



### **The City of Raleigh, North Carolina Initiates Use of GFOA YieldAdvantage for Weekly Operating Fund Investment**

The city of Raleigh, North Carolina started using GFOA YieldAdvantage™ to invest its operating funds July 15, 2005. GFOA YieldAdvantage™ is an Internet auction site offered by the Government Finance Officers Association. Using GFOA YieldAdvantage™, the city invested \$8 million in a single maturity GSE security.

Perry James, the city Chief Financial Officer, said he was pleased with the results of the 30-minute electronic sale. "I believe that the platform makes the process of investing our operating funds much more efficient. Through the automation of GFOA YieldAdvantage™ we can solicit bids from a greater number of financial institutions and, thereby, increase competition for city funds. We expect to use the platform on a regular basis."

The \$8 million, 359-day transaction was a "sealed" solicitation in which 12 broker-dealers submitted offers of open market securities consisting of government sponsored enterprise instruments. There was a spread of 10.5 basis points between the lowest and highest offers.

The City repeated the success of this initial auction on July 22, when bids for two maturities of 277 and 182 days, respectively, were solicited. For the first maturity, 11 broker-dealers submitted bids for GSE instruments with a dispersion of approximately 9.5 basis points between the offers; for the second maturity, ten broker-dealers submitted offers for GSE instruments with a dispersion of approximately 6.5 basis points between winning and lowest. The city expects to repeat these investments on a weekly basis.

GFOA YieldAdvantage™ is a Web-based investment auction platform offered through an alliance of the Government Finance Officers Association and Grant Street Group. Through the use of GFOA YieldAdvantage™, state and local governments are able to solicit bids easily and efficiently from a large number of financial institutions via the Internet, enhancing the investment of government funds.

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