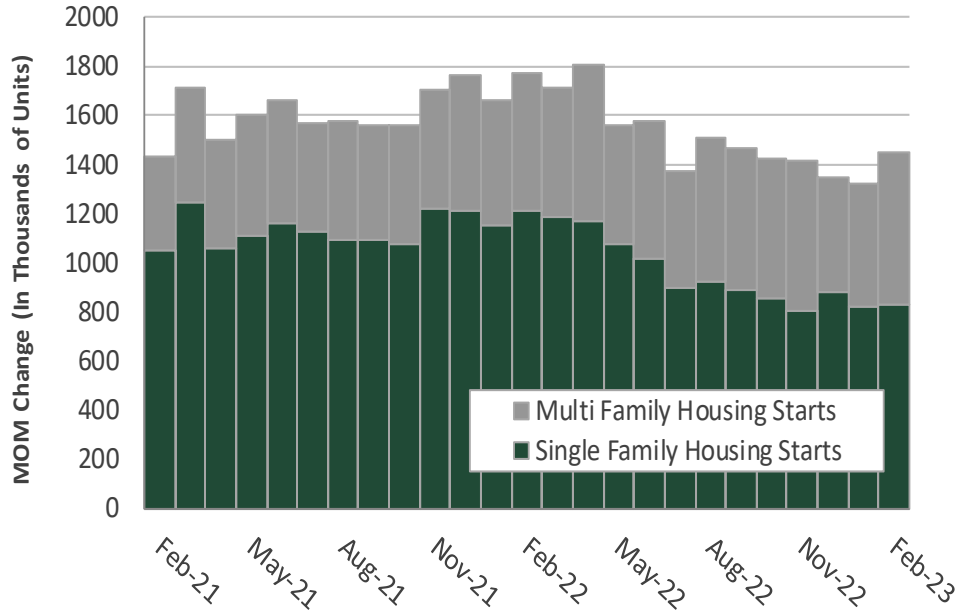


Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) remained in negative territory for the eleventh consecutive month at -0.3% in February, unchanged from -0.3% in January. The LEI was down 6.5% year-over-year in February versus down 5.9% year-over-year in January. The consistent decline month-over-month continues to signal future contraction in the economy. The Chicago Fed National Activity Index (CFNAI) declined to -0.19 in February from +0.23 in January. On a 3-month moving average basis, the CFNAI increased to -0.13 in February from -0.27 in January, indicating a rate of growth below the historical average trend.

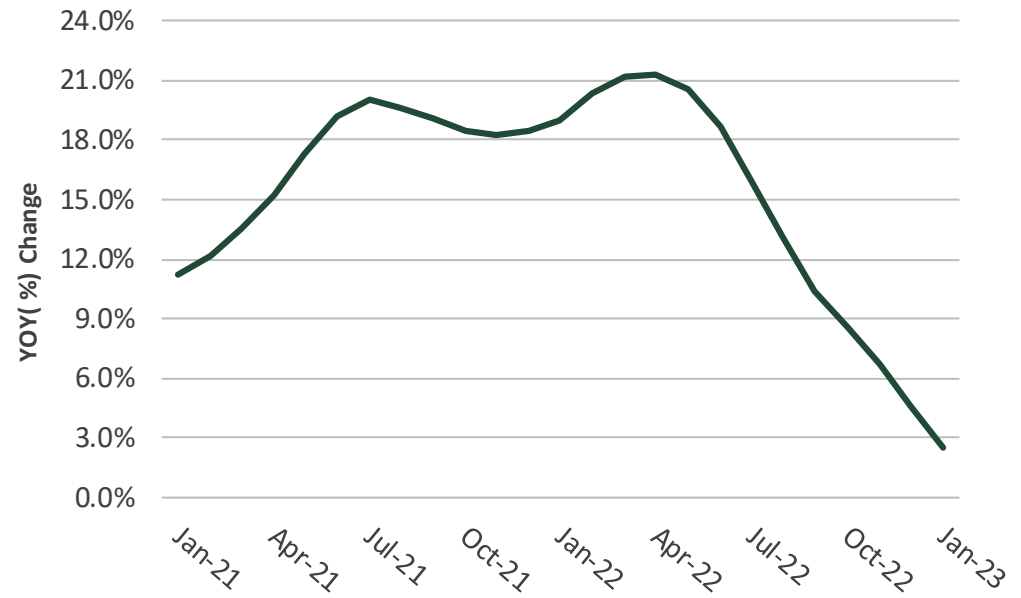
Housing

Housing Starts



Source: US Department of Commerce

S&P/Case-Shiller 20 City Composite Home Price Index

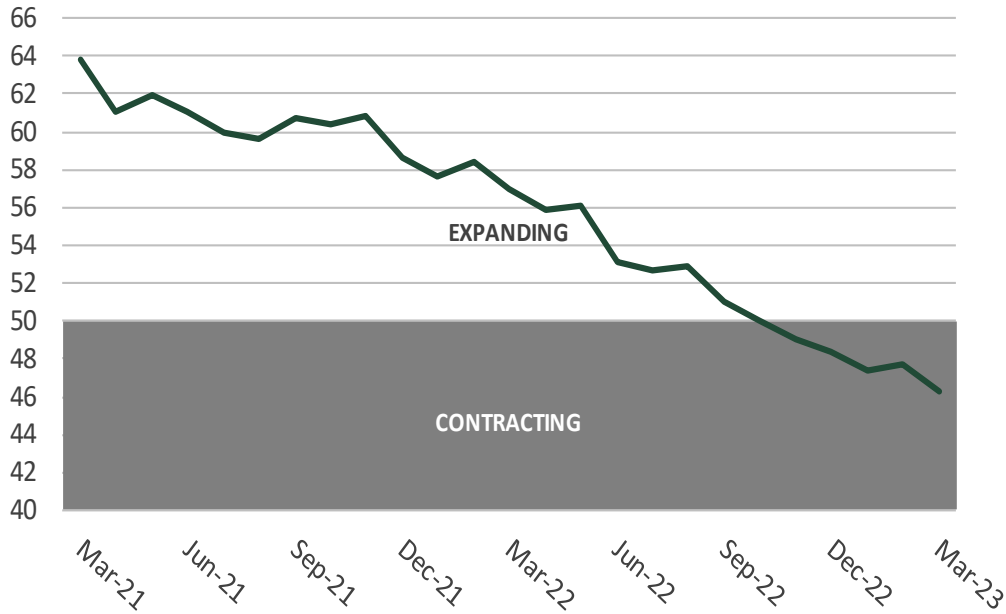


Source: S&P

Total housing starts rose 9.8% month-over-month in February to 1,450,000 units and were down 18.4% compared to February 2022. Starts for both single-family and multi-family homes increased as mortgage rates declined from recent peaks. The 30-year fixed rate mortgage fell to an average of 6.24% according to Freddie Mac, down from a peak of 7.08% in October, but up from 4.67% a year ago. According to the Case-Shiller 20-City Home Price Index, the year-over-year increase continued its declining rate of gain to +2.55% in January from +4.62% in December, clearly displaying the impact of higher mortgage rates year-over-year, which have reduced demand for homebuying as affordability has declined. This is the lowest rate of annual appreciation since December 2019.

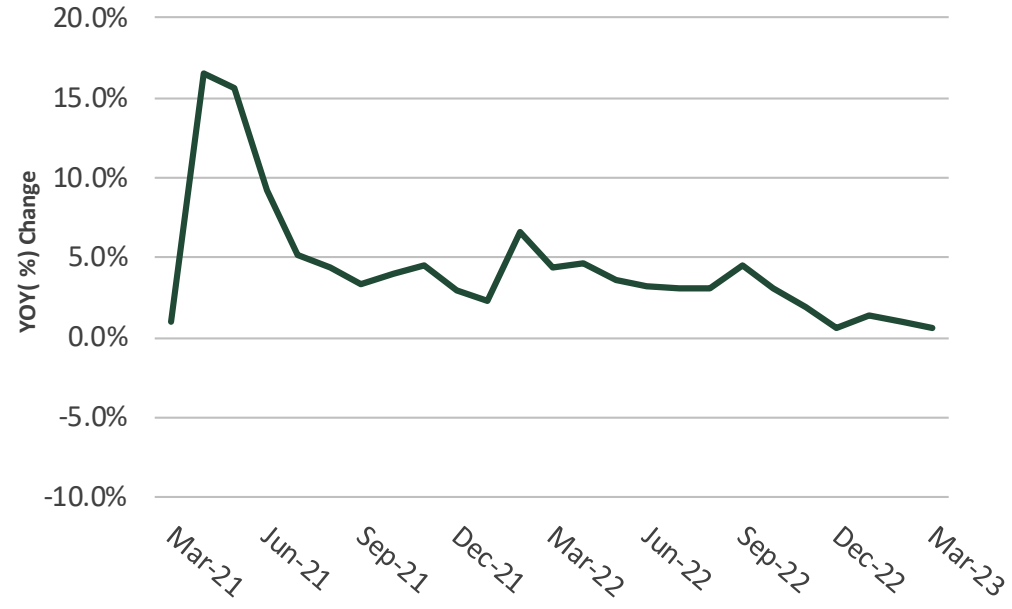
Manufacturing

Institute of Supply Management Purchasing Manager Index



Source: Institute for Supply Management

Industrial Production



Source: Federal Reserve

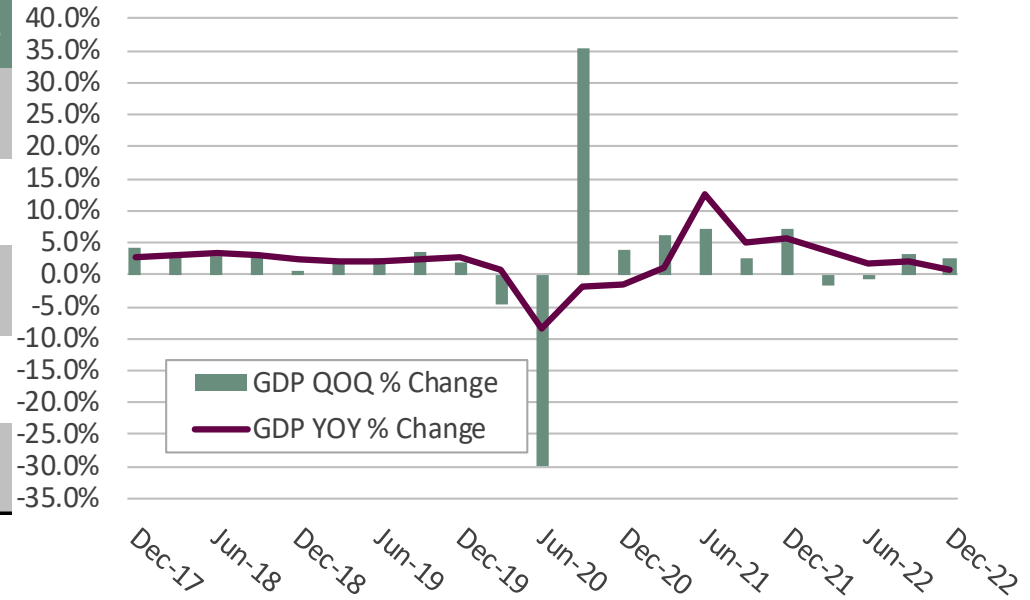
The Institute for Supply Management (ISM) manufacturing index fell to 46.3 in March from 47.7 in February. This is the fifth consecutive month of readings below 50.0, which is indicative of contraction in the manufacturing sector. All components weakened, including the headline, new orders, employment, and prices. Industrial production rose 0.4% in March due to an 8.4% increase in utilities production, as demand increased for heating. This equates to a +0.5% increase in industrial production from the prior year. Capacity utilization increased to 79.8% in March from an upwardly revised 79.6% in February, inching above its 1972-2021 average of 79.6%.

Gross Domestic Product (GDP)

Components of GDP	3/22	6/22	9/22	12/22
Personal Consumption Expenditures	0.9%	1.4%	1.5%	0.7%
Gross Private Domestic Investment	1.0%	-2.8%	-1.8%	0.8%
Net Exports and Imports	-3.1%	1.2%	2.9%	0.4%
Federal Government Expenditures	-0.4%	-0.2%	0.2%	0.4%
State and Local (Consumption and Gross Investment)	0.0%	-0.1%	0.4%	0.3%
Total	-1.6%	-0.6%	3.3%	2.6%

Source: US Department of Commerce

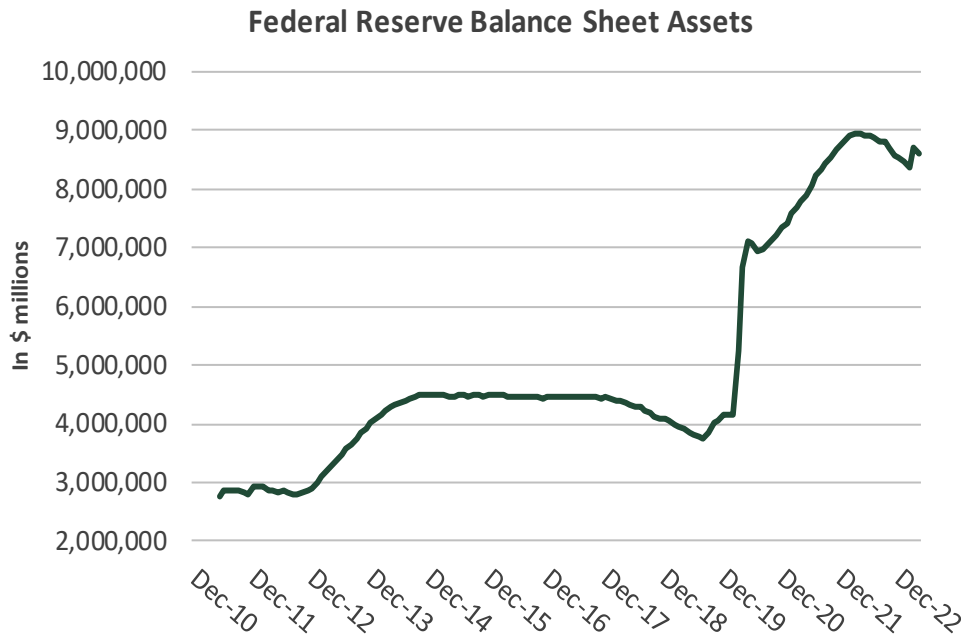
Gross Domestic Product (GDP)



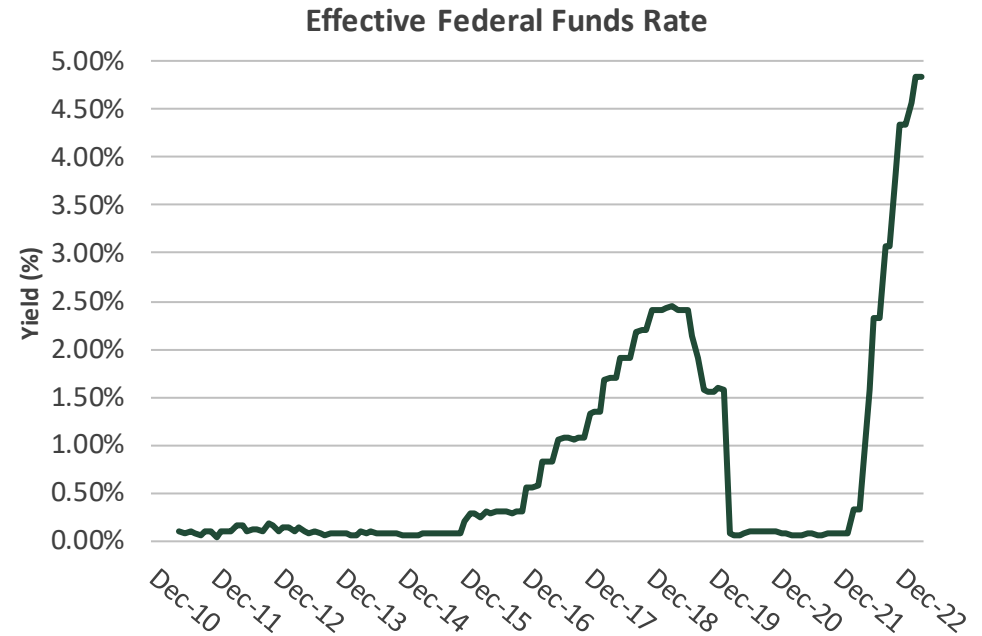
Source: US Department of Commerce

According to the third estimate, fourth quarter 2022 GDP growth was revised downward to 2.6% from 2.7%. The revision lower was primarily due to weaker growth in personal consumption expenditures and a wider trade gap in net exports. The consensus estimate calls for 1.6% growth in the first quarter and 1.0% growth for the full year 2023.

Federal Reserve



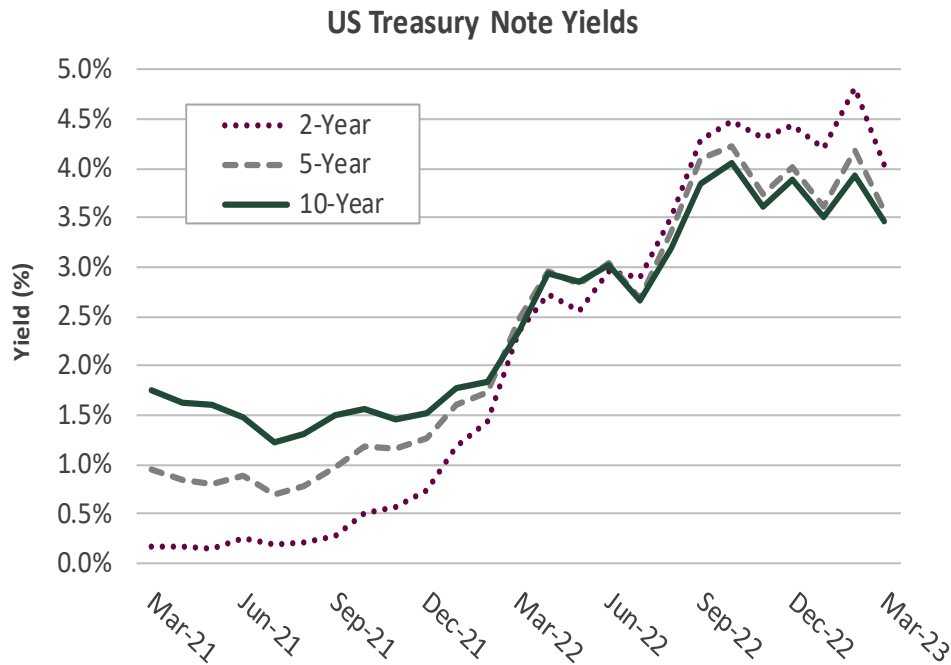
Source: Federal Reserve



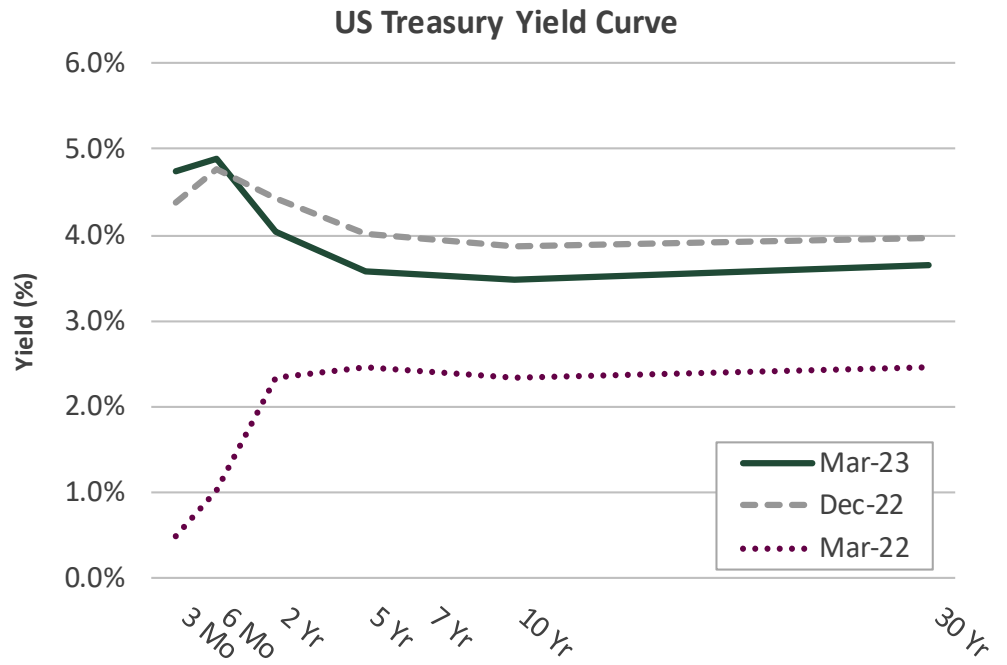
Source: Bloomberg

At the March meeting, the Federal Open Market Committee voted unanimously to raise the target federal funds rate by 0.25% to a range of 4.75 – 5.00%. Fed Chair Powell reiterated the committee’s focus on bringing down inflation to their 2% target; however, the committee softened language about "ongoing increases" in rates in the prior statement to "some additional policy firming may be appropriate". The statement also emphasized that the U.S. banking system is “sound and resilient” and acknowledged the tightening in financial conditions. Powell indicated that the extent of these effects is uncertain but speculated that tighter credit conditions could be equivalent to a rate hike or more. The Summary of Economic Projections was little changed, with the consensus target federal funds rate rising to 5.1% by the end of 2023 (implying one more quarter point hike), falling to 4.3% in 2024 (up from 4.1% previously), and declining to 3.1% by the end of 2025. No rate cuts were in the Fed’s base case for this year, contrary to the market consensus. Although projections imply policymakers are winding down interest rate hikes, the statement clearly reflected optionality for the Fed to remain data dependent. The Chandler team believes the Fed is likely near a pause in their rate hiking cycle.

Bond Yields



Source: Bloomberg



Source: Bloomberg

At the end of March, the 2-year Treasury yield was 169 basis points higher, and the 10-Year Treasury yield was about 113 basis points higher, year-over-year. The inversion between the 2-year Treasury yield and 10-year Treasury yield narrowed to -56 basis points at March month-end versus -90 basis points at February month-end. The average historical spread (since 2003) is about +130 basis points. The inversion between 3-month and 10-year Treasuries widened to -128 in March from -89 basis points in February. The shape of the yield curve indicates that the probability of recession is increasing.

Section 2 | Account Profile

Investment Objectives

Safety of principal is the foremost objective of the investment program. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

Chandler Asset Management Performance Objective

The performance objective for the City of Louisville is to achieve an annual total return on the portfolio that exceeds the return of the ICE BofA Blended 0-3 Year Treasury Index.

Strategy

In order to achieve its objective, we will invest the City's funds in a well diversified passive portfolio comprised primarily of U.S. Treasury and Agency securities. All securities will be in compliance with the City's Investment Policies and CRS 24-75-601.

City of Louisville

Assets managed by Chandler Asset Management are in full compliance with state law and with the City's investment policy.

Category	Standard	Comment
Treasury Issues	5 years maximum maturity; 5% minimum	Complies
Government Instrumentalities, GSEs	95% max inclusive of Corporate or Bank Securities, 35% max per issuer (includes FFCB, FHLB, FHLMC, FNMA, GNMA), 3 years max maturity	Complies
Municipal Securities	A- or above by two NRSROs for Colorado GO and Revs; AA- for Non-Colorado by two NRSROs; 3 years max maturity	Complies
Banker's Acceptances	A-1,P-1, or F-1 by two NRSROs; 25% maximum; 5% max per issuer; 270 days max maturity	Complies
Commercial Paper	A-1,P-1, or F-1 by two NRSROs; 25% maximum; 5% max per issuer; 270 days max maturity	Complies
CDs	AA- rated; 25% maximum; 5% max per issuer; 5 years max maturity	Complies
US Corporate (MTNs)	AA-/Aa3 rated by two NRSROs; 25% maximum; 5% max per issuer; 3 years max maturity	Complies
Money Market Fund	AAAm rated; 20% maximum; 10% max per issuer; 100% U.S. Treasury	Complies
LGIP	AAAm rated	Complies
Repurchase Agreements	Not used by Investment Adviser	Complies
GICS	Not used by Investment Adviser	Complies
Maximum Maturity	5 years	Complies

City of Louisville

	03/31/23		12/31/22
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	0.90	0.79	0.86
Average Modified Duration	0.86	0.76	0.83
Average Purchase Yield	n/a	2.62%	2.02%
Average Market Yield	4.44%	4.54%	4.53%
Average Quality**	AAA	AA+/Aaa	AA+/Aaa
Total Market Value		61,493,131	60,791,271

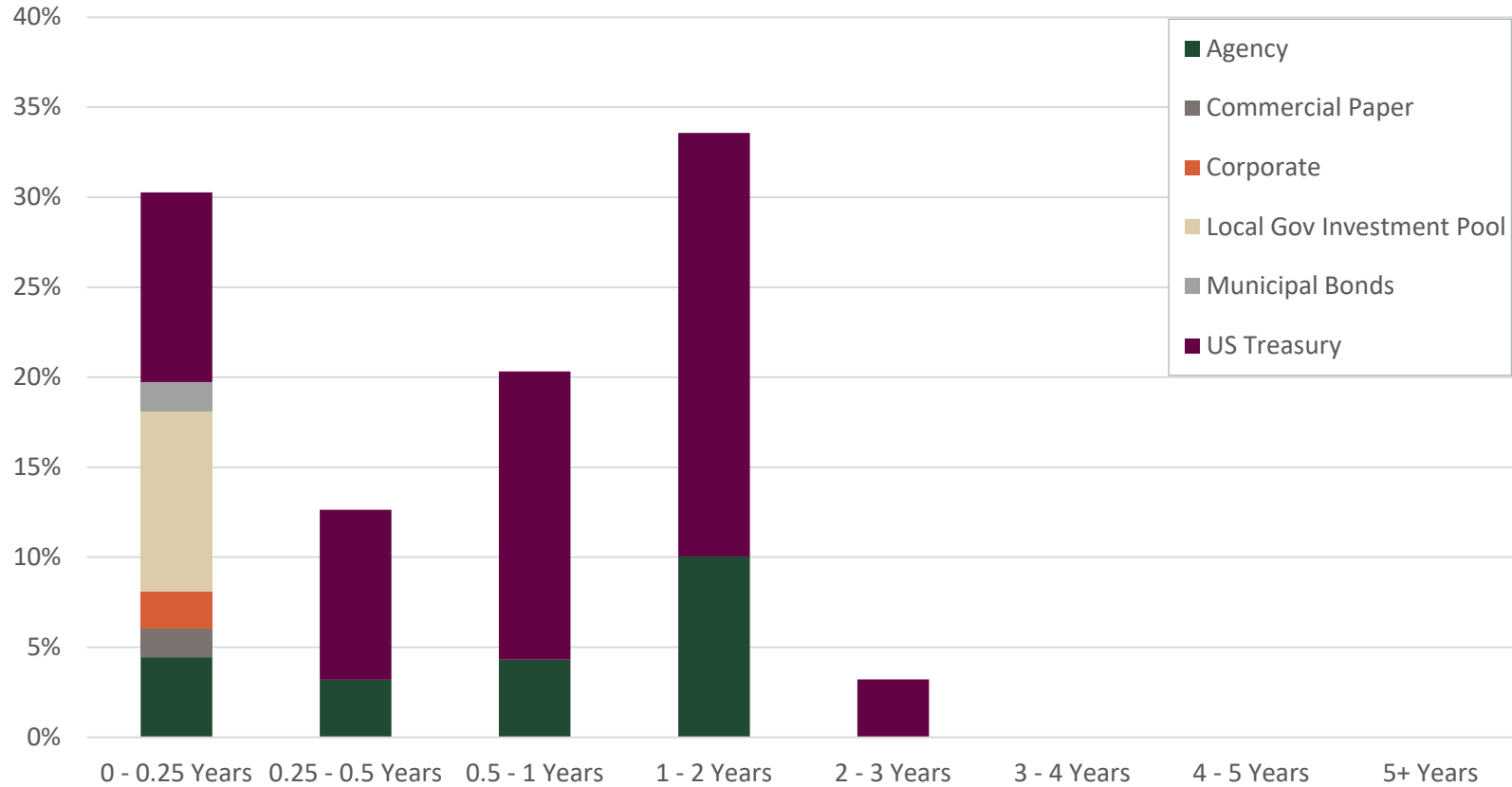
*0-3 Yr Treasury

**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Duration Allocation

As of March 31, 2023

City of Louisville

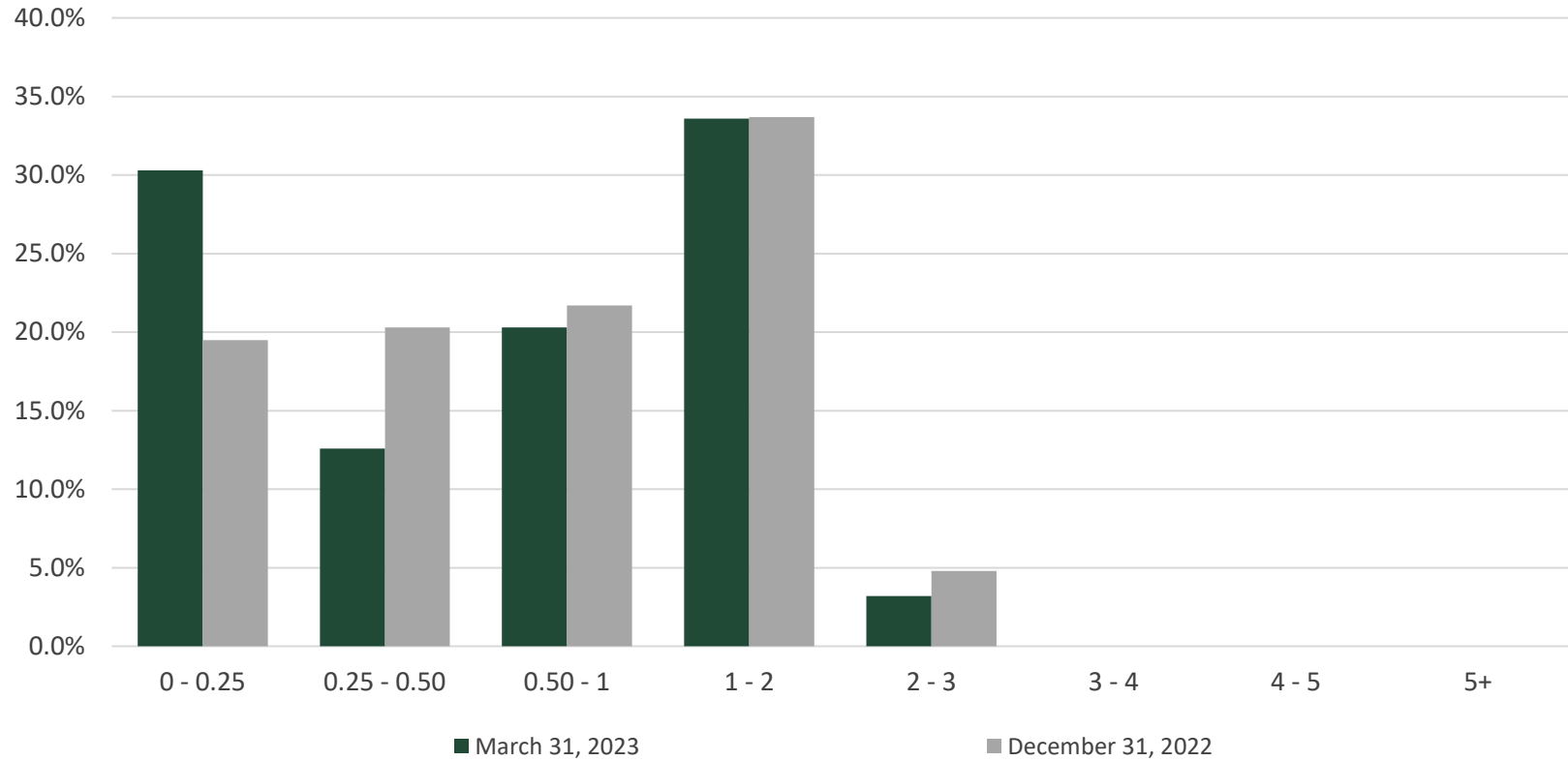


	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
03/31/23	30.3%	12.6%	20.3%	33.6%	3.2%	0.0%	0.0%	0.0%

Duration Distribution

As of March 31, 2023

City of Louisville
March 31, 2023 vs. December 31, 2022



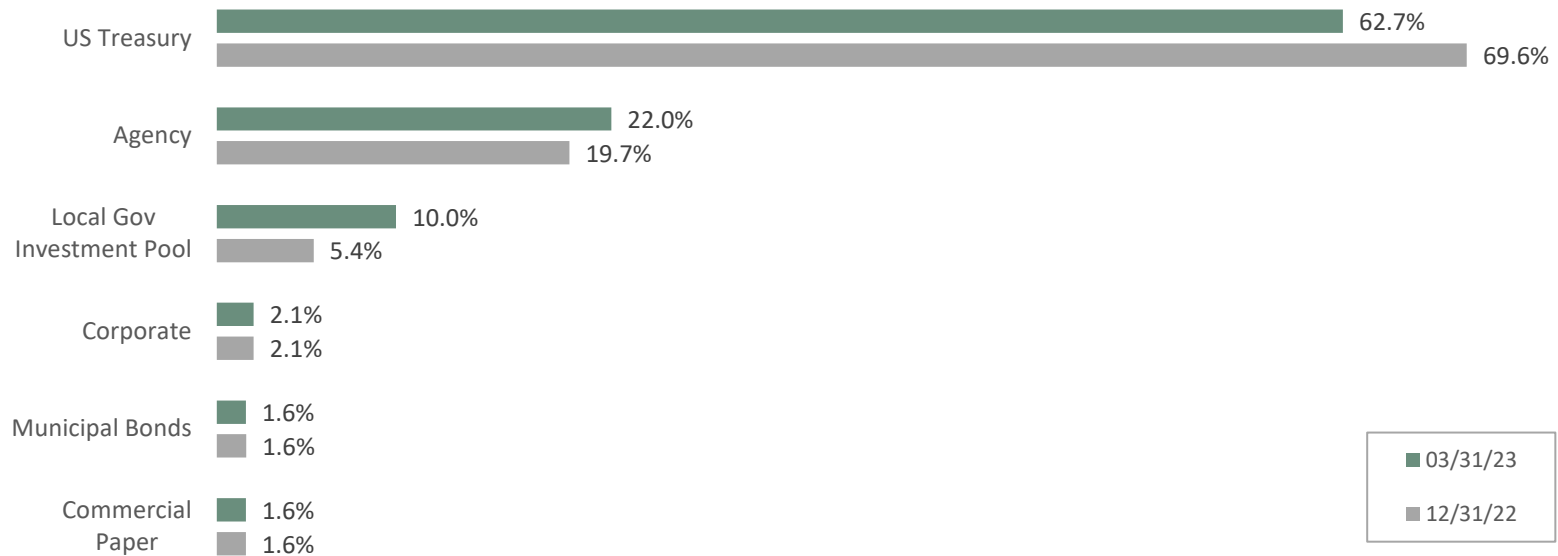
	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
03/31/23	30.3%	12.6%	20.3%	33.6%	3.2%	0.0%	0.0%	0.0%
12/31/22	19.5%	20.3%	21.7%	33.7%	4.8%	0.0%	0.0%	0.0%

Portfolio Allocation & Duration Changes

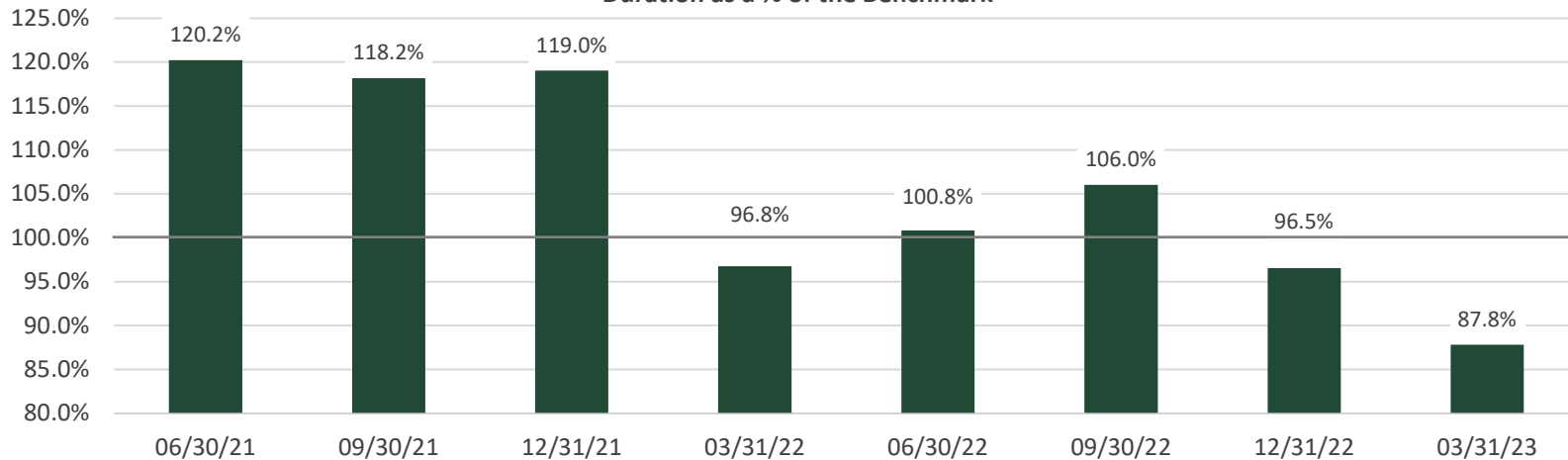
As of March 31, 2023

City of Louisville

Portfolio Allocation



Duration as a % of the Benchmark



Benchmark: 0-3 Yr Treasury

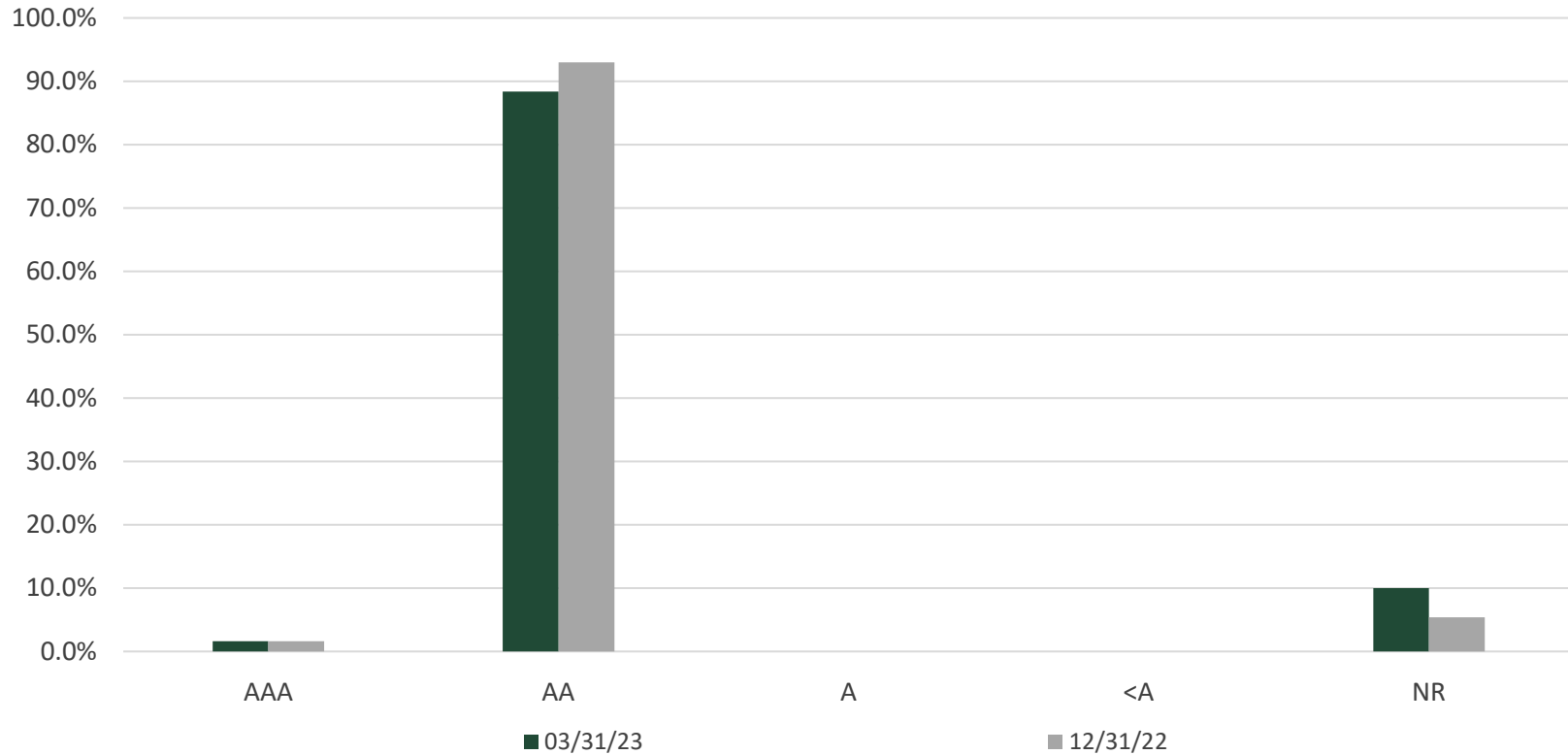
City of Louisville – Account #10236

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	62.74%
Federal Home Loan Bank	Agency	11.58%
CSAFE Investment Pool	Local Gov Investment Pool	9.99%
Federal Home Loan Mortgage Corp	Agency	4.80%
Federal Farm Credit Bank	Agency	4.38%
Apple Inc	Corporate	2.05%
State of Georgia Municipal Bond	Municipal Bonds	1.62%
MUFG Bank Ltd/NY	Commercial Paper	1.62%
Federal National Mortgage Association	Agency	1.21%
TOTAL		100.00%

Quality Distribution

As of March 31, 2023

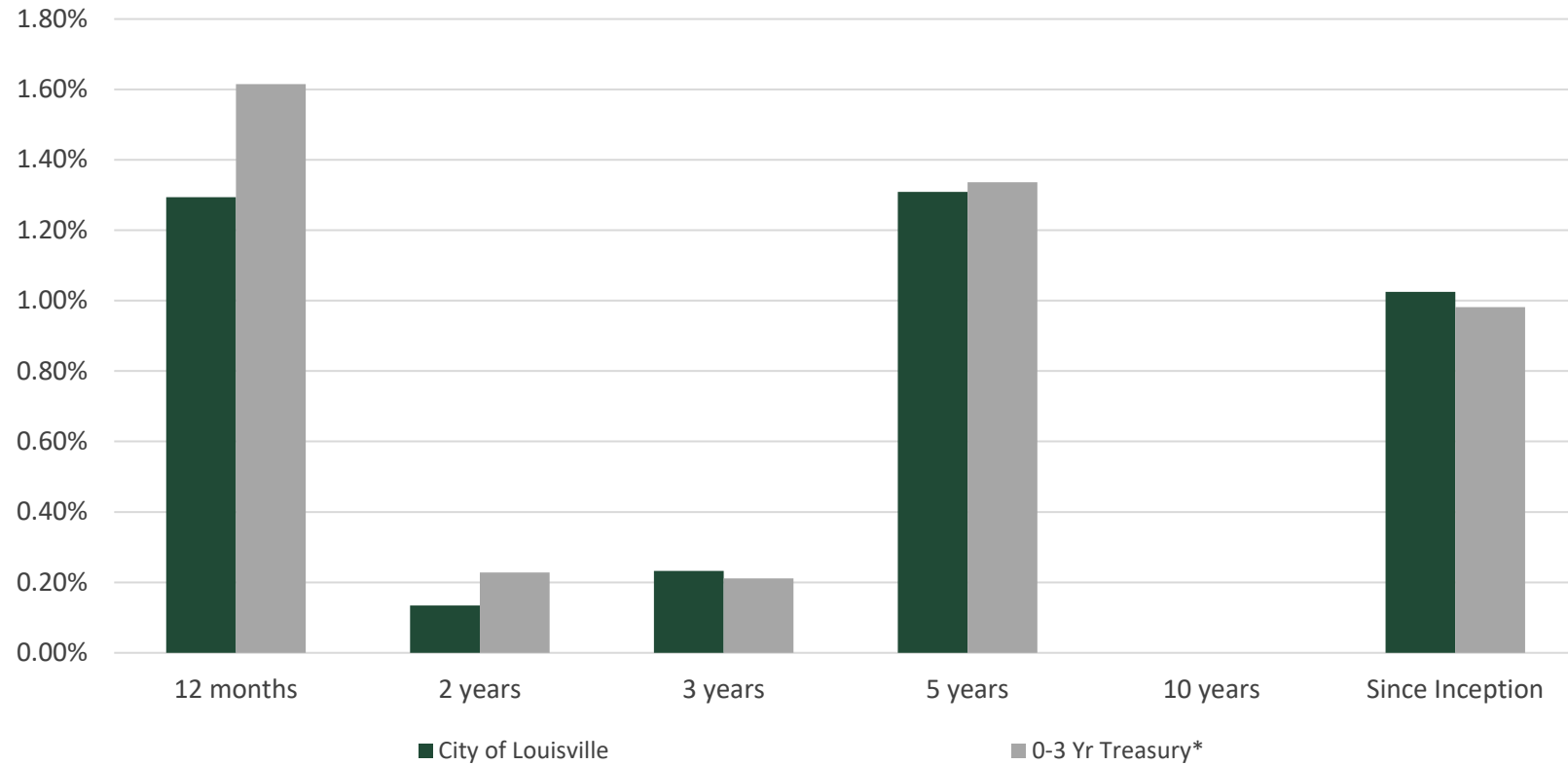
City of Louisville March 31, 2023 vs. December 31, 2022



	AAA	AA	A	<A	NR
03/31/23	1.6%	88.4%	0.0%	0.0%	10.0%
12/31/22	1.6%	93.0%	0.0%	0.0%	5.4%

Source: S&P Ratings

City of Louisville Total Rate of Return Annualized Since Inception June 30, 2014



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
City of Louisville	1.16%	1.29%	0.13%	0.23%	1.31%	N/A	1.02%
0-3 Yr Treasury*	1.30%	1.62%	0.23%	0.21%	1.34%	N/A	0.98%

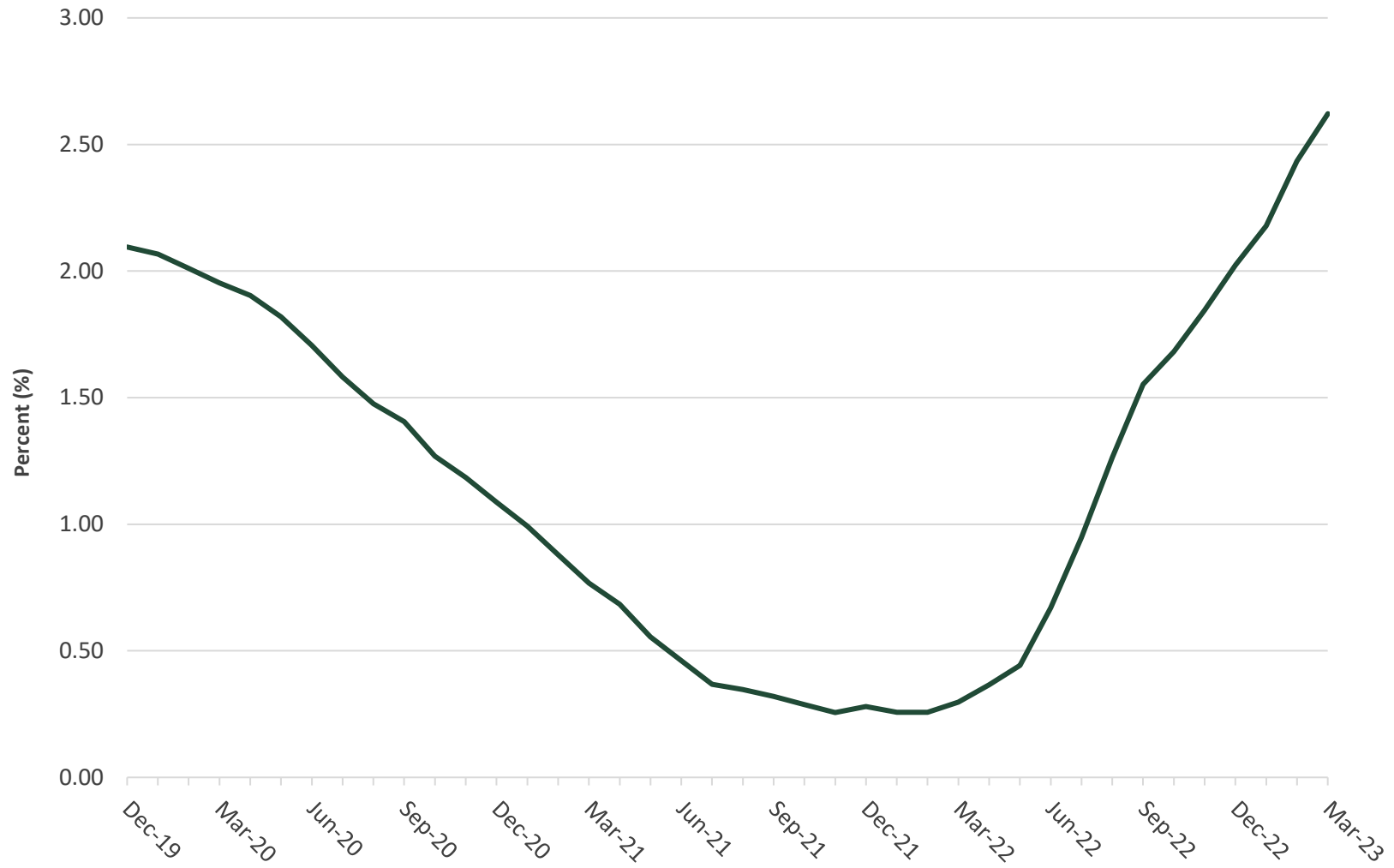
*1 Year Treasury Bill until 12/31/00; then *30% ICE BofA 3-Month US Treasury Bill, 30% ICE BofA 6-Month US Treasury Bill, 40% ICE BofA 1-3 Yr US Treasury Index

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

Historical Average Purchase Yield

As of March 31, 2023

City of Louisville
Purchase Yield as of 03/31/23 = 2.62%





Section 3 | Portfolio Holdings

Holdings Report

As of March 31, 2023

City of Louisville - Account #10236

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Agency									
3133EMVP4	FFCB Note 0.125% Due 04/13/2023	1,000,000.00	04/06/2021 0.19%	998,680.00 999,978.30	99.87 3.89%	998,747.00 583.33	1.63% (1,231.30)	Aaa / AA+ AAA	0.04 0.03
3135G04Q3	FNMA Note 0.250% Due 05/22/2023	750,000.00	05/17/2021 0.17%	751,200.00 750,083.38	99.40 4.48%	745,534.50 671.88	1.21% (4,548.88)	Aaa / AA+ AAA	0.14 0.14
3137EAES4	FHLMC Note 0.250% Due 06/26/2023	1,000,000.00	05/17/2021 0.18%	1,001,570.00 1,000,175.58	99.00 4.55%	989,953.00 659.72	1.61% (10,222.58)	NR / AA+ AAA	0.24 0.23
3137EAEV7	FHLMC Note 0.250% Due 08/24/2023	1,000,000.00	12/13/2021 0.59%	994,300.00 998,662.62	98.22 4.81%	982,234.00 256.94	1.60% (16,428.62)	Aaa / AA+ AAA	0.40 0.39
3137EAEW5	FHLMC Note 0.250% Due 09/08/2023	1,000,000.00	02/16/2021 0.19%	1,001,630.00 1,000,279.53	98.02 4.89%	980,183.00 159.72	1.59% (20,096.53)	Aaa / AA+ AAA	0.44 0.43
3130APU29	FHLB Note 0.500% Due 11/09/2023	1,000,000.00	12/13/2021 0.67%	996,876.00 999,002.12	97.43 4.86%	974,267.00 1,972.22	1.59% (24,735.12)	Aaa / AA+ NR	0.61 0.59
3133ENHR4	FFCB Note 0.680% Due 12/20/2023	700,000.00	12/14/2021 0.70%	699,656.30 699,876.17	97.17 4.72%	680,220.80 1,335.44	1.11% (19,655.37)	Aaa / AA+ AAA	0.72 0.70
3130A0XE5	FHLB Note 3.250% Due 03/08/2024	1,000,000.00	08/31/2022 3.60%	994,809.00 996,795.45	98.58 4.81%	985,849.00 2,076.39	1.61% (10,946.45)	Aaa / AA+ NR	0.94 0.91
3130ASHK8	FHLB Note 3.125% Due 06/14/2024	1,000,000.00	08/31/2022 3.58%	992,119.00 994,681.53	98.33 4.57%	983,253.00 9,288.19	1.61% (11,428.53)	Aaa / AA+ NR	1.21 1.15
3130ATVD6	FHLB Note 4.875% Due 09/13/2024	1,000,000.00	03/27/2023 4.44%	1,006,080.00 1,006,034.54	100.52 4.50%	1,005,245.00 2,437.50	1.64% (789.54)	Aaa / AA+ NR	1.46 1.38
3130ATT31	FHLB Note 4.500% Due 10/03/2024	1,100,000.00	11/04/2022 4.87%	1,092,707.00 1,094,226.38	100.21 4.35%	1,102,345.20 21,037.50	1.83% 8,118.82	Aaa / AA+ NR	1.51 1.41
3130ATUR6	FHLB Note 4.625% Due 12/13/2024	1,000,000.00	03/27/2023 4.32%	1,004,900.00 1,004,868.69	100.49 4.32%	1,004,905.00 18,885.42	1.66% 36.31	Aaa / AA+ NR	1.71 1.59
3133EPBH7	Federal Farm Credit Bank Note 4.750% Due 02/21/2025	1,000,000.00	03/27/2023 4.21%	1,009,740.00 1,009,684.02	100.80 4.30%	1,007,982.00 5,277.78	1.65% (1,702.02)	Aaa / AA+ AAA	1.90 1.78
3130AUZC1	FHLB Note 4.625% Due 03/14/2025	1,000,000.00	03/27/2023 4.26%	1,006,760.00 1,006,722.29	100.57 4.31%	1,005,735.00 5,652.78	1.64% (987.29)	Aaa / AA+ NR	1.96 1.84
TOTAL Agency		13,550,000.00	2.38%	13,551,027.30 13,561,070.60	4.52%	13,446,453.50 70,294.81	21.98% (114,617.10)	Aaa / AA+ AAA	0.98 0.93

Holdings Report

As of March 31, 2023

City of Louisville - Account #10236

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Commercial Paper									
62479MSP9	MUFG Bank Ltd/NY Discount CP 3.840% Due 05/23/2023	1,000,000.00	08/26/2022 3.98%	971,520.00 971,520.00	97.15 3.98%	971,520.00 22,933.33	1.62% 0.00	P-1 / A-1 NR	0.15 0.14
TOTAL Commercial Paper		1,000,000.00	3.98%	971,520.00 971,520.00	3.98%	971,520.00 22,933.33	1.62% 0.00	P-1 / A-1 NR	0.15 0.14
Corporate									
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	1,250,000.00	05/06/2021 0.27%	1,302,550.00 1,252,325.86	99.82 4.44%	1,247,698.75 12,333.33	2.05% (4,627.11)	Aaa / AA+ NR	0.09 0.09
TOTAL Corporate		1,250,000.00	0.27%	1,302,550.00 1,252,325.86	4.44%	1,247,698.75 12,333.33	2.05% (4,627.11)	Aaa / AA+ NR	0.09 0.09
Local Gov Investment Pool									
99CSAFE\$0	CSAFE Investment Pool	6,140,514.23	Various 4.89%	6,140,514.23 6,140,514.23	1.00 4.89%	6,140,514.23 0.00	9.99% 0.00	NR / NR AAA	0.00 0.00
TOTAL Local Gov Investment Pool		6,140,514.23	4.89%	6,140,514.23 6,140,514.23	4.89%	6,140,514.23 0.00	9.99% 0.00	NR / NR AAA	0.00 0.00
Municipal Bonds									
373385JB0	State of Georgia STE-GO 2.000% Due 07/01/2023	1,000,000.00	06/11/2021 0.20%	1,035,910.00 1,004,476.45	99.36 4.56%	993,618.00 5,000.00	1.62% (10,858.45)	Aaa / AAA AAA	0.25 0.25
TOTAL Municipal Bonds		1,000,000.00	0.20%	1,035,910.00 1,004,476.45	4.56%	993,618.00 5,000.00	1.62% (10,858.45)	Aaa / AAA AAA	0.25 0.25
US Treasury									
912828ZH6	US Treasury Note 0.250% Due 04/15/2023	1,000,000.00	07/27/2021 0.16%	1,001,523.44 1,000,034.07	99.86 3.75%	998,557.00 1,153.85	1.63% (1,477.07)	Aaa / AA+ AAA	0.04 0.04
91282CBX8	US Treasury Note 0.125% Due 04/30/2023	1,000,000.00	06/01/2021 0.14%	999,687.50 999,987.00	99.66 4.30%	996,552.00 524.86	1.62% (3,435.00)	Aaa / AA+ AAA	0.08 0.08
912828VB3	US Treasury Note 1.750% Due 05/15/2023	1,000,000.00	06/22/2022 2.84%	990,429.69 998,708.30	99.65 4.54%	996,519.00 6,622.93	1.63% (2,189.30)	Aaa / AA+ AAA	0.12 0.12
91282CCD1	US Treasury Note 0.125% Due 05/31/2023	500,000.00	06/18/2021 0.26%	498,730.47 499,892.26	99.27 4.51%	496,353.00 209.48	0.81% (3,539.26)	Aaa / AA+ AAA	0.17 0.17
912828ZU7	US Treasury Note 0.250% Due 06/15/2023	1,000,000.00	06/28/2021 0.25%	1,000,039.06 1,000,004.09	99.12 4.51%	991,181.00 734.89	1.61% (8,823.09)	Aaa / AA+ AAA	0.21 0.21

Holdings Report

As of March 31, 2023

City of Louisville - Account #10236

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828S35	US Treasury Note 1.375% Due 06/30/2023	2,000,000.00	Various 3.75%	1,963,437.51 1,988,549.92	99.21 4.55%	1,984,126.00 6,912.98	3.24% (4,423.92)	Aaa / AA+ AAA	0.25 0.25
912828Z99	US Treasury Note 0.125% Due 07/15/2023	1,000,000.00	02/16/2021 0.16%	999,140.63 999,897.23	98.68 4.68%	986,836.00 262.43	1.61% (13,061.23)	Aaa / AA+ AAA	0.29 0.29
91282CCN9	US Treasury Note 0.125% Due 07/31/2023	1,000,000.00	07/27/2021 0.20%	998,437.50 999,740.30	98.49 4.68%	984,883.00 207.18	1.60% (14,857.30)	Aaa / AA+ AAA	0.33 0.33
91282CAF8	US Treasury Note 0.125% Due 08/15/2023	900,000.00	08/09/2021 0.23%	898,171.88 899,661.74	98.29 4.73%	884,601.90 139.85	1.44% (15,059.84)	Aaa / AA+ AAA	0.38 0.37
91282CCU3	US Treasury Note 0.125% Due 08/31/2023	1,000,000.00	08/25/2021 0.24%	997,617.19 999,503.85	98.13 4.70%	981,328.00 108.70	1.60% (18,175.85)	Aaa / AA+ AAA	0.42 0.41
91282CAK7	US Treasury Note 0.125% Due 09/15/2023	1,000,000.00	09/29/2021 0.28%	997,031.25 999,306.60	97.97 4.67%	979,688.00 57.74	1.59% (19,618.60)	Aaa / AA+ AAA	0.46 0.45
9128285D8	US Treasury Note 2.875% Due 09/30/2023	1,000,000.00	07/25/2022 3.06%	997,890.63 999,109.27	99.13 4.66%	991,289.00 78.55	1.61% (7,820.27)	Aaa / AA+ AAA	0.50 0.49
91282CDD0	US Treasury Note 0.375% Due 10/31/2023	1,000,000.00	10/28/2021 0.50%	997,421.88 999,246.72	97.55 4.68%	975,547.00 1,574.59	1.59% (23,699.72)	Aaa / AA+ AAA	0.59 0.57
91282CAW1	US Treasury Note 0.250% Due 11/15/2023	1,000,000.00	11/30/2021 0.52%	994,765.63 998,328.52	97.25 4.77%	972,539.00 946.13	1.58% (25,789.52)	Aaa / AA+ AAA	0.63 0.61
91282CDM0	US Treasury Note 0.500% Due 11/30/2023	1,000,000.00	11/30/2021 0.53%	999,375.00 999,791.67	97.25 4.73%	972,539.00 1,675.82	1.58% (27,252.67)	Aaa / AA+ AAA	0.67 0.65
91282CBA8	US Treasury Note 0.125% Due 12/15/2023	1,000,000.00	03/30/2022 2.24%	964,765.63 985,431.94	96.86 4.68%	968,633.00 367.45	1.58% (16,798.94)	Aaa / AA+ AAA	0.71 0.69
91282CBE0	US Treasury Note 0.125% Due 01/15/2024	1,000,000.00	08/31/2022 3.46%	955,820.31 974,515.11	96.47 4.71%	964,688.00 262.43	1.57% (9,827.11)	Aaa / AA+ AAA	0.79 0.77
912828V80	US Treasury Note 2.250% Due 01/31/2024	1,300,000.00	07/13/2022 3.12%	1,282,988.28 1,290,832.91	97.96 4.77%	1,273,441.00 4,848.07	2.08% (17,391.91)	Aaa / AA+ AAA	0.84 0.81
9128286G0	US Treasury Note 2.375% Due 02/29/2024	1,300,000.00	07/13/2022 3.12%	1,284,765.63 1,291,448.27	97.91 4.73%	1,272,832.60 2,684.78	2.07% (18,615.67)	Aaa / AA+ AAA	0.92 0.89
91282CEA5	US Treasury Note 1.500% Due 02/29/2024	1,000,000.00	08/31/2022 3.44%	971,875.00 982,795.33	97.20 4.66%	971,992.00 1,304.35	1.58% (10,803.33)	Aaa / AA+ AAA	0.92 0.89
91282CEG2	US Treasury Note 2.250% Due 03/31/2024	1,500,000.00	05/04/2022 2.83%	1,483,886.72 1,491,537.63	97.69 4.64%	1,465,371.00 92.21	2.38% (26,166.63)	Aaa / AA+ AAA	1.00 0.97
91282CBV2	US Treasury Note 0.375% Due 04/15/2024	1,000,000.00	03/27/2023 4.47%	958,476.56 958,909.10	95.71 4.64%	957,148.00 1,730.77	1.56% (1,761.10)	Aaa / AA+ AAA	1.04 1.01
91282CEK3	US Treasury Note 2.500% Due 04/30/2024	2,400,000.00	Various 3.27%	2,369,101.56 2,380,650.69	97.80 4.61%	2,347,125.60 25,193.37	3.86% (33,525.09)	Aaa / AA+ AAA	1.08 1.04



Holdings Report

As of March 31, 2023

City of Louisville - Account #10236

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828WJ5	US Treasury Note 2.500% Due 05/15/2024	2,000,000.00	Various 3.11%	1,979,375.01 1,986,827.24	97.80 4.53%	1,955,938.00 18,922.66	3.21% (30,889.24)	Aaa / AA+ AAA	1.13 1.08
91282CCC3	US Treasury Note 0.250% Due 05/15/2024	1,000,000.00	08/31/2022 3.46%	947,382.81 965,316.64	95.36 4.53%	953,594.00 946.13	1.55% (11,722.64)	Aaa / AA+ AAA	1.13 1.10
91282CCG4	US Treasury Note 0.250% Due 06/15/2024	1,600,000.00	04/27/2022 2.58%	1,523,062.50 1,556,444.88	95.09 4.46%	1,521,500.80 1,175.82	2.48% (34,944.08)	Aaa / AA+ AAA	1.21 1.18
91282CCL3	US Treasury Note 0.375% Due 07/15/2024	1,000,000.00	03/27/2023 4.31%	950,703.13 951,118.26	94.98 4.41%	949,844.00 787.29	1.55% (1,274.26)	Aaa / AA+ AAA	1.29 1.26
91282CFA4	US Treasury Note 3.000% Due 07/31/2024	1,250,000.00	08/16/2022 3.25%	1,244,140.63 1,246,003.48	98.18 4.41%	1,227,246.25 6,215.47	2.01% (18,757.23)	Aaa / AA+ AAA	1.34 1.29
9128282Y5	US Treasury Note 2.125% Due 09/30/2024	1,425,000.00	06/08/2022 2.82%	1,403,012.70 1,410,723.89	96.85 4.32%	1,380,079.73 82.74	2.24% (30,644.16)	Aaa / AA+ AAA	1.50 1.45
912828G38	US Treasury Note 2.250% Due 11/15/2024	2,200,000.00	Various 3.44%	2,145,046.88 2,159,460.14	96.86 4.27%	2,130,992.60 18,733.42	3.50% (28,467.54)	Aaa / AA+ AAA	1.63 1.56
9128284F4	US Treasury Note 2.625% Due 03/31/2025	1,000,000.00	10/13/2022 4.42%	958,476.56 966,282.41	97.30 4.04%	973,008.00 71.72	1.58% 6,725.59	Aaa / AA+ AAA	2.00 1.92
912828XZ8	US Treasury Note 2.750% Due 06/30/2025	1,000,000.00	11/14/2022 4.25%	962,968.75 968,264.45	97.32 4.00%	973,203.00 6,912.98	1.59% 4,938.55	Aaa / AA+ AAA	2.25 2.14
91282CFK2	US Treasury Note 3.500% Due 09/15/2025	1,000,000.00	12/01/2022 4.08%	984,921.88 986,699.26	99.04 3.91%	990,430.00 1,616.85	1.61% 3,730.74	Aaa / AA+ AAA	2.46 2.33
TOTAL US Treasury		39,375,000.00	2.45%	38,704,469.80 38,935,023.17	4.51%	38,469,606.48 113,158.49	62.74% (465,416.69)	Aaa / AA+ AAA	0.91 0.88
TOTAL PORTFOLIO		62,315,514.23	2.62%	61,705,991.33 61,864,930.31	4.54%	61,269,410.96 223,719.96	100.00% (595,519.35)	Aaa / AA+ AAA	0.79 0.76
TOTAL MARKET VALUE PLUS ACCRUALS						61,493,130.92			

Holdings Report

As of March 31, 2023

City of Louisville Consolidated - Account #10238

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Agency									
3133EMVP4	FFCB Note 0.125% Due 04/13/2023	1,000,000.00	04/06/2021 0.19%	998,680.00 999,978.30	99.87 3.89%	998,747.00 583.33	1.22% (1,231.30)	Aaa / AA+ AAA	0.04 0.03
3135G04Q3	FNMA Note 0.250% Due 05/22/2023	750,000.00	05/17/2021 0.17%	751,200.00 750,083.38	99.40 4.48%	745,534.50 671.88	0.91% (4,548.88)	Aaa / AA+ AAA	0.14 0.14
3137EAES4	FHLMC Note 0.250% Due 06/26/2023	1,000,000.00	05/17/2021 0.18%	1,001,570.00 1,000,175.58	99.00 4.55%	989,953.00 659.72	1.21% (10,222.58)	NR / AA+ AAA	0.24 0.23
3137EAEV7	FHLMC Note 0.250% Due 08/24/2023	1,000,000.00	12/13/2021 0.59%	994,300.00 998,662.62	98.22 4.81%	982,234.00 256.94	1.20% (16,428.62)	Aaa / AA+ AAA	0.40 0.39
3137EAEW5	FHLMC Note 0.250% Due 09/08/2023	1,000,000.00	02/16/2021 0.19%	1,001,630.00 1,000,279.53	98.02 4.89%	980,183.00 159.72	1.19% (20,096.53)	Aaa / AA+ AAA	0.44 0.43
3130APU29	FHLB Note 0.500% Due 11/09/2023	1,000,000.00	12/13/2021 0.67%	996,876.00 999,002.12	97.43 4.86%	974,267.00 1,972.22	1.19% (24,735.12)	Aaa / AA+ NR	0.61 0.59
3133ENHR4	FFCB Note 0.680% Due 12/20/2023	700,000.00	12/14/2021 0.70%	699,656.30 699,876.17	97.17 4.72%	680,220.80 1,335.44	0.83% (19,655.37)	Aaa / AA+ AAA	0.72 0.70
3130A0XE5	FHLB Note 3.250% Due 03/08/2024	1,000,000.00	08/31/2022 3.60%	994,809.00 996,795.45	98.58 4.81%	985,849.00 2,076.39	1.20% (10,946.45)	Aaa / AA+ NR	0.94 0.91
3130ASHK8	FHLB Note 3.125% Due 06/14/2024	1,000,000.00	08/31/2022 3.58%	992,119.00 994,681.53	98.33 4.57%	983,253.00 9,288.19	1.21% (11,428.53)	Aaa / AA+ NR	1.21 1.15
3130ATVD6	FHLB Note 4.875% Due 09/13/2024	1,000,000.00	03/27/2023 4.44%	1,006,080.00 1,006,034.54	100.52 4.50%	1,005,245.00 2,437.50	1.23% (789.54)	Aaa / AA+ NR	1.46 1.38
3130ATT31	FHLB Note 4.500% Due 10/03/2024	1,100,000.00	11/04/2022 4.87%	1,092,707.00 1,094,226.38	100.21 4.35%	1,102,345.20 21,037.50	1.37% 8,118.82	Aaa / AA+ NR	1.51 1.41
3130ATUR6	FHLB Note 4.625% Due 12/13/2024	1,000,000.00	03/27/2023 4.32%	1,004,900.00 1,004,868.69	100.49 4.32%	1,004,905.00 18,885.42	1.25% 36.31	Aaa / AA+ NR	1.71 1.59
3133EPBH7	Federal Farm Credit Bank Note 4.750% Due 02/21/2025	1,000,000.00	03/27/2023 4.21%	1,009,740.00 1,009,684.02	100.80 4.30%	1,007,982.00 5,277.78	1.23% (1,702.02)	Aaa / AA+ AAA	1.90 1.78
3130AUZC1	FHLB Note 4.625% Due 03/14/2025	1,000,000.00	03/27/2023 4.26%	1,006,760.00 1,006,722.29	100.57 4.31%	1,005,735.00 5,652.78	1.23% (987.29)	Aaa / AA+ NR	1.96 1.84
TOTAL Agency		13,550,000.00	2.38%	13,551,027.30 13,561,070.60	4.52%	13,446,453.50 70,294.81	16.47% (114,617.10)	Aaa / AA+ AAA	0.98 0.93

Holdings Report

As of March 31, 2023

City of Louisville Consolidated - Account #10238

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Cash									
90CASH\$02	LSVL Cash Accounts	3,412,645.63	Various 0.50%	3,412,645.63 3,412,645.63	1.00 0.50%	3,412,645.63 0.00	4.16% 0.00	NR / NR NR	0.00 0.00
TOTAL Cash		3,412,645.63	0.50%	3,412,645.63	0.50%	0.00	0.00	NR	0.00
Commercial Paper									
62479MSP9	MUFG Bank Ltd/NY Discount CP 3.840% Due 05/23/2023	1,000,000.00	08/26/2022 3.98%	971,520.00 971,520.00	97.15 3.98%	971,520.00 22,933.33	1.21% 0.00	P-1 / A-1 NR	0.15 0.14
TOTAL Commercial Paper		1,000,000.00	3.98%	971,520.00	3.98%	22,933.33	0.00	NR	0.14
Corporate									
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	1,250,000.00	05/06/2021 0.27%	1,302,550.00 1,252,325.86	99.82 4.44%	1,247,698.75 12,333.33	1.53% (4,627.11)	Aaa / AA+ NR	0.09 0.09
TOTAL Corporate		1,250,000.00	0.27%	1,252,325.86	4.44%	12,333.33	(4,627.11)	NR	0.09
Local Gov Investment Pool									
90LGIP\$00	LGIP Local Govt Investment Pool	17,186,514.30	Various 2.55%	17,186,514.30 17,186,514.30	1.00 2.55%	17,186,514.30 0.00	20.94% 0.00	NR / AAA NR	0.00 0.00
99CSAFE\$0	CSAFE Investment Pool	6,140,514.23	Various 4.89%	6,140,514.23 6,140,514.23	1.00 4.89%	6,140,514.23 0.00	7.48% 0.00	NR / NR AAA	0.00 0.00
TOTAL Local Gov Investment Pool		23,327,028.53	3.17%	23,327,028.53	3.17%	0.00	0.00	AAA	0.00
Municipal Bonds									
373385JB0	State of Georgia STE-GO 2.000% Due 07/01/2023	1,000,000.00	06/11/2021 0.20%	1,035,910.00 1,004,476.45	99.36 4.56%	993,618.00 5,000.00	1.22% (10,858.45)	Aaa / AAA AAA	0.25 0.25
TOTAL Municipal Bonds		1,000,000.00	0.20%	1,004,476.45	4.56%	5,000.00	(10,858.45)	AAA	0.25
US Treasury									
912828ZH6	US Treasury Note 0.250% Due 04/15/2023	1,000,000.00	07/27/2021 0.16%	1,001,523.44 1,000,034.07	99.86 3.75%	998,557.00 1,153.85	1.22% (1,477.07)	Aaa / AA+ AAA	0.04 0.04

Holdings Report

As of March 31, 2023

City of Louisville Consolidated - Account #10238

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
91282CBX8	US Treasury Note 0.125% Due 04/30/2023	1,000,000.00	06/01/2021 0.14%	999,687.50 999,987.00	99.66 4.30%	996,552.00 524.86	1.21% (3,435.00)	Aaa / AA+ AAA	0.08 0.08
912828VB3	US Treasury Note 1.750% Due 05/15/2023	1,000,000.00	06/22/2022 2.84%	990,429.69 998,708.30	99.65 4.54%	996,519.00 6,622.93	1.22% (2,189.30)	Aaa / AA+ AAA	0.12 0.12
91282CCD1	US Treasury Note 0.125% Due 05/31/2023	500,000.00	06/18/2021 0.26%	498,730.47 499,892.26	99.27 4.51%	496,353.00 209.48	0.60% (3,539.26)	Aaa / AA+ AAA	0.17 0.17
912828ZU7	US Treasury Note 0.250% Due 06/15/2023	1,000,000.00	06/28/2021 0.25%	1,000,039.06 1,000,004.09	99.12 4.51%	991,181.00 734.89	1.21% (8,823.09)	Aaa / AA+ AAA	0.21 0.21
912828S35	US Treasury Note 1.375% Due 06/30/2023	2,000,000.00	Various 3.75%	1,963,437.51 1,988,549.92	99.21 4.55%	1,984,126.00 6,912.98	2.43% (4,423.92)	Aaa / AA+ AAA	0.25 0.25
912828ZY9	US Treasury Note 0.125% Due 07/15/2023	1,000,000.00	02/16/2021 0.16%	999,140.63 999,897.23	98.68 4.68%	986,836.00 262.43	1.20% (13,061.23)	Aaa / AA+ AAA	0.29 0.29
91282CCN9	US Treasury Note 0.125% Due 07/31/2023	1,000,000.00	07/27/2021 0.20%	998,437.50 999,740.30	98.49 4.68%	984,883.00 207.18	1.20% (14,857.30)	Aaa / AA+ AAA	0.33 0.33
91282CAF8	US Treasury Note 0.125% Due 08/15/2023	900,000.00	08/09/2021 0.23%	898,171.88 899,661.74	98.29 4.73%	884,601.90 139.85	1.08% (15,059.84)	Aaa / AA+ AAA	0.38 0.37
91282CCU3	US Treasury Note 0.125% Due 08/31/2023	1,000,000.00	08/25/2021 0.24%	997,617.19 999,503.85	98.13 4.70%	981,328.00 108.70	1.20% (18,175.85)	Aaa / AA+ AAA	0.42 0.41
91282CAK7	US Treasury Note 0.125% Due 09/15/2023	1,000,000.00	09/29/2021 0.28%	997,031.25 999,306.60	97.97 4.67%	979,688.00 57.74	1.19% (19,618.60)	Aaa / AA+ AAA	0.46 0.45
9128285D8	US Treasury Note 2.875% Due 09/30/2023	1,000,000.00	07/25/2022 3.06%	997,890.63 999,109.27	99.13 4.66%	991,289.00 78.55	1.21% (7,820.27)	Aaa / AA+ AAA	0.50 0.49
91282CDD0	US Treasury Note 0.375% Due 10/31/2023	1,000,000.00	10/28/2021 0.50%	997,421.88 999,246.72	97.55 4.68%	975,547.00 1,574.59	1.19% (23,699.72)	Aaa / AA+ AAA	0.59 0.57
91282CAW1	US Treasury Note 0.250% Due 11/15/2023	1,000,000.00	11/30/2021 0.52%	994,765.63 998,328.52	97.25 4.77%	972,539.00 946.13	1.19% (25,789.52)	Aaa / AA+ AAA	0.63 0.61
91282CDM0	US Treasury Note 0.500% Due 11/30/2023	1,000,000.00	11/30/2021 0.53%	999,375.00 999,791.67	97.25 4.73%	972,539.00 1,675.82	1.19% (27,252.67)	Aaa / AA+ AAA	0.67 0.65
91282CBA8	US Treasury Note 0.125% Due 12/15/2023	1,000,000.00	03/30/2022 2.24%	964,765.63 985,431.94	96.86 4.68%	968,633.00 367.45	1.18% (16,798.94)	Aaa / AA+ AAA	0.71 0.69
91282CBEO	US Treasury Note 0.125% Due 01/15/2024	1,000,000.00	08/31/2022 3.46%	955,820.31 974,515.11	96.47 4.71%	964,688.00 262.43	1.18% (9,827.11)	Aaa / AA+ AAA	0.79 0.77
912828V80	US Treasury Note 2.250% Due 01/31/2024	1,300,000.00	07/13/2022 3.12%	1,282,988.28 1,290,832.91	97.96 4.77%	1,273,441.00 4,848.07	1.56% (17,391.91)	Aaa / AA+ AAA	0.84 0.81
9128286G0	US Treasury Note 2.375% Due 02/29/2024	1,300,000.00	07/13/2022 3.12%	1,284,765.63 1,291,448.27	97.91 4.73%	1,272,832.60 2,684.78	1.55% (18,615.67)	Aaa / AA+ AAA	0.92 0.89

Holdings Report

As of March 31, 2023

City of Louisville Consolidated - Account #10238

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
91282CEA5	US Treasury Note 1.500% Due 02/29/2024	1,000,000.00	08/31/2022 3.44%	971,875.00 982,795.33	97.20 4.66%	971,992.00 1,304.35	1.19% (10,803.33)	Aaa / AA+ AAA	0.92 0.89
91282CEG2	US Treasury Note 2.250% Due 03/31/2024	1,500,000.00	05/04/2022 2.83%	1,483,886.72 1,491,537.63	97.69 4.64%	1,465,371.00 92.21	1.79% (26,166.63)	Aaa / AA+ AAA	1.00 0.97
91282CBV2	US Treasury Note 0.375% Due 04/15/2024	1,000,000.00	03/27/2023 4.47%	958,476.56 958,909.10	95.71 4.64%	957,148.00 1,730.77	1.17% (1,761.10)	Aaa / AA+ AAA	1.04 1.01
91282CEK3	US Treasury Note 2.500% Due 04/30/2024	2,400,000.00	Various 3.27%	2,369,101.56 2,380,650.69	97.80 4.61%	2,347,125.60 25,193.37	2.89% (33,525.09)	Aaa / AA+ AAA	1.08 1.04
912828WJ5	US Treasury Note 2.500% Due 05/15/2024	2,000,000.00	Various 3.11%	1,979,375.01 1,986,827.24	97.80 4.53%	1,955,938.00 18,922.66	2.41% (30,889.24)	Aaa / AA+ AAA	1.13 1.08
91282CCC3	US Treasury Note 0.250% Due 05/15/2024	1,000,000.00	08/31/2022 3.46%	947,382.81 965,316.64	95.36 4.53%	953,594.00 946.13	1.16% (11,722.64)	Aaa / AA+ AAA	1.13 1.10
91282CCG4	US Treasury Note 0.250% Due 06/15/2024	1,600,000.00	04/27/2022 2.58%	1,523,062.50 1,556,444.88	95.09 4.46%	1,521,500.80 1,175.82	1.85% (34,944.08)	Aaa / AA+ AAA	1.21 1.18
91282CCL3	US Treasury Note 0.375% Due 07/15/2024	1,000,000.00	03/27/2023 4.31%	950,703.13 951,118.26	94.98 4.41%	949,844.00 787.29	1.16% (1,274.26)	Aaa / AA+ AAA	1.29 1.26
91282CFA4	US Treasury Note 3.000% Due 07/31/2024	1,250,000.00	08/16/2022 3.25%	1,244,140.63 1,246,003.48	98.18 4.41%	1,227,246.25 6,215.47	1.50% (18,757.23)	Aaa / AA+ AAA	1.34 1.29
9128282Y5	US Treasury Note 2.125% Due 09/30/2024	1,425,000.00	06/08/2022 2.82%	1,403,012.70 1,410,723.89	96.85 4.32%	1,380,079.73 82.74	1.68% (30,644.16)	Aaa / AA+ AAA	1.50 1.45
912828G38	US Treasury Note 2.250% Due 11/15/2024	2,200,000.00	Various 3.44%	2,145,046.88 2,159,460.14	96.86 4.27%	2,130,992.60 18,733.42	2.62% (28,467.54)	Aaa / AA+ AAA	1.63 1.56
9128284F4	US Treasury Note 2.625% Due 03/31/2025	1,000,000.00	10/13/2022 4.42%	958,476.56 966,282.41	97.30 4.04%	973,008.00 71.72	1.19% 6,725.59	Aaa / AA+ AAA	2.00 1.92
912828XZ8	US Treasury Note 2.750% Due 06/30/2025	1,000,000.00	11/14/2022 4.25%	962,968.75 968,264.45	97.32 4.00%	973,203.00 6,912.98	1.19% 4,938.55	Aaa / AA+ AAA	2.25 2.14
91282CFK2	US Treasury Note 3.500% Due 09/15/2025	1,000,000.00	12/01/2022 4.08%	984,921.88 986,699.26	99.04 3.91%	990,430.00 1,616.85	1.21% 3,730.74	Aaa / AA+ AAA	2.46 2.33
TOTAL US Treasury		39,375,000.00	2.45%	38,704,469.80 38,935,023.17	4.51%	38,469,606.48 113,158.49	47.00% (465,416.69)	Aaa / AA+ AAA	0.91 0.88
TOTAL PORTFOLIO		82,914,674.16	2.52%	82,305,151.26 82,464,090.24	3.95%	81,868,570.89 223,719.96	100.00% (595,519.35)	Aaa / AA+ AAA	0.59 0.57
TOTAL MARKET VALUE PLUS ACCRUALS						82,092,290.85			



Section 4 | Transactions

Transaction Ledger

As of March 31, 2023

City of Louisville - Account #10236

December 31, 2022 through March 31, 2023

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	01/01/2023	99CSAFE\$0	10,000.00	CSAFE Investment Pool	1.000	4.34%	10,000.00	0.00	10,000.00	0.00
Purchase	01/03/2023	99CSAFE\$0	6,391.41	CSAFE Investment Pool	1.000	4.34%	6,391.41	0.00	6,391.41	0.00
Purchase	01/15/2023	99CSAFE\$0	8,750.00	CSAFE Investment Pool	1.000	4.34%	8,750.00	0.00	8,750.00	0.00
Purchase	01/15/2023	99CSAFE\$0	1,000,000.00	CSAFE Investment Pool	1.000	4.34%	1,000,000.00	0.00	1,000,000.00	0.00
Purchase	01/31/2023	99CSAFE\$0	1,000,000.00	CSAFE Investment Pool	1.000	4.53%	1,000,000.00	0.00	1,000,000.00	0.00
Purchase	01/31/2023	99CSAFE\$0	34,625.00	CSAFE Investment Pool	1.000	4.53%	34,625.00	0.00	34,625.00	0.00
Purchase	02/01/2023	99CSAFE\$0	14,258.62	CSAFE Investment Pool	1.000	4.53%	14,258.62	0.00	14,258.62	0.00
Purchase	02/02/2023	99CSAFE\$0	14.86	CSAFE Investment Pool	1.000	4.53%	14.86	0.00	14.86	0.00
Purchase	02/03/2023	99CSAFE\$0	518.75	CSAFE Investment Pool	1.000	4.53%	518.75	0.00	518.75	0.00
Purchase	02/03/2023	99CSAFE\$0	830,000.00	CSAFE Investment Pool	1.000	4.53%	830,000.00	0.00	830,000.00	0.00
Purchase	02/15/2023	99CSAFE\$0	7,437.50	CSAFE Investment Pool	1.000	4.53%	7,437.50	0.00	7,437.50	0.00
Purchase	02/15/2023	99CSAFE\$0	1,000,000.00	CSAFE Investment Pool	1.000	4.53%	1,000,000.00	0.00	1,000,000.00	0.00
Purchase	02/17/2023	99CSAFE\$0	6,875.00	CSAFE Investment Pool	1.000	4.53%	6,875.00	0.00	6,875.00	0.00
Purchase	02/17/2023	99CSAFE\$0	1,000,000.00	CSAFE Investment Pool	1.000	4.53%	1,000,000.00	0.00	1,000,000.00	0.00
Purchase	02/24/2023	99CSAFE\$0	1,250.00	CSAFE Investment Pool	1.000	4.53%	1,250.00	0.00	1,250.00	0.00
Purchase	02/28/2023	99CSAFE\$0	24,187.50	CSAFE Investment Pool	1.000	4.71%	24,187.50	0.00	24,187.50	0.00
Purchase	02/28/2023	99CSAFE\$0	1,000,000.00	CSAFE Investment Pool	1.000	4.71%	1,000,000.00	0.00	1,000,000.00	0.00
Purchase	03/01/2023	99CSAFE\$0	25,583.40	CSAFE Investment Pool	1.000	4.71%	25,583.40	0.00	25,583.40	0.00
Purchase	03/02/2023	99CSAFE\$0	27.23	CSAFE Investment Pool	1.000	4.71%	27.23	0.00	27.23	0.00
Purchase	03/08/2023	99CSAFE\$0	17,500.00	CSAFE Investment Pool	1.000	4.71%	17,500.00	0.00	17,500.00	0.00
Purchase	03/15/2023	99CSAFE\$0	1,000,000.00	CSAFE Investment Pool	1.000	4.71%	1,000,000.00	0.00	1,000,000.00	0.00
Purchase	03/15/2023	99CSAFE\$0	20,625.00	CSAFE Investment Pool	1.000	4.71%	20,625.00	0.00	20,625.00	0.00
Purchase	03/17/2023	99CSAFE\$0	760,000.00	CSAFE Investment Pool	1.000	4.71%	760,000.00	0.00	760,000.00	0.00
Purchase	03/17/2023	99CSAFE\$0	475.00	CSAFE Investment Pool	1.000	4.71%	475.00	0.00	475.00	0.00
Purchase	03/28/2023	3130ATUR6	1,000,000.00	FHLB Note 4.625% Due: 12/13/2024	100.490	4.32%	1,004,900.00	18,500.00	1,023,400.00	0.00
Purchase	03/28/2023	3130ATVD6	1,000,000.00	FHLB Note 4.875% Due: 09/13/2024	100.608	4.44%	1,006,080.00	2,031.25	1,008,111.25	0.00
Purchase	03/28/2023	3130AUZC1	1,000,000.00	FHLB Note 4.625% Due: 03/14/2025	100.676	4.26%	1,006,760.00	5,267.36	1,012,027.36	0.00
Purchase	03/28/2023	3133EPBH7	1,000,000.00	Federal Farm Credit Bank Note 4.75% Due: 02/21/2025	100.974	4.21%	1,009,740.00	4,881.94	1,014,621.94	0.00



Transaction Ledger

As of March 31, 2023

City of Louisville - Account #10236

December 31, 2022 through March 31, 2023

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	03/28/2023	91282CBV2	1,000,000.00	US Treasury Note 0.375% Due: 04/15/2024	95.848	4.47%	958,476.56	1,689.56	960,166.12	0.00
Purchase	03/28/2023	91282CCL3	1,000,000.00	US Treasury Note 0.375% Due: 07/15/2024	95.070	4.31%	950,703.13	745.86	951,448.99	0.00
Purchase	03/31/2023	99CSAFE\$0	1,000,000.00	CSAFE Investment Pool	1.000	4.89%	1,000,000.00	0.00	1,000,000.00	0.00
Purchase	03/31/2023	99CSAFE\$0	60,140.63	CSAFE Investment Pool	1.000	4.89%	60,140.63	0.00	60,140.63	0.00
Subtotal			14,828,659.90				14,765,319.59	33,115.97	14,798,435.56	0.00
TOTAL ACQUISITIONS			14,828,659.90				14,765,319.59	33,115.97	14,798,435.56	0.00
DISPOSITIONS										
Sale	03/28/2023	99CSAFE\$0	5,969,775.66	CSAFE Investment Pool	1.000	4.71%	5,969,775.66	0.00	5,969,775.66	0.00
Subtotal			5,969,775.66				5,969,775.66	0.00	5,969,775.66	0.00
Maturity	01/15/2023	912828Z29	1,000,000.00	US Treasury Note 1.5% Due: 01/15/2023	100.000		1,000,000.00	0.00	1,000,000.00	0.00
Maturity	01/31/2023	91282CBG5	1,000,000.00	US Treasury Note 0.125% Due: 01/31/2023	100.000		1,000,000.00	0.00	1,000,000.00	0.00
Maturity	02/03/2023	3133EMPH9	830,000.00	FFCB Note 0.125% Due: 02/03/2023	100.000		830,000.00	0.00	830,000.00	0.00
Maturity	02/15/2023	912828Z86	1,000,000.00	US Treasury Note 1.375% Due: 02/15/2023	100.000		1,000,000.00	0.00	1,000,000.00	0.00
Maturity	02/17/2023	3130AJ7E3	1,000,000.00	FHLB Note 1.375% Due: 02/17/2023	100.000		1,000,000.00	0.00	1,000,000.00	0.00
Maturity	02/28/2023	91282CBN0	1,000,000.00	US Treasury Note 0.125% Due: 02/28/2023	100.000		1,000,000.00	0.00	1,000,000.00	0.00
Maturity	03/15/2023	912828ZD5	1,000,000.00	US Treasury Note 0.5% Due: 03/15/2023	100.000		1,000,000.00	0.00	1,000,000.00	0.00
Maturity	03/17/2023	3130ALRG1	760,000.00	FHLB Note 0.125% Due: 03/17/2023	100.000		760,000.00	0.00	760,000.00	0.00

Transaction Ledger

As of March 31, 2023

City of Louisville - Account #10236

December 31, 2022 through March 31, 2023

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	03/31/2023	91282CBU4	1,000,000.00	US Treasury Note 0.125% Due: 03/31/2023	100.000		1,000,000.00	0.00	1,000,000.00	0.00
Subtotal			8,590,000.00				8,590,000.00	0.00	8,590,000.00	0.00
Security Withdrawal	03/20/2023	99CSAFE\$0	2,046.00	CSAFE Investment Pool	1.000		2,046.00	0.00	2,046.00	0.00
Subtotal			2,046.00				2,046.00	0.00	2,046.00	0.00
TOTAL DISPOSITIONS			14,561,821.66				14,561,821.66	0.00	14,561,821.66	0.00

Transaction Ledger

As of March 31, 2023

City of Louisville Reporting - Account #10237

December 31, 2022 through March 31, 2023

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Security Contribution	03/31/2023	90LGIP\$00	4,276,927.22	LGIP Local Govt Investment Pool	1.000		4,276,927.22	0.00	4,276,927.22	0.00
Subtotal			4,276,927.22				4,276,927.22	0.00	4,276,927.22	0.00
TOTAL ACQUISITIONS			4,276,927.22				4,276,927.22	0.00	4,276,927.22	0.00
DISPOSITIONS										
Security Withdrawal	02/28/2023	90LGIP\$00	341,184.11	LGIP Local Govt Investment Pool	1.000		341,184.11	0.00	341,184.11	0.00
Subtotal			341,184.11				341,184.11	0.00	341,184.11	0.00
TOTAL DISPOSITIONS			341,184.11				341,184.11	0.00	341,184.11	0.00

Important Disclosures

As of March 31, 2023

2023 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc ("IDS"), an independent pricing source. In the event IDS does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

0-3 Yr Treasury*

*The ICE BofA Blended 0-3 Year US Treasury Index is a static, internally maintained benchmark comprised of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Effective 1/1/2001, it consists of the following indices: (30%) ICE BofA US 3-Month Treasury Bill Index, (30%) ICE BofA US 6-Month Treasury Bill Index, (40%) ICE BofA 1-3 Year US Treasury Index. Qualifying securities will include 3 and 6-month Treasury Bills and US Treasury securities that must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion. Qualifying securities must have at least 18 months to final maturity at the time of issuance. *Prior to 1/1/2001 it consisted of (100%) ICE BofA US 1-Year Treasury Bill Index, G003.*

SUBJECT: Parks and Open Space Sales and Use Tax Measure Extension - Discussion

DATE: MAY 18TH, 2023

PRESENTED BY: ADAM BLACKMORE, DIRECTOR OF PARKS, RECREATION AND OPEN SPACE
RYDER BAILEY, CPA, FINANCE DIRECTOR

SUMMARY:

At the February 21st City Council Meeting, the Parks and Open Space Sales Tax Task Work Force was formed. As of May 18th, The Task Force has met four times to understand the history of the tax and established a shared level of understanding of the services it funds. The Task force has selected a Local Polling Firm, Magellan Strategies, to assist in polling the public on various considerations of the tax, and provided an update to the Task Force this past Monday, May 15th.

Estimated timeline of the Task Force, Polling, Ballot Language is as follows;

- May 15 - Polling Results were presented to the Tax Task Force
- June 20 - Polling Results and Task Force Recommendations Presented to City Council
- July 11 - First Reading on Ballot Title Ordinance
- July 25 - Second Reading and Ballot Title Set

The Finance Committee is being asked to consider fiscal impacts, should the measure not successfully pass, which would result in an approximate \$2.85M loss of annual dedicated Park and Open Space revenue.

BACKGROUND:

The existing Open Space & Parks 10-year 3/8% sales and use tax was last approved in its current form in 2012 by Louisville voters and is slated to expire at the end of 2023. The sales and use tax, originally implemented for the acquisition of land in and around the City of Louisville for Open Space and Parks, has been in place since 1993. The tax was modified in 2002 to allow the tax revenues to be used for the operation and maintenance of open spaces and parks; the percentage and length of term remained the same. This same percentage, term, and purpose was approved again by the Louisville voters in 2012 via Ballot Measure 2A.

FISCAL IMPACT:

The Parks and Open Space sales and use tax generates approximately \$2.85M annually and is the primary funding source for Open Space and Parks operations, including staffing,

maintenance, purchasing, and service agreements. Funds are also used for land acquisition and capital projects.

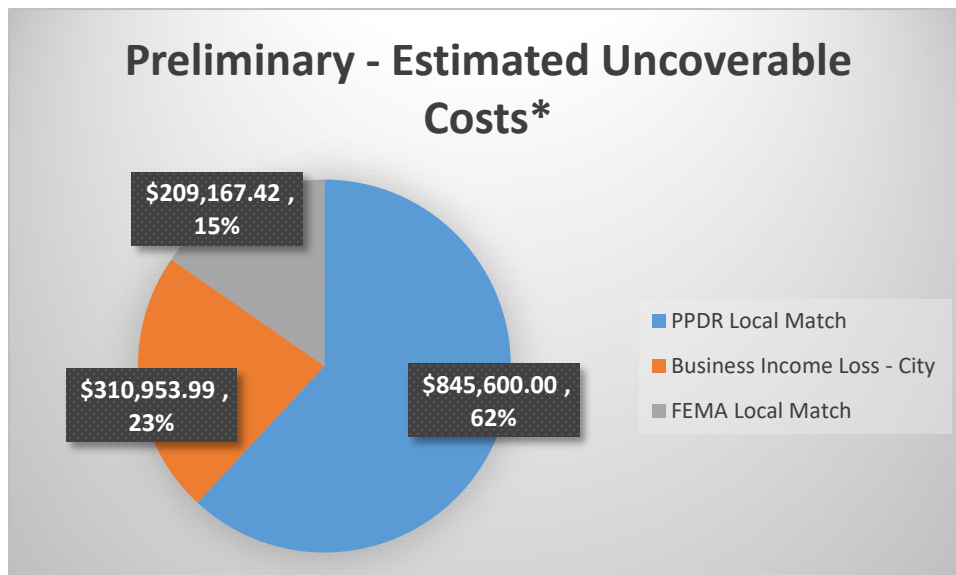
The Parks and Open Space Tax has been passed by local voters three times, in 1992, 2002, and 2012. However, it is not certain to pass in the Fall later this year. In the event the measure fails, the Parks and Open Space Division budget will require significant reductions or appropriations from other city revenue sources to balance in 2024 and beyond. Alternatively, Finance Committee may make alternative funding recommendations.

SUBJECT: MARSHALL FIRE UPDATE: MAY

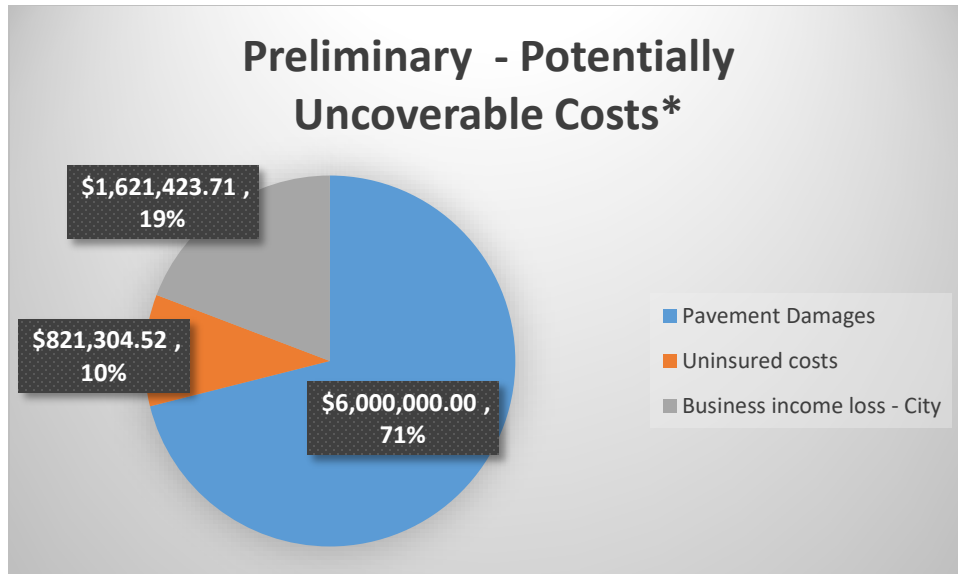
DATE: May 18th, 2023

**PRESENTED BY: RYDER BAILEY, FINANCE DIRECTOR
 EMILY HOGAN, ASSISTANT CITY MANAGER
 KIMBERLY BAKER, ACCOUNTING MANAGER**

Updates Since Last Meeting: Staff is working with the State on various documentation requests for Obligated FEMA projects. City of Louisville Staff met with Boulder County for an update on the Private Property Debris Removal (PPDR) Program. Fiscal Staff is providing **Preliminary Updates** on Estimated Uncoverable Costs and Estimated Potentially Uncoverable Costs. A deeper Analysis is necessary, and one will be performed on all Marshall Fire Related costs, results will be provide to the Finance Committee at a future meeting.



***Note: This analysis is preliminary and likely to change.**

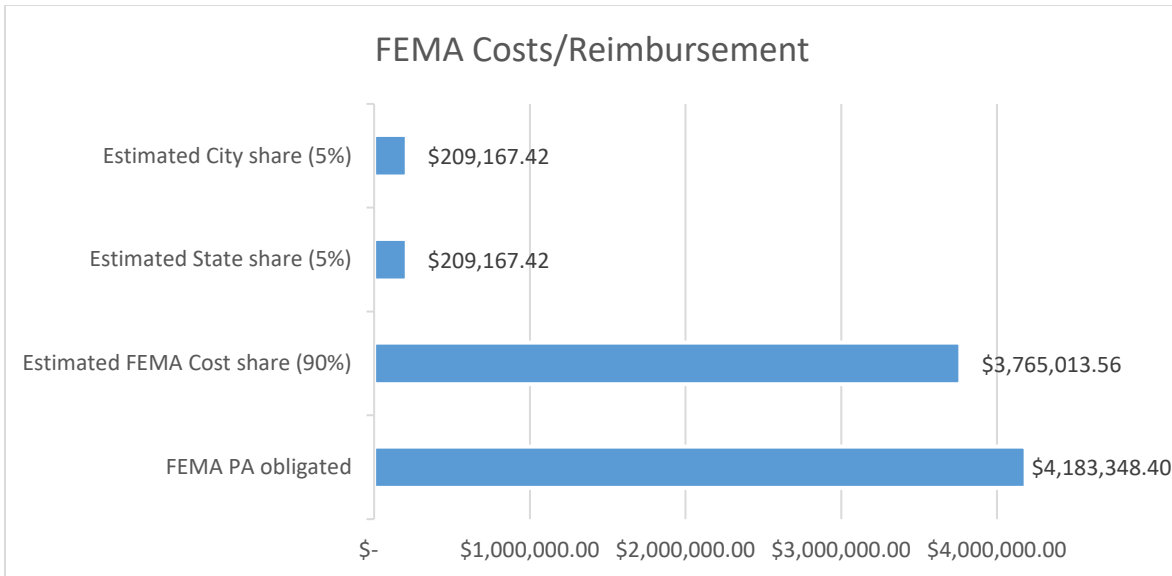


***Note: This analysis is preliminary and likely to change.**

Overview: City staff continues to manage all fire administrative functions. The process in any emergency is, of course, to address any immediate issues. Once those are resolved, the next step is to work with any insurance and FEMA issues to determine possible cost reimbursements. Upon setting those projects, the next step is to begin the process of identifying all associated costs and “lessons learned” to better prepare for the future.

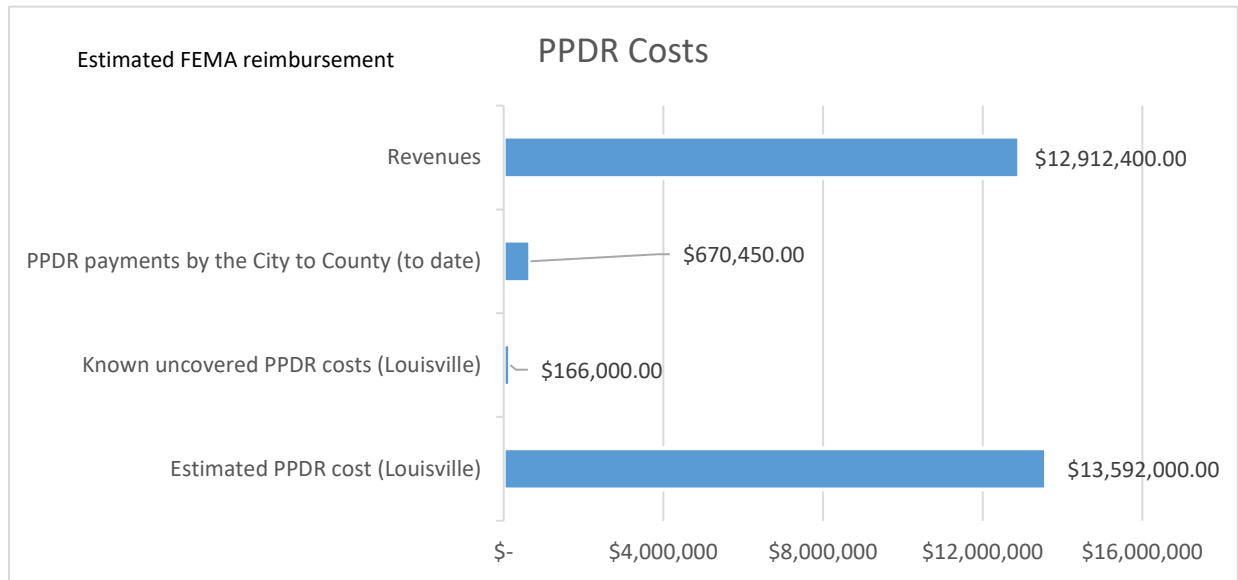
This memo includes some preliminary information regarding the City’s expenditures and reimbursements related to the Marshall Fire. This data is not comprehensive, and represents a snapshot of the current financial status of various Marshall Fire projects.

FEMA Funding: The attached spreadsheet illustrates the projects FEMA has agreed they will help offset the costs. FEMA puts projects into two categories: obligated and outstanding. They have already committed – obligated – the money. At this time, all public infrastructure repairs the City intends to request FEMA reimbursement for have been submitted. All projects have been obligated. The costs and reimbursements reflected below could change. The project costs could be higher/lower than reflected once obligated, or the actual expenses for the projects that are not complete could be higher/lower than projected.



The table reflects the City’s estimated cost share (5%) of FEMA reimbursed projects, the amount that is currently obligated by FEMA, and the total expenses submitted to date so far. All projects have been obligated. Next steps include completion of work and then closeout.

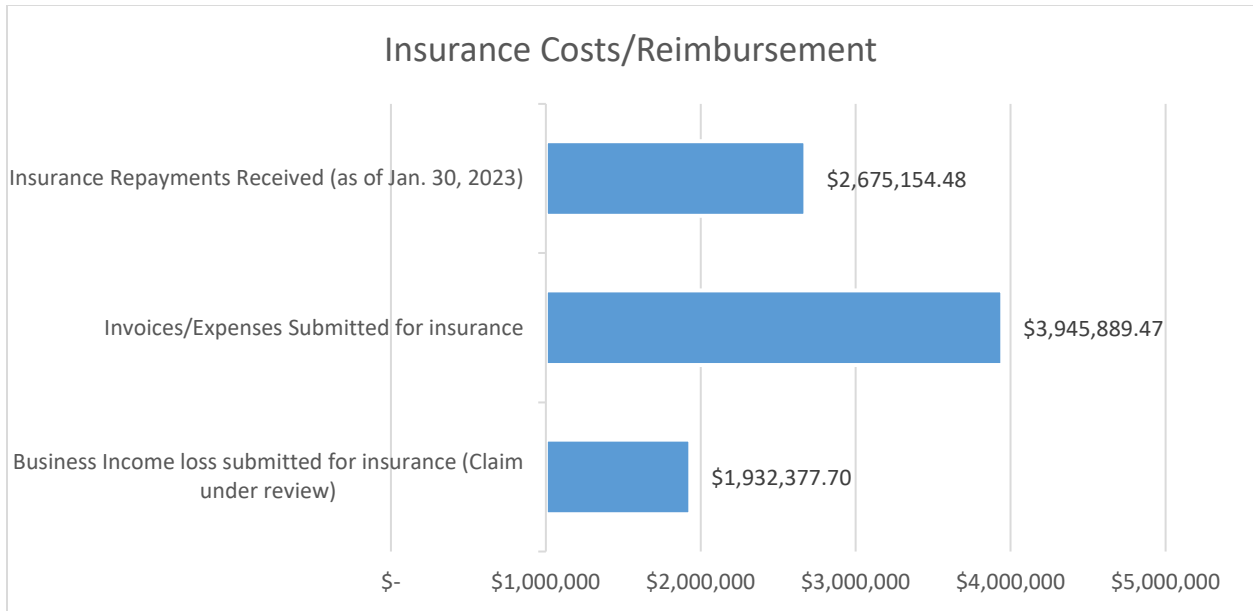
In addition, the City participated in the Boulder County Private Property Debris Removal (PPDR) FEMA project. City staff are working with Boulder County staff to reconcile the costs and submit those to FEMA. Boulder County is the fiscal agent for the project responsible for submitting all costs to FEMA for reimbursement. The numbers below are not final – they represent the current status of the PPDR cost reconciliation. The uncovered costs for Louisville may increase, or could possibly be reduced by the submittal and consideration of cost offset by City staff and consultant engineering time spent on PPDR (approx. \$46,000). Final numbers will be available in the coming months.



**Figures have not changed since prior month*

Items not included for FEMA reimbursement process: An important goal of Staff’s work is to ensure the total costs are clearly identified from this major event. Insurance is a significant factor cost coverage from the fire. At this time, staff are still working to analyze the statement of loss from Travelers, and understand the coverage and how it relates to City Marshall Fire expenses and FEMA submittals.

The chart below gives a current snapshot of what has been submitted to insurance, how much has been repaid, and what is still outstanding. The City submitted \$3.9 million to insurance for property damages and losses, and has received \$2.6 million. In addition, \$1.9 million was submitted for business income loss, which is still under evaluation by Travelers. There are numerous unresolved factors in the submitted but unrepaid, including recent submittals under evaluation, projects that were or will not be covered due to insurance maximums, potential duplicate projects submitted, etc. The insurance reconciliation will continue over the next several months.



**Figures have not changed since prior month's Report*

Summary: The City has several different teams working on the financial impacts of the Marshall Fire, with a goal to provide the finance committee with a clear and comprehensive summary. The City Manager's office and Finance staff meet weekly on ensuring documentation is being assembled and communication with FEMA is regularly occurring. This team meets with project managers, risk management, and the planning department on a twice monthly or monthly basis to keep track of the progress of the projects and financial impacts.

Unfortunately, all of this requires considerable time. On the financial side, the major emphasis is receiving the final insurance commitments. This has to be completed before FEMA reimbursement requests can be closed out. The City has to work with the State for our share and ensure we can reconcile the monies FEMA provides. None of these reimbursements are easily reconciled payments to invoices.

Simultaneously, staff is beginning the analytical work of identifying all costs, including those that are anticipated as well as those costs that are addressed through City funding sources such as permit fees.

The lessons learned phase is underway, but again, is a continuous process.

This topic has now been placed on the monthly Finance Committee agenda to ensure transparent and uninterrupted communication of the actions occurring regarding this significant work effort for policy makers and City staff.

Other grant funding: The City has submitted or is in the process of submitting grant funding applications for the following projects:

- FEMA Hazard Grant Mitigation Program (HGMP) - \$4,858,443 for a new generator at the Louisville Recreation Center and replacement generators at the South Water Treatment

Plant and Police/Court Building. If awarded the federal share will be \$4,372,599 with a local match of \$485,844.

- Colorado State Forest Service Incentives for Local Government Grant Program - \$800,000 to develop a wildfire mitigation program that includes on-the-ground fuels reduction on public land, implementation of the City's Wildfire Risk Assessment and community education and outreach. If awarded the state share will be \$400,000 with a local match of \$400,000.

SUBJECT: FISCAL RESERVE POLICY DISCUSSION

DATE: MAY 18, 2023

PRESENTED BY: RYDER BAILEY, CPA, DIRECTOR OF FINANCE

SUMMARY:

The City of Louisville desires to maintain an appropriate level of financial resources to guard its citizens against service disruption in the event of unexpected revenue shortfalls or unanticipated one-time expenditures.

Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities. This policy establishes the reserve amounts the City will strive to maintain in its General Fund and its other major operating funds. All funds with Reserves, and their 2023 adherence to the reserves, are listed below in the chart.

BACKGROUND:

The Government Finance Officers Association (GFOA) describes a Reserve Policy as a “cornerstone of financial flexibility” to buffer shocks and to manage risk. Reserve policy’s are essential to a) Define the amount held in reserve and b) Describe it’s purpose and uses.

GFOA recommends as a **baseline** for the General Fund of 16% of revenues or two months of operating expenditures, but it needs can vary greatly by municipality, local conditions and fund type.

CHART on next page.

CHART:

Fund	Minimum Reserve Met (15%)	Target Reserve Met (25%)
General Fund	✓	✓
O/S & Parks Fund	✓	n/a
Cemetery Reserve Fund	✓	n/a
Combined Utility Funds	n/a	✓
Recreation Fund	✓	n/a
Golf Course Fund	✓	n/a

*The City measures its compliance with this policy as of December 31st of each year, or as soon as practical after final year-end information is audited and becomes available.



Reserve Policies

Policy Section: 2

Adopted by: Council Action

Effective Date: December 21, 2021

Purpose and Scope

The City of Louisville desires to maintain an appropriate level of financial resources to guard its citizens against service disruption in the event of unexpected revenue shortfalls or unanticipated one-time expenditures. This policy is also intended to document the appropriate reserve levels to protect the City’s credit worthiness and maintain its good standing with bond rating agencies.

Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities. This policy establishes the reserve amounts the City will strive to maintain in its General Fund and its other major operating funds. This policy also stipulates the conditions under which those reserves may be used and how the reserves will be replenished if they fall below established reserve amounts.

The City will measure its compliance with this policy as of December 31st of each year, as soon as practical after final year-end information is audited and becomes available.

Policies

- 2.1 **General Fund Reserves.** The minimum unrestricted fund balance of the General Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures less any one-time, non-recurring transfers to other funds. Annual, recurring support transfers to other funds will be included in the definition of current operating expenditures.

While the minimum unrestricted fund balance is set at 15% of current operating expenditures, the targeted unrestricted fund balance will be at or above 25% of current operating expenditures. This higher target is in recognition of:

- the General Fund’s reliance on revenue sources that are subject to fluctuations (sales and use taxes);
- the General Fund’s exposure to unexpected and significant one-time expenditure outlays (transfers to the Capital Projects Fund, mid-year changes to operations, disasters, etc.); and
- the potential drain on General Fund resources from other funds (recurring support transfers to the Open Space & Parks Fund, the Cemetery Fund, and the Recreation Fund).

The use of General Fund reserves will be limited to addressing unanticipated, non-recurring needs. Reserves shall not normally be used for recurring annual operating expenditures. However, reserves may be used to provide the City time to restructure operations (as might be required in an economic downturn), but such use will only take place in the context of a long-term financial plan.

The City Council will annually consider one-time transfers of excess reserves to other funds for one-time uses. Examples include transfers to the Capital Projects Fund to help fund specific capital projects or transfers to the Open Space & Parks Fund for property acquisition reserves.

Use of reserves below the 25% target requires authorization from City Council.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.2 **Open Space & Parks Fund Reserves.** The entire fund balance for the Open Space and Parks Fund is restricted by voters for acquisition, development, and operation of open space, trails, wildlife habitats, wetlands, and parks.

The minimum fund balance of the Open Space and Parks Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures include only open space and parks operations and exclude all interfund transfers and capital outlay.

The Open Space & Parks Fund requires a recurring annual transfer from the General Fund to fund its operating deficit. This annual transfer will be calculated by taking the amount of funding provided by the General Fund for Parks in 2007 (\$626,900) and inflating that amount on an annual basis by the regional Consumer Price Index for All Urban Consumers. The 2007 funding level for Parks is the starting point for the calculation, since that was the last year that Parks was funded within the General Fund.

Transfers from the General Fund or Capital Projects Fund for property acquisition shall be deemed committed for that purpose.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include transfers from other funds, securing loans from other agencies to jointly purchase property, seeking approval of bonds to finance property acquisition, and/or delaying/reducing expenditures for development, construction, operation, and maintenance of open space zones, trails, wildlife habitats, wetlands, and parks.

- 2.3 **Cemetery Fund Reserves.** The minimum unrestricted fund balance of the Cemetery Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

The Cemetery Fund requires a recurring annual transfer from the General Fund to fund its operational deficit. This transfer will be adjusted on an annual basis to ensure that the unrestricted fund balance of the Cemetery Fund is maintained at or above 15% of current operating expenditures.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.4 **Combined Utility Fund Reserves.** The Water, Wastewater, and Storm Water Utility Funds are enterprise funds and, therefore, the measure of reserves is based on levels of working capital rather than on levels of fund balance. It is important to maintain adequate levels of working capital in these funds to mitigate risks and to ensure a stable fee structure and service level.

The minimum working capital for the Water, Wastewater, and Storm Water Utility Funds shall be maintained at or above 25% of current operating expenses, as measured on the City's budgetary basis. For purpose of this policy, operating expenses are defined as all budgetary-basis expenses, excluding interfund transfers and capital outlay.

In the event reserves are used resulting in a working capital balance below the 25% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing working capital may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.5 **Recreation Fund Reserves.** The minimum fund balance of the Recreation Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

In addition to maintaining an operating reserve, the Recreation Fund will also maintain a capital asset renewal and replacement reserve. The purpose of this reserve is to accumulate funds for the timely renewal and replacement of Recreation Center and Memory Square Pool assets. The methodology for calculating this reserve will be approved by the Finance Committee.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum and capital asset renewal and replacement reserves, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

The City Council recognizes that the dedicated sales tax and user fee revenues may not be sufficient and the Recreation Fund may also need to rely on annual General Fund transfers. The annual General Fund transfer will be calculated by taking the General Fund subsidy for the Recreation Center/Memory Square Pool in 2017 (\$986,300) and inflating that amount on an annual basis by the regional Consumer Price Index for All Urban Consumers. The 2017

General Fund subsidy level is the starting point for the calculation, since that is the last year that the Recreation Center and Memory Square Pool were funded within the General Fund.

In addition to the annual General Fund transfer towards the annual operating costs, minimum fund balance requirements, and capital asset renewal and replacement reserves, this policy also authorizes an annual transfer from the Capital Projects Fund to the Recreation Fund in the amount of \$125,000 for 2019 and each year thereafter inflated on an annual basis by the regional Consumer Price Index for All Urban Consumers. This transfer is restricted for capital outlay.

- 2.6 **Golf Course Fund Reserves.** The minimum working capital balance of the Golf Course Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

To assist the Golf Course Fund in meeting this reserve minimum, beginning with the 2021 fiscal year, all Golf Course capital outlay will be funded through the Capital Projects Fund.

In the event reserves are used resulting in working capital balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing working capital may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

SUBJECT: SALES TAX REPORTS

DATE: MAY 18, 2023

**PRESENTED BY: MAHYAR MANSURABADI, SALES TAX AUDITOR
RYDER BAILEY, CPA, FINANCE DIRECTOR**

SUMMARY:

Update on Sales Tax collected by the City, broken out by Type, Area and Industry.

In summary, total year-over-year increase was 17.4%, and broken out by categories:

- Sales Tax revenue = 18.0%
- Use Tax revenue = 4.4%
- Building Use Tax revenue = 87.1%
- Auto Use Tax revenue = -13.5%
- Lodging Tax revenue = 46.3%
- Audit Revenue = -91.5%

Bag Tax Revenue

- Quarterly YoY Increase - (Q1 2022 VS Q1 2023) = 51.9%
- Q1-2023 over Q4-2022 (Q ending Dec 31, 2022, vs Q ending March 31, 2023) = 54.9%

RECOMMENDATION:

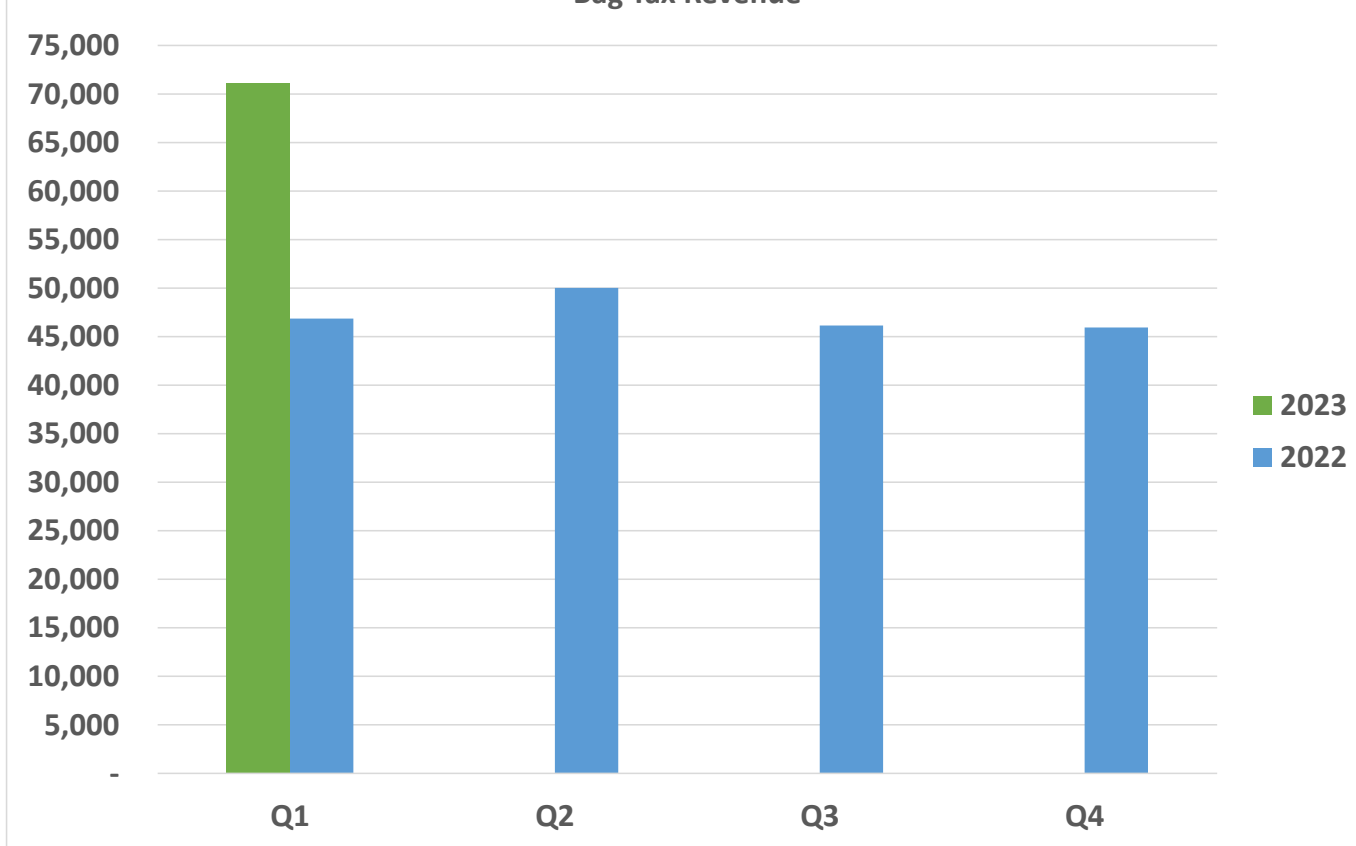
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CITY OF LOUISVILLE

Revenue History
2019 through 2023

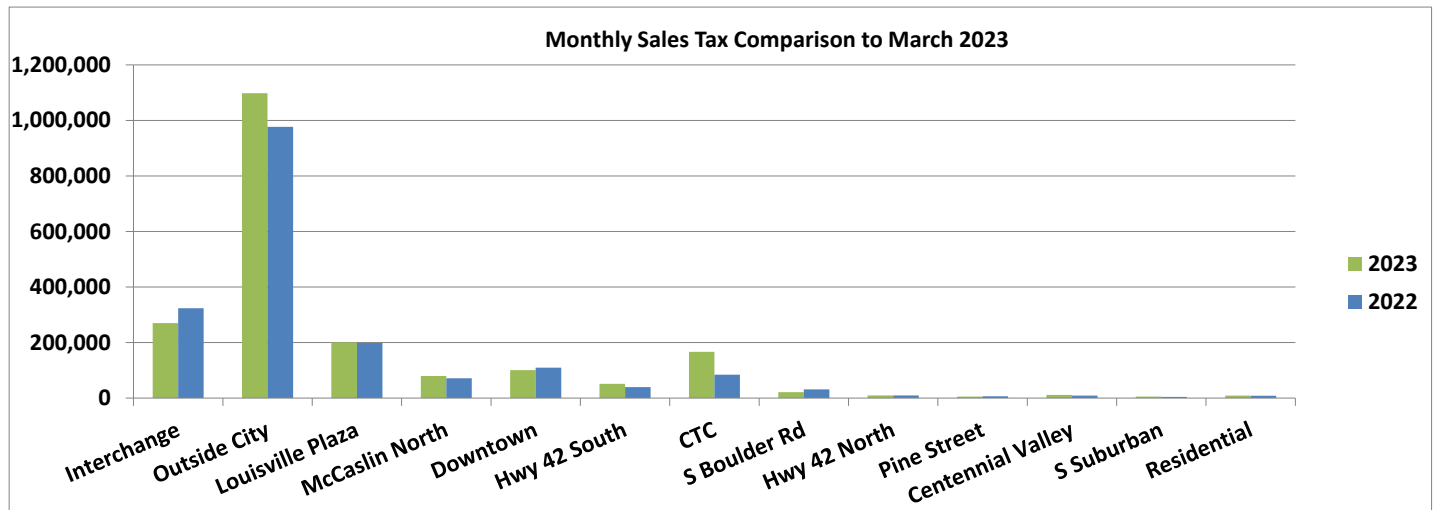
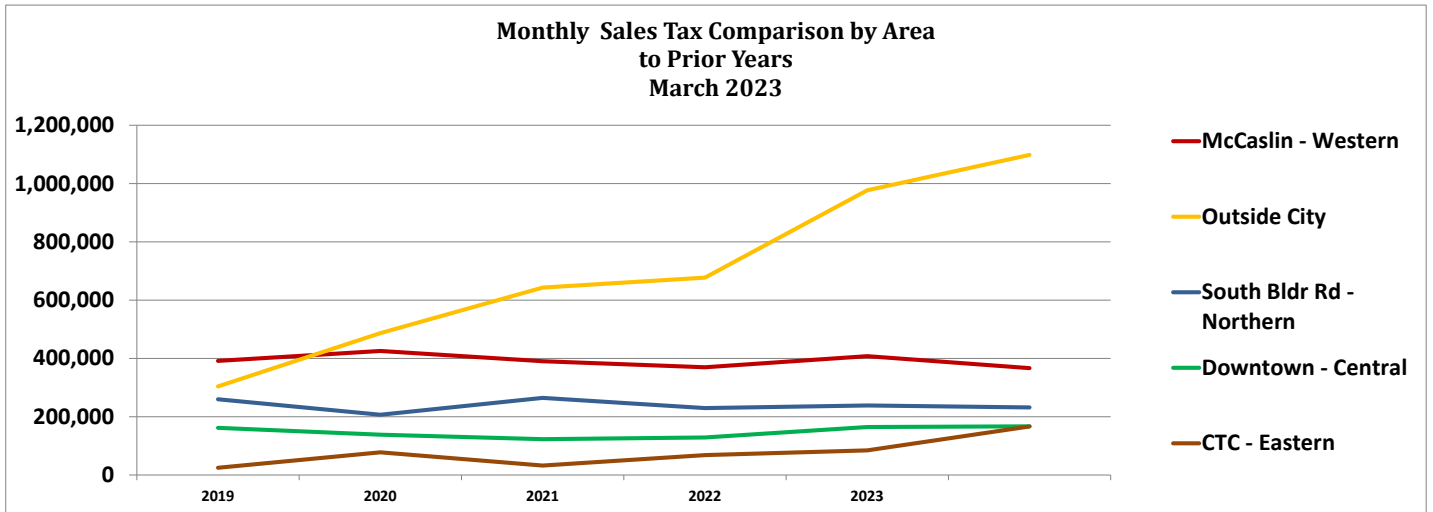
YEAR	MONTH	SALES TAX	USE TAX	BLDG USE TAX	AUTO USE TAX	LODGING TAX	AUDIT	Bag Tax	TOTAL
2023	JANUARY	1,568,367	155,955	238,897	157,506	8,027	-		2,128,752
	FEBRUARY	1,539,730	208,668	99,366	106,393	15,663	2,715		1,972,536
	MARCH	2,030,246	223,743	219,554	157,285	12,478	-	71,169	2,714,476
	APRIL								-
	MAY								-
	JUNE								-
	JULY								-
	AUGUST								-
	SEPTEMBER								-
	OCTOBER								-
	NOVEMBER								-
	DECEMBER								-
	YTD TOTALS	5,138,343	588,365	557,818	421,185	36,169	2,715	71,169	6,815,764
	YTD Variance % to Prior Year	18.0%	4.4%	87.1%	-13.5%	46.3%	-91.5%	51.9%	17.4%
2022	JANUARY	1,290,514	176,432	130,345	128,149	3,109	208		1,728,758
	FEBRUARY	1,190,326	193,090	51,720	119,067	6,032	14,265		1,574,500
	MARCH	1,873,155	194,188	116,141	239,724	15,574	17,376	46,850	2,503,008
	APRIL	1,716,488	166,822	103,279	171,550	21,231	2,336		2,181,706
	MAY	1,596,606	141,953	156,057	162,552	37,751	817		2,095,736
	JUNE	1,977,923	363,695	166,434	145,676	30,068	-	50,020	2,683,797
	JULY	1,582,397	282,381	250,332	133,511	47,010	12,466		2,308,096
	AUGUST	1,732,722	170,194	577,453	169,804	63,940	8,651		2,722,763
	SEPTEMBER	1,769,359	333,062	1,252,503	155,205	22,131	-	46,134	3,578,394
	OCTOBER	1,469,642	176,355	329,917	214,840	42,562	15		2,233,332
	NOVEMBER	1,368,473	102,994	61,392	134,481	10,985	-		1,678,325
	DECEMBER	2,355,727	350,061	582,602	123,871	14,445	6,724	45,940	3,479,370
	YTD TOTALS	19,923,333	2,651,227	3,778,176	1,898,431	314,836	62,857	188,944	28,767,785
	YTD Variance % to Prior Year	9.1%	27.0%	54.8%	5.1%	16.0%	-33.9%		15.3%
2021	JANUARY	1,093,893	151,922	76,766	165,964	8,893	13,085		1,510,523
	FEBRUARY	1,048,733	123,647	175,248	141,326	9,311	9,343		1,507,607
	MARCH	1,473,421	187,196	497,955	118,578	12,589	1,431		2,291,171
	APRIL	1,447,875	92,613	880,417	156,795	13,198	3,434		2,594,332
	MAY	1,463,795	142,433	69,429	145,625	17,757	14,572		1,853,611
	JUNE	1,836,453	206,969	39,899	182,192	26,986	5,542		2,298,042
	JULY	1,460,976	121,088	(32,980)	144,891	38,956	15,499		1,748,430
	AUGUST	1,372,626	152,120	152,949	160,162	40,187	2,490		1,880,534
	SEPTEMBER	1,641,416	215,222	45,706	163,655	31,783	13,666		2,111,448
	OCTOBER	1,534,805	152,057	164,302	148,773	34,618	12,142		2,046,696
	NOVEMBER	1,503,261	162,041	156,565	144,254	23,667	1,145		1,990,933
	DECEMBER	2,377,087	379,832	214,495	134,883	13,526	2,814		3,122,637
	YTD TOTALS	18,254,341	2,087,139	2,440,753	1,807,098	271,471	95,163		24,955,964
	YTD Variance % to Prior Year	16.9%	39.3%	43.3%	19.3%	48.7%	-79.1%		19.0%
2020	JANUARY	1,146,885	139,124	167,476	143,490	20,259	10,328		1,627,562
	FEBRUARY	1,010,556	181,982	213,379	138,820	18,916	62,695		1,626,348
	MARCH	1,453,347	128,050	101,197	68,233	17,511	33,347		1,801,683
	APRIL	1,043,220	102,057	369,619	61,493	4,291	56,334		1,637,014
	MAY	1,104,718	86,298	182,958	52,846	7,772	34,308		1,468,899
	JUNE	1,620,670	135,567	62,081	152,603	13,238	126,571		2,110,730
	JULY	1,231,987	76,551	53,104	160,605	20,902	7,733		1,550,883
	AUGUST	1,176,398	83,836	53,404	155,256	24,833	26,419		1,520,146
	SEPTEMBER	1,500,877	105,141	136,333	145,388	18,154	48,695		1,954,587
	OCTOBER	1,274,200	123,011	36,568	192,352	17,622	7,756		1,651,508
	NOVEMBER	1,137,481	83,349	218,216	100,847	10,177	35,354		1,585,423
	DECEMBER	1,920,601	252,875	109,363	142,948	8,882	5,392		2,440,062
	YTD TOTALS	15,620,940	1,497,840	1,703,698	1,514,880	182,557	454,931		20,974,845
	YTD Variance % to Prior Year	-2.9%	-12.9%	-18.4%	-12.7%	-59.9%	-67.1%		-10.6%
2019	JANUARY	1,071,558	127,245	86,502	201,074	21,423	18,826		1,526,627
	FEBRUARY	936,429	147,890	265,760	118,258	21,707	67,844		1,557,888
	MARCH	1,334,863	152,930	65,076	142,231	27,356	74,188		1,796,643
	APRIL	1,159,948	284,945	203,698	123,778	30,600	27,803		1,830,773
	MAY	1,223,169	92,960	281,555	162,333	44,797	105,311		1,910,125
	JUNE	1,579,107	154,476	324,102	109,552	53,263	44,863		2,265,363
	JULY	1,366,196	95,129	208,918	160,122	62,859	22,182		1,915,406
	AUGUST	1,488,654	113,156	88,430	145,808	57,724	810,122		2,703,894
	SEPTEMBER	1,501,976	140,882	143,151	143,031	46,348	30,769		2,006,157
	OCTOBER	1,338,241	99,425	142,592	178,136	42,935	157,833		1,959,161
	NOVEMBER	1,208,379	101,710	213,900	126,120	27,259	7,513		1,684,881
	DECEMBER	1,878,105	209,877	64,581	125,652	18,444	13,666		2,310,324
	YTD TOTALS	16,086,625	1,720,626	2,088,265	1,736,096	454,714	1,380,919		23,467,244
	YTD Variance % to Prior Year	5.0%	19.1%	-8.1%	-14.6%	-3.8%	142.5%		2.2%

Bag Tax Revenue



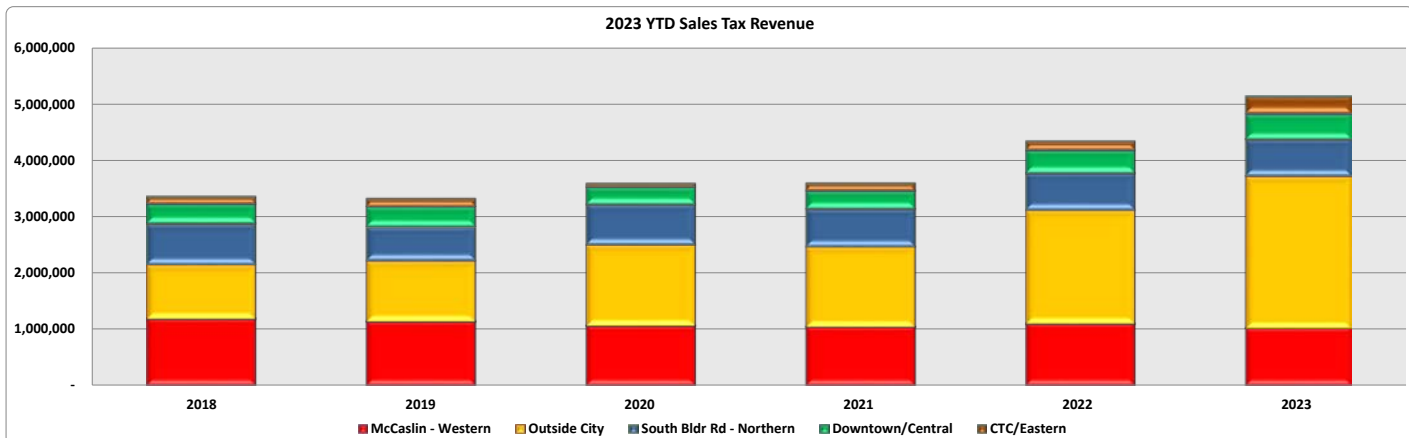
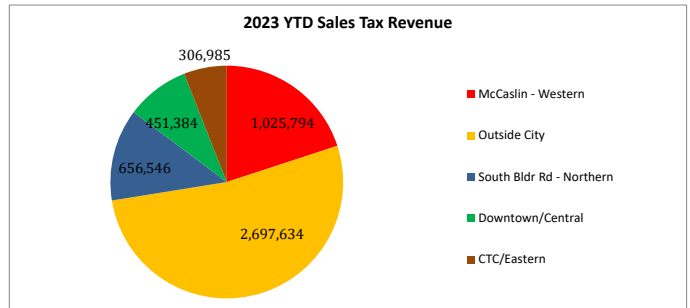
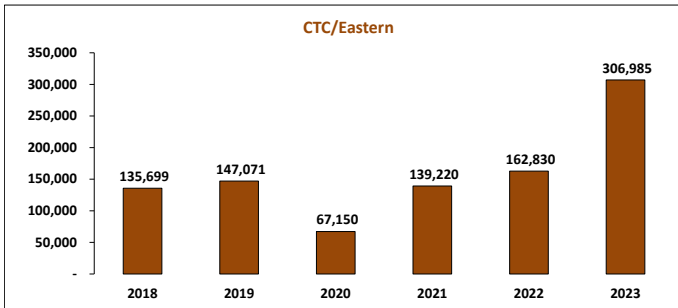
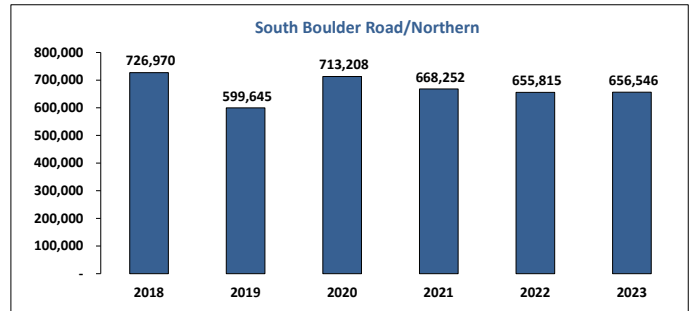
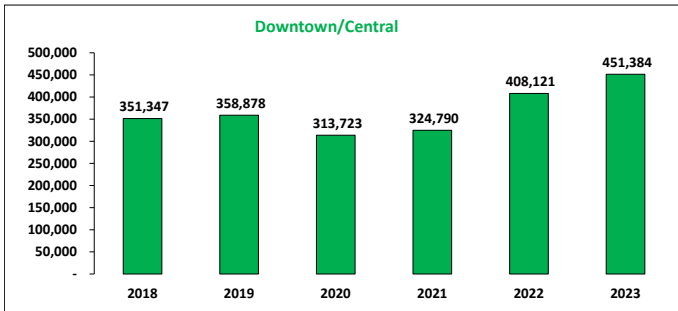
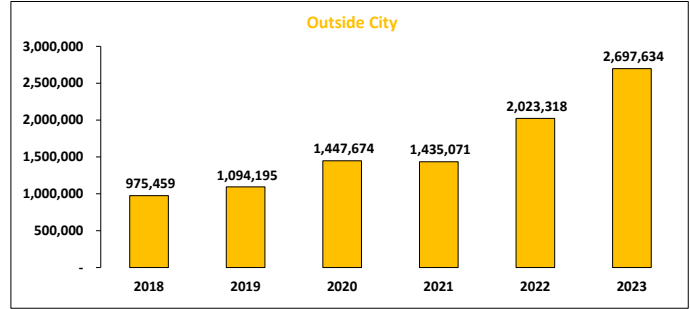
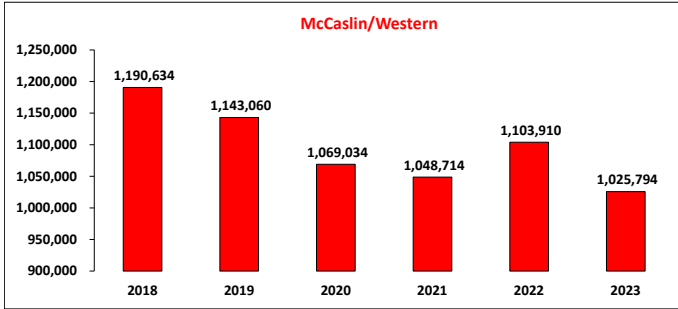
Monthly Sales Tax Revenue Comparisons by Area (March 2023)

AREA NAME	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	% Of Total	% Change
Interchange	332,707	308,154	292,924	323,582	270,105	13.3%	-16.5%
Outside City	486,919	643,249	677,430	977,125	1,098,282	54.1%	12.4%
Louisville Plaza	171,261	220,173	183,236	198,266	200,888	9.9%	1.3%
McCaslin North	69,314	68,616	62,893	71,067	79,806	3.9%	12.3%
Downtown	101,652	84,528	79,112	109,597	100,882	5.0%	-8.0%
Hwy 42 South	25,117	31,967	38,932	39,840	51,479	2.5%	29.2%
CTC	77,528	32,396	68,233	84,504	166,582	8.2%	97.1%
S Boulder Rd	22,961	39,013	38,978	31,207	21,450	1.1%	-31.3%
Hwy 42 North	12,552	5,445	7,400	9,271	9,394	0.5%	1.3%
Pine Street	8,585	4,728	5,141	6,873	5,593	0.3%	-18.6%
Centennial Valley	19,201	7,411	9,618	8,943	11,288	0.6%	26.2%
S Suburban	4,364	5,965	4,106	4,276	5,464	0.3%	27.8%
Residential	2,702	1,701	5,417	8,603	9,032	0.4%	5.0%
Total Revenue	1,334,863	1,453,347	1,473,421	1,873,155	2,030,246		
% Of Change	16.9%	8.9%	1.4%	27.1%	8.4%		



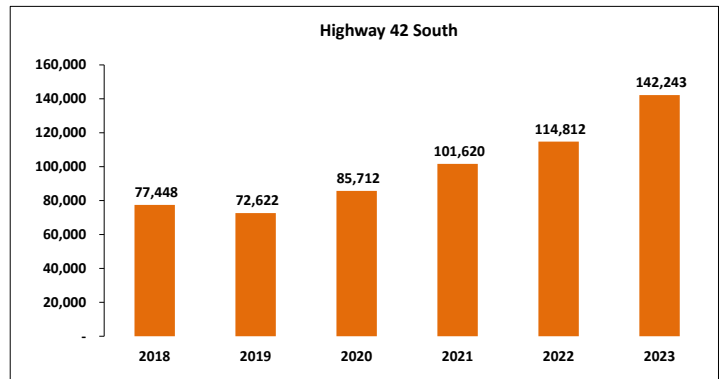
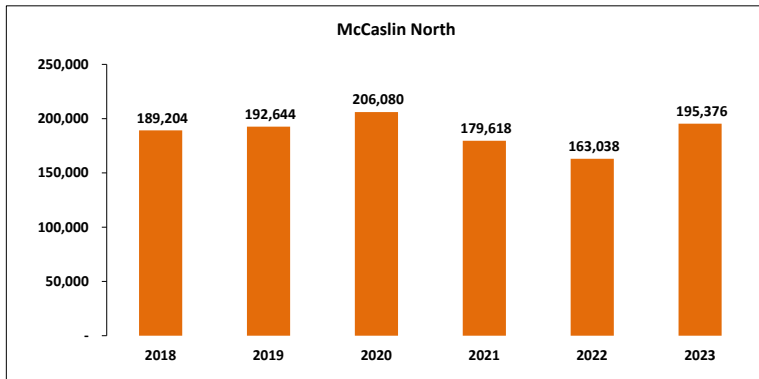
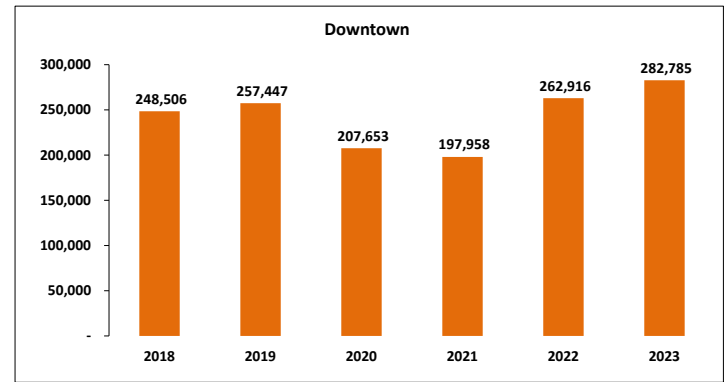
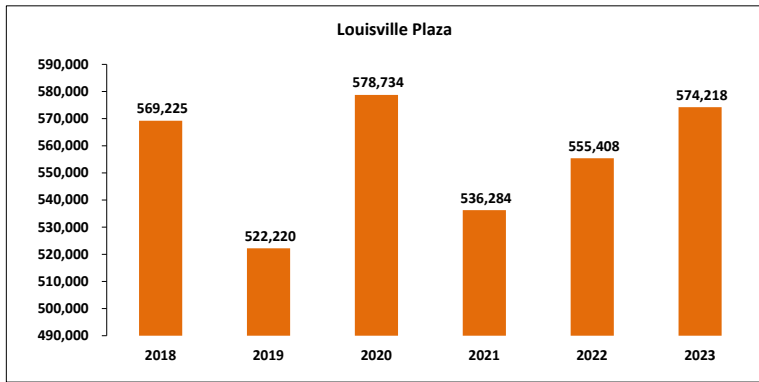
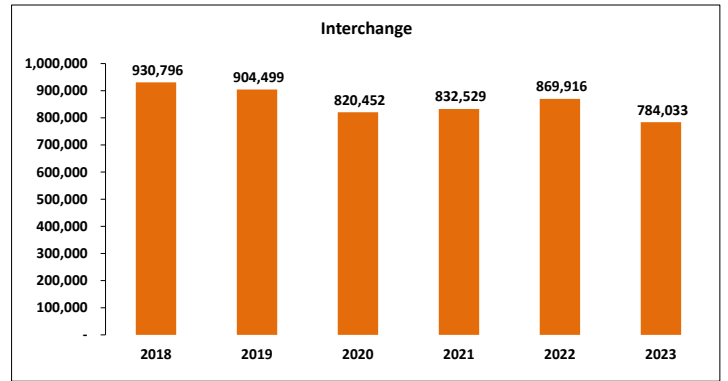
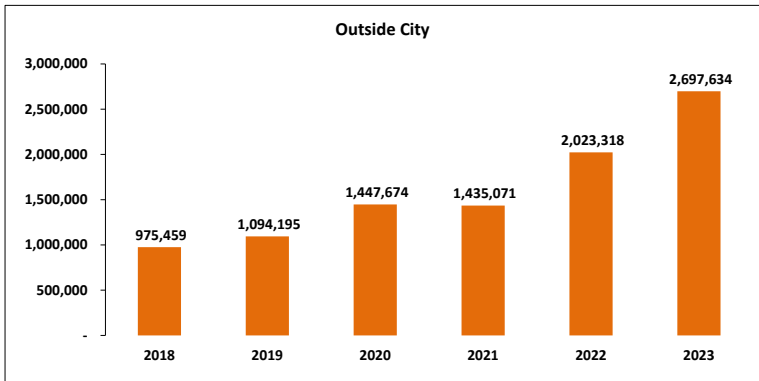
CITY OF LOUISVILLE
Sales Tax Revenue History by Area (Jan. - March 2023)

	2018	% Var	2019	% Var	2020	% Var	2021	% Var	2022	% Var	2023	% Var	% of Total
McCaslin - Western	1,190,634	11.37%	1,143,060	-4.00%	1,069,034	-6.48%	1,048,714	-1.90%	1,103,910	5.26%	1,025,794	-7.08%	20.0%
Outside City	975,459	-32.62%	1,094,195	-24.42%	1,447,674	32.30%	1,435,071	-0.87%	2,023,318	40.99%	2,697,634	33.33%	52.5%
South Bldr Rd - Northern	726,970	1.93%	599,645	-15.92%	713,208	18.94%	668,252	-6.30%	655,815	-1.86%	656,546	0.11%	12.8%
Downtown/Central	351,347	11.99%	358,878	14.39%	313,723	-12.58%	324,790	3.53%	408,121	25.66%	451,384	10.60%	8.8%
CTC/Eastern	135,699	102.08%	147,071	119.02%	67,150	-54.34%	139,220	107.33%	162,830	16.96%	306,985	88.53%	6.0%
	3,380,108	-6.4%	3,342,849	-1.1%	3,610,788	8.0%	3,616,047	0.1%	4,353,995	20.4%	5,138,343	18.0%	

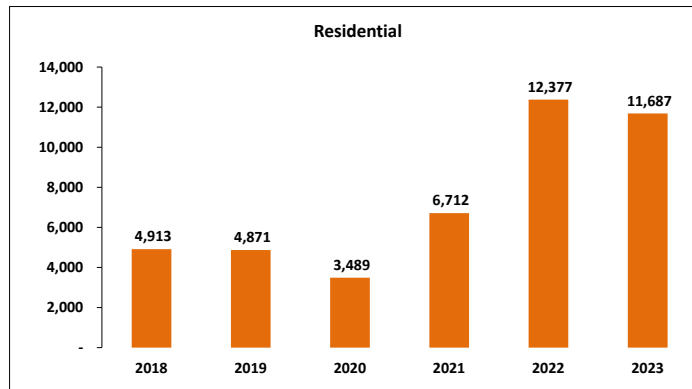
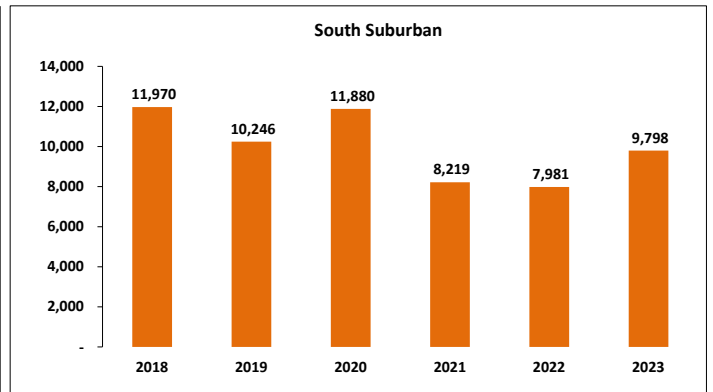
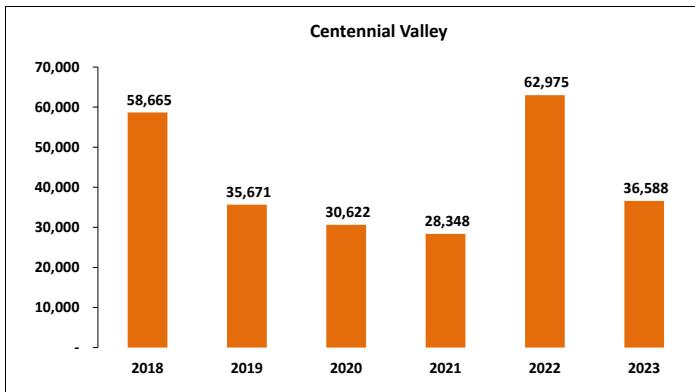
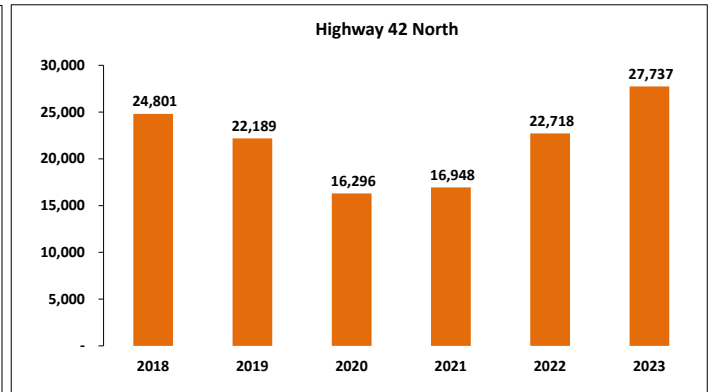
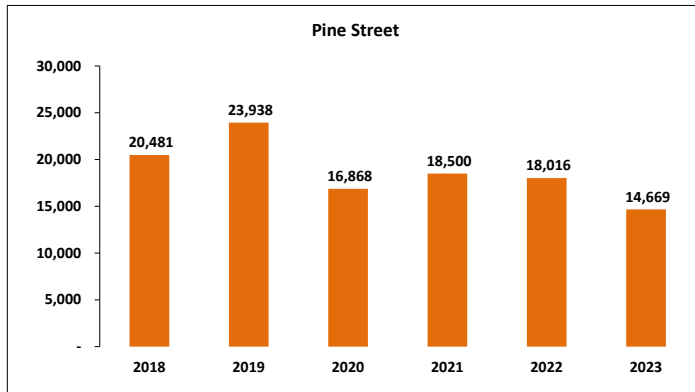
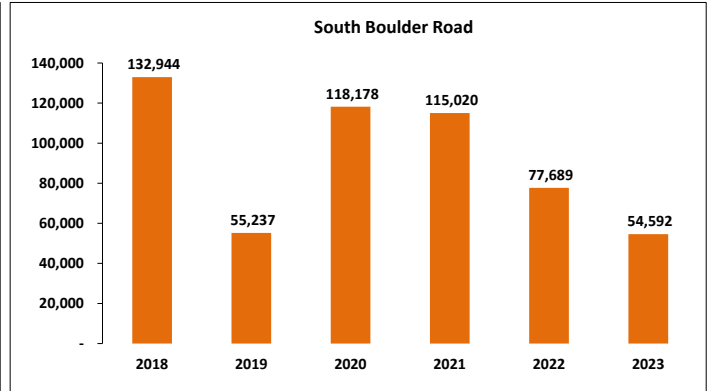
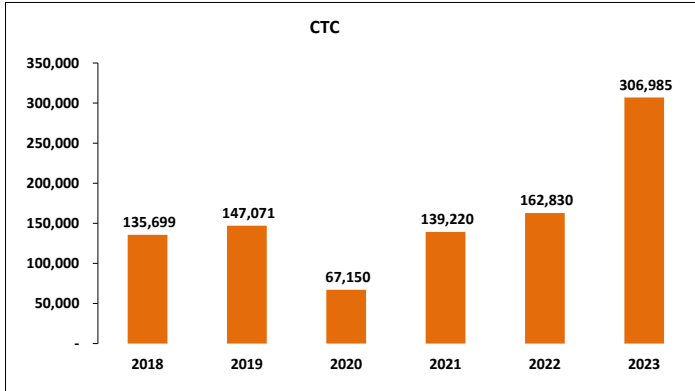


CITY OF LOUISVILLE
Qtrly Revenue History by Area (Jan. - Mar. 2023)

	2018	% Var	2019	% Var	2020	% Var	2021	% Var	2022	% Var	2023	% Var	% of Total
Outside City	975,459	-32.6%	1,094,195	12.2%	1,447,674	32.3%	1,435,071	-0.9%	2,023,318	41.0%	2,697,634	33.3%	52.50%
Interchange	930,796	13.4%	904,499	-2.8%	820,452	-9.3%	832,529	1.5%	869,916	4.5%	784,033	-9.9%	15.26%
Louisville Plaza	569,225	-1.6%	522,220	-8.3%	578,734	10.8%	536,284	-7.3%	555,408	3.6%	574,218	3.4%	11.18%
Downtown	248,506	19.7%	257,447	3.6%	207,653	-19.3%	197,958	-4.7%	262,916	32.8%	282,785	7.6%	5.50%
McCaslin North	189,204	-8.2%	192,644	1.8%	206,080	7.0%	179,618	-12.8%	163,038	-9.2%	195,376	19.8%	3.80%
Hwy 42 South	77,448	-9.6%	72,622	-6.2%	85,712	18.0%	101,620	18.6%	114,812	13.0%	142,243	23.9%	2.77%
CTC	135,699	102.1%	147,071	8.4%	67,150	-54.3%	139,220	107.3%	162,830	17.0%	306,985	88.5%	5.97%
South Boulder Rd	132,944	12.5%	55,237	-58.5%	118,178	113.9%	115,020	-2.7%	77,689	-32.5%	54,592	-29.7%	1.06%
Pine Street	20,481	21.4%	23,938	16.9%	16,868	-29.5%	18,500	9.7%	18,016	-2.6%	14,669	-18.6%	0.29%
Hwy 42 North	24,801	52.2%	22,189	-10.5%	16,296	-26.6%	16,948	4.0%	22,718	34.1%	27,737	22.1%	0.54%
Centennial Valley	58,665	91.6%	35,671	-39.2%	30,622	-14.2%	28,348	-7.4%	62,975	122.1%	36,588	-41.9%	0.71%
South Suburban	11,970	0.8%	10,246	-14.4%	11,880	15.9%	8,219	-30.8%	7,981	-2.9%	9,798	22.8%	0.19%
Residential	4,913	40.8%	4,871	-0.8%	3,489	-28.4%	6,712	92.4%	12,377	84.4%	11,687	-5.6%	0.23%
	3,380,108	-0.4%	3,342,849	-1.1%	3,610,788	8.0%	3,616,047	0.1%	4,353,995	20.4%	5,138,343	18.0%	

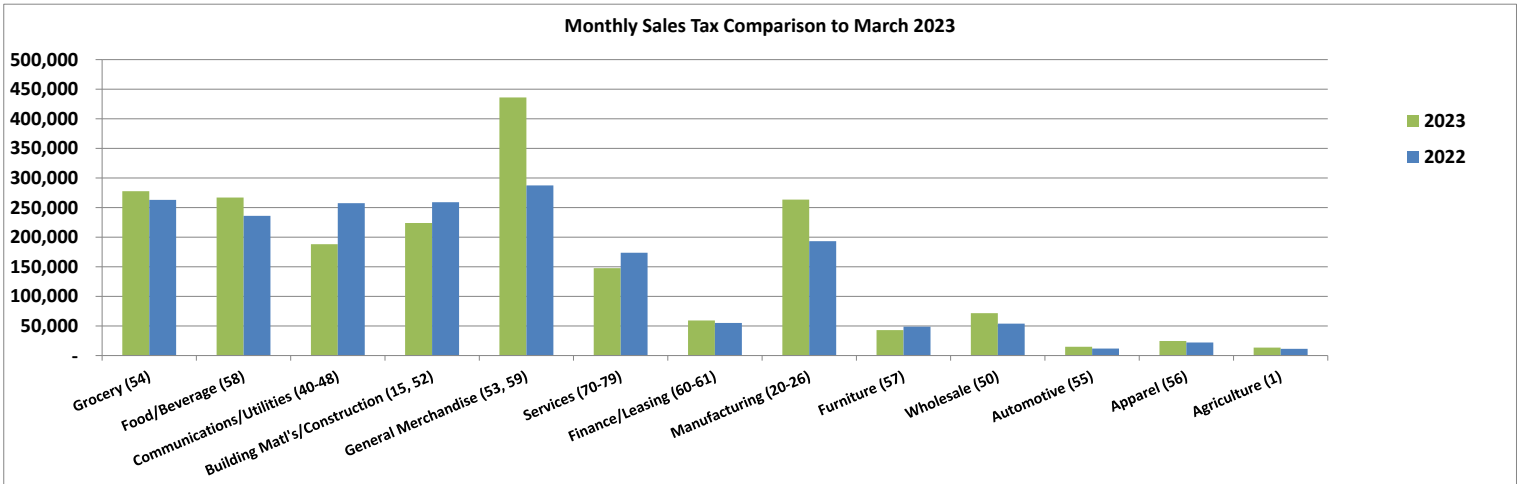
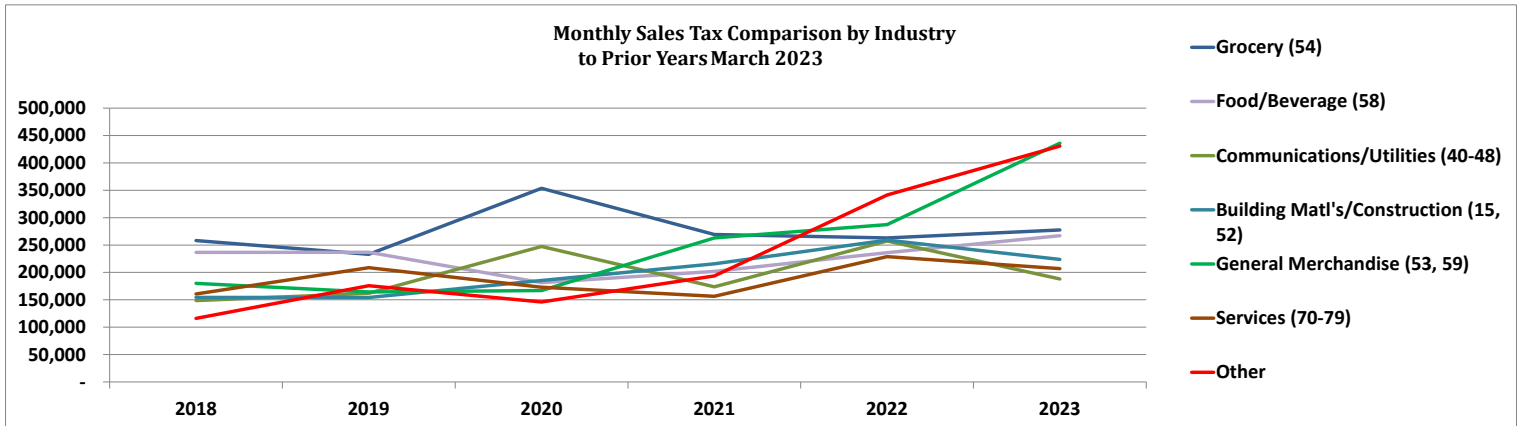


CITY OF LOUISVILLE
Revenue History by Area (Jan. 2023)



Monthly Sales Tax Revenue Comparisons by Industry (March 2023)

AREA NAME	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	% Of Total	% Change
Grocery (54)	258,135	233,069	353,612	269,311	263,006	277,646	13.7%	5.6%
Food/Beverage (58)	236,463	236,831	181,350	201,754	236,012	267,015	13.2%	13.1%
Communications/Utilities (40-48)	148,555	162,029	247,263	173,632	257,398	188,148	9.3%	-26.9%
Building Matl's/Construction (15, 52)	154,244	154,218	185,208	215,668	259,010	223,844	11.0%	-13.6%
General Merchandise (53, 59)	179,915	164,310	166,884	263,010	287,394	436,015	21.5%	51.7%
Services (70-79)	118,472	144,496	122,159	106,236	173,810	147,579	7.3%	-15.1%
Finance/Leasing (60-61)	42,235	64,192	50,755	50,167	55,045	59,230	2.9%	7.6%
Manufacturing (20-26)	32,739	92,788	42,774	84,384	193,365	263,457	13.0%	36.2%
Furniture (57)	26,681	34,342	20,585	25,325	48,748	42,948	2.1%	-11.9%
Wholesale (50)	33,488	26,267	56,416	55,364	53,887	71,519	3.5%	32.7%
Automotive (55)	5,597	7,523	5,710	6,620	11,837	14,871	0.7%	25.6%
Apparel (56)	11,321	8,728	13,845	14,715	22,165	24,515	1.2%	10.6%
Agriculture (1)	6,244	6,070	6,785	7,235	11,477	13,459	0.7%	17.3%
Totals	1,254,090	1,334,863	1,453,347	1,473,421	1,873,155	2,030,246		
% Of Change	6.0%	6.4%	8.9%	1.4%	27.1%	8.4%		



Revenue History by Industry (Jan. - Mar. 2023)

	2018	% Var	2019	% Var	2020	% Var	2021	% Var	2022	% Var	2023	% Var	% of Total
Grocery	793,136	21.1%	697,092	-12.1%	890,949	27.8%	825,796	-7.3%	773,724	-6.3%	812,299	5.0%	15.8%
Food/Beverage	625,677	11.6%	631,271	0.9%	539,063	-14.6%	539,971	0.2%	595,123	10.2%	729,322	22.5%	14.2%
Comm/Util.	392,907	-10.4%	407,872	3.8%	573,276	40.6%	397,176	-30.7%	505,891	27.4%	535,457	5.8%	10.4%
Bldg Matl's.	367,927	4.9%	388,883	5.7%	405,215	4.2%	501,319	23.7%	612,616	22.2%	535,094	-12.7%	10.4%
Merchandise	458,070	23.9%	408,562	-10.8%	487,900	19.4%	574,439	17.7%	719,689	25.3%	1,100,071	52.9%	21.4%
Services	316,787	-6.9%	328,909	3.8%	295,767	-10.1%	254,765	-13.9%	386,256	51.6%	383,689	-0.7%	7.5%
Fin./Lease	94,570	4.3%	117,379	24.1%	91,863	-21.7%	105,014	14.3%	130,203	24.0%	146,662	12.6%	2.9%
Manufacturing	127,143	3.9%	159,528	25.5%	95,043	-40.4%	144,767	52.3%	265,424	83.3%	501,052	88.8%	9.8%
Furniture	65,896	13.1%	82,454	25.1%	58,219	-29.4%	78,346	34.6%	114,610	46.3%	108,099	-5.7%	2.1%
Wholesale	84,049	37.0%	67,826	-19.3%	110,366	62.7%	128,918	16.8%	139,813	8.5%	166,980	19.4%	3.2%
Automotive	15,694	4.8%	14,964	-4.7%	16,572	10.7%	18,800	13.4%	37,596	100.0%	33,523	-10.8%	0.7%
Apparel	23,484	-3.6%	23,226	-1.1%	30,518	31.4%	29,510	-3.3%	44,585	51.1%	52,203	17.1%	1.0%
Agriculture	14,769	14.5%	14,884	0.8%	16,039	7.8%	17,225	7.4%	28,465	65.3%	33,893	19.1%	0.7%
	3,380,108	9.0%	3,342,849	-1.1%	3,610,788	8.0%	3,616,047	0.1%	4,353,995	20.4%	5,138,343	18.0%	

